



Carl Blanchard
Chair
Takeovers Panel
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Dear Carl

ANNUAL LETTER OF EXPECTATIONS FOR 2025/26

I write to convey my strategic and performance expectations for the Takeovers Panel (the Panel) in relation to the 2025/26 financial year. This letter supplements the enduring letter of expectations for statutory Crown entity boards from the Minister of Finance/Minister for the Public Service¹.

Contributing to Government priorities

The National/ACT/New Zealand First Coalition Government (the Government) agreed a policy programme of work for this term which will contribute to the Government's overarching aim to improve outcomes for all New Zealanders.

This year, the Government's top priority is going for the growth we need to lift incomes, strengthen local businesses and create opportunity. We are focused both on changes we can make now to grow the economy, while also driving through the fundamental changes that are needed to address some of New Zealand's long-standing productivity challenges. In particular, we are focused on the policy, regulatory, tax and investment conditions that support growth.

In 2025, we will work towards a better deal for New Zealand consumers by making financial services more accessible, fairer, and affordable, while enhancing competition to provide greater choice and bring down costs. This year we will simplify financial services laws to improve access to credit, streamline the Conduct of Financial Institutions regime, and enhance dispute resolution services. We will also modernise governance and competition laws, remove barriers to company listings, and strengthen protections against financial scams. The Government will also pass legislation to enable data sharing in sectors like banking and energy, fostering competition and delivering better options for consumers.

¹ <https://www.publicservice.govt.nz/assets/ELOE24-FINAL-signed-Enduring-Letter-of-Expectation-to-Crown-Entity-Chairs-Apr24-2.pdf>

Specific priorities and expectations for the Takeovers Panel

I would like to thank the Panel for its hard work throughout 2024. 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 2025/26 financial year, my specific expectations are that the Panel:

- 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 review of the Takeovers Panel fees and to support the smooth and effective implementation of changes to New Zealand's takeovers law
- 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;
- 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

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 ensure the Panel prepares a draft Statement of Performance Expectations for my consideration by 1 May 2025.

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 1 June 2025, 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 blue ink, appearing to read 'SAS', with a long horizontal flourish extending to the right.

Hon Scott Simpson

Minister of Commerce and Consumer Affairs

Copy to: Andrew Hudson
Chief Executive, Takeovers Panel

Andrew Hume
General Manager, Commerce, Consumer and Business Policy, MBIE

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.