

Chair, Cabinet Policy Committee

Response to the review of the Environmental Risk Management Authority

Proposal

1. This paper seeks Cabinet's agreement that the recommendations of the recent review of certain aspects of the operations of the Environmental Risk Management Authority (ERMA) provide good guidance for ERMA in carrying out its statutory and governance functions. The paper proposes actions to implement the recommendations.

Executive Summary

2. This paper is one of three related papers being considered by Cabinet at the same time relating to the Hazardous Substances and New Organisms Act (HSNO) 1996 and the Environmental Risk Management Authority (ERMA). This paper covers only the recent review of ERMA's operations.
3. ERMA plays a vital role in promoting and protecting the health and safety of New Zealanders. In the wake of the Royal Commission on Genetic Modification and the government's decisions in response, the government initiated a review to ensure ERMA has the capacity and capability to meet the demands placed on it by the HSNO Act, particularly for new organisms. This review of ERMA is complete, and the key messages from the review are:
 - ERMA has, or is actively developing, the capacity and capability needed to make sound decisions
 - By enhancing its governance role, the Authority can improve ERMA New Zealand's organisational performance
 - The Authority should investigate a more flexible approach to risk assessment in decision-making
4. The review report contains 49 recommendations to build on ERMA's current performance in its statutory functions, corporate governance policies, and other areas of their activities – including their relationships with other agencies, stakeholders, Māori, and the public.
5. Officials at the Ministry for the Environment have analysed the review report and propose actions to implement the recommendations. It is proposed that the majority of the recommendations (44 out of 49) are implemented and monitored formally through ERMA's annual Purchase Agreement and Statement of Intent, and informally through regular meetings between the Minister for the Environment, the ERMA Chair, and the Chief Executive of ERMA New Zealand.
6. Four recommendations from the review relate to Ngā Kaihautū, ERMA's Māori advisory committee. These are already being addressed through the recently tabled New Organisms and Other Matters Bill.

7. A fifth recommendation of the review report recommends that ERMA investigates a more flexible approach to risk assessment in decision-making, and it is proposed that the Minister for the Environment direct ERMA to investigate this approach.
8. In their response to the review report, ERMA supports the recommendations, and they outline the actions they are already taking to implement them. In particular, ERMA has initiated an organisational review to prepare for any demands placed on it by the HSNO Act.

Background

The Environmental Risk Management Authority

9. The Environmental Risk Management Authority (the Authority) was established under the Hazardous Substances and New Organisms (HSNO) Act (1996). The Act provides for the Authority to be made up of at least six, and not more than eight, members appointed by the Minister for the Environment. The Act also establishes the position of Chief Executive who is to be responsible for the efficient and effective administration of the affairs of the Authority on such terms as shall be established by the Authority. ERMA New Zealand is the organisation established to carry out operations in support of or on behalf of the Authority, and is lead by the Chief Executive.
10. In this paper, the term Authority is used to describe the decision-making and governance board, ERMA New Zealand is used for the agency established to support the Authority, and ERMA is used for the organisation as a whole.
11. The purpose of the Authority derives from the HSNO Act, which is to protect the environment and health and safety of people and communities, by preventing or managing the adverse effects of hazardous substances and new organisms.

The review of ERMA

12. ERMA plays a vital role in promoting and protecting the health and safety of New Zealanders. In the wake of the Royal Commission on Genetic Modification and the government's decisions in response, the government initiated a review to ensure ERMA has the capacity and capability to meet the demands placed on it by the HSNO Act, particularly for new organisms.
13. Following the 2002 election, a review of certain operations of ERMA was agreed between the Green Party of Aotearoa New Zealand (the Green Party) and the Labour/Progressive Government. The Labour/Progressive Government's cooperation agreement with the Green Party caucus notes:

Both parties agree that it is desirable to review certain aspects of ERMA's (Environmental Risk Management Authority's) operation to ensure it is capable of providing a robust mechanism to fully implement those parts of the HSNO (Hazardous Substances and New Organisms) Act relevant to new organisms in a manner consistent with the purpose of the Act. The Government intends to initiate such a review and will consult with the Green Party on the terms of reference and personnel.

14. The terms of reference for this review (see Appendix A) were agreed between the Minister for the Environment and the Green Party (CAB Min 02 34/4 refers). The terms of reference specify that the review should look at the capacity and capability of ERMA to carry out the purpose and tasks prescribed for it in the HSNO Act. The

review did not include any analysis of the HSNO Act itself. The composition of the review team (see Appendix A) was subsequently agreed between the Minister for the Environment and the Green Party. The reviewers began their interviews with representatives of government agencies and other stakeholder groups. The reviewers also undertook a wide range of discussions with past and present members and staff of the Authority and ERMA New Zealand.

15. The reviewers completed their report, "*A Review of the Capability of the Environmental Risk Management Authority (ERMA) relating to the Risk Management of New Organisms*" and submitted it to me at the end of March (Copies of the report are available from my office).

Summary of the review report

16. The report's focus is on the capacity and capability of the ERMA to carry out the purpose and tasks prescribed for it in the HSNO Act, in particular for new organisms. The key messages from the report are:

- ERMA has, or is actively developing, the capacity and capability needed to make sound decisions
- By enhancing its governance role, the Authority can improve ERMA New Zealand's organisational performance
- The Authority should investigate a more flexible approach to risk assessment in decision-making

17. The report includes 49 recommendations to to build on ERMA's current performance in several areas of their operations, grouped into the following general categories (Appendix B):

- ERMA's decision-making and governing body (referred to as the Authority)
- Methodologies in use in managing risks and benefits
- Present management and organisation structures
- Staff qualifications and experience
- External relationships

Summaries of the recommendations for each of these categories follow.

ERMA's decision-making and governing body (referred to as the Authority) (recommendations 1-15)

18. These recommendations are focused on the capacity and capability of the Authority for governance and decision-making. The reviewers recommend that Ngā Kaihautū, the Authority's Māori Advisory Committee, be given a more formalised role to provide increased Māori involvement in decision-making. Other recommendations call for a more rigorous governance system for the Authority; including a review and expansion of current governance policies, more active performance management of the Chief Executive, and other actions to increase the autonomy, accountability, and capability of the Authority.

Methodologies in use in managing risks and benefits (recommendations 16-32)

19. These recommendations are focused on the tools the Authority calls on to guide decision-making. The reviewers recommend that the Authority start to develop a body of knowledge on decision-making to be used as a resource to assist future decision-making. The reviewers also point to the importance of collaboration with

government agency partners (i.e. Ministry of Agriculture and Forestry, Department of Conservation) and research institutes, as well as ensuring ethical and cultural views are given due consideration alongside a high degree of scientific rigour. The reviewers also recommend that the Authority investigate adopting a more flexible approach in the risk assessment process to allow it to keep in step with changing perceptions and knowledge over time.

Present management and organisation structures (recommendations 33-37)

20. These recommendations are focused on the organisational and management structure of ERMA New Zealand, the support agency for the Authority. The reviewers recommend that consideration should be given to management-level capability in some areas of policy development to complement its operational and technical focus. The reviewers highlight the importance of good management within ERMA New Zealand and the need for open dialogue, at all levels within the organisation, ranging from technical knowledge sharing to high-level discussions on strategic direction.

Staff qualifications and experience (recommendations 38-47)

21. The reviewers recommend the implementation of an organisation-wide strategy for staff development and capacity building within ERMA New Zealand, including a shared vision for the organisation. As part of this strategy, the reviewers recommend a review and expansion of the Authority's current statement on "corporate culture". The reviewers indicate several shortfalls in technical expertise within the current staff and management of ERMA New Zealand, and recommend a regular review of technical expertise to ensure the provision of quality advice to the Authority. The reviewers also recommend the Authority reconsider ERMA New Zealand's current balance of expenditure in light of the demands for staff development.

External relationships (recommendations 48 and 49)

22. The reviewers identify key relationships with external stakeholders, including the Ministry of Agriculture and Forestry, the Ministry for the Environment, enforcement agencies, applicants, non-government organisations, and the general public. The reviewers recommend that the Authority and ERMA New Zealand continue to maintain strong working relationships with policy agencies. The reviewers highlight a lack of integration between the HSNO Act and complementary legislation (e.g. Biosecurity Act 1991) and recommend that the Authority take a leadership role in implementing and monitoring compliance controls that work "on the ground" across different pieces of legislation.

The Authority's response to the review report

23. In their response to the review report, ERMA supports the recommendations, and they outline the actions they are already taking to implement them. In particular, ERMA has initiated an organisational review to prepare for any demands placed on it by the HSNO Act. The Authority's response also includes a section on the resource implications of implementing the recommendations of the review report, suggesting that they provide me with a report on outstanding issues.

Comment

24. The majority (44 out of 49) of the recommendations in the report relate to the internal organisation and corporate governance of ERMA, or the relationships it maintains with stakeholders, applicants, and the public. The remaining recommendations relate to the Authority's membership (4 recommendations), and the need for an investigation into flexibility in the Authority's risk assessment process (1 recommendation).
25. I believe all the recommendations are sensible, and provide good guidance for ERMA in carrying out its statutory and governance functions. I propose that the following measures to implement them are adopted.

Measures to implement recommendations related to corporate governance, internal organisation, and stakeholder relationships

26. Corporate governance and internal organisation of ERMA New Zealand are currently the responsibility of the Chief Executive, on the instructions of the Authority Chair. The HSNO Act includes some general provisions for corporate governance and internal organisation, but does not prescribe how the Chief Executive is to carry out these responsibilities. Many of the recommendations concerning corporate governance and internal organisation are already being undertaken by the Authority to a large extent, and any improvements in the Authority's performance in the areas are best initiated and implemented by the Authority. The improvements may be brought about through both informal and formal measures.

Informal measures

27. As part of my monitoring role, I meet regularly with the Chair of the Authority and the Chief Executive of ERMA New Zealand. These meetings are a good opportunity for us to discuss the implementation of governance and staff development initiatives, and the impacts of these on ERMA's outputs. Activities to implement the recommendations related to corporate governance and internal organisation will be discussed and reviewed at these regular meetings.

Formal measures

28. There is scope for a more formal arrangement to implement these recommendations. Each year, the Authority Chair and I develop a Purchase Agreement specifying outputs and outcomes for the coming financial year. The Authority also publishes a Statement of Intent for the coming year, once the Authority Chair and I have signed the Purchase Agreement. The Statement of Intent is a public document and includes more detailed objectives and indicators relating to staff development opportunities and a healthy culture within ERMA New Zealand.
29. I intend to work with the Authority Chair to identify the recommendations of the review report that will be implemented by incorporation into the 2003/04 Purchase Agreement and Statement of Intent, using the following principles (based on the recommendations of the review report) as guidance:
- Effective collaboration between ERMA and relevant government departments with an emphasis on finding whole of government solutions to issues related to the introduction of new organisms, genetically modified or otherwise
 - Increased public awareness and communication with stakeholders, Māori and the general public on ERMA's approach to risk assessment, and general principles related to the introduction of new organisms

- Effective delegated decision-making on low-risk new organism approvals through provision of information and coaching to Institutional Biological Safety Committees (IBSCs)
 - Development of organisational strategies to develop staff capacity and capability, including improved guidance materials and increased managerial support and accountability
 - Increased emphasis on the governance role of the Authority, including;
 - a. the development of a shared vision across the Authority and ERMA New Zealand, and strategies to achieve this vision
 - b. an active and systematic approach to performance management of the Chief Executive
 - c. the development of an annual agenda to assist in determining priorities
 - d. self-assessment of the Authority's governance role
 - Provision of leadership and effective relationship management to agencies (i.e. agencies listed in s.97 of the HSNO Act plus the Ministry of Agriculture and Forestry) to ensure appropriate enforcement and compliance activities
30. In order to ensure the objectives of the Purchase Agreement are being met, I receive quarterly and annual reports from the Chair on their progress. If there is a need for an amendment to the Purchase Agreement during the year, I will discuss this with the Authority Chair as the need arises.

Measures to implement other recommendations in the report

Appointments and Authority membership

31. The review report recommends that the Authority have a more proactive role in its own succession planning, and that future appointments to the Authority address areas of inexperience and under-resourcing as identified in the review report (recommendations 12, 13). Other recommendations relate to the maintenance of full membership within the Authority, and a “merit-based” approach to new appointments (recommendations 11, 15). Under the HSNO Act, I have the responsibility for appointing members to the Authority, ensuring a balanced mix of knowledge and experience in matters likely to come before the Authority. I will use the above-mentioned meetings with the Authority Chair to establish measures to implement the recommendations from the review report relating to the appointments process.

Flexibility in risk assessment processes

32. The review report recommends that the Authority should investigate adopting a more flexible risk assessment processes to allow for evolving opinions and perceptions of risk (recommendation 24). The review report also indicates that the Authority needs to move away from a narrow focus on process compliance in order to deal with the rapid expansion of knowledge relevant to the Authority's decision-making process. The Authority's decision-making process is prescribed in the Hazardous Substances and New Organisms (Methodology) Order 1998, and the Authority has developed non-statutory guidance in the form of protocols. The Authority is currently reviewing the Methodology, and has presented a revised Methodology to me. The revised Methodology provides for more flexibility in the Authority's risk-assessment process. I intend to work with the Authority Chair to ensure the Methodology reflects the purpose of the Act in the most cost-effective way possible for applicants. Any proposals for a change to the Methodology will be the subject of a separate paper to Cabinet.

33. I recommend that the Authority should investigate taking a more flexible approach to risk assessment in decision-making to allow for evolving opinions and perceptions of risk. The hazardous substances strategy, currently being developed by officials at the Ministry for the Environment and the subject of a separate cabinet paper, includes the general principle of flexibility in the Authority's decision-making. An approach to new organisms risk assessment in decision-making that also has flexibility may also be desirable and should be investigated. This approach should be consistent with the government's policy on genetic modification – proceeding with caution while preserving opportunities.

Clarification of Ngā Kaihautū's role

34. Recommendations related to the clarification of Ngā Kaihautū's role (recommendations 1, 2, 3, and 29) are consistent with the government's response to the Māori Reference Group report on how the HSNO Act should more appropriately reflect the Treaty of Waitangi relationship. These recommendations will be implemented as part of the New Organisms and Other Matters Bill tabled in the house on 29 April 2003. In addition, the Ministry for the Environment's current work programme for genetically modified organisms includes work aimed at improving the engagement of Māori in HSNO Act processes (POL Min (03) 7/14, CAB Min (03) 12/4 refer).

Conclusion

35. All the recommendations from the report will be implemented by the informal and formal measures outlined above. The Authority Chair and I will develop the Purchase Agreement and Statement of Intent for 2003/04 over the next few months, and any recommendations concerning upcoming appointments to the Authority will be discussed at our regular meetings. Other issues of importance to ERMA's operations, particularly the role of Ngā Kaihautū and flexibility in risk assessment processes, are being addressed through work programmes coordinated by ERMA and the Ministry for the Environment.

Consultation

36. The following departments have been consulted and agree with the recommendations in this paper: Ministries of Agriculture and Forestry, Fisheries, Research, Science and Technology, Health, Economic Development, Women's Affairs, Foreign Affairs and Trade; Treasury, State Services Commission, Department of Prime Minister and Cabinet, Te Puni Kokiri, Department of Ethnic Affairs, and the Foundation for Research, Science and Technology. Government agencies responsible for enforcement under the HSNO Act were also consulted: Department of Labour, the Maritime Safety Authority, the Civil Aviation Authority, the Police, Land Transport Safety Authority, and the Ministry of Consumer Affairs. The Authority has also been consulted.

Financial implications

37. There may be financial implications due to the increased activity of the Authority in its governance role. As mentioned above, the Authority will provide me with a report of the resource implications of implementing the recommendations from the review report. The Ministry for the Environment is also preparing papers that will cover financial recommendations for several areas of the Authority's activities, including

cost-recovery policy, and work programmes for hazardous substances and genetically-modified organisms. Any financial recommendation from the development of the Authority's Purchase Agreement or otherwise to implement the recommendations of the review report will be included as part of those papers (scheduled for cabinet consideration by 31 July 2003)

Human rights and gender implications

38. There are no human rights or gender implications from the proposals of this paper.

Legislative implications

39. There are no legislative implications from the proposals of this paper.

Regulatory impact and compliance cost statement

40. The proposals in this paper do not include any legislative amendment; therefore a regulatory impact statement is not required.

Publicity

41. I intend to release the review report, this cabinet paper outlining the government's response to the report, and the Authority's response to the report before 30 June 2003. I intend to focus on the following key messages in the publicity programme:

- ERMA has, or is actively developing, the capacity and capability needed to make sound decisions
- By enhancing its governance role, the Authority can improve ERMA New Zealand's organisational performance
- The Authority should investigate a more flexible approach to risk assessment in decision-making

Recommendations

It is recommended that the committee:

1. note that the report of the review of certain aspects of the operation of the Environmental Risk Management Authority (ERMA) has been completed
2. note that the Authority supports the review recommendations and they are already taking measures to prepare for any demands placed on it by the HSNO Act
3. note that the key messages from the report are:
 - ERMA has, or is actively developing, the capacity and capability needed to make sound decisions
 - By enhancing its governance role, the Authority can improve ERMA New Zealand's organisational performance
 - The Authority should investigate a more flexible approach to risk assessment in decision-making
4. agree that the review provides good guidance for ERMA in carrying out its statutory and governance functions
5. note that the report includes 49 recommendations (attached as Appendix B) to build on ERMA's current performance in the following areas:

- a. ERMA's decision-making and governing body (referred to as the Authority)
 - b. Methodologies in use in managing risks and benefits
 - c. Present management and organisation structures
 - d. Staff qualifications and experience
 - e. External relationships
6. note that recommendations from the report relating to clarifying the role of Ngā Kaihautū, the Authority's Māori advisory committee, are consistent with the government's response to the Māori Reference Group report on how the HSNO Act should more appropriately reflect the Treaty of Waitangi relationship and that this is being addressed through the New Organisms and Other Matters Bill, currently before Parliament
 7. note that the report states that in some areas ERMA "has become tied to a process that is inflexible and unresponsive to changing appetites for risk", and that they should adopt a more flexible approach to risk assessment
 8. invite the Minister for the Environment to direct the Authority to investigate options for adopting a more flexible approach to risk assessment in decision-making, taking into consideration the government's policy on genetic modification
 9. invite the Minister for the Environment to consider the following general objectives in developing the Authority's Purchase Agreement and Statement of Intent for the 2003/04 financial year:
 - Effective collaboration between ERMA and relevant government departments with an emphasis on finding whole of government solutions to issues related to the introduction of new organisms, genetically modified or otherwise
 - Increased public awareness and communication with stakeholders, Māori and the general public on ERMA's approach to risk assessment, and general principles related to the introduction of new organisms
 - Effective delegated decision-making on low-risk new organism approvals through provision of information and coaching to Institutional Biological Safety Committees (IBSCs)
 - Development of organisational strategies to develop staff capacity and capability, including improved guidance materials and increased managerial support and accountability
 - Increased emphasis on the governance role of the Authority, including;
 - e. the development of a shared vision across the Authority and ERMA New Zealand, and strategies to achieve this vision
 - f. an active and systematic approach to performance management of the Chief Executive
 - g. the development of an annual agenda to assist in determining priorities
 - h. self-assessment of the Authority's governance role
 - Provision of leadership and effective relationship management to agencies (i.e. agencies listed in s.97 of the HSNO Act plus the Ministry of Agriculture and Forestry) to ensure appropriate enforcement and compliance activities
 10. direct the Ministry for the Environment, in consultation with ERMA New Zealand and other relevant agencies, to report back to Cabinet on the funding implications of implementing the recommendations of the review report by 31 July 2003
 11. agree to release the Review report and this Cabinet paper by 4 July 2003

Hon Marian L Hobbs
MINISTER FOR THE ENVIRONMENT

Appendix A

Terms of Reference

The review will focus on the quality and appropriateness of the operating and management systems and the capacity and capability of the Environmental Risk Management Authority (including ERMA New Zealand) to carry out the purpose and tasks prescribed for it in the Hazardous Substances and New Organisms Act, in particular for new organisms. The purpose is dealt with in Part II of the Act. The tasks include assessment and approvals of new organisms, monitoring, inspection, compliance and enforcement provisions of the Act and promotion of public awareness of issues related to the HSNO Act.

In particular the reviewer will consider

- The suitability of the qualifications and experience of the staff of ERMA NZ to provide guidance and advice to the Authority in connection with new organisms
- The suitability of the qualifications and experience of the members of the Authority to make the decisions required of it with regard to new organisms
- The appropriateness of the organisational and management structure of ERMA NZ
- The methodology used by the Authority and ERMA NZ to undertake its tasks including how it implements key concepts in the HSNO Act, how it approaches risk management issues and how it weighs up information of different types and from different sources.
- The effectiveness of relationships with other relevant government departments agencies and key stakeholders

The reviewer may also look into other aspects of the operations of ERMA as is deemed necessary to meet these terms of reference.

Personnel

An independent reviewer, appointed by the Minister for the Environment after consultation with the Green Party, will undertake the review. The reviewer will have an understanding of organisational and risk management and the scientific and technical aspects of the management of new organisms. The reviewer may consult whomever they think fit to fulfil the terms of reference above, including the contracting of expert scientific or technical advice.

The Ministry for the Environment will provide logistical and organisational support to the reviewer.

Timing

The review should be completed by the end of January 2003.

Composition of the Review Team

To undertake the review the Minister for the Environment appointed a panel of three independent reviewers. They were:

- Graeme Nahkies, Chief Reviewer
- Margaret Loutit
- Sissel Rogne

Brief biographical details are included in the attached review report.

Appendix B

Recommendations from the review report

Recommendations on The Authority

1. That it be clarified that Ngā Kaihautū Tikanga Taiao (NKTT) is an advisory committee of the Authority; a subordinate component of the governance structure of ERMA
2. That the Authority take responsibility for appointing the chairperson of NKTT
3. That the chairperson of NKTT be invited to be present at Authority 'governance' meetings but not be considered a 'Member' of the Authority for such purposes
4. That the membership of the Audit Committee be reviewed to support the specialised role that it has to play
5. That the Authority review (and possibly extend) its definition of the governance component of its responsibilities
6. That the Authority adopt a more active and systematic approach to the performance management of the Chief Executive
7. That the Authority reassess whether it should retain the structures and processes that give rise to and support the identity of ERMA New Zealand separate from the Authority
8. That the Authority review and take ownership of the policies that relate to the design of its own job and discharge of its responsibilities. All such policies should be agreed by the Authority and signed off by the Chairperson
9. That the Authority adopts the practice of developing an "annual agenda" (or work programme) to assist it in determining its own priorities. This should follow through into a reformatting of its monthly meetings
10. That the Authority conduct a formal self-assessment of its governance performance including a review of its effectiveness in the application of its policies and procedures at least annually
11. That the Authority be maintained at full strength of eight members at all times
12. That the Authority itself take an active part in its own succession planning, in conjunction with the Minister
13. That future appointments address the areas of comparative inexperience and under-resourcing that are identified in the report
14. That the Authority's statutory decision making committees be well supported with legal advice
15. That the recruitment and selection process for Authority Members should be approached no less thoroughly than would be the case for the selection of a chief executive. Appointments should be "merit-based."

Recommendations on Methodologies In Use

16. Dialogue should continue between ERMA and MAF on the selection of particular controls and the frequency of monitoring.

17. A short study of the scope of work required to complete core registers should be conducted, perhaps with MAF or DOC collaboration. ERMA and the Ministry of Fisheries should discuss the requirements for a marine equivalent.
18. The Authority should consider the content and style of Evaluation and Review Reports, to improve internal consistency and readability; each Report should open with a summary of key issues in the view of applicant, submitters and staff.
19. The Authority should clarify the instruction to Agency staff on how conflicting information should be dealt with and the minority views reported, including deciding what types of information are included or excluded. The Authority should be informed where there are significant differences in view among staff. The Agency should be developing skills in interdisciplinary collaboration with emphasis on dialogue as well as debate.
20. Effort should continue on the broadening of risk management understanding, to meet the requirements of the Act: stakeholders should more fully appreciate that balancing of environmental risk and benefits is different to the insurance risk paradigm of detecting potential for loss and providing for compensation.
21. ERMA, research funding agencies and applicants should look together at the implications of case-by-case processing for research programmes dependent on a series of approvals to produce useful outcomes.
22. In its evaluation and review reporting, public awareness and consultation activities, ERMA should make use of the recent work available on the expectations of the New Zealand public and their range of perceptions, views and values.
23. A body of knowledge, about decision-making precedents and their implications should be distilled from the casework completed, as has been promised in the Annotated Methodology.
24. More flexibility in the risk assessment process will eventually be required and should be investigated soon. Perceptions change over time, to the extent that previously valid judgements are no longer fitting. The dynamic meaning of caution should be anchored in public risk appetite and scientific evidence.
25. ERMA should look for means of promoting awareness that provide for dialogue rather than debate, especially between communities of interest with a history of misunderstanding.
26. Observations deserving further consideration include those on the need for dialogue outside hearings:
27. Observations of merit on the need for dialogue outside the hearing process and on improvements to the hearing process should be considered in the light of whether they will assist wise and consistent decision-making that is more cost-effective. A more committed effort should be made to reduce cost for the Agency and applicants: alternatives to the present structures and process, allowable under the Act and Methodology, should be costed and their qualitative merits examined.
28. The Authority should take steps to understand and respond to perceptions that submitters, in particular, may not trust the process or the Agency.
29. The role of NKTT should be communicated more clearly to stakeholders. Advisory interaction between NKTT and the Authority should be reinforced at a strategic level as well as the present case-by-case level.

30. Fluctuations in applications numbers and effort required in pre-application, application and monitoring phases should be studied to explore the foreseeable options facing new organism work over the next three years. Such a study should include discussions with representative applicants and parties involved in monitoring and enforcement. The whole of government aim should be reinforced: protection and prevention outcomes are to be achieved, though different organisations may use different approaches or legislation.
31. The Agency should review the way of working and expectations about what standard of proof decision-makers need. Changes to staffing levels should not be considered until potential for process changes has been examined and governance implications considered.
32. Coaching efforts with IBSCs should continue, complementing audit of their processes and decisions.

Recommendations on Management Structure

33. A review of organisation development strategy, culture and structure should be completed in time to be fully implemented before the end of the moratorium, perhaps splitting the functions presently grouped in Science and Operations differently to focus attention on the very different requirements of new organisms and of hazardous substances.
34. Management level representation of policy development in environmental or public arenas should be considered, to complement the operational and technical focus of the organisation.
35. Budget holding for all senior management positions should rest with the position holder, so that the quality of service to Agency and Authority can be controlled with a single point of management and professional accountability.
36. Application Review Meetings should be used for clarification of issues around applications and familiarisation with skill areas in need of development, as well as ensuring compliance with the application-processing regime.
37. There should be more opportunity for dialogue within ERMA on high level issues of relevance to work now or in the foreseeable future, including the factors that need to be weighed, the ways these can be investigated and the workplace culture that will facilitate wise, balanced decisions.

Recommendations on Staff Qualifications and Experience

38. The Agency's Operations group should lead an operational review of the way application-processing is expected to be done, looking for skill deficits and potential for savings of time or cost in the preparation and processing of applications. Action plans for building or co-opting expertise in areas of shortfall should be implemented.
39. Professional development of staff should be guided by an organisation-wide strategy to develop capacity to meet the challenges facing ERMA.
40. The Authority should reconsider the high-level processes used within and beyond ERMA to complete tasks related to new organisms, including the sustaining of stakeholder relationships that assist future compliance and understanding. The potential for alternatives, still meeting the requirements of the Act and Methodology, should be examined.

41. A shared vision for ERMA, and the path to its achievement, should be built, lead by the Authority. There need to be free and frank discussions on what might happen as the new organism work progresses, including cultural, ethical and scientific dilemmas, perhaps involving applicant, submitter and other agency perspectives. Support for the expected workplace culture should be a part of the path to the vision. A means of addressing recurring contradictory culture themes should be proposed by management for the Authority to consider.
42. Developmental guidance should be provided for managers, to ensure treatment of staff is consistent with obligations and provides the support necessary to work to the standards expected.
43. There should be periodic review at Authority level of the satisfactory presence of specialisms and management competencies critical to the Agency's achievement of a reputation as an even-handed adviser to a wise Authority making informed judgements. Governance activities should regard these strategic human assets as crucial to the present and future performance of the organisation, to be added to and replenished in advance of need. Detailed recommendations are made in sections on shortfalls.
44. Rigorous quantitative and qualitative methods should be used to establish baseline perspectives and begin predictions of changing attitudes. Collaboration with research institutions should be investigated, including the possibility of obtaining FRST funding for a public-interest research programme.
45. Authority Members should become familiar with the different qualities of advice required so they can express their requirement clearly. This expression will assist the Agency, external experts, applicants and submitters in completing work to necessary and sufficient standards.
46. The Authority should review management competency ratings to ensure alignment with the 2010 visioning, then ensure their use in planning and conducting developmental activities for present and potential managers.
47. The Authority should consider the balance between expenditure on technical and managerial development of staff in the light of the needs facing the Agency.

Recommendations on External Relationships

48. Policy agency relationships should be sustained where established and reinforced where liaison is limited. This may require re-prioritisation of senior management attention in ERMA.
49. Liaison for compliance and enforcement purposes should be examined by the Authority to explore the division of responsibilities between ERMA and other agencies. The existing MoU arrangements have not been wholly satisfactory 'on the ground'. Reliance on agency relationships to deliver core services creates risk that the other agencies' priorities might precede those of ERMA. The Authority must be confident of satisfactory implementation of compliance controls and, when required, enforcement and emergency response actions. Diligent monitoring of actions by ERMA and other parties is needed, as is better integration of 'on-the-ground' operations.'