

24 January 2023

### Tēnā koe

On 25 October 2022, you emailed the Ministry of Social Development (the Ministry) requesting, under the Official Information Act 1982 (the Act), the following information:

- 1. Can you provide an overview of all funding provided to Manaaki from MSD and a break down by contract / service and how much funding for each?
- 2. Can you provide an overview for each contract / service, an overview of the tender process and assessment data on Manaaki as a result of that process? And how many other providers were considered alongside Manaaki for each contract / service? Please also provide an overview of due diligence done on Manaaki for each contract or service provided?
- 3. Are MSD aware of concerns raised about Manaaki and if so please provide any written documentation around this or if there were verbal discussion a summary of these?
- 4. Has MBIE Government Procurement, MBIE Economic Development or Callaghan Innovation provided any information on Manaaki either in support of using their services or raised issues and concerns in their services provided? If so please provide written documentation and if verbal discussions were held then a summary of these?
- 5. Has MSD ever acted as a quasi referee for Manaaki in the work they've done for them?
- 6. How has MSD assessed the work that Manaaki has done and please provide a summary of that assessment information? (written and verbal summaries).
- 7. Are Manaaki currently in any tender process for MSD work?

For the sake of clarity, I will respond to your questions in the following order.

- 1. Can you provide an overview of all funding provided to Manaaki from MSD and a break down by contract / service and how much funding for each?
- 2. Can you provide an overview for each contract / service, an overview of the tender process and assessment data on Manaaki as a result of that process? And how many other providers were considered alongside Manaaki for each contract / service? Please also provide an overview of due diligence done on Manaaki for each contract or service provided?

## Digital Doers programme

The original Manaaki Digital Doers programme ran from 15 December 2020 to 30 June 2021 and aimed to enable tech and social media savvy jobseekers to upskill and gain employment, in the context of COVID-19 restrictions and the need for small and medium sized enterprises (SMEs) to rapidly develop ecommerce capability. Through building the digital capability of 25 jobseekers, they would be employable as 'digital doers': digital and social media coordinators/advisors in SMEs or have the transferrable digital skills valued by employers.

The programme consisted of a 12-week education programme made up of online courses, live webinar-based learning sessions and practical capability building exercises. The second stage of the programme was an 8-week paid business internship.

Based on the outcomes of the pilot, the Ministry then contracted a second cohort of 100 Manaaki Digital Doers from the period 8 September 2021 to 30 June 2022. Employment and in-work support components were added to the contract to test scalability.

Please refer to the first page in the **Appendix** for a breakdown of funding for the Manaaki Digital Doers programme.

## Whanake partnership

In March 2022 the Manaaki Whanake partnership agreement was formed, a collaborative initiative of technology-based companies each contributing \$50,000 to a partnering fund. Whanake was aimed at closing the digital divide and targeting SMEs in the health, sustainability, education and community sectors.

Note, in November 2022 the Ministry completed renegotiations with Manaaki on a variation of the original Whanake contract. The revised deliverables included an initiative which would enable 100 of the Ministry's clients and providers access to a portfolio of courses and media designed to support business start-up and growth, including an online programme designed to deliver this content within a Māori and Pasifika oriented mode of delivery and presentation. The programme consisted of seven online courses made up of 88 total lessons, tools and videos.

# Tender process and due diligence

In November 2020, Industry Partnerships gained Ministry Procurement Board approval to opt-out of the requirement to conduct a competitive tender process and directly contract Manaaki to deliver the pilot Digital Doers programme. This opt-out was granted under the Government Procurement Rules (Rule 14.9/j) on the grounds that the initiative was the result of an unsolicited unique proposal. In September 2021, this opt-out was approved for extension for a further 12 months. Because this partnership initiative was not tendered, no other providers were considered for the contract.

Where appropriate, contracts that are valued below \$100,000 are not subject to the requirement to tender. As the Manaaki Whanake partnership contract was valued at \$50,000 and was based in collaboration with a network of other partners, this partnership was not subject to advertisement of an open tender. As such, no other providers were considered for the contract.

Ministry standard due diligence was completed before entering in contracts with Manaaki, which included conversations with our public sector colleagues. At the time of contracting, it was noted that We Are Indigo/Manaaki was led by reputable New Zealand business figures including Andrew Hamilton (ONZM, former CEO of the Icehouse), Pat MacFie (former Xero executive), and had the backing of credible investors including Steven Tindall.

Standard due diligence procedure included a review of the following documentation provided by Manaaki:

- We Are Indigo Limited Annual Report: For the year ended 31 March 2020, and for the year ended 31 March 2021
- Certificate of Incorporation for WE ARE INDIGO LIMITED 7148514, NZBN: 9429047157552
- Signed Authority to Negotiate, endorsed by Pat MacFie, authorising Robert Andrew Hamilton to negotiate with the Ministry
- Evidence of Bank Account and IRD details
- 6. How has MSD assessed the work that Manaaki has done and please provide a summary of that assessment information? (written and verbal summaries).

An evaluation of the Digital Doers programme determined the following outcomes:

### First cohort

- 197 candidates applied
- 40 shortlisted
- · 25 started on programme

- · 23 completed pre-employment training
- 19 exiting their benefit post training
- 16 placed into internships

#### Second cohort

- · 100 started on programme
- · 80 completed pre-employment training
- 69 placed into internships
- 61 completed internships

At the end of June, across both groups 77 people were working full-time or part-time in digital roles and of these 49 people were off benefit.

Manaaki also drew the following conclusions in their end of programme report:

- · It had not delivered off-benefit client outcomes as expected
- More focused courses in smaller cohorts running concurrently would meet employer needs and be more appropriate for target groups
- The timing of the programme split by Christmas and New Year's was not ideal
- Manaaki needed a dedicated staff member to manage internship and work placement
- A number of participants are working casually, volunteering or have gone on to further education
- Digital literacy and skills are critical for success in life and work all the
   Digital Doers have upskilled whether they are in work or not
- 3. Are MSD aware of concerns raised about Manaaki and if so please provide any written documentation around this or if there were verbal discussion a summary of these?

The **Appendix** contains a copy of an email from Andy Hamilton to the Industry Partnerships team titled "Update from Indigo". You will note some staff information in the email is withheld under section 9(2)(a) of the Act in order to protect the privacy of natural persons. The need to protect the privacy of these individuals outweighs any public interest in this information.

A copy of the document attached in this email, "Indigo Stakeholder Communication 7 June 22", has also been provided to you.

The potential impacts of the disputes with Manaaki were discussed at a scheduled contract management meeting on 7 July 2022 at Manaaki head office but the specifics of what had been alleged in the media were not

discussed. It was noted that impacts to our contract were likely to be minimal if any. The key discussion points of this meeting are summarised below.

Concerns about scope creep and Manaaki's ability to deliver on the outcomes within the Manaaki Whanake contract were raised by the Ministry as part of our normal account management process. This concern came about because client-focused initiatives were to be delivered through the Manaaki partner ecosystem, which was impacted by commentary about Manaaki.

As the contract still had 11 months to run it was agreed that a subsequent meeting would be held in September to confirm delivery of planned deliverables.

On 22 September, the Ministry's Industry Partnerships unit met with Rachel Adams and Andy Hamilton from Manaaki again. In the **Appendix** you will find an email chain dated 10 October, titled "MSD/Whanake Partnership", which contains a summary of the 22 September 2022 meeting and subsequent conversation.

You will note some information in this email is withheld under section 9(2)(a) of the Act in order to protect the privacy of natural persons. The need to protect the privacy of these individuals outweighs any public interest in this information.

This email also contained a signed copy of the original Whanake partnership contract between the Ministry and Manaaki. As the contract deliverables have since been renegotiated, this version of the contract has been deemed out of scope of your request.

4. Has MBIE Government Procurement, MBIE Economic Development or Callaghan Innovation provided any information on Manaaki either in support of using their services or raised issues and concerns in their services provided? If so please provide written documentation and if verbal discussions were held then a summary of these?

Per our response in the previous sections, conversations with other agencies are part of our business-as-usual due diligence but to the best of our knowledge, no communication, written or verbal, took place with the Ministry of Business, Innovation and Employment (MBIE) Government Procurement, MBIE Economic Development or Callaghan Innovation.

As such, this part of your request is refused under section 18(g)(i) of the Act as the information you have requested is not held by the Ministry and I have no grounds to believe that the information is either held by or closely connected to the functions of another department, Minister of the Crown or organisation.

5. Has MSD ever acted as a quasi-referee for Manaaki in the work they've done for them?

The Ministry is proud of the work achieved through partnership programmes and openly promotes this work in the public domain. However, this is not a direct endorsement of the external companies involved. Therefore, the Ministry has never acted as a quasi-referee for Manaaki in regard to any initiatives or programmes completed together.

7. Are Manaaki currently in any tender process for MSD work?

Following the completion of renegotiating of the Whanake partnership contract deliverables, the programme was brought to a close. In addition to this, the Ministry did not renew the Digital Doers programme for a further term. As such, the Ministry is not currently involved in any tender processes for contracts with We Are Indigo or Manaaki.

The principles and purposes of the Official Information Act 1982 under which you made your request are:

- to create greater openness and transparency about the plans, work and activities of the Government,
- to increase the ability of the public to participate in the making and administration of our laws and policies and
- to lead to greater accountability in the conduct of public affairs.

This Ministry fully supports those principles and purposes. The Ministry therefore intends to make the information contained in this letter and any attached documents available to the wider public. The Ministry will do this by publishing this letter and attachments on the Ministry's website. Your personal details will be deleted, and the Ministry will not publish any information that would identify you as the person who requested the information.

If you wish to discuss this response with us, please feel free to contact OIA Requests@msd.govt.nz.

If you are not satisfied with this response, you have the right to seek an investigation and review by the Ombudsman. Information about how to make a complaint is available at <a href="https://www.ombudsman.parliament.nz">www.ombudsman.parliament.nz</a> or 0800 802 602.

Ngā mihi nui

Amanda Nicolle

Director

**Industry Partnerships** 

# **Appendix**

# Manaaki Digital Doers programme funding

# 2020/21 Pilot programme:

Programme fees per participant	\$6,000
Wage Subsidies: 30 hours per week x min wage (\$20.00) x 8 weeks	\$4,800
Total average cost per client	\$10,800
Total contract value	\$270,000
Total actual spend	\$226,000

# 2021/22 programme:

Activity	Per person	Total
12-week academy delivery	\$4,000	\$400,000
Internship placement	\$1,500	\$150,000
Wage subsidies: 30 hours per week x min wage x up to 8 weeks	Up to \$4,800	Up to \$480,000
9-weeks in-work payment	\$1,000	\$100,000
22-weeks in-work payment	\$500	\$50,000
Activity	Per person	Total
Programme co-ordinator		\$50,000
Total average cost per client	\$12,300	\$1,230,000
25 x Chromebook devices	\$400	10,000
Total cost		\$1,240,000
Total actual spend		\$878,800

From: Andy Hamilton

**To:** <u>Amanda Nicolle</u>; s9(2)(a) ; s9(2)(a) ; s9(2)(a) ; s9(2)(a)

Cc: Rachel Adams; Monty Betham; Patrick MacFie

**Subject:** Update from Indigo ....

**Date:** Tuesday, 7 June 2022 11:49:53 am

Attachments: Indigo Stakeholder Communication 7 June22.pdf.zip

### Kia Ora MSD Whanau

We want to keep you in the loop about an <u>article</u> that has appeared in the NBR this morning, which is also connected with a sustained and behind the scenes effort by parties who feel wronged by We Are Indigo.

Attached is an extensive discussion of allegations that have been made and our perspective. The disputes that we reference in the attached were fully resolved and are now being brought up again in the NBR article, as well as by parties on social media, without naming us.

The reality is that we have a few parties that for some reason feel slighted by Indigo and the people behind it and have mounted a continual challenge against us. We have worked very hard to resolve our disputes and find ground to move on, which we have.

We are not without blame - the past is the past, but we have always held our head up high and resolved matters and then moved on and of course we have a version of the events.

In little over two and a half years, since Manaaki was launched, we have collectively achieved some extraordinary impact for the under-represented and underserved. We have 6,250 members - including 1,200 Pasifika, 850 Maori and 450 Rangitahi and we have just completed an extraordinary Bloc'Party in partnership with others in the ecosystem on the opportunities for Maori and Pasifika in the web3 and NFT world. We could not do this without the people, and also the stakeholders that believe in what we see and the vision to create a lasting impact for Aotearoa.

We are open book - if you want to chat or ask any questions please contact me on email or <sup>s9(2)(a)</sup>.

Andy Hamilton
Director - We Are Indigo

### **Comment on the NBR Article**

We are aware of commentary this morning in an NBR article about commercial dealings that We Are Indigo and Manaaki had with a sub-contractor, during a contract we performed on Digital Boost in 2021. We wish to state clearly that this dispute was fully resolved and settled sometime ago.

Our view is that we had a commercial discussion at the end of the Digital Boost contract

in July 2021 with respect to meeting our obligations to the head contractor, and ultimately MBIE who were the Government Agency responsible for Digital Boost.

We were concerned with verification and accounting for spending by the sub-contractor, so we withheld payment while we requested further information from our sub-contractor.

Ultimately, we reached an agreement with the sub-contractor and we agreed on a final payment amount which we fully paid.

There are a number of claims made in the article that we would take claim with, including perspectives on Digital Boost and Chooice. We of course have different views and recollections of what happened. We take responsibility for these commercial partnerships not resolving to a positive outcome. However, when it became clear that there was a dispute, we engaged and fully resolved these matters and we found a way for us to move forward. We honoured our obligations and continued our mahi.

It is unfortunate that parties have chosen to bring up dealings that were in the past that had been resolved, but we can't control the desire or objectives of other parties.

We will continue to do the work we do, we have over 6,250 members on Manaaki that we support and who are benefiting from what we've been able to do with and for them, as well as the job seekers.

From: s9(2)(a)
To: Rachel Adams

**Subject:** FW: MSD/Whanake Partnership **Date:** Monday, 10 October 2022 10:58:53 am

Attachments: image001.png

image002.png image003.png image016.png image018.png image020.png image022.png image024.png

ESWI 22 02231 Manaaki Whanaki Contract signed (1).pdf

## Hi Rachel,

Thanks for the information below. Andy has probably updated you on his conversation with Amanda around how we need to realign the contract with our objectives and our mandate etc.

Agree that we need to look at a change to the contract to redefine the deliverables in light of events. When we look at the breakdown below it's only the proposed collaboration with 2Degrees that has potential connection to MSD's objectives, and the case for how this aligns with our primary objective (employment for those who are disadvantaged in the labour market) probably needs more development. We don't think that a bespoke initiative that ticks boxes for initiative 1 + 2 deliverables for MSD really meets the partnership intentions which were that we would be able to have MSD clients participating in a broader acceleration/incubator programme.

Amanda and I believe the best course action is that we cancel or modify the current contract and as an alternative to refunding our prepaid \$50,000 partner contribution, look at what else we can do to realise this value via a new agreement particularly is we are able to gain IP/content that we can own and use with our other partners in the employment training space.

### Potentially:

- We have partnerships with key Pasifika stakeholders and one of the programmes in development will support self-employment within a Pasifika context. Manaaki could bundle the online curriculum content from the Vaka Pacifica programme and release this to Industry Partnerships so that we could use the IP with our partner initiatives in this space.
- We are working with stakeholders in the hospitality and retail sectors. Could you compile an online-learning course from existing or new content that prepares participants with basic customer service/hospitality/retail skills. We could deploy this through our partnerships with retail/hospo stakeholders.

Open to discussing other potential pathways also. Keen to hear your thoughts on this, perhaps we schedule a call this week?

Thanks <sup>s9(2)(a)</sup> From: Rachel Adams < \$9(2)(a) >

Sent: Wednesday, 28 September 2022 6:14 PM

To: \$9(2)(a) @msd.govt.nz>

**Cc:** Andy Hamilton < s9(2)(a) >; Amanda Nicolle

s9(2)(a) @msd.govt.nz>
Subject: Re: MSD/Whanake Partnership

Kia ora s9(2)(a),

Thanks for your email. Great to see you briefly on the call. Here is an update and overview on where we at to date:

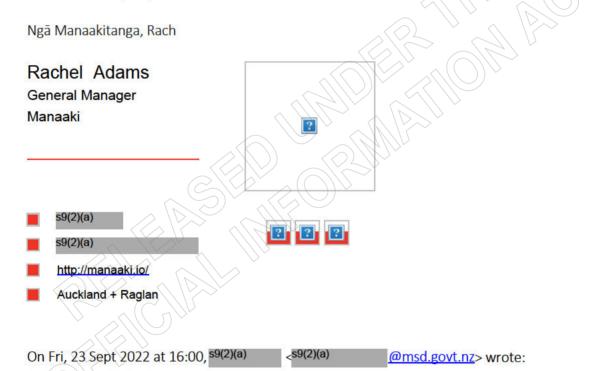
- Whanake was conceptualised in a group workshop session with current and potential partners of Indigo and Manaaki in November 2021
- That led to the outline of the initiatives to further explore and partnership agreements
  were signed with the Ministry of Social Development, Non-Fungible Labs, Centrality ai and
  Shopify Build Native.
- Off the back of that momentum, Manaaki collaborated with Startmate to submit an ROI for the Callaghan Founder and Accelerator RFP. We were shortlisted and submitted a response. We were unsuccessful in that tender. This slowed initial plans for speed and scale of the delivery of the initiatives as outlined in our agreement.
- Instead, we asked members of our community and realized the initial need was for business owners (many of them Māori & Pasifika) to first understand practically how to engage in technology areas that included 5G, Mobility, AR, VR, Web3 with a clear direction coming to be how community members could create and participate in NFT's.
- Following the demand of information and requests, Manaaki and the team shifted focus to building community, dialogue, connection, capability, and credibility in this space before launching into Initiatives 1 & 2 as outlined in our service agreement. The following activity has been activated since the initial planning workshop:
  - Co-created, curated and hosted Aotearoa's largest Web3 event in June 2022 that was attended by over 300 people (Bloc' Party Aotearoa)
  - Set up the Friends & Fam Discord, created a DAO that partners with bluechip projects
  - Have scripted and produced over 50% of the Whanake NFT Accelerator learning modules
  - Have set up the Hustle & Flow Discord and are developing the roadmap toward a
    decentralised Manaaki DAO that supports projects from the Whanake Accelerator
    (broader accelerator) and wider Manaaki community.
  - We are currently organizing another event called "Off the Chain" on 3 Dec that will bring together major players in 5G, AR, VR, Web3.
- In addition, we had originally planned for a significant piece of engagement in partnerships with 2degrees around opportunities for the development of and deployment on 5G networks and technologies. This work was delayed as a result of the merger of 2degrees, and is now scheduled to begin early to mid-October in partnership with 2degrees. We are finalizing the project plan and engagement plan that will see significant engagement with the regions to identify early win opportunities for access, and that will also include a likely seed and project fund to support new use cases, which will also lead

## to significant job creation from these funded projects.

With the above-mentioned activity, Manaaki & Indigo are confident we will deliver Initiative 1 as it relates to the agreement with MSD and deliverables by 31 March 2023 and have earmarked the funds accordingly. Initiative 2 will follow off the back of work done in Initiative 1 and through the work mentioned above

We understand your position regarding NFT/Cryptocurrency (although a major element of Web 3) and agree a contract amendment to remove references to Whanake (and remove your logo off the Whanake site) is prudent to ensure we can deliver the intended outcomes within your mandate.

To ensure we deliver on the outcomes as per the agreement, we suggest a custom approach to identify and place the two MSD start-up clients. Let me know when you want to meet and discuss next steps :-)



Hi Rachel, Andy, Thanks for the meeting yesterday, here's a quick overview of where we are at:

- The Whanake partnership that we initially entered into seems to have evolved away from the original scope in a way that is disconnected from our mandate. The original understanding was that we were joining a partnership including NZ corporates and other agencies etc, to create incubation/leveraging opportunities for small businesses (including MSD-nominated client start-ups) in next generation digital technologies including 5g, mobility VR/AR, etc with a health, education, sustainability education and community focus.
- Whanake is now being publicly defined as a NFT creator accelerator to help people learn and develop their own web3 and NFT collections. This positions MSD as a backer of an NFT accelerator which was not

- the intention of the partnership and would be outside the scope of our funding mandate (plus may invite questions/risk).
- We'd also like to clarify which of the original partners remain in the partnership,
- Need to reassess the business case for the partnership (and if continuing), update our contract to remove references to Whanake & clearly define the deliverables and outcomes (and exclude NFT/Cryptocurrency from the scope)

When <sup>s9(2)(a)</sup> and I met with Rachel in July we noted some of the points above and agreed that we would regroup in Mid-Sept once Manaaki had moved through other current projects with a view to revisiting/redefining the deliverables. If you can please provide an overview next week of the proposed direction for delivery of partnership objectives we can pickup the conversation from there.

Thanks - enjoy the long weekend and we will talk to you next week.

## s9(2)(a)

Key Account Manager - Corporate | Industry Partnerships

Desk: s9(2)(a) | Mobile: s9(2)(a)

Ministry of Social Development, (a) Grand Central Building, 161 Cashel St, Christchurch 8140

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7th June 2022

Kia Ora Indigo and Manaaki Whanau

#### Confidential

We are writing to you as we would like to share an important update, on a subject that we would have preferred to have not needed to as we feel it really is distracting us from our purpose and our kaupapa, however the matters are serious enough that we owe a responsibility to share with you, and to ask for your support. These matters relate to allegations being made against We Are Indigo and the founders which have largely been happening on social links but more recently have appeared in the NBR this morning.

You may or may not be aware that these social posts started appearing from the end of December 2021 and were questioning the ethics of 'players in the small business ecosystem' - the posts do not specifically name who these bad players were. The posts were put out by a US based Kiwi Expat, Robbett Hollis. If you want to see all of the posts, we can supply them, but we do not seek to support innuendo or false claims so we have just referenced the most recent one <a href="here">here</a> and a couple of posts and comments in the appendix.

Over time, it has become clear to us that Mr Hollis was referring to We Are Indigo and Manaaki.

When we began to realise the posts were referencing ourselves, we were still confident that we had acted appropriately and we did not believe that there was truth to the statements that were being made. We also considered that they may have been part of negotiating tactics with parties that we were in commercial negotiations with given we subsequently had evidence that these parties had, it appears, sought support from Mr Hollis.

We want to acknowledge that we had some challenging times in our first two years of Manaaki in particular, as we navigated covid, being a startup and working with a range of different parties. This latter point of partnerships was a particularly challenging part we had been involved in and experienced. While our track record for delivery was and is sound and we maintain strong relationships with many parties, three of our partnerships did not succeed.

There were a few reasons we believed Mr Hollis was referring to Indigo and Manaaki:

Parties that we were in dispute with, commented on his posts and suggested 'we
know who you are talking about'. While there was a clear case of 'not naming
names', their connection by these people and likes, created a connection.

- A member of our community, when meeting with one of the parties on a commercial opportunity, was told that they were being supported on the tactics for negotiation by Mr Hollis.
- Two of our team had direct approaches from Mr Hollis who warned them that they should be careful about working at Indigo.
- We met a private investigator who claimed he was engaged by Mr Hollis and another party (the K&J Growth co-founder Kale Panoho who is quoted in the NBR article), who we had worked with during these two years and who we had a dispute with.
- We had partners, prospective partners and Government organisations share with us their concerns about rumours.
- We also talked to two media organisations, who had said that there were rumours about Indigo. We have engaged with both organisations and this morning the first article came out from the NBR.

During this time, our style and approach was to - resolve any disputes we had, keep our head down, and keep pushing and driving our kaupapa for the benefit of our stakeholders. Especially when our version of the truth was very different to what was being claimed.

However, recently we were short-listed for a potential long-term contract for establishing a founder accelerator with Callaghan Innovation, and we were informed that in due diligence Callaghan had found concerning information that went to the credibility and good standing of our organisation. This was despite having resolved all commercial disputes and having the support of our shareholders and significant stakeholders.

Callaghan wanted our response, and we responded to the points raised. We quickly came to realise that our bid (which was a joint bid with an international partner also based in Aotearoa, New Zealand) and was requesting just over \$2m over three years, was possibly going to fail, not because of failing to meet the RFP criteria, but because of reputation matters that Callaghan were concerned about.

We quickly saw a connection to the claims that were being shared with us by Callaghan to what another media organisation had shared with us, and to the posts by Mr Hollis.

Despite an invitation to talk in January 2022, again towards the end of May 2022 and now even as of this morning, Mr Hollis has not yet sought to verify the claims he has heard with us directly. While we have no interest in engaging a public fight with a person who has claimed to want to 'tear us down' we feel it is now important that we keep our partners, shareholders, stakeholders and community, informed of our version of events - to put to bed any doubt that may have been, or may in the future, be cast upon you in relation to us.

In this note, we are going to share, confidentially, the nature of these allegations and our perspective on them, as a means of informing you. We remain committed to our kaupapa, we also are committed to protecting our reputation when it is unfairly being attacked, especially from a party that we have no relationship with.

We want to reiterate that we are a young and purposeful organisation. We are also not without learning opportunities. We don't get everything right. However, we are pursuing an important kaupapa and we know it is working through the fantastic and supportive relationships that we have built over time. You just have to spend time in the Manaaki community to realise that.

We have one of the most diverse and active small business communities in New Zealand with over 6,250 members and growing, including two of the largest Pasifika and Maori small business groups in Aotearoa. We plan to add to this with a focus on Wahine, Rangatahi, Migrant and Disabled communities.

We also have shareholders and stakeholder partners who have got in behind us. From 2degrees, Shopify Indigenous, Ministry of Social Development, Centrality, Non Fungible Labs and more recently Ministry of Pacific People, Creative New Zealand and Te Puni Kokiri.

We want to add to our partnerships, we have clarity on our model and we have high standards of our own behaviour. And we ask that you as our stakeholders also hold us accountable for our actions.

We don't accept a sustained campaign of attack by people operating in the shadows. It is in our view unfair, unjust and unwarranted. It also distracts us and it has hurt us reputationally and financially.

If you ever have questions about our actions, our people, we want to hear that from you. If you feel comfortable raising them directly with us, then please do. If you don't feel comfortable raising them directly with us, then we welcome you to contact our shareholders or head of HR, <u>Margaret Tiakia</u> to give feedback, so that we can then work on resolving and addressing the claims independently of management in partnership with our non-executive shareholders.

We can also reference that the NBR published an article this morning, Tuesday the 7th of June - you can see that article here and we have addressed the specific claims in the appendix.

This is a long note. Thank you for taking the opportunity to hear from us - we are an open book, and we are always happy to engage, as we look to continue the kaupapa.

Nga Mihi

Pat MacFie, Monty Betham, Andy Hamilton - Directors & Rach Adams - GM

# **Background and Details on Allegations**

The allegations that have been made relate to Indigo partnerships in:

- Chooice the micro business platform established by Indigo and Sarah Colcord in 2021
- Digital Boost the NZ Government initiative to support digital upskilling of small business established in 2020;
- MosaiqueTV an entertainment subscription platform established between Indigo and Lance Savalli, Taran Paris and Jordan River in 2021; and
- Indigo and Manaaki generally, including financial projections.

The first point we wish to make is that the partnerships referred to above have reached full agreement and settlement of outstanding matters. The parties had in two cases signed settlement agreements with Indigo, and in the third case, we resolved not to form a formal partnership. Matters resolved, and we have moved on, as we thought had the parties.

The second point we wish to make is that we had a part to play in these relationships not continuing, and we need to take ownership for their failure, their lack of return to our business and ultimately to our stakeholders. We take ownership and responsibility for the role we played and we are working hard to learn from each relationship, each bump, each success as we strive to stand up for the expectations of our community and of ourselves.

However, given the ongoing social media commentary, the behind the scene attacks to Government Agencies and the proactive targeting of media organisations, we have felt that we need to make specific comments on the allegations relating to the above relationships.

# **Chooice Allegations**

Chooice originally came out of the Facebook Group, NZ Made Products, that Sarah Colcord founded during lock-down and grew very fast. We were talking with Sarah as she navigated the demand she was getting and as she thought about how to fulfil the opportunity to serve micro business traders online going forward.

We struck up a partnership, whereby we would bring our expertise to the Facebook Group and we would collectively build a new brand and a new sustainable and enduring platform to serve micro business traders in New Zealand, and we dreamt, potentially to other communities around the world.

We worked together, we built a brand, we built a platform, we scaled the business and we achieved success together. A lot of hard work, a lot of money, a lot of resources from us (and Sarah), a lot of learning and ultimately we believed a lot of sales for micro businesses in Aotearoa, New Zealand who typically had not been able to access such markets in the past.

It took way longer than we thought, it cost way more and it was super challenging to find a sustainable repeatable set of metrics to grow the business. We realised that the cost to support the model needed external funding, but the metrics were not where they needed to be as a result of investor feedback, so we doubled down and kept pushing.

Along the way, we had many challenges including alignment with Sarah, people challenges with the team, and like all startups we dealt with them as they arose and we kept walking forward.

However, ultimately, it became clear to us and to Sarah that it was not going to work - that our relationship was past a point of recovery and it was time to create a separation of management of the business. We offered to buy & manage and Sarah's preference was that she would like to manage the business. We then stepped away and we attempted to negotiate an exit with the support of each of our lawyers.

Ultimately, we got there, with a structure that enabled our original intent to be fulfilled - which is to support micro businesses by gifting half of our shareholding in Chooice to the active traders on Chooice through a trust type vehicle and the remainder of our shareholding we gifted back to Sarah. We also wrote off an extensive loan to Chooice amounting to just over \$700,000 as part of the agreement. We walked away, because we agreed and recognised the relationship was not solvable.

During the course of our partnership with Sarah and in particular once the parties entered into dispute, a number of claims were made, which include:

Allegation: Non Payment of Small Business Day Gift Cards by We Are Indigo
The Small Business Day initiative was created by We Are Indigo to support small businesses in Aotearoa, New Zealand. As part of the initiative, we arranged for vouchers and gift cards to be issued that could be used on the Chooice platform as we really wanted to see the micro businesses that were members of Chooice benefiting. We made this happen.

As part of Indigo delivering Small Business Day we funded the Small Business Day gift cards as they were claimed. At this time, Indigo was also fully supporting and funding

Chooice including paying all wages of the team, including the co-founder. Gift cards were claimed, and Indigo reimbursed Chooice as they were claimed from Chooice.

As part of the commercial relationship break-down with Ms Colcord, when we became aware that she was discussing cancelling the gift cards, we requested that she would not do it, as Indigo was happy to continue honouring the cards as they came in. However, Ms Colcord decided to proceed with cancelling the cards and issued a statement to that effect. As the manager of Chooice at that time, we respected her decision. We however immediately contacted the impacted card holders and issued them with a replacement gift card on another platform, so they were in no worse a position. This situation affected our relationship with Xero, albeit they understood our actions, and seemed satisfied that we provided alternatives for the remaining gift card holders.

## Allegation: Poor management of people relationships inside Chooice

It is claimed that We Are Indigo management had mistreated people in the Chooice business and did not have appropriate human resources practices in place.

Other than the platform moderators and Ms Colcord, the entirety of the staff working on Chooice came from We Are Indigo, that was our contribution to the partnership. We undertook a lot of care and support for the people working in and on Chooice, and in particular Ms Colcord. No startups are easy and we provided substantial support to team members as they attempted to support the business owners and also the team. We had employment matters we processed and were grateful to have a highly experienced and capable HR team (from Indigo) that were involved to provide some separation from the operational team. Their clear and transparent human resources process is well documented and will remain confidential. Our objective in working through these issues was always to support the people to achieve alignment and a positive outcome. Indigo's founders and directors provided support, mentoring and guidance alongside and separate to the HR team for Ms Colcord.

It was a very difficult position and we did everything we could to protect, support and empower the team members working for and on Chooice. It was not easy to do this, given the challenges we had with Ms Colcord.

We have learned about 'how' we can work with people in the future, particularly partners but we can hold our heads high about how we behaved, took care of and tried to find paths forward with our co-founder, until it became unworkable.

### Allegation: Chooice suffered a data breach

It was claimed that in the process of working with a contractor, there was a data breach of personal information (drivers licences) which was disclosed on the site. This is true.

In working with the team and an external contractor, when uploading information, one of the team working on Chooice identified the data breach. As soon as we identified the issue, we took the data down and corrected the data. We also reviewed our data policies and practices.

The context at this time was that we had Chooice platform that was due for a complete upgrade and ultimately replacement and we were also attempting to raise capital to fund the development. We also were working with new contractors to support us. In hindsight, we clearly could have been and should have been more careful.

We are not aware of any further data breaches that occurred.

## Allegation: Bullying of stakeholders and intimidation by Directors

It was claimed that in dealing with a technology contractor supporting the Chooice platform that we dealt with this contractor in an unreasonable manner.

We Are Indigo had brought in this contractor as a result of a recommendation to support the maintenance of the Chooice platform. We had asked the contractor to insert a donation function onto the site. The contractor advised that this was not recommended at this time. We disagreed.

We also had feedback from the contractor that the platform was unstable, under-invested and could crash at any time. We knew all of this, and we were as we have said at the same time trying to raise capital for Chooice to help fund rebuilding of the platform. We did not find the contractor's advice or approach helpful. We told the contractor this. We also have documented numerous emails from the contractor that could be viewed as rude and aggressive to one of our directors. The engagement of the contractor was as we recall at the start or just before the dispute with Ms Colcord and it was clear to us that the contractor took the side of Ms Colcord.

We do not believe we bullied, intimidated or wronged contractors or stakeholders, but we certainly had our own views of what support we were looking for to advance the Chooice business.

At the risk of repeating ourselves, all matters were resolved with Ms Colcord, and we no longer are involved in the Chooice business.

Please see the appendix for a copy of the press release that was shared by the parties during May 2022 when we reached agreement.

# **Digital Boost Allegations**

As New Zealand entered lock-down and coming out of the work that MBIE had undertaken in the small business sector, an RFP was issued in the middle of 2020 by MBIE for the establishment of a series of educational offerings and tools under the brand of Digital Boost to be launched early 2021.

We identified the opportunity to be involved in this RFP and we proactively approached Frances Valentine of The Mind Lab and Kale Panoho of K&J Growth to partner on the RFP bid. We worked together, we pitched and we won the tender - a big win. When we contracted with MBIE it was agreed by the three parties that The Mind Lab would take the lead contract, that Indigo would sub-contract to Mind Lab and K&J to Indigo.

We worked collaboratively to implement thousands of pieces of content, the brand, the programmes, the PR, the events and advertising and we were all very proud of the over 30,000 sign ups that were achieved in that first period of the contract. A remarkable collaborative effort between the private sector consortium and Government alongside the people that were the focus, small businesses. The initiative was and remains important.

When it came to the end of the first Government financial year of the contract, 30 June 2021 the parties were asked to complete a summary report of the work that had been undertaken which was normal with Government contracts, should there be any audit or follow-up requests to investigate spend and impact.

Indigo duly completed our report and provided it to The Mind Lab and MBIE and MBIE acknowledged the report and their happiness with the work that Indigo had undertaken and the results. This included a full break-down of spending and activities.

At the same time, we were presented with a final invoice for the work from our subcontractor, K&J Growth for the work they had undertaken on the Digital Boost contract. We were surprised to get this invoice, as we had believed (mistakenly) that their final invoice had been already presented. We requested further information from K&J Growth with respect to their spend in a similar manner to the request that MBIE had made of us. We wanted to make sure that there was no residual liability by Indigo for any work that K&J had or had not completed. As part of this process, we suggested that we would not make the final payment until we were satisfied with K&J's final report. K&J provided information to us in response to our request, but it was very difficult for us to interpret. As part of his process, each of our lawyers got involved and ultimately, we reached a resolution and an agreement to pay K&J's final invoice, which we have subsequently done.

# Allegation: Non payment of clients, poor quality of work, and ethics of engagement with clients.

We were surprised at this allegation, given that MBIE signed off on our work, told us they had no issue with our work, and that our report was comprehensive. As a collective, we hit the KPIs and targets of Digital Boost Signups.

Consequently, the quality of our work, and also the outcomes has never been in question. We produced a high quality report recording all of our work - and the outputs. We also were part of contributing to a successful first year that achieved the KPIs in the contract. We also got validation from MBIE that they were very happy with our work.

Yes, we did have a commercial discussion with K&J Growth as a sub-contractor to Indigo, around our refusal to pay their last invoice and who did not provide a level of reporting on their contract at the end of the contract period which was meeting our expectations. In the end, we resolved the dispute through agreement to ultimately make payment to K&J Growth.

All matters with K&J Growth were resolved.



# **MosaiqueTV Allegations**

During the lock-down period in 2021, we partnered with Lance Savalli, Taran Paris and Jordan River to create a subscription entertainment and content business called MosaiqueTV - we loved what the team were about and we just jumped in and supported their kaupapa with supplying our space and our gear for them to use. The team brought their creative genius, and content creation, we provided the physical space, the recording and broadcasting equity and team, we built the platform on a white label site and we collectively grew the subscriptions to 3,300 paying subscribers. It was awesome.

Early in the discussions, Lance approached Pat MacFie to explain that Ms Colcord had messaged Lance to say 'don't partner with those people' and went on to express that the people behind Indigo were not trustworthy. This was discussed and Lance agreed that we would continue regardless of this approach, as he trusted 'us' and thought it was odd that a complete stranger would approach him and say this.

The team executed, they worked well together and it was a lot of hard work by all parties.

Ultimately, after getting to 3,300 - Lance and his partners decided that they would proceed in a new direction and that they did not want to proceed with documenting the commercial arrangements with We Are Indigo. Lance said to Indigo, that he also had concerns about Indigo given what had happened with Chooice. It is quite possible that the partners were not happy with the commercial deal that we offered.

# Allegation: Indigo unwarrantedly and unfairing took 51% of a MosaiqueTV without agreement

As part of negotiations and discussions, there was context to our intended partnership that was never documented or put in place. We had proposed that the arrangement would be a 50/50+1 shareholding structure, with Indigo holding 1 more share than Mosaique if there was a deadlock. The context for this was because of the experience that we had in Chooice.

No agreement was ever ultimately signed by the parties, however we did make it clear that one of our conditions was this 50+1 share.

## Allegation: Intimidation by Indigo Directors of Mosaique Co-Founders

Mosaique was a partnership between Indigo and Lance, Taran and Jordan which began in lock-down. We collectively contributed, with Indigo funding the cost of the platform development, the filming, the site and the operations while Lance and his team produced the content, the subscriber support and engagement.

We jointly grew the platform to 3,300 paying subscribers and we attempted to finalise the agreement around the partnership.

We had explained to Lance that given the Chooice experience, having some form of control would be important to Indigo.

As it happened, we were not able to reach an agreement and Lance and his co-founders decided to move on. We helped close down the site, refunded subscribers and paid out the co-founders.

We were conscious of the challenges that we had with Chooice and also suggested that we should have a mediator and/or independent commercial person to support the parties to insure the terms were fair to all.

Ultimately, we resolved to not go forward together, we refunded the subscribers for any over-paid subs and closed the platform.



# **Financial Information Allegations**

There have been a number of claims made about how We Are Indigo operates and has operated on a daily basis with respect to financial record keeping, commercial partnerships and staff behaviour.

We have analysed these claims, they all appear to us to link back to the commercial disputes that we had with Chooice and Ms Colcord and were raised at the time that we were attempting to resolve matters.

# Allegation: Inflated financial information was presented by Indigo as part of a procurement or investment process

It was claimed that We Are Indigo had inflated its financial information to parties - it was not clear whether the allegation was related to Government or prospective investors.

We have not been a part of inflating our financial information for procurement. We have been required to file annual accounts to a number of parties as part of their due diligence of Indigo and Manaaki - and we have been approved by these parties, such as MSD, MPP, TPK and Creative NZ.

We have also attempted to raise capital for Chooice alone and for the Indigo Group that at that time included Chooice. In each of these, we have made predictions about the scale of the business as we looked forward, with projections to 2-3 years out. These have taken into account the data that we have collected. These projections have been aspirational and challenging, because that is what we aspired to achieve and at times what investors are looking to see - that we could scale the business. We also have tailored investment decks depending on who the target was, for example when approaching a VC firm, it was tailored on the assumption of a VC investment, while approaching a media organisation for investment, the financial projections were different given the value add and customer reach that this media organisation could provide.

With respect to Chooice - it is important to know that as a result of our work, we had grown the monthly recurring revenue and margin performance to close to break-even and we had material plans and expectations in place that with our guidance and with investment, that Chooice could be a material business of scale.

We have also just presented to the Indigo shareholders the results of the last financial year for the business, and how the results compare to the investor pitch deck that we raised capital from. Despite such material change in the business i.e. Chooice & Mosaique no longer being part of the Indigo Group, we were still within 5% of the top line revenue of the investor deck, and we had a negative variance on the bottom line of \$500k, which was understandable given what happened in the year.

We do not believe the allegation to be true.



## Original Post - 29th December 2021 by Robett Holli



Kia Ora,

Today I'm speaking up! We've had some super shameful and unethical BAD BUSINESS happening in Aotearoa's Small Business Ecosystem from a few well known bad actors. Today, let's address it so we can help educate and protect others. Soooo.............

Here's a few tips of what NOT TO DO:

- DON'T wave the flag of savior/support for a group of minorities, when it's been those same minorities that you have directly targeted and eventually exploited.
- DON'T leverage someone else's personal rolodex to deceive initial investors with a 7 figure valuation without any proper DD, timeline and paperwork involved.
- DON'T agree to a 50/50 business venture but then add additional shares with the Companies Office behind your new partners back without them even agreeing or being aware.
- DON'T backchannel personal contacts in public/private organisations to try gain confidential intel so you can try shield you/your business from any investigations.
- DON'T fraudulently report 6 figures of expenses to ANY type of agency (especially government).
- DON'T try setup a clear bait and switch 'project' to quickly raise external funds to 'try clear debt without other shareholders/investors finding out.
- DON'T claim equality/transparency to your business partners whilst withdrawing 100% of revenue for months and then blame 'accounting' when its audited.
- DON'T leverage and exploit a partners public profile and database claiming it as your own to gain a 6 figure sponsorship for a public campaign, then retain 100% of said funds for your own business.
- DON'T document inaccurate information on shareholders reports to try craft a narrative which misleads directors/shareholders into factual current issues (inc. state of all pending legal proceedings).
- DON'T mislead potential new partners by indicating well known industry players are lined up as possible new investors when their CEO killed it in the back channels long ago.
- DON'T advertise or publicly flex on any conference stage to be the co-founder and brains of a venture which you never even started and don't even technically own.
- DON'T bully/pressure a first time founder into giving up more shares of their company for your support/services/resources which were never rendered.
- DON'T try to pressure previous service partners to sign a NDA to hide some of your shameful behaviour (NZ is a village).
- DON'T promise a contractor company shares for their services, only to pull out after they've completed all the work.
- DON'T pay yourself a salary without the knowledge of all other shareholders/directors.
- DON'T pay out 'consulting fees' to your own partners without even talking to other shareholders/directors.
- Finally, DON'T run a 'private' financial slack channel planning any type of BAD BUSINESS that isn't actually private. (Yes this actually happened).

So - if you're a corporate sponsor / gov agency looking into financing others - please do some ACTUAL DD. You're there to protect and support SME's - not let a WHOLE bunch of innocent kiwis and their businesses get rolled by these commercial/culture vultures. Founders deserve better - So does our ecosystem.

Finally to the BAD BUSINESS Captains behind all this - All of these people/companies completely trusted you. You screwed them - you really really hurt them and their whanau - And you've left many of them with nothing but mental anguish, emotional overload and commercial despair.

This whole thing gets me so gutted!

'Legacy over Currency'. And unfortunately, when the dust finally settles - many legacies will probably be finished.

Let the dominoes fall where they may.

- Robett Hollis

Ps. I will NOT be making any more comments on this publicly.



8:00



# facebook

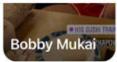




X











# Sarah Colcord



Some of you know that I've been going through a shareholder dispute since June 2021 to regain control of Chooice and (hopefully) get my shareholder out. Thankfully I've got operational control back (Aug 2021), but now to get shareholder control. Why did I commence legal action? Check out this post from Robett, who has listed some of my nasty experiences below. If I didn't have enough reasons to hate these 'bad actors', these legal fees are killing me and I can't secure my mortgage until this is over. Happy New Year.



# Robett Hollis 🔮



29 Dec 2021 · 🔾

## Kia Ora.

Today I'm speaking up! We've had some super shameful and unethical BAD BUSINESS happening in Aotearoa's Small Business Ecosystem from a few well known bad actors. Today, let's address it so we can help educate and protect others. Soooo......

Here's a few tips of what NOT TO DO:

- DON'T wave the flag of savior/support for a group of minorities, when it's been those same minorities that you have directly targeted and













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## Post by Robett Hollis - 25th May 2021



Who are the Bad Actors in the NZ Small Business Ecosystem who are responsible for this?

A: https://lnkd.in/gzWtJwNS

&

B: https://lnkd.in/gsCiQk86

Let me be VERY clear..... There is NOT A CHANCE in hell I'm going to publicly name and shame. Why? Because then I'll have to deal with a bunch of bullshit as they try come after me legally for Defamation etc and then try use that settlement cash to pay off a bunch of other publicly traceable debt, unpaid contractor fees and who knows what else.

Wanna find out who it is? Ok Aotearoa - Let's play a game.

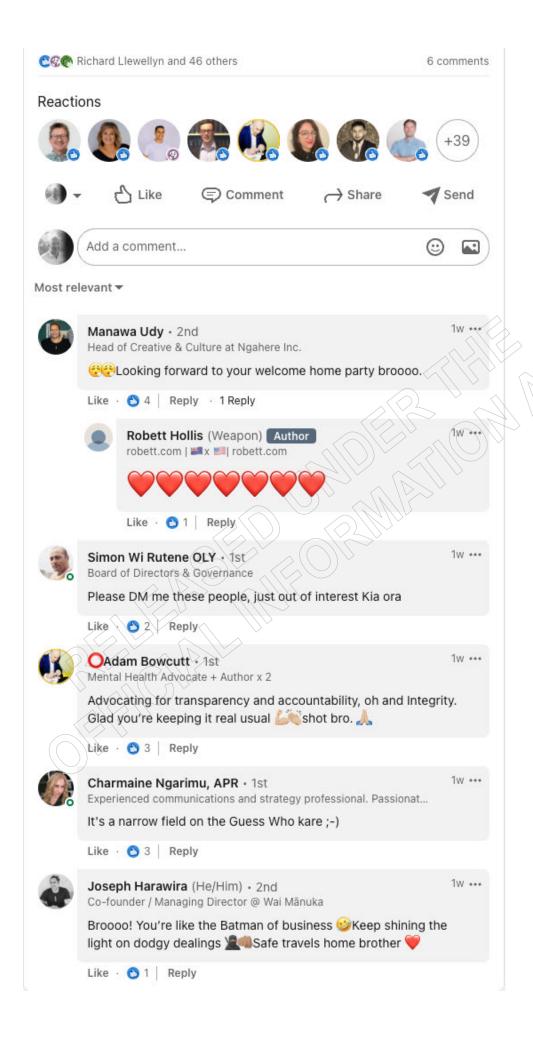
- 1. Look at the players in the Small Business ecosystem who've waved the flag of support for Kiwi SME's / startups / founders and even Maori / Pacifika over the past few years. Write this list down.
- 2. Run a timeline against ALL of their public posts of various partnerships/sponsorships/projects and business joint ventures they have 'secured' or 'launched' with others. (also look for deleted social posts which have already been time stamped). They probably don't know we can see this too.
- 3. Go to LinkedIn and look at any Employees with a 'short time' involved with them.
- 4. Open a spreadsheet and make a list of all their past and present partners (inc. corporate / government / public / private)
- 5. Go to the Companies Offices and look into dates of incorporation, current shareholdings, dates of shareholder changes and various directors behind each group.
- 6. Oh yeah If it's tax payers cash involved you know there's this thing called OIA: https://lnkd.in/gWDwW9v3
- 7. It's NZ now pick up the phone OTR and call someone in your network who knows one of these Founders / Directors / Brands / Employees who has actually worked with them on that mega list around the various Projects / Events / Initiatives they have claimed to have done.
- 8. Ta Da...... This is NZ. It will take you less than a day to figure it out.

And finally, a quick note to these ego-alpha's who keep trying to weave a narrative so delusional they're making Amber Heard look like a Professor at AUT—PLLLEAAASSSEEEEE feel free to continue to bring my name up in private chats with possible partners trying to dismiss my 'social media posts' because......

- A) You do realise by even mentioning my name and my various posts which highlight all of this bad behaviour that has exploited founders, suppliers, staff and partners you have LITERALLY just brought more red flags to your FRAUD party and validated to them that where there's smoke there's fire.
- B) You are also INSANELY naive to not think that these decision makers you're trying to hustle now may have already talked to ones involved MONTHS AGO. LITERALLY!
- C) Delete my number. We ain't 'mates'. NEXT.

Harvey taught me well. Chess not Checkers

Who is it? DM me your answers.



### **MEDIA RELEASE**

[For immediate release]

### Tāmaki Makaurau, Aotearoa

10th May 2022

## We Are Indigo gifts its shareholding in Chooice to active sellers on the marketplace

New Zealand's biggest online community marketplace Chooice has today announced a portion of the organisation's ownership will be gifted to the Chooice community, after Chooice's shareholders We Are Indigo and Sarah Colcord agreed to part ways.

We Are Indigo has announced it will gift its 50 percent shareholding in Chooice towards enabling the platform's future operations. Half of these shares (25%) will go towards an entity held for the benefit of the small business vendors on the Chooice platform.

Ms Colcord says, "Chooice has always existed to champion the community it serves: small businesses, hobbyists and side hustlers".

Ms Colcord began Chooice as the 'NZ Made Products' Facebook group during the first COVID-19 lockdown in March 2020. Indigo partnered with Colcord in August that year to turn Chooice into an e-commerce platform to support small and micro businesses in Aotearoa.

Ms Colcord will manage the platform moving forward.

Indigo Global Director of Design & Innovation, Pat MacFie says, "Although we entered into this partnership with the best of intentions, things did not work out.

"We are glad that we could reach a resolution that will ultimately benefit Chooice micro businesses. Concluding the business relationship in this way reflects the intent and the mana in which we started the journey."

MacFie said he hopes that transitioning Indigo ownership to a cornerstone shareholding agreement benefiting Chooice vendors will continue to enable the original purpose of the platform.

The gift will have no material impact on how buyers and sellers currently interact on the platform.

Indigo co-founders and Ms Colcord wish each other the best in their future endeavours.

### **ENDS**

Media contact for Chooice: Media contact for We Are Indigo:

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Email: holly@awhigroup.nz Email: mihi@maiastudio.co

## NBR Article Claims - Tuesday 7th of June 2022

## **Indigo Comments Generally**

We are aware of commentary this morning in an NBR article about commercial dealings that We Are Indigo and Manaaki had with a sub-contractor, during a contract we performed on Digital Boost in 2021. We wish to state clearly that this dispute was fully resolved and settled sometime ago.

Our view is that we had a commercial discussion at the end of the Digital Boost contract in July 2021 with respect to meeting our obligations to the head contractor, and ultimately MBIE who were the Government Agency responsible for Digital Boost.

We were concerned with verification and accounting for spending by the sub-contractor, so we withheld payment while we requested further information from our sub-contractor. Ultimately, we reached an agreement with the sub-contractor and we agreed on a final payment amount which we fully paid.

There are a number of claims made in the article that we would take claim with, including perspectives on Digital Boost and Chooice. We of course have different views and recollections of what happened. We take responsibility for these commercial partnerships not resolving to a positive outcome. However, when it became clear that there was a dispute, we engaged and fully resolved these matters and we found a way for us to move forward. We honoured our obligations and continued our mahi.

It is unfortunate that parties have chosen to bring up dealings that were in the past that had been resolved, but we can't control the desire or objectives of other parties.

We will continue to do the work we do, we have over 6,250 members on Manaaki that we support and who are benefiting from what we've been able to do with and for them, as well as the job seekers.

## Specific Allegation - Non-Payment of K&J Growth

We had a commercial discussion with respect to payment of a subcontractor, given we had concerns about the possibility that K&J Growth had under-spent on the media account for Digital Boost. We had asked for clear evidence of spending and also access to the Media Account. Both were denied even if we received a spreadsheet of spend, which we found unintelligible. We believed we had an outstanding liability for our subcontractor to The Mind Lab and ultimately MBIE, which is the basis for our requesting further information.

We were never able to get necessary satisfaction of the spend or under-spend by K&J Growth, however we made a pragmatic and commercial decision to reach a settlement with K&J Growth and have resolved all matters.

We feel that the article and statements in the article simplify the reality of the commercial position.

# **Chooice Non Payment of Business Day Cards**

We feel our explanation above covers this in detail about the commercial dispute with Ms Colcord, which has also been fully resolved.