



28 February 2022

Hon Minister Megan Woods
Minister for Science & Innovation
Parliament Buildings
Wellington

Dear Minister Woods

I acknowledge your Annual Letter of Expectations for 2022/23 and note your comment that the research, science and innovation sector has an important role in supporting Aotearoa New Zealand's economy and society, addressing environmental challenges and underpinning the country's response to the COVID-19 pandemic.

Thank you for your recognition of the efforts of NIWA's people as they contributed to the Government's response and strategy to COVID-19, particularly those based in Auckland.

NIWA's acknowledges your expectation that during 2022/23 it will:

- Engage with your officials on ongoing initiatives, and actively contribute to the work being undertaken by MBIE to inform Te Ara Paerangi - Future Pathways by participating in the various workshops, providing submissions and responding directly on specific matters with officials as they arise.
- Work with your officials to investigate co-location opportunities with other CRIs and Universities with an open mind, and in particular ensure that NIWA's Future Property Programme business cases clearly articulate how co-location of research facilities has been considered. The most pressing matter in this regard is thoroughly investigating the viability of alternative options for NIWA's plans to redevelop its Wellington facilities.
- Engage with relevant government and industry strategies on the Government priorities you identified. NIWA recognises it has a broad range of science capability and expertise that can support the Fit for a Better World Roadmap, and the Conservation and Emissions Reduction Plan in particular.

Well-being and workforce inclusion

NIWA acknowledges your expectation that it support well-being, while growing an equitable, diverse and inclusive workforce and will build on its people and capability initiatives to address this. Specifically, NIWA has committed to having a joint working group during 2022/23 with PSA and non-union staff members to review its current diversity and pay policies and performance with a view to establishing a gender pay gap action plan.

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Te Ao Māori

NIWA has a strong focus on developing capability, skills and partnerships with Māori and, led by its Te Kūwaha team, plans to improve its cultural organisational capability during 2022/23 with the introduction of Te Puāwaitanga, a Cultural Competency Framework to strengthen NIWA's understanding of and commitment to Tiriti based relationships with Māori.

eResearch and digital technologies

During 2022/23 NIWA will be an active participant in discussions with MBIE and others within the science sector as the future plans for the nation's eResearch platforms such as NeSI, REANZ, and digital technologies in general, are developed. NIWA is aware that it is a key player in high performance computing, IoT networks, machine learning (AI), sensor technologies, and big data processing and analytics, and will keep MBIE officials abreast of its developments in these areas.

NIWA will continue its focus on having effective cyber security procedures, policies, and staff training during 2022/23, and will maintain its links with other relevant government agencies to support this.

Financial Resilience

During 2022/23 NIWA will pay particular attention to maintaining its financial resilience by focusing on generating its budgeted revenue, working within its cost budgets and achieving its capital expenditure milestones. Staff recruitment and retention is challenging at present, and we expect this to continue through 2022/23. Nevertheless, we remain committed to maintaining the critical scientific capability and services required to support the organisation's long term financial plan.

Given the ongoing economic uncertainty brought about by COVID-19, NIWA will continue to adopt a prudent approach to its financial planning in 2022/23 and the out-years. Over the longer term we still foresee an operating environment of opportunities for NIWA due to the nation's focus on climate change and its impacts, the implementation of the freshwater reforms, the growing interest in the value of New Zealand's marine environment, and the rapidly growing deployment of NIWA's considerable investment in digital technologies and capabilities.

NIWA has benefitted from a particularly collaborative relationship with your officials as we have developed various business cases in recent years, and we look forward to that relationship continuing.

NIWA Future Property Programme

As you are aware, NIWA is at an advanced stage with its Future Property Programme, with the redevelopment of its Hamilton site well underway, the Business Case for the Wellington site redevelopment complete and awaiting the outcome of the Wellington region science sector property review, and the design of new facilities in Christchurch due to be completed by the end of the 2022 calendar year.

As noted above, we are working with your officials and the wider science sector to thoroughly investigate further opportunities for co-location and connectivity in the Wellington and Christchurch regions, and will ensure the outcome of that work is reflected in the Business Cases for these developments.

Research Vessels

Thank you for your support for the Business case for NIWA to construct a replacement research vessel for *Kaharoa*. The inputs of the Ministry for Primary Industries, Fisheries New Zealand, and other expected users of the new vessel were instrumental in its specification and design, and MBIE and Treasury were influential in the preparation of the business case.

During 2022/23 NIWA will work with the new vessel architects and shipbuilder to ensure it is built to specification, within budget and on time.

We understand MBIE is contemplating a review of the nation's broader research vessel fleet and we will actively support that review.

Recirculating Aquaculture System

During 2022/23 NIWA will complete the construction of its experimental 600t p.a. land-based kingfish Recirculating Aquaculture System; a project being undertaken in partnership with Northland Regional Council. Commissioning of the facility is expected Q1 2023, with production of kingfish in the new facility commencing in Q2 2023.

Weather Data

I note your encouragement for NIWA to apply the New Zealand Data and Information Management Principles in relation to observational weather data where appropriate. During 2022/23 NIWA will pay particular attention to ensuring that the >99% of its weather data currently made freely available, remains so. Where NIWA needs to recover the cost of the circa 1% of its weather data that is charged for, it will do so in a fair and transparent manner.

General and good governance expectations

I am pleased with the return of the NIWA Board to a full complement following your recent appointment of three new directors. The Board will be mindful of its responsibilities in the context of Minister of State Services and Minister of Finance's Letter of Enduring Expectations, the Ministry of Business, Innovation and Employment's Monitoring Arrangements for MBIE-monitored Crown entities (including CRIs), and the general and good governance expectations outlined in Annex One of your Letter of Expectations.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Barry Harris', with a stylized flourish at the end.

Barry Harris
Chair