

24 February 2022



Hon. Dr Megan Woods
Minister of Research, Science and Innovation
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Dear Minister,

Response to GNS Science Annual Letter of Expectations for 2022/23

Thank you for your annual Letter of Expectations setting out strategic and performance expectations for GNS Science for the 2021/22 financial year and beyond.

GNS Science is committed to playing our part in delivering a modern, future-focused research system for New Zealand, and the Board is confident that GNS's vision, supported by its scientific capability, will deliver the transformative knowledge and innovations needed by the Government for a resilient society, sustainable environment and strong economy. Our strategic direction and goals align well with your expectations, as set out below.

In the coming year, we will begin implementing our new strategic Science Roadmap. The Roadmap builds on the work done in our strategic review process to align our strategic direction with long-term government priorities and the needs of our stakeholders, industry partners, and iwi/Māori interests. It describes our future science direction and focus to 2030 and will ensure our outcome focused Science Themes are driving the delivery of impactful and relevant science for Aotearoa New Zealand. While the Roadmap's primary focus is to aid GNS Science in developing its future research direction, it also enables our shareholder, stakeholders and iwi/Māori to see our shared challenges and to collaborate with us in developing innovative solutions.

The direction provided by the Roadmap also allows us to align and invest in the right people and infrastructure to maintain capability and capacity in key areas for New Zealand, as well as providing the basis for our contribution to the Te Ara Paerangi – Future Pathways Green Paper. We support the vision of a modern, future focused research system that is adaptable, resilient and connected, and look forward to continuing our contribution to the work being undertaken by MBIE on this.

GNS Science Priorities

We would like to highlight the strategic priorities that GNS Science will be focusing on in the 2022/23 year, aligned with the directions set out in the Letter of Expectations. We appreciate the engagement from you and your officials on these matters this year and look forward to progressing these discussions.

Property Strategy – GNS Science’s recently completed Property Strategy provides a high-level planning framework across our portfolio of research laboratories, workshops, office accommodation and public interface property. Preferred options for the future development of our Wellington Region (Avalon and Gracefield) and Wairakei properties have been agreed, and we are now working with other research organisations, including Callaghan Innovation, ESR and Victoria University of Wellington, to ensure that all co-location possibilities are considered and that together our property plans present a coherent picture for the Wellington region. Advancement of the GNS Property Strategy is a priority for GNS Science, and we will continue discussions with MBIE regarding both our Wairakei and Wellington campuses. In particular, the redevelopment of our Wairakei site is a priority in the coming year, and we will be looking for Ministerial support for our investment in this important infrastructure.

We would like to reiterate comments put forward in our joint submission with ESR on the MBIE commissioned report ‘An Integrated Approach to Research, Science and Innovation System Property Investment’. We believe that the principles the review process should focus on are effective and enhanced science collaboration, economies of scale, resilience, Mātauranga Māori and iwi partnership, and driving the government’s aspirations for the research, science and innovation sector.

Whakaari/White Island – As you are aware, we have pleaded not guilty to the charges laid by WorkSafe NZ against GNS Science as a result of the Whakaari/White Island eruption. We continue to respond to the prosecution process, noting that the prosecution will take some time (court proceedings are planned for second half of 2023), and that the Coroner’s hearing will begin after the WorkSafe proceedings are concluded, probably in 2024.

Returning to the Island to service our monitoring equipment remains a priority and we continue to work on the health and safety aspects of this.

GeoNet programme – We welcome the additional funding for GeoNet and NSHM for the 2021/22 year and the 2022/23 year. It is crucial that this vital national infrastructure, which is essential to public safety and resilience planning, is adequately funded, and this additional funding allows critical network maintenance and enhancements to be undertaken. We continue to work with other parties and officials on a long-term sustainable funding model to inform the NEMA led Hazards Platform Business Case and the 2023 Budget bid. We are concerned that progress is slow, but we will work closely with your officials and keep you informed.

Enterprise system replacement - GNS continues to work collaboratively with ESR to jointly implement a common enterprise system, which will address issues with our core capabilities of Financial Management, Human Resources Management and Contract and Project Management. It will provide an effective and integrated system, which will result in significant efficiency gains and enable the delivery of timely information and transparency for managers and decision makers. This shared system with ESR, provides a platform that other CRIs will be able to join in future years.

Collaboration and partnerships – GNS Science has a strong track record of working collaboratively with stakeholders, Government, Māori, other CRIs, and other participants in the

science system as evidenced in the projects discussed above. While we are pleased with the progress that has been made, we believe that there are significant opportunities to create even greater impact. We recognise that collaboration and interdisciplinary research partnerships are key in enabling us to deliver on our science themes, and we work hard to ensure such collaboration is part of our culture.

In particular, this year we are redeveloping our **Māori Strategic Plan** to strengthen our relationships and partnerships with Māori/iwi. This work is essential as we explore opportunities to incorporate mātauranga Māori into relevant research programmes and build internal and external capability. We will also continue our work with other CRIs to agree a consistent approach to working with Māori/iwi to strengthen the capability, skills and networks between Māori and the Research, Science and Innovation system.

COVID-19 pandemic - The past two years have been challenging, and we greatly appreciate the support we have received from you and your officials to offset much of the loss of commercial revenue and enable us to retain staff in jobs and maintain national scientific capability and infrastructure.

The pandemic is having ongoing impacts on GNS Science and, in particular, our ability to attract and recruit staff. This has impacted our ability to get some work underway in the anticipated timeframes. We continue to plan for future scenarios, including anticipating the spread of the Omicron variant.

Meeting the Government's priorities

GNS Science is well positioned to support government initiatives and is well aligned with Government direction and priorities. In particular, we have made good progress with our Energy Futures theme, including research into green hydrogen technologies, as a key enabler in the move to a zero-carbon economy. We continue to deepen our relationships and collaboration with other research entities, both nationally and internationally and, in particular are building on the increased collaboration amongst the Crown Research Institutes evident over recent years, and as endorsed in the Te Pae Kahurangi review report and the Te Ara Paerangi – Future Pathways Green Paper.

GNS continues to be a significant user of existing eResearch infrastructure. We are members of REANNZ and strongly support its cost effectiveness and quality and recognise its criticality to the delivery of our natural hazard monitoring activities. We also make significant use of NeSI and see this platform as the primary long-term path toward our High Performance Computing consumption and enablement of better data science in CRIs. Over the last year we embarked on a cyber security programme of work to provide a significant uplift in our security standards and readiness, including implementation of 24/7 monitoring, a strengthened governance and policy framework, and the automated and real-time scanning for cyber security vulnerabilities. This programme of work will continue in 2022.

We note your expectations regarding financial performance and wellbeing and workforce inclusion. We have made strong progress in our financial strategy and continue to operate in a transparent manner with officials regarding this. As set out in our dividend policy, we are investing in our people, systems and science infrastructure, and do not intend to provide any dividend in the short to medium term. GNS is also mindful of wellbeing and workforce inclusion

and will continue to act as a good employer in line with corporate social responsibility practices. Initiatives include our Ahunuku Scholarship programme and co-leading with NIWA an MBIE Equity, Diversity and Inclusion Fund project looking at how CRIs can better share and implement best practice, scale up the reach and responsiveness, increase the attractiveness of science-based careers and minimise barriers for Māori.

We will ensure that our upcoming Statement of Corporate Intent and business planning processes continue to manage our resources and plan ahead in these areas, as well as responding to new areas of growth and demand.

We note the general and good governance expectations outlined in your letter, as well as the other documents referred to for guidance, and welcome continued engagement with officials and shareholding Ministers over the upcoming months as we prepare our Business Plan and 2022 - 2027 Statement of Corporate Intent.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Nicola Crauford', written in a cursive style.

Dr Nicola Crauford
Chair