



20 March 2020

Hon Dr Megan Woods
Minister of Research, Science and Innovation
Private Bag 18041
Parliament Buildings
Wellington 6160

Dear Minister

Annual Letter of Expectations for 2020/21

Thank you for expressing your expectations clearly and recognising the progress that Manaaki Whenua has made over the last year - both are much appreciated. This letter sets out our proposed response.

Despite the uncertainties created by the COVID-19 pandemic, we believe Manaaki Whenua continues to be well-placed to make a significant contribution to addressing the Government's commitment to an inclusive, sustainable and productive New Zealand.

We look forward to the final version of the new RSI Strategy, Kei Mua Te Ao, being released. We are fully committed to the three pillars of excellence, impact and connectedness and have strengthened our investments in innovative ideas and collaboration, both within New Zealand and overseas. Our approach to connectedness favours enduring partnerships that align strengths to achieve impact.

We support the CRI Review, Te Pae Kahurangi, and our Board and staff had an excellent interaction with the panellists during their site visit. We work closely with the other CRIs through the existing mechanism of Science New Zealand, which achieves scientific and operational alignment and shared action. We believe that more can be achieved in the wider system, for example through strengthening strategic science investment that enhances co-investment and cooperation between government, science, private sector and Māori entities in meeting New Zealand's major needs.

CRIs have the potential to make significant progress on the actions in the two joint reports to you on engaging with Māori and the future of the workforce. Among the CRIs, Manaaki Whenua is being proactive in both areas and building new elements into our Strategy-22, such as Diversity, Equity & Inclusion and the Future of Work.

On your expectations that are specific to Manaaki Whenua:

- We are presently progressing our business case for the Auckland development with your officials and alongside MPI, who are making decisions on their future infrastructure needs. We believe the COVID-19 pandemic further strengthens the case for adequate national investment in the infrastructure and capability needed to address biological security. Our Auckland Hub concept addresses this case. Given the uncertainties associated with future research revenues, the business case will necessarily be grounded in the social and economic value attributed to biological security, resilience, and opportunity cost.
- We have implemented new processes to ensure we comply with HSNO requirements and manage risk effectively. We will continue to be vigilant in this area.

- We maintain our longstanding commitment to transparency and accessibility in our collections and databases. For example, we are focused on achieving national coverage of our soils database, S-Map, which is estimated to create \$50 million economic value per year when complete.
- We look forward to MBIE's review of Collections & Databases, which we trust will assist us to address the steady loss of capability in this national infrastructure caused by the steady decline in the real value of investments.
- Manaaki Whenua is leading Science New Zealand in developing strategic connections with overseas institutes such as INRAE (agricultural and environmental research) in France and Wageningen University & Research in the Netherlands. Manaaki Whenua's Chair, CEO and Chief Scientist are playing leading roles in the Aotearoa Circle and, together with other directors and executives, are either involved with or fully supportive of the Food & Fibre New Zealand (Primary Sector Council) initiatives. We see these pan-sector initiatives addressing New Zealand's strategic needs in a coordinated way.

Our Board and Executive have increased their attention to matters set out in the SSC's Enduring Letter of Expectation, notably safe workplaces, diversity and inclusion, gender pay gaps, and employee voice in the workplace. The Board and Executive are upskilling in Treaty partner and WAI-262 matters and Māori cultural capability is being built in Manaaki Whenua as a key pillar of our Strategy-22. Our vision, goals and strategy focus on wellbeing, consistent with Government policy. We have been a carboNZero organisation since 2006 and are now helping the zero-carbon journey of CRIs collectively through our subsidiary, Toitū Envirocare, who are a lead provider for the State Sector's zero carbon goal.

In closing, we thank you for your ongoing support and that of your officials, with whom we have an excellent and valued working relationship.

Yours sincerely



Jane Taylor
Board Chair

cc Richard Gordon, Chief Executive
Michael Bird, MBIE



3 June 2020

Hon Dr Megan Woods
Minister of Research, Science and Innovation
Private Bag 18041
Parliament Buildings
Wellington 6160

Dear Minister

Letter of Expectations for 2020/21 – Updated Response

We responded to your letter of expectations on 20 March 2020. Since then the Covid-19 pandemic has changed our outlook and we consider it timely to update our response to you. We will focus only on the matters that have changed as a result of the crisis.

First, we wish to thank you for your support to the CRIs in obtaining COVID-19 Response and Recovery Fund allocations. In our case, the \$2.37m grant in FY20 will offset anticipated reductions in commercial research contract completions. We also appreciate the increase in SSIF funding for databases and collections for the next two years. The flat funding in that area has been challenging for many years, with a resultant loss of key skills and our inability to fund their replacement.

We are pleased to see Government's investment in jobs for environmental initiatives. We will be working with DoC and MfE and with our Māori partners to ensure that our science plays a role in securing long-term, sustainable outcomes from these projects. We also see an opportunity to use these initiatives to bring more Māori and Pasifika into science.

Our ecological modellers have played an important role in supporting Government's decisions on Alert Levels, and we are pleased to have received interim funding for continuation of that work from your Innovation Fund. We have a further project proposal under consideration which will employ our economic and social researchers to understand the impacts of COVID-19 and pathways to resilience.

Manaaki Whenua has initiated a pan-CRI recovery project to identify and enhance CRI collaborative projects that will contribute strongly to the recovery effort in the next 2-5 years. These will be projects where the research has been completed, are "impact-ready" and can be scaled up for greater impact with suitable investment. Being pan-CRI, these projects will include economic and environmental opportunities.

Despite these positive stories, pressure and uncertainty will be higher than usual with respect to our financial situation, including both MBIE and commercial revenue in FY21 and FY22. To best protect jobs we have implemented a recruitment freeze, cut all but essential costs and put significant new capex projects on hold.

One of the expectations in your letter was that we continue to explore the concept of a National Biological Security Centre – moving our biosecurity expertise from Tāmaki to Mt Albert, to be alongside and co-develop with Plant & Food Research and ESR, and ideally with MPI. The pandemic has brought into sharp focus the rationale and need for such a facility, which is now greatly increased. However, we foresee a regrettable and significant delay of 5-10 years in our proposed move from Tāmaki to Mt Albert

because of greater financial uncertainty and likely reduced access to capital funds. We expect any move will require crown capital assistance. We put a proposal for the facility and a related laboratory development at Lincoln into the Infrastructure Reference Group as a "shovel-ready" project. While it has been included in the long-list supplied to Ministers, we consider it a 'long shot'.

In closing this update, we thank you for your ongoing support and that of your officials in these difficult times and we welcome discussion of the points raised in this letter.

Yours sincerely

A handwritten signature in black ink, appearing to be 'JT' with a flourish.

Jane Taylor
Board Chair

cc Richard Gordon, Chief Executive
Michael Bird, MBIE
Olivia Paterson, MBIE