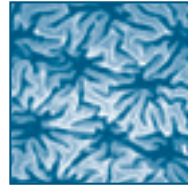
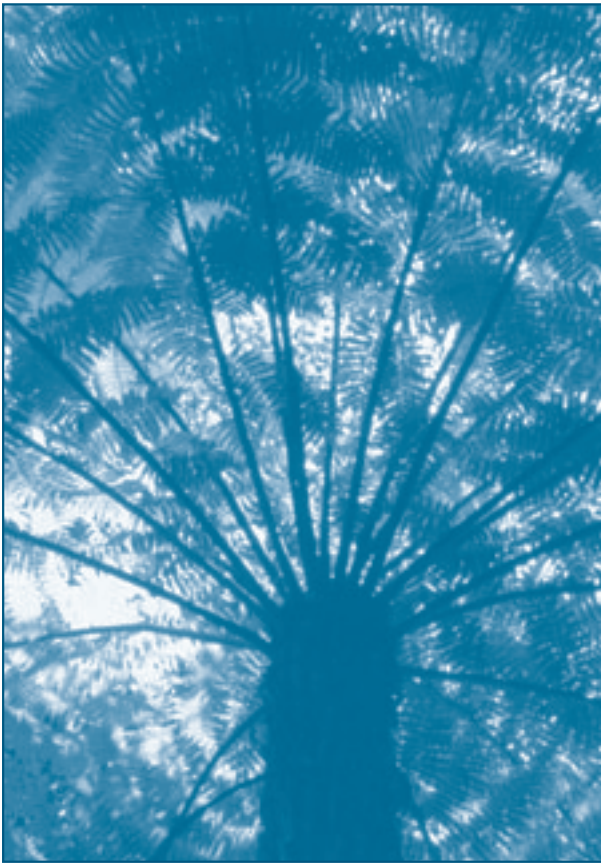




ENVIRONMENTAL RISK MANAGEMENT AUTHORITY

ANNUAL REPORT

2001



FOR THE YEAR ENDED 30 JUNE 2001

ENVIRONMENTAL RISK MANAGEMENT AUTHORITY
NGĀ KAIWHAKATŪPATO WHAKARARU TAIAO

ANNUAL REPORT

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TABLE OF CONTENTS

	Page
CHAIRMAN'S FOREWORD	
CHIEF EXECUTIVE'S SUMMARY	
1. INTRODUCTION	1
2. HIGHLIGHTS OF THE 2000/2001 YEAR	2
3. PROFILES	6
4. PURPOSE AND FUNCTIONS	12
5. MISSION AND OBJECTIVES	13
6. ORGANISATION AND MANAGEMENT	15
7. STATEMENT OF RESPONSIBILITY	17
8. STATEMENT OF SERVICE PERFORMANCE	18
OUTPUT 1 Developing and maintaining framework for implementing decision-making under Parts V and VI of the Act	18
OUTPUT 2 Deciding on applications made under under Parts V and VI of the HSNO Act including decisions under delegated authority	20
OUTPUT 3 Carrying out Chief Executive-initiated reassessments	22
OUTPUT 4 Deciding on applications for hazardous substances made under the transisitional provisions of the Act	23
OUTPUT 5 Monitoring and facilitating compliance and enforcement under Part VII of the Act, appointment of test certifiers, and the carrying out of inquiries into incidents and emergencies	24
OUTPUT 6 Transferring hazardous substance approvals under the transitional provisions of the Act, including management of notifications	26
OUTPUT 7 Providing policy advice and promoting international linkages	29
OUTPUT 8 Promoting public awareness and understanding of HSNO risks	31
9. CONTRIBUTION OF THE ACT TO ENVIRONMENTAL PROTECTION, HEALTH AND SAFETY, INCLUDING INCIDENTS	35
10. DECISIONS BY THE AUTHORITY	37
11. FINANCIAL COMMENTARY	39
12. FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2001	40
13. REPORT OF THE AUDIT OFFICE	51
APPENDIX I: PART V DECISIONS – A SUMMARY OF DECISIONS MADE AND PROCESSING STATISTICS	53
APPENDIX II: INCIDENTS, INQUIRIES AND COMPLIANCE	67

CHAIRPERSON'S FOREWORD



The year 2000/01 saw significant changes in the composition of the Authority with the completion of the terms of three original members, Chairperson Bill Falconer, Prof Barry Scott and Dr Terry Lomax. Their contributions helped to successfully establish the Authority in its vital role in respect of new organisms and hazardous substances. It has been my privilege to take over as Chairperson from 1 November 2000, with two other new Authority members, Ms Prue Kapua and Mr Tony Haggerty.

An important aspect of the year has been the on-going positive development of the relationship between the Authority and Ngā Kaihautū Tikanga Taiao. Regular joint meetings between us have given a sound foundation for policy development. A marae-based wananga on the Māori generic issues project was also useful, particularly giving time and the opportunity for exploration of ideas and concerns.

The wananga also crystallised difficulties in the approach that had been taken to the Māori generic issues project and has led to a new approach to be implemented in 2001/02 following the Government's decisions on the Royal Commission on Genetic Modification recommendations. It is pleasing that the generic issues project on antibiotic resistant marker genes was completed this year; but we are mindful of other issues needing investigative attention and look forward hopefully to being able to resource such a programme.

Considerable emphasis was given this year to the submission to the Royal Commission to ensure that the invaluable experience gained by ERMA New Zealand was made available to the Commission. I am grateful to the efforts of Authority members, in particular those of Deputy Chair, Dr Oliver Sutherland, and the ERMA New Zealand staff team, very capably led by the Chief Executive, Dr Bas Walker.

Careful attention has also been paid to the results of the appeal on points of law to the High Court on the Authority's decision in respect of a GM cattle field trial application. The outcome was both useful and generally reassuring. Generally reassuring in that only one ground for appeal was upheld out of 22, and useful in the clarity given to the expected approach to the decision-making Methodology. This latter has meant ensuring that not only is the Methodology adhered to but that it is rigorously recorded as such. However, it has also indicated that a review of the Methodology in the year ahead is warranted.

Although the actual decision-making work under Part V of the Act was for obvious reasons this year dominated by new organisms, progress towards the commencement of the Act for hazardous substances was of high interest to the Authority. The members were very much looking forward to this milestone. We were very aware of the preparatory work being done by the staff of ERMA New Zealand; in transfer of approvals for existing substances, in developing materials such as application forms and user guides, and in industry briefings and workshops. Authority and Ngā Kaihautū Tikanga Taiao members also had a very useful special briefing. We look forward to meeting the challenges of the hazardous substances components of the Act.

It is of note and some concern that, in regard to new organisms, there is far more public interest in genetically modified organisms than in the non-GMO organisms, but the Authority is very aware of the importance to New Zealand of the latter. I applaud the great care and attention which went into the decision-making on three non-GMO applications for release for biocontrol purposes this year.

Public awareness about risks and benefits of non-genetically modified as well as genetically modified new organisms appears unbalanced and this is of concern, but is not the sole responsibility of ERMA New Zealand to rectify. However, within the limit of our resources we will continue to play our part.

An issue giving rise to considerable concern and attention was that of the possibility of the importation of low levels of GMO contamination within the seed imports into the country. It is pleasing that ERMA New Zealand and MAF have worked together on border control measures to deal with this.

In all, the year has been one of considerable progress. I am very appreciative of the knowledge, skills and professionalism of the ERMA New Zealand staff and, in particular, express very sincere thanks to Dr Bas Walker for his leadership of that team and for his assistance to the Board throughout the year. I add a personal note of thanks for his advice and help to me on taking up the role of Chairperson. That I have enjoyed it so much is, in part, because of the smooth introduction he ensured for me.

I also pay tribute to the members of Ngā Kaihautū Tikanga Taiao, for their willingness to engage in discussion freely and frankly on matters which are of considerable importance to meeting the requirements of the Act; and for the energy and expertise offered. I have enjoyed developing close working relationships with both Leatrice Welsh and John Hohapata-Oke in their respective times as Chairperson.

I am extremely grateful to the Authority members for their enthusiasm, their thoughtful commitment and the abilities and skills they bring to the Board table and to decision-making on applications. It is a pleasure to chair such a Board and I look forward to the year ahead. There will be further retirements in the year ahead and those members will be much missed, but those who remain and new members will continue to build on the foundation which has been laid down so strongly.



Jill White

Chairperson

CHIEF EXECUTIVE'S SUMMARY



The 2000/01 year engendered, yet again, a profound sense of déjà vu. One of the features of the previous year (1999/2000) was a continual repositioning for the commencement of the Act for hazardous substances, but with the event itself always being deferred. In the 1999/2000 *Annual Report* I noted that commencement had been planned for 1 November 1999, but was in the end delayed past the end of the financial year. In the *Statement of Intent* for 2000/01 commencement was projected for 1 February 2001, but again failed to occur before the end of the financial year. But only just! It is now a matter of record that

commencement finally occurred on 2 July 2001.

The continuing delays in commencement, caused wholly by continuing delays in the completion of the hazardous substance Regulations, created a climate of considerable uncertainty. Plans were subject to repeated change and it was felt that a very conservative approach had to be taken to financial and other aspects of resource management.

Despite the delays and as in the previous year a very active programme of preparation for commencement was carried out. A full set of application forms was prepared, work continued on the preparation of a set of comprehensive user guides covering applications, thresholds and classifications, and controls; and a set of seven sample applications and four sample decisions were advanced. In the lead-up to commencement, a comprehensive information package was distributed to stakeholders and a series of five regional workshops for industry mounted. Industry briefings were also conducted in Australia, the USA and Europe. The New Zealand workshops were extremely successful with the total attendance of over 800 exceeding planning estimates by close to a factor of three.

Background work on the decision-making and compliance framework had ups and downs reflecting general uncertainty. Relatively little progress was made on Codes of Practice (none had been approved at year end) and only one project in the generic issues programme – that on antibiotic resistance marker genes – was completed. The Māori generic issues project was deliberately placed on hold pending the completion of the work of the Royal Commission on Genetic Modification. However, a comprehensive study on cost-efficiency was completed, and decisions taken on process changes to improve cost efficiency in the future.

The consideration of applications under Part V of the Act is a core function of the Authority. No hazardous substance applications were considered in 2000/01, but a total of 55 new organism applications (44 for GMOs or genetically modified organisms, and 11 for other new organisms) were received and processed. This was almost twice the benchmark planning level and reflected in part the consequences of the discovery of unauthorised GMD experiments in the previous year; and partly a concentration on laboratory work in view of the moratorium on certain types of field trial. Despite this 90 decisions were issued including 40 carried over from the previous year. The decisions made included three GMO field trials (for GM sheep, the third part of an application for GM cattle and GM spruce and pine trees) and the release of three sets of non-GMO biocontrols (for the control of obscure mealybug, mistflower and hieracium).

In August 2000 an appeal on points of law was lodged with the High Court, on the decision to approve with controls an application from AgResearch for the field trialling of GM cattle. A three-day hearing in front of a bench of two judges occurred in February 2001. Of the 22 grounds for appeal one was upheld, that relating to the use of the decision-making methodology, and the Authority was required to reconsider the application, which led to its re-approval. This was the first appeal on an Authority decision and provided worthwhile feedback in terms of confirming some aspects of decision-making and identifying desirable improvements in others.

Institutional Biological Safety Committees (IBSCs) with delegated authority for dealing with low risk GMO developments reported 377 decisions during the year, a substantial increase from the previous year and also a direct consequence of the discovery of unauthorised experiments in the previous year. A two-year programme to audit all IBSCs was completed in July 2001. Renewals of delegations were in the process of being progressively considered and approved at year end.

There were no Chief Executive-initiated reassessments in 2000/01.

Work by the Ministry of Agriculture and Forestry (MAF) on new organisms compliance continued to be monitored, with emphasis on providing a comprehensive report on GMO enforcement to the Minister at the end of each quarter. A total of nine incidents occurred during the year of which five involved GMOs. Five minor inquiries were carried out as a result. None of the incidents resulted in adverse effects. One of the incidents however, involved an indication that a shipment of imported sweet corn seed might be contaminated with GMO material. As a result assistance was given to MAF in the development of a testing protocol for future imports. The protocol is being implemented for the 2001/02 planting season and similar arrangements will be considered for other types of seed.

During 2000/01, liaison with hazardous substance enforcement agencies was actively maintained and reference documents were produced including benchmark performance standards. In the lead-up to commencement, reports of intentions were received and analysed, and a first report on gaps, overlaps and deficiencies was made to the Minister on 3 July 2001.

Progress on the transfer of substances project was frustrated by the lack of Regulations and financial uncertainty. However consultation on lists of explosives and dangerous goods was completed, explosive articles were completely classified and 250 of the 450 single component dangerous goods were classified to the limit of available data. Little progress was made on pesticides because of the lack of formulation details available, and this was being worked through with the Agricultural Compounds and Veterinary Medicines (ACVM) Unit of MAF and industry at year end. In the final days before commencement a flood of last minute notifications under the Toxic Substances Act were received, the final total being 216,000 compared with the prediction of 140,000 at the start of the year. Dealing with this increased number diverted resources from other work. More importantly it has substantial implications for the time and cost involved in eventually transferring these notifications.

Advice was given to the Minister for the Environment on responses to Ministerial correspondence and on other matters as necessary. A total of 31 specific reports were made, including a report on future funding and cost-recovery. A major part of work in the policy area was the provision of assistance to the Ministry for the Environment (MfE) in completing the hazardous substance Regulations. Work on establishing a framework

for monitoring the effectiveness of the Act was progressed, with a draft monitoring strategy released for public consultation in February 2001 and a final strategy approved in July 2001. Submissions and presentations were also made to the Royal Commission on Genetic Modification.

Contributions to international work again focused on the Trans-Tasman Mutual Recognition Arrangement (TTMRA), but contributions were also made to work on the Biosafety Protocol. Progress was achieved in setting up cooperative arrangements with counterpart agencies elsewhere in the world.

Public awareness work associated with the commencement of the Act for hazardous substances is referred to above. ERMA New Zealand's quick guide and information sheet series were completely revised during the year. A preliminary report on informing small- and medium-sized businesses about the hazardous substance elements of HSNO was prepared for MfE, but the implementation phase had to be deferred because of the delay in commencement. Meetings of industry and non-governmental organisation consultative groups continued to be held, the newsletter *Perspective* and *The Bulletin* were published, and the *ermanz* and *hsno* websites continued to be maintained and developed. A speaking programme aimed at the plant import sector was carried out to the extent allowed by available resources.

The year 2000/01 saw some significant changes in the membership of the Authority and of Ngā Kaihautū. Details are given elsewhere in this report. However, I would like to especially acknowledge the work of Bill Falconer, who retired as Chairperson in 2000 after shepherding the Authority through its formative years. The Chairperson's role has now been very capably taken up by Jill White. There were several changes in the leadership of Ngā Kaihautū, with John Hohapata-Oke now firmly established in that role.

To all those involved with ERMA New Zealand in 2000/01 – including Authority and Ngā Kaihautū members past and present, and all my colleagues on the staff of the organisation – I give my thanks for their support and energy, and for their professionalism in doing what has often been a difficult and demanding job! I look forward to working with the whole of the team in 2001/02, the first year in which the HSNO Act will be fully operational.



Bas Walker

Chief Executive



I. INTRODUCTION

This is the fifth *Annual Report* to be presented for the Environmental Risk Management Authority. The format of the report is similar to that used last year. In particular, the report includes appendices which provide a detailed commentary on decisions made, compliance with the Act, and the occurrence and investigation of incidents.

The following terminology is used in this document.

The Environmental Risk Management Authority (the Authority) comprises the members appointed under the HSNO Act. The statutory functions set out in the Act apply to the Authority. **ERMA New Zealand** is the organisation established to carry out operations in support of the Authority and is lead by the Chief Executive. Members of the Authority also comprise the governing board of ERMA New Zealand.

2. HIGHLIGHTS OF THE 2000/2001 YEAR

CHANGES IN AUTHORITY AND NGĀ KAIHAUTŪ MEMBERSHIP

Jill White was appointed Chairperson of the Authority in October 2000. She replaced Bill Falconer, the first Chairperson of the Authority, whose five year term had expired. As a Labour MP, Jill was a member of the Parliamentary Committee which developed the then HSNO Bill, and is in the interesting position of overseeing the implementation of an Act she helped create.

Two original Authority members, Barry Scott and Terry Lomax, also retired in October at the end of their five year terms. They were replaced by Tony Haggerty and Prue Kapua. Tony brought on board his wealth of experience as the hazardous substance adviser for the New Zealand Fire Service for the past 21 years. Prue on the other hand, has a strong background in environmental law.

Ngā Kaihautū has also had its fair share of changes over the year, beginning with the resignation of Gerrard Albert as Chairperson on 29 September 2000. Leatrice Welsh was then appointed interim Chairperson until May 2000 when John Hohapata-Oke took over. Four new members, Hirini Matunga, Sam Napia, Kei Merito and Darcia Solomon, were also appointed during the year.

ROYAL COMMISSION OF INQUIRY INTO GENETIC MODIFICATION

The Royal Commission of Inquiry into Genetic Modification commenced in June 2000. The primary objective of the Royal Commission was to inquire into and report on the strategic options available to enable New Zealand to address genetic modification now and in the future. ERMA New Zealand was one of the 117 organisations to be granted 'interested party' status when, in December 2000, it lodged its submission based on the experience of the Authority in managing GMO applications. A team from ERMA New Zealand consisting of Bas Walker, Donald Hannah, Helen Sharpe, Oliver Sutherland and Mere Roberts then presented at a formal hearing for the Royal Commission on 1 March 2001. At the conclusion of the presentation ERMA New Zealand was interrogated by other interested parties, and this took some time and flowed over to a second day.

During the Royal Commission, there was a voluntary moratorium on applications for field tests and releases of GMOs that has been extended to 31 October. During this time there have been no new applications for field tests or releases of GMOs.



Donald Hannah, Bas Walker, and Office Solicitor Helen Sharpe presenting at the Royal Commission

HSNO AMENDMENT ACT 2000 PASSED

The HSNO Amendment Act 2000 was passed on 22 November, partly entered into force on 31 December and partly in 2 July on commencement of the hazardous substances part of the HSNO Act.

Perhaps most importantly, the Amendment Act included provision for the rapid assessment of hazardous substance applications meeting specified criteria. It also included a number of changes that affect the way applications are processed under HSNO, including two amendments to the statutory timeframes, discretion to publicly notify containment applications, ability to alter controls on approvals, controls to provide for matters outside the Third Schedule, de-regulation of application forms, discretion about means of public notification, amendments to the exemptions for small-scale research, approval of codes of practice by the Authority, and regulations relating to transitional provisions.

TOXIC SUBSTANCE NOTIFICATIONS: A STEADY FLOW TRANSFORMS INTO A FLOOD

Once the commencement date for hazardous substances was announced early in May this year, the Transfer of Substances Group sent out a letter reminding anyone with any involvement in manufacturing or importing hazardous substances, that if they had substances to notify under the Toxic Substances Act then they should do so before the commencement date – 2 July 2001. Although this has been a legal requirement for the last 18 years, the news provoked an intense avalanche of activity – in June prior to commencement over 70,000 notifications were received, bringing the total number of notified toxic substances to 216,000.

PREPARING FOR HAZARDOUS SUBSTANCES COMMENCEMENT

Much of the past year was taken up in preparation for hazardous substance commencement, and although the delays were frustrating it did enable better preparations to be made. Much of the preparation was 'behind the scenes', particularly in helping MfE with the completion of the Regulations. This turned into a mammoth task. An important initiative taken by ERMA New Zealand was to liaise with industry so that they would provide their input to the exercise. A huge amount of work was also done in setting up application forms, developing a set of very comprehensive user guides and producing a set of sample decisions. If we had known how much time and effort these projects would take up, we might have had second thoughts about doing them. But we think that the effort will pay off in helping the whole system run more smoothly.



Participants at a hazardous substances industry training workshop in Auckland, 30 May 2001

During the final rundown to commencement (in May 2001), a comprehensive information package on hazardous substances commencement was posted out, and a very successful pre-commencement programme of five industry workshops on hazardous substances held in May and June. This attracted over 840 participants, almost three times the number expected.

A BOOM YEAR FOR NEW ORGANISM APPLICATIONS

The number of new organism applications received was twice the number expected in 2000/2001. In part because the moratorium on applications for field tests and releases of GMOs, all of these extra applications were for importation or development of GMOs in containment. This stretched us rather a lot! Conventional new organism applications were actually less than expected.

The number of GMO applications coming direct to ERMA New Zealand was mirrored by the number of applications for low-risk genetic modifications dealt with by IBSCs – in the latter case, 2.5 times as many as in the previous year.

... AND A RECORD PUBLIC HEARING

Three public hearings were held during the year – one for a field trial of GM spruce and pine trees and two for the release of biocontrols.

The biocontrol hearings attracted very little public interest, despite the fact that they were for the release of organisms. However, the GM pine and spruce hearing broke all previous records! A total of 740 submissions were received, the hearing was held in Rotorua rather than Wellington (another first) and the hearing itself extended over three days.

THE COST OF PART V DECISION-MAKING: TRENDS AND COMPARISONS

Processing costs became a growing issue during the year, as we began to charge applicants the actual costs (less a government contribution). The major GMO field trial applications were particularly costly, averaging \$159,000 each to process. This was about three times our expectation, and came about largely because of the extra consideration required to deal with some difficult issues, and because of the need to obtain and review additional information. The costs of processing other applications was generally less than our predictions at the start of the year.

During the year we undertook a major review of the efficiency of our processing of applications and instituted a number of improvements which will help reduce future costs and timelines.

POSSIBLE GMO CONTAMINATION IN SEED IMPORTS

ERMA New Zealand worked closely with MAF Biosecurity during the year to help develop and implement border controls for seeds that are imported for sowing that could be contaminated with low levels of genetically modified versions of these seeds. Sweet corn (*Zea mays*) has been the crop that has been used to develop these controls which will be extended to other relevant crops in the future.

GM CATTLE APPEAL

An important safeguard in the HSNO Act is the provision to bring an appeal against a decision, on points of law. Appeals provide a check on the accuracy of the interpretations and processes used in decision-making – which is not just to the benefit of those bringing the appeal, but an important means of making the decision-making process more robust in the future.

Claire Bleakley (supported by others) lodged an appeal in the High Court against the Authority's decision to approve an application by AgResearch to field test GM cattle. While the Court found that the Authority was correct on most of the grounds of appeal (21 out of the 22 grounds specified), it upheld the appeal on one ground and that was that the Authority had not adequately demonstrated in its decision that it had addressed all of the matters required by the Methodology. The Methodology is basically a document about process.

As a result of the appeal we have done a great deal of work to tighten up the use of and referencing of the Methodology. However, the unexpectedly rigid view taken by the Court has underlined the need to review the Methodology, and this will be done in the 2001/02 year.

PUBLIC AWARENESS INITIATIVES – A VIDEO ON GENETIC ENGINEERING FOR MĀORI, A 'HAZARD A GUESS' POSTER AND WEB GAME

A video aimed at providing Māori with some basic information about genetic engineering was produced by ERMA New Zealand's Māori advisory group, Ngā Kaihautū Tikanga Taiao. The video consists of a series of interviews with Māori who are regarded as experts in this field or who have well known views on the subject. They provide a range of perspectives on the issue and there is also a simple explanation about genetic engineering as a scientific tool.

To celebrate World Environment Day on 2 June 2001, ERMA New Zealand developed an interactive web game for children and the community, which is on the *hsno* website. This involves a participant in the game identifying hazards in and around the home. Using the HSNO Act as a basis, the game looks at hazards that are toxic (dangerous to people) or ecotoxic (dangerous to the environment) and the Regulations the Act uses to control use and labelling.

A copy of the game in poster form has been distributed to schools and other organisations encouraging young people to get online and play the game.



Film crew with Bevan Tipene-Matua and Jacqui Amohanga, Tainui, Ngāti Maniapoto.



'Hazard A Guess' poster and online game, produced for the World Environment Day 2 June 2001.

3. PROFILES

These profiles apply as at 30 June 2001. In November 2000, three Board memberships expired, and three new Members were appointed. This included the Authority Chairperson.

AUTHORITY MEMBERS

Members as at 30 June 2001

Jill White, Chairperson (from November 2000)

Jill was until recently the Mayor of Palmerston North, having previously been a Member of Parliament for Manawatu and a Labour Party list MP. She has been the Labour spokesperson for Research, Science and Technology, Environment and Biosecurity and Crown Research Institutes. During her time in Parliament, she was a member of the select committee that considered the original HSNO Bill. Her early background and qualifications are in teaching and nursing and she holds qualifications in each of these areas as well as Bachelor of Science and Bachelor of Arts degrees.

Dr Oliver Sutherland BSc(Hons), PhD, Deputy Chair

Oliver is Regional Manager, Lincoln and Science Manager, Biodiversity at Manaaki Whenua Landcare Research. He has experience in the introduction to New Zealand of new organisms, research on pest control and has been involved in the initiation and development of genetic modification of plants. His academic background is in zoology and entomology.

Dr Helen R Hughes CBE, MSc(Hons), MS, Hon DSc

Helen was Parliamentary Commissioner for the Environment between 1987 and 1996. She has an academic background in plant ecology, and was formerly employed as a scientist by the Department of Scientific and Industrial Research.

Prof Colin Mantell, B Med Sc, MBChB, MRCOG, FRCOG, FRNZCOG, PhD

Colin is of Ngāi Tahu in the South Island, and is Head of the Department of Māori and Pacific Island Health, Faculty of Medicine and Health Science at the University of Auckland. His background is in obstetrics and gynaecology. Colin was responsible for establishing Tomaiora, the Māori Health Research Centre within the Department. He has been a member of the Health Research Council of New Zealand and is currently a member of its Māori Health Research Committee.

Dr Lindie Nelson MSc, PhD

Lindie is a senior policy analyst with the Ministry of Fisheries. Her academic experience is in resource management and agricultural economics.

John Maasland, MA

John is Chairman of Wilson and Horton Holdings and Chairman of the Airways Corporation.

Prue Kapua, BA LLB (from November 2000)

Prue has her own law practice which focuses strongly on environmental law. She was previously a partner at Walters and Williams, Barristers and Solicitors. Before that Prue was employed as a senior legal adviser at the Race Relations Office, and as an executive legal assistant to the Rt Hon Geoffrey Palmer, providing advice about resource management and Treaty issues. She has been a member of two government review task groups and is a member of a number of community and professional organisations and committees. Her iwi affiliation is Te Arawa.

Tony Haggerty (from November 2000)

Tony has been the Hazardous Substances Adviser to the NZ Fire Service on operational, training and fire safety matters for the past 21 years. He was a member of the Toxic Substances Board (which has been replaced by the HSNO Act) and Chair of the Auckland Region Hazardous Substances Technical Liaison Committee. Tony has also chaired a number of committees relating to hazardous substances, including an industry working group on the review of the HSNO Act Hazardous Substances Regulations, and the New Zealand Standards Committee on Transport of Hazardous Substances and Healthcare Waste.

Members who retired during the year

W J (Bill) Falconer LLB, Chair (to November 2000)

Bill Falconer is a barrister and chairman of a number of companies, including St Lukes Group, Hellaby Holdings, Oyster Bay Marlborough Vineyards Limited, and Restaurant Brands Limited. He has had an extensive career in Government service and the private sector, and was chairman of ERMA New Zealand from its inception to his retirement.



Authority Members. Front left to right: Helen Hughes, Colin Mantell, Jill White, Tony Haggerty, (not pictured Prue Kapua, Lindie Nelson).

Dr Terry Lomax MSc(Hons), PhD, MNZIC (to November 2000)

Terry Lomax was a member of the Interim Assessment Group for the introduction of genetically modified organisms. His academic background is in physical organic chemistry and colloidal polymers. His tribal affiliation is Te Iwi o Ngapuhi. He has experience in Treaty of Waitangi issues.

Prof Barry Scott BSc(Hons), PhD (to November 2000)

Barry Scott is Director of the Massey University Centre for Gene Research and Technology, based in the Institute of Molecular BioSciences. Professor Scott is a molecular geneticist and has published widely on microbial gene research. He is a member of the BSE Science Expert Panel and chaired the Interim Assessment Group responsible for recommendations to the Minister for the Environment on field testing of genetically modified organisms.

NGĀ KAIHAUTŪ TIKANGA TAIAO

The establishment of Ngā Kaihautū Tikanga Taiao as a forum for providing Māori input to the work of ERMA New Zealand, is a requirement of the Methodology set down by Order-in-Council under section 9 of the HSNO Act. Ngā Kaihautū is formally an advisory committee established under Clause 42 of the First Schedule to the Act.

During the year we had two resignations and four new appointments to Ngā Kaihautū.

John Hohapata-Oke (Chairperson from May 2001)

Tribal affiliation: Mataatua, Te Arawa

A former director of the Whakatane Resource Recovery Centre, John has a long time interest in hazardous waste and other environmental issues. A member of the Environment Bay of Plenty Māori Standing Committee, he is Deputy Chair for the Bay of Plenty Conservation Board and chairman of the Ngāti Awa Environment Committee and the Ministry for the Environment Organochlorines Māori Focus Group.

Leatrice Welsh (Chairperson from October 2000 until April 2001)

Tribal affiliation: Ngā Puhi, Ngāti Whātua

Leatrice is from Northland and is the Chairperson of Te Kotahitanga o te Taitokerau, and a member of the Northland Conservation Board.

Dr Murray Parsons

Tribal affiliation: Ngāti Kahungunu

Murray was born in the Wairarapa and was educated at Victoria and Adelaide Universities specialising in marine algae. He was a member of the Māori Advisory Committee of the Ministry of Research, Science and Technology. At present he is a member of the tribunal hearing an application for a Water Conservation Order for the Rangitata River, South Canterbury.



Ngā Kaihautū Members. From left to right: Murray Parsons, John Hohapata-Oke, Leatrice Welsh, Hirini Matunga, Darcia Solomon, Kei Merito and Mere Roberts.

Dr Mere Roberts

Tribal affiliation: Tainui, Ngāti Apakura, Ngāti Hikairo

Mere is a biologist with a PhD in ecological parasitology, and a post graduate diploma in medical parasitology. Mere has lectured in the School of Medicine and School of Biological Sciences at the University of Auckland. Currently she is a Senior Lecturer in the School of Environmental Sciences, where her research and teaching interests are in the area of Māori environmental knowledge and resource management.

Sam Napia

Tribal affiliation: Ngā Puhi, Ngāti Kauwhata

Sam is the Chief Executive of the Hauraki Māori Trust Board. A former member of the Tāi Tokerau Māori Trust Board, he maintains tribal networks in the North. Prior to coming to Hauraki, Sam worked in local government for some 12 years and has extensive experience in working with Māori and local government under the Resource Management Act. Sam has a particular interest in corporate governance in the context of Māori organisations and has done a considerable amount of research and work in this area.

Prof Hirini Paerangi Matunga (Member from May 2001)

Tribal affiliation: Ngai Tahu, Ngāti Kahungunu, Ngāti Porou, Ngāti Paerangi (Atiu, Cook Islands)

Hirini is currently Associate Professor in Māori and Indigenous Studies at Lincoln University, and Director in the Centre for Māori and Indigenous Planning and Development. His academic background is in Social Anthropology and Planning. Hirini has been a university lecturer in Māori Planning and Resource Issues for 10 years. Prior to this he worked for 10 years as a planner, specialising in Māori planning issues with regional and central government.

Kei Merito (Member from May 2001)

Tribal affiliation: Mataatua, Te Arawa, Tainui

Kei has a background of 25 years in the New Zealand Army. Upon retiring from the Army, he was employed by the Department of Labour as Staff Training Officer, The Whakatane District Council as Māori Land and Rates Officer and Revenue Accountant. Kei is currently employed by the Department of Conservation as Kaupapa Atawhai Manager, Bay of Plenty Conservancy and is also Deputy Chairman for Te Runanga o Ngāti Awa and kaumātua for Ngāti Awa and Ngāti Pukeko of Whakatane.

Darcia Solomon (Member from May 2001)

Tribal affiliation: Ngai Tahu, Rangitane, Ngāti Kuia, Ngāti Apa, Ngāti Toa, Ngāti Raukawa, Te Atiawa

Darcia has represented Ngai Tahu on the Nelson/Marlborough Conservation Board for 11 years. She is also a member of Te Runanga o Kaikoura. Her background is in environmental management and customary rights of Māori and she is actively involved in hapū and iwi development and with activities of the Takahanga Marae in Kaikoura.

Gerrard Albert (Member and Chairperson until September 2000)

Tribal affiliation: Whanganui

Gerrard Albert is the Manager of Māori Perspectives with the Manawatu/Wanganui Regional Council.

Makere Forster (Member until April 2001)

Tribal affiliation: Rongomaraeroa, Kahungunu

Makere is a Māori Health Research Officer with Massey University. She has a Masters of Science in Zoology (Cell biology, Neuroendocrinology, Medical Biochemistry and Comparative Biology). She has extensive experience in Māori Health, Māori development, environmental science, hapū and iwi development, and Treaty of Waitangi knowledge.



Senior Management. From left to right: Andrea Eng, Ian Johnson, Karen Cronin, Donald Hannah, Bas Walker and Kevin Currie

SENIOR MANAGEMENT

Dr Bas Walker, Chief Executive

Bas holds a Bachelor's degree and a PhD in chemical engineering. He has consulted in public sector management and policy development and has held several chief executive positions in the public service. These included the Ministry of Research, Science and Technology, the Ministry of Defence and the Ministry of Energy. His earlier career was spent as a scientist in the Department of Scientific and Industrial Research.

Ian Johnson, Manager, Corporate Services

Ian holds a BCA majoring in accountancy and is a Chartered Accountant. He has had 28 years finance and administrative experience in a variety of industries and sizes of companies. Prior to joining ERMA New Zealand, he worked in Telecom Mobile Communications for nine years, mainly as Financial Controller.

Kevin Currie, Manager, Operations

Kevin has qualifications in biology, water and soil management. He has extensive experience in local government in the field of resource management, including periods with the Otago Catchment Board and the Otago Regional Council. Prior to joining ERMA New Zealand, he was Manager, Resource Investigations with the Wellington Regional Council.

Karen Cronin, Manager, Communications

Karen has qualifications in geography and resource management. She has wide experience in environmental and social policy, marketing and corporate communications, and has worked in central and local government and the community sector. Karen was previously Public Affairs Manager for the Ministry for the Environment and Corporate Communications Manager for the Wellington City Council.

Dr Donald Hannah, Manager, Science and Analysis

Donald holds among other qualifications, a PhD in chemistry. His most recent scientific work has been in the field of toxic chemicals. He was the Principal Scientist at the Institute of Environmental Science and Research Ltd (ESR). He joined ESR in 1992 as Group Leader, Environmental Organic Chemistry, and prior to this he worked at DSIR in both food and environmental organic chemistry.

Andrea Eng, Manager, Transfer of Substances

Andrea has a degree in chemistry and a post-graduate qualification in occupational safety and health. She began her scientific career in the Environmental Chemistry Laboratory at the National Health Institute (NHI) and, after a break, resumed this career in the analytical laboratory at Environmental Science and Research Ltd (ESR). Before joining ERMA New Zealand, Andrea was a Senior Scientist and Team Leader (Health Strategy) at Occupational Safety and Health (OSH).

4. PURPOSE AND FUNCTIONS

The purpose of the Authority derives from the purpose of the Hazardous Substances and New Organisms (HSNO) Act 1996, which is to protect the environment, and the health and safety of people and communities, by preventing or managing the adverse effects of hazardous substances and new organisms (section 4). The statutory functions of the Authority are:

1. Under Part V of the Act, to determine whether to approve or decline applications for the import or manufacture of hazardous substances, the import, development, field testing or release of new organisms (sections 25 to 27), reassessments (sections 63 and 64); and to decide on grounds for reassessments (section 62).
2. Under Part VI of the Act, to classify and place controls on hazardous substances (sections 75 to 77), issue Codes of Practice (section 78), and approve test certifiers (section 83); and to report on transferable permits (section 88) and environmental user charges (section 96).
3. Under Parts XI to XVI of the Act, to implement the transitional provisions for approvals and controls covering pesticides (Part XII), toxic substances (Part XIII), dangerous goods (Part XIV), explosives (Part XV) and new organisms (Part XVI); and to implement the transfer of existing approvals to the Act (section 160).
4. Under section 11(a) of the Act, to give advice to the Minister for the Environment (the Minister) on any matter relating to the purpose of the Act but especially compliance, inconsistencies in the treatment of hazardous substances and new organisms between the HSNO Act and other legislation, and environmental user charges.
5. Under section 11(b)(i) of the Act, to monitor and review the effectiveness of the Act in reducing adverse effects.
6. Under section 11(b)(ii) of the Act, to monitor and review the enforcement of the Act including the exercise of section 103 powers by enforcement officers; and to appoint or authorise the appointment of enforcement officers (section 99) or carry out enforcement functions directly (section 101).
7. Under section 11(c) of the Act, to promote awareness of the adverse effects of hazardous substances and new organisms on people or the environment, and of the prevention or safe management of those effects.
8. Under section 11(d) of the Act, to contribute to and cooperate with international forums and carry out international obligations, as directed by the Minister.
9. Under section 11(e) of the Act, to carry out inquiries into incidents or emergencies involving hazardous substances or new organisms.
10. Under section 11(f) of the Act, to keep registers of information relating to applications to, and decisions by, the Authority on hazardous substances and new organisms, and as is considered necessary to effectively administer the Act.

5. MISSION AND OBJECTIVES

While the purpose of the HSNO Act is to protect human and community health and safety and the environment, the intention of the Authority is to pursue that purpose in a way that recognises that there are benefits as well as risks associated with new organisms and hazardous substances. The overall mission of the Authority is to:

'Achieve effective management of risks to the environment, public health and safety associated with importing or manufacturing hazardous substances and introducing new organisms, and their use.'

This mission will be achieved principally through actions by ERMA New Zealand to:

- achieve cost-efficient and effective decisions on applications under the HSNO Act which take appropriate account of benefits and costs as well as risks, to New Zealand;
- promote compliance with the Act and with the Authority's decisions;
- promote public understanding and knowledge of the risks associated with new organisms and hazardous substances and how to manage them; and
- enhance the HSNO Act as an effective legislative framework for risk management.

In carrying out its mission, ERMA New Zealand will have the following medium term goals:

Framework for decision-making and compliance

To establish, maintain and continually improve the overall framework so that a comprehensive and appropriate basis exists for achieving effective decision-making and compliance.

Decision-making under Part V of the Act

To achieve the consideration of applications under Part V of the Act, in accordance with the approved Methodology and Regulations, including the management of associated statutory registers, so that there is a high level of stakeholder satisfaction with the consistency, cost effectiveness and quality of the decisions made.

Chief Executive-initiated reassessments

To carry out a programme of Chief Executive-initiated reassessments which is effective in improving the overall quality of risk management for hazardous substances and contained organisms, ensures that situations of unsatisfactory management are considered as a priority, and is cost effective.

Transitional decision-making (TDM)

To manage the delegation and/or direct conduct of decision-making under the transitional provisions of the Act, in accordance with legislative requirements and so that the quality of decision-making is at least equal to that applying prior to the commencement of the Act.

Transfer of substances under the transitional provision

To achieve the transfer of substances to the HSNO Act within an agreed timeframe and so that the risk profile presented by those substances is consistent with that which would have resulted from Part V applications.

Compliance

To achieve a compliance regime, which incorporates effective interaction with enforcement agencies and a framework for the monitoring of enforcement, and includes the provision of an assurance that decisions by the Authority are being effectively implemented.

Public awareness

To implement a programme for promoting public understanding of the HSNO Act, the risks covered by the Act and the effective management of those risks; which provides positive feedback into decision-making and is able to achieve a significant and demonstrable improvement in public understanding.

International

To participate in international activity in a way and at a level which contributes cost-effectively to the Authority's decision-making, reflects international moves toward harmonisation and mutual recognition, and meets any explicit requirements set by the Minister.

Policy advice

To provide high quality advice to the Minister on all matters to do with the effective implementation of the purpose of the HSNO Act and associated policies or statutes.

Monitoring of effectiveness

To monitor the effectiveness of the Act in achieving its purpose, including the contributions to effectiveness achieved through the regulatory framework, institutional arrangements, decision-making and compliance

Inquiries into emergencies and incidents

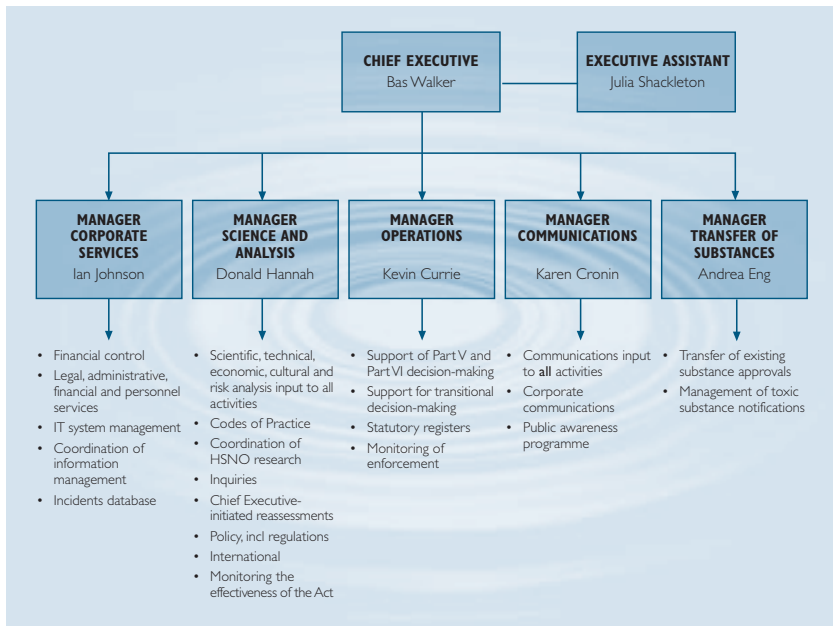
To conduct inquiries into significant and selected incidents or emergencies involving hazardous substances or new organisms, so that public concerns can be effectively met and a positive contribution made to improved policies and practices in the future.

6. ORGANISATION AND MANAGEMENT

6.1 ORGANISATION

There were no significant changes in organisational structure in 2000/01. The current structure is shown on the chart below.

During 2000/01 further steps were taken to implement a stronger project management approach to the management of work. A formal project register was established, and a standard format for the development of project plans introduced. Project plans were not mandatory across the board, but were strongly encouraged.



6.2 HUMAN RESOURCES

An ongoing issue for ERMA New Zealand is that of ensuring that we have a robust technical capability, for carrying through our work programme. Robustness can be measured in terms of two criteria: 'coverage', ie our ability to continue providing a good service if we either lose staff or staff are temporarily unavailable for some reason; and 'critical mass', ie our ability to sustain our technical capabilities through the interchange between professionals.

Strategies for achieving both coverage and critical mass continued to be implemented in 2000/01.

As required by the HSNO Act, an equal employment opportunities (EEO) programme was implemented by ERMA New Zealand. The programme aimed to build positively on those applying in previous years.

In terms of remuneration, our policy continued to be one of being competitive, but not a leader in the market, ie around the median of market surveys, other things being equal.

6.3 FINANCIAL MANAGEMENT

Financial management in 2000/01 continued to be based on the Solomon financial management system. However, an upgrade was carried out to shift from the current 'Btrieve' database to a Microsoft SQL database. A software development to largely automate the capture of timesheets was implemented. A process for handling the review of Part V application costs, revenues and payments, and the resultant invoicing of Part V applicants was also completed.

6.4 INFORMATION TECHNOLOGY AND SERVICES

IT support for our core functions continued to be based on the OASIS system developed for us by Datacom using Microsoft-based software. Although OASIS development continued into 2000/01, the focus was on fine tuning to accommodate hazardous substance-related issues.

Our hardware policy continued to be one of replacing or upgrading one third of desktop machines per annum, and moving progressively to one server per network application, in order to reduce the risk of 'domino' failure and improve performance.

Information services more generally continued to develop although progress was constrained by lack of resources. Nevertheless, the stockpile of reference material we have for the library was largely catalogued and further steps were taken toward integrating the management of all information, including the library, conventional records, and electronic information and data.

7. STATEMENT OF RESPONSIBILITY

In the financial year ended 30 June 2001 the Board and management of the Environmental Risk Management Authority were responsible for:

- the preparation of the financial statements and the judgements used therein
- establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the opinion of the Board and the management of the Environmental Risk Management Authority, the financial statements for the financial year fairly reflect the financial position and operations of the Authority.



Jill White
Chairperson



Bas Walker
Chief Executive

8. STATEMENT OF SERVICE PERFORMANCE

OUTPUT I Developing and maintaining the framework for implementing decision-making under parts V and VI of the HSNO Act

This output comprises the development and maintenance of the framework for implementing Parts V and VI of the Act, including registers for applications and decisions, policies and procedures for decision-making, decision-making tools, Codes of Practice, benchmarks and precedents, maintenance of Ngā Kaihautū, establishment of risk species, and the investigation of associated issues.

I.1 Operating Policies and Procedures

Output Specification

Operating policies, procedures and protocols, tools, and guidance documents are maintained which are sufficient for the purpose and reflect the experience gained by the Authority, so that amendments are issued as appropriate and including in particular the reissue of the hazardous substance information requirements Protocol within 2 months of the passing of HSNO Amendment Bill No 2.

Performance Report

Seven protocol amendments, mainly on policy positions and interpretations, were issued following review and approval by the Authority. The Protocol on Information Requirements for Hazardous Substances Applications was revised following the passing of HSNO Amendment Act 2000 on 22 November 2000. It was released for external consultation prior to approval by the Authority, and then promulgated on 29 March 2001.

Following an alert on the possible contamination of imported sweet corn seed with GMO material, assistance was given to MAF in developing a testing protocol for use prior to the 2001/02 planting season.

I.2 Māori Perspectives

Output Specification

Ngā Kaihautū is maintained, extends Māori networks and provides general advice to the Authority on Māori issues, including the provision of at least one report on an issue other than the generic issues project.

Performance Report

Four new members were appointed to Ngā Kaihautū Tikanga Taiao during the year, and they were Hirini Matunga, Kei Merito, Sam Napia and Darcia Solomon. John Hohapata-Oke was appointed Chairman, succeeding Leatrice Welsh who stood down. Murray Parsons was elected Deputy Chairman. Makere Forster and Gerrard Albert resigned from Ngā Kaihautū during the year.

Ngā Kaihautū continued to provide input into evaluation of applications and to the development of processes for incorporating issues relating to Māori into decision-making. The involvement of Māori in delegated (ie IBSC) decision-making was reviewed and a report on this was being prepared at the end of the year. In addition, Ngā Kaihautū prepared and presented a submission to the Royal Commission on Genetic Modification as part of the Authority's submission.

I.3 Codes of Practice

Output Specification

Standards and Codes of Practice are developed and approved, with four Codes completed and a further five under development, by 30 June 2001, and so that approved Codes are compliant with consultation requirements and are technically competent.

Performance Report

As a result of continuing delays to the commencement of the HSNO Act for hazardous substances, no Codes of Practice were approved during the year. However, six Codes of Practice for hazardous substances were in development at the end of the year.

A draft containment standard for new organisms held in zoological gardens was prepared and was being reviewed by MAF at year end.

I.4 Investigations

Output Specification

The generic issues project on antibiotic marker genes is completed and published by 30 September 2000, and the project on Māori cultural concerns completed and published by 31 May 2000.

Performance Report

The report on The Use of Antibiotic Resistant Marker Genes in Genetically Modified Organisms was completed and published in December 2000.

The project on Māori cultural concerns made little progress although a two-day wananga involving the Authority, Ngā Kaihautū, the expert working group, and ERMA New Zealand staff, was held at Mataatua Marae, Auckland on 12–13 May 2001. The project was then put on hold until after the Royal Commission on Genetic Modification had reported.

I.5 Operational Efficiency and Effectiveness

Output Specification

Work is carried out to continually improve operational efficiency and effectiveness, including completion of a stakeholder survey by 31 December 2000, and provision of a report to the Minister based on analysis of decisions by 31 May 2001.

Performance Report

A survey of applicants' and submitters' satisfaction with the approval process was undertaken in November 2000. Applicants' and submitters' views were a little less favourable than for the previous year. Application forms and processing timelines were the principal concern for applicants. Submitters' concerns mainly related to the frame of reference for Authority decision-making which was seen as being too narrow. The survey showed a significant increase in the effectiveness of ERMA New Zealand's communication with submitters and the public concerning applications.

The costs of processing and time involved were monitored throughout the year, and analysed to identify opportunities to improve the efficiency and effectiveness of the approvals process. A number of action points were agreed. The outcome was reported to the Minister on 11 July 2001.

Operational procedures and policies were reviewed to give effect to the enhancements identified.

1.6 Part V Public Registers

Output Specification

The public register is maintained as required by the Act including access to a paper copy and publication on the ERMA New Zealand website, *The Bulletin* containing all decisions is published up to nine times per year, and hazardous substance application forms are revised by 1 February 2001.

Performance Report

Both the website and paper-based registers were maintained so they were no more than five days out of date. Eight issues of The Bulletin were prepared covering applications in the 2000/01 year. Two of these were actually published in the 2001/02 year.

Hazardous substances application forms were prepared, though with the delayed commencement these were not produced until June.

1.7 Information Requests

Output Specification

Part V information requests are met on demand and so that there are not more than two complaints about unreasonable delays in responding.

Performance Report

A variety of information requests were responded to, and no complaints were recorded.

Financial performance

	\$ GST excl.	
	Estimate in SOI	Actual
Total Output cost	796,000	711,794
External revenue	11,000	-
Net cost	785,000	711,794

OUTPUT 2 DECIDING ON APPLICATIONS MADE UNDER PARTS V AND VI OF THE HSNO ACT, INCLUDING DECISIONS UNDER DELEGATED AUTHORITY

This output comprises the carrying out of the statutory decision-making and related functions of the Authority with regard to the introduction, control and review of new organisms and hazardous substances under Parts V and VI of the Act, including reassessments.

2.1 Part V applications

Output Specification

Applications made under Part V of the HSNO Act, including grounds for reassessment, reassessments and s26 determinations, are processed within statutory time limits and in accordance with the Methodology, there are no successful appeals on the matter of process, and costs are accurately recorded to give a basis for future cost efficiency improvements.

Performance Report

A total of 55 new organism applications were received during the year (44 for GMDs, 11 for other new organisms). Ninety decisions were issued, including 40 carried over from the previous year. Twenty-one decisions were for GM development approvals as a result of applications made while delegations to IBSCs for decisions on low risk developments were suspended in connection with investigations into unauthorised GMO developments in 2000.

The number of applications received was almost twice the benchmark planning level. This, together with the applications carried forward from the 1999/2000 year led to delays in processing some applications. Twenty-five of the 90 decisions exceeded the statutory time-lines after allowing for formal waivers. The time delays were generally not more than 10 days, and the longest was 54 days.

Average processing times were generally greater than the minimum times specified in the Act. This was due to (in order of significance):

- Processing being suspended while further information was sought
- Time required for consideration by the Authority, especially for notified GMO field trial applications
- Workload delays.

Decisions are summarised in Chapter 10, and Appendix 1 provides further information on the applications processed, and processing statistics for the year.

There was an appeal against one decision (to approve the field test of GM cattle by AgResearch) which was successful on one ground relating to process (see Chapter 2).

The average cost of dealing with applications to field test GMOs significantly exceeded those predicted in the Statement of Intent (\$159,000 actual compared with \$55,000 predicted). This reflected the complexity of the issues and hence the consideration required, and the high level of public participation. This contrasts with average costs for other GMO applications being less than predicted (\$6,000 actual vs \$7,000 predicted for non-notified applications). This reflects economies from processing several applications together, and from dealing with a series of applications of the same nature.

The average costs of processing notified applications for the release of other (non GMO) organisms (\$84,000) was less than predicted (\$93,000) in the Statement of Intent. The cost of non-notified applications was, on average about half that predicted (\$9,000 actual vs \$19,000 predicted) for the same reasons as for non-notified GMO applications. The sole rapid assessment application for a non-GMO new organism raised a number of 'first-up' issues, so the actual cost of \$15,300 (vs \$3,500 predicted) is atypical.

2.2 Institutional Biological Safety Committee (IBSC) delegations

Output Specification

Delegations to IBSCs for GMO rapid assessments are made in accordance with policy and within 20 working days of the receipt of requests, are recorded in *The Bulletin*, and at least one audit of every active IBSC is completed by 30 June 2001.

Performance Report

All delegations came up for renewal in December 2000. Delegations were renewed for nine institutions in December. A further six requests for renewal were held up for further information and assessment and were thus not decided upon within 20 days of receipt. They remained

outstanding at the end of the period. Several institutions reorganised their IBSCs including the formation of joint committees, and one institution (University of Canterbury) sought and obtained delegated authority for the first time. There were 19 IBSCs at the end of the period.

IBSCs reported making 377 decisions on applications for low risk GMO developments in the year, a significant increase on 141 decisions in the previous year. This was largely in response to the investigations into unauthorised GMO developments in 2000. These decisions were all accurately published in The Bulletin.

Decision-making by all active IBSCs were audited in a two year programme, except for one IBSC which was audited in July 2001 due to unavailability of institute personnel.

2.3 Advice on whether substances are hazardous

Output Specification

Advice is provided on request on whether or not substances are hazardous, and this advice is technically accurate and provided within the timeframe committed to for each request.

Performance Report

No requests were received or processed because of delay in the commencement of the HSNO Act for hazardous substances until after the end of the financial year.

Financial performance

	\$ GST excl.	
	Estimate in SOI	Actual
Total Output cost	1,404,000	1,296,482
External revenue	439,000	369,095
Net cost	965,000	927,387

OUTPUT 3 CARRYING OUT CHIEF EXECUTIVE-INITIATED REASSESSMENTS

This output comprises putting forward to the Authority, by the Chief Executive, requests for grounds for reassessment and full applications for reassessment for the purpose of reconsidering Part V approvals which do not meet the normal Part V standards of risk management.

3.1 Reassessment priority list

Output Specification

A priority list for Chief Executive-initiated reassessments is maintained on the ERMA New Zealand website, with this list updated at least once a month.

Performance Report

No new entries were made to the priority list for Chief Executive-initiated reassessments during the year due to the delay in commencement of the Act for hazardous substances and the absence of new organism candidates. A draft list of possible hazardous substance reassessments and criteria for prioritisation, were developed. This material was released for consultation once the Act had fully commenced.

3.2 Reassessments

Output Specification

Up to five grounds for reassessment and reassessment applications, initiated by the Chief Executive and drawn principally from transferred approvals, are prepared and processed.

Performance Report

No Chief Executive-initiated reassessments were undertaken during the year.

Financial performance

	\$ GST excl.	
	Estimate in SOI	Actual
Total Output cost	33,000	9,944
External revenue	-	-
Net cost	33,000	9,944

OUTPUT 4 DECIDING ON APPLICATIONS FOR HAZARDOUS SUBSTANCES MADE UNDER THE TRANSITIONAL PROVISIONS OF THE ACT

This output comprises the carrying out of the statutory decision-making functions of the Authority in regard to the issue of licences and other approvals under the transitional provisions of the Act. Transitional decision-making covers dangerous goods, explosives, pesticides and toxic substances in particular.

4.1 Transitional decision-making delegations

Output Specification

Delegations for transitional decision-making on hazardous substances are completed prior to the commencement of the Act for hazardous substances, and 25 delegated decisions are audited.

Performance Report

Delegations for transitional decision-making were in place with all agencies willing to accept them, Occupational Safety and Health, Ministry of Health, Ministry of Agriculture and Forestry, and 73 of the 74 territorial authorities prior to the commencement of the Act for hazardous substances. No audits of decision-making were made in the period as the relevant parts of the Act had not commenced.

4.2 Transitional decision-making by the Authority

Output Specification

For transitional decision-making carried out directly by the Authority, 95% of applications are decided upon within 20 working days of the receipt of recommendations from the relevant supporting agency.

Performance Report

No applications were considered as the Act had not commenced for hazardous substances.

4.3 Registers for transitional decisions

Output Specification

All publicly accessible registers specified under the transitional provisions of the Act are up to date and able to be assessed for inspection during normal business hours.

Performance Report

Arrangements were in place with delegated agencies for these registers, but were not operative because the commencement of the Act was delayed until after the end of the financial year.

Financial performance

	\$ GST excl.	
	Estimate in SOI	Actual
Total Output cost	78,000	97,647
External revenue	-	
Net cost	78,000	97,647

OUTPUT 5 MONITORING AND FACILITATING COMPLIANCE AND ENFORCEMENT UNDER PART VII OF THE ACT, APPOINTMENT OF TEST CERTIFIERS, AND THE CARRYING OUT OF INQUIRIES INTO INCIDENTS AND EMERGENCIES

This output comprises the overview and facilitation of all elements of compliance including the monitoring of enforcement by the enforcement agencies listed in the Act and by MAF under the Biosecurity Act; reports to the Minister accordingly, assistance to the enforcement agencies in resolving boundary issues, the appointment of enforcement officers where this is necessary to cover enforcement deficiencies, prosecutions; and the development and implementation of a compliance strategy which incorporates enforcement. The output also includes associated activities, especially the appointment of test certifiers, the monitoring of reports from enforcement agencies on incidents and emergencies, and the carrying out of inquiries into such incidents and emergencies where the criteria for doing so are met.

5.1 Overview of the enforcement agencies

Output Specification

Enforcement by the enforcement agencies is monitored against initial expectations and the goal of maintaining pre-HSNO standards as a minimum, an active dialogue is maintained with the enforcement agencies, significant variances are reported to the Minister, and other specified reports on enforcement are provided on time.

Performance Report

Regular liaison was maintained through monthly meetings with enforcement agencies.

Inspections of new organism containment facilities by MAF were reviewed quarterly and reported to the Minister. Arrangements with MAF for facility inspections and reporting were revised. A report on new organism enforcement in 1999/2000 was provided to the Minister on 29 September 2000.

Significant enforcement issues were reported to the Minister as they arose, and within 20 days. Among the issues reported was the discovery of possible contamination of sweetcorn seed imports with GMO material. Work on a testing protocol as result of this, is reported under Output 1.1. In addition attention was given to identifying other 'at risk' seed types, and action was initiated to extend and strengthen the enforcement MoU with MAF.

Active dialogue was maintained with the enforcement agencies, both on an ad hoc basis and by way of monthly round table meetings. Liaison concentrated on establishment matters leading up to the commencement of that part of the Act. This included receiving and reviewing reports from enforcement agencies on their intentions for the 2001/02 year, and the preparation of a report to the Minister looking at gaps, overlaps, and deficiencies. Because of the delay in commencement, reports were not sought from the agencies until 27 April 2001, and their relatively slow response delayed the report to the Minister until 4 July 2001.

A set of reference documents on enforcement were produced to assist the enforcement agencies. This especially included benchmark standards of performance.

5.2 Emergency response

Output Specification

Capability for and effectiveness of emergency response is monitored and analysed where relevant, and a report on effectiveness of local coordinating committees made to the Minister prior to hazardous substances commencement.

Performance Report

The operation of Hazardous Substances Technical Liaison Committees was monitored as part of regular liaison with the enforcement agencies. A meeting of key agencies was convened to address how the effectiveness of such committees could be enhanced to a more consistently high standard. The New Zealand Fire Service then established an advisory group to develop guidelines for the operation of these committees. ERMA New Zealand actively participates in this group. An analysis of capability and effectiveness was included in the report on enforcement for the Minister, forwarded on 4 July 2001.

5.3 Compliance strategy

Output Specification

A compliance strategy is maintained as a reference document for compliance activities is reviewed and reissued by 20 September 2000, and progress on implementation reviewed by the end of the financial year.

Performance Report

The compliance strategy was maintained as a reference document. Progress in implementing the strategy was reviewed, and work was undertaken to revise the strategy during the year. The revision was not completed at the end of the period.

5.4 Incident reporting

Output Specification

An incident reporting system is in place by 1 February 2001, and all reported incidents are analysed to see whether an inquiry is justified.

Performance Report

There were 10 new organism incidents during the year, six of which involved genetically modified organisms. It was determined that five of these incidents warranted a low level, internal inquiry.

No hazardous substances incidents were reported due to the delay in commencement of the HSNO Act for hazardous substances. A reporting system was developed and trialled using media clippings as a source of information on incidents involving hazardous substances.

5.5 Internal inquiries

Output Specification

Up to 10 minor internal inquiries are carried by the end of the financial year.

Performance Report

Five inquiries were carried out. One involved two incidents of attempted unauthorised access at the same GMO facility within a short space of time, and only one inquiry involved a non-GM organism.

5.6 Test Certifiers

Output Specification

A sufficient number of test certifiers are established to provide for the implementation of the Act for hazardous substances, with additional test certifiers in place prior for the first block of substance transfers and all applications decided in accordance with the law and within 20 days of receipt.

Performance Report

In preparation for the commencement of the hazardous substances part of the Act, an initial core of prospective test certifiers was identified, and provided with training in the HSNO regime. Policies and procedures were established, and documents prepared, including development of application forms, a user guide to becoming a test certifier, and specifications of the matters that will require test certificates.

However, no test certifiers were appointed because of the late completion of the pre-requisite Regulations.

Financial performance

	\$ GST excl. Estimate in SOI	Actual
Total Output cost	361,000	288,720
External revenue	3,000	1,422
Net cost	358,000	287,298

OUTPUT 6 TRANSFERRING HAZARDOUS SUBSTANCE APPROVALS UNDER THE TRANSITIONAL PROVISIONS OF THE ACT, INCLUDING MANAGEMENT OF NOTIFICATIONS

This output comprises the transfer of substances which are in existing legal use, to within the framework of the HSNO Act. Transfers are carried out in accordance with the transitional provisions of the Act. It also includes the management of toxic substance

notifications on behalf of the Ministry of Health, to assist in establishing a full database of notifications for potential transfer:

6.1 Dangerous Goods and Explosives

Output Specification

All dangerous goods and explosives are technically ready for inclusion in transfer regulations by 31 March 2001, and controls are attached in accordance with the Act.

Performance Report

Delays in the finalisation of the Thresholds, Classifications, and Controls Regulations prevented any substantive work being carried out on assigning controls to dangerous goods and explosives. Around 250 (primarily flammable and toxic gases) of the 450 single component dangerous goods were fully classified to the limit of readily available data by 30 June 2001, with the remainder having been classified against the physical hazardous properties.

A summary of submissions on the proposed list of explosives to be considered for transfer was prepared and fed back to submitters. The submissions highlighted many explosives requiring authorisation prior to commencement and these were referred to OSH for authorisation and updating of the Explosives Authorisation Order. This was completed by 30 June 2001.

Explosive articles were classified according to their explosive properties and a list of explosive components identified for classification.

6.2 Pesticides and Toxic Substances

Output Specification

Work is commenced on pesticides and toxic substances so that, by 30 June 2001, single component scheduled toxic substances are ready for inclusion in the transfer regulations, compilation of a list of pesticides for transfer is well advanced, and industry discussions based at shrinking the number of notified toxic substances requiring transfer are completed.

Performance Report

Single component scheduled toxic substances were identified and added to the list of dangerous goods for transfer. Pesticide active ingredients that are also scheduled toxic substances will be considered as part of the programme for the transfer of registered pesticides.

Difficulties associated with the transfer of information from the MAF ACVM Group were eventually resolved, but the available information was found to be inadequate and/or inaccurate. The main hold-up in carrying out work on pesticides was the difficulty in obtaining accurate formulation details. However agreement was reached for ERMA New Zealand and the ACVM Group to jointly contact pesticide proprietors for formulation information. This will be a priority for the coming year.

Preliminary discussions with more than half of the top 28 individual notifying companies were held, but little substantive work was carried out by the companies to shrink their lists of notifications. The notification process was not closed off so most companies chose to hold off any further work on their notifications until their lists were complete. A list of common (notified >4 times) single component notified toxic substances (approximately 1000) was prepared and published on the website along with the list of single component dangerous goods and scheduled toxic substances.

6.3 Notified Toxic Substance (NOTS) Database

Output Specification

A summary database of all notified toxic substances (NOTS), as at 1 February 2001, is completed by mid-March 2001.

Performance Report

This output assumed a commencement date of 1 February 2001 for the hazardous substances part of the Act. Up until May 2001 there was a steady number of notifications received. On announcement of the commencement date a letter was sent to all stakeholders who indicated an interest in hazardous substances, reminding them of the need to notify their existing substances prior to 2 July 2001.

The resultant flood of notifications (75,000 in the month prior to commencement) exceeded our predictions and temporary staff were employed to assist in managing the processing workload. At the end of the financial year, a total of 185,000 notifications were entered onto the database (55,000 entered in the 2000/01 financial year) with a further 30,000 still to be processed. The final number of notifications thus received under the Toxic Substances Act was 216,000.

6.4 Overall Transfer Programme

Output Specification

A report is provided to the Minister by 31 October 2000 on progress in transferring substances, and on the cost and magnitude of the residual transfer programme.

Performance Report

The report was completed and provided to the Minister in November 2000. It provided a brief overview of progress to date on the transfer of existing substances to the framework of the HSNO Act and reported on issues and cost implications for the Crown. In doing so, it drew on the detailed financial analysis of future funding requirements for the transfer programme, prepared as part of the ERMA New Zealand Business Case for Future Funding, also submitted to the Minister in November 2000.

One of the key issues noted in the report is the poor quality and lack of accessible information held by existing agencies on assessed substances – this has fallen far short of expectations and has greatly increased the costs and the duration of the transfer programme. Also, at the time of the report, the number of notifications was around 140,000, predicted to be about 160,000 by commencement. The delay in commencement and the uncertainty around the hazardous substances thresholds has seen this number substantially increase to around 216,000.

Financial performance

	\$ GST excl. Estimate in SOI	Actual
Total Output cost	1,498,000	967,639
External revenue	12,000	18,000
Net cost	1,486,000	949,639

OUTPUT 7 PROVIDING POLICY ADVICE AND PROMOTING INTERNATIONAL LINKAGES

This output comprises the provision of advice to the Minister on legislation, regulations and government policies; and on the effectiveness of the Act in achieving the implementation of the Act's purpose; and participation in international activity in a way and at a level which contributes cost-effectively to the Authority's decision-making, and international harmonisation and mutual recognition, and meets any explicit requirements set by the Minister.

7.1 Monitoring the Effectiveness of the Act

Output Specification

Measures for monitoring the effectiveness of the HSNO Act are implemented, including the development of a full set of measurable indicators by 31 December 2000, measurement of baseline levels for those indicators by 30 April 2001, completion of a report on data gaps and means of filling them by 30 January 2001. Public consultation on the approach to monitoring including indicators completed and results reported to the Authority by 30 June 2001.

Performance Report

A draft monitoring strategy was released for public consultation in February 2001. This outlined the range of measurable indicators, and identified data gaps and proposed means of filling them. Following the receipt of 16 submissions, many of which were detailed, the strategy was revised ready for consideration by the Authority in July 2001.

7.2 HSNO Amendment Bill No 2

Output Specification

Expert input is provided as required to the Select Committee considering HSNO Amendment Bill No 2 and to the drafting of any final amendments.

Performance Report

No further input was requested by the Environment and Local Government Select Committee prior to the report back to Parliament of the HSNO Amendment Bill No 2.

Considerable time was spent with MfE on the finalisation of the Hazardous Substances Regulations. This included a review exercise with a selected group of industry experts. The results of this were reported to the Minister and MfE prior to the completion of the Regulations.

7.3 Regulation of GMO developments

Output Specification

Advice is provided on the regulation of GMO developments by 31 August 2000.

Performance Report

Possible amendments to the HSNO (Low-risk Genetic Modification) Regulations were prepared and circulated to a small group of practitioners for comment. Further action was put on hold until after the Royal Commission on Genetic Modification had reported.

7.4 Ministerial reports

Output Specification

Reports are provided to the Minister as required by the Act, in order to properly inform the Minister on HSNO related issues, and in particular and by 31 October 2000 on the future funding of ERMA New Zealand and cost-recovery from applicants.

Performance Report

During the year 31 specific reports, as well as regular briefings on applications, were provided to the Minister on a wide range of matters to do with the operation of the HSNO Act. Reports included: new organisms and GMO enforcement, weed contamination of a Canterbury crop, commencement of the HSNO Act for hazardous substances, transfer of substances, the High Court decision on the GM cattle appeal and changes to HSNO Methodology Order. A comprehensive business case on funding and cost-recovery was submitted to the Minister on 14 November 2000.

7.5 Royal Commission on Genetic Modification

Output Specification

Submissions and other inputs are provided to the Royal Commission on Genetic Modification, based on ERMA New Zealand's experience in implementing the HSNO Act.

Performance Report

A comprehensive written submission was prepared and submitted to the Royal Commission. The Authority prepared and presented its oral submission to the Royal Commission. A high degree of interest was generated by this presentation with nine parties cross-examining the Authority over a two-day period. A closing submission was then prepared and presented to the Royal Commission.

7.6 Ministerial correspondence

Output Specification

Draft responses to Ministerial correspondence are provided within 15 days of receipt and provide a comprehensive and cogent response to the matters raised.

Performance Report

Twelve ministerial correspondence requests and 11 parliamentary questions were received and responded to in the required timeframes. No responses were returned for correction or further action.

7.7 International programme

Output Specification

A defined programme for international involvement is carried out including activities directed by the Minister, the Biosafety Protocol negotiations, and the progressing of case studies under the Trans-Tasman Mutual Recognition Agreement (TTMRA).

Performance Report

A senior ERMA New Zealand advisor was part of the MFAT lead team that attended the first meeting of the Inter-governmental Committee of the Cartagena Biosafety Protocol in

Montpellier, France, 10–15 December 2000. In addition, ERMA New Zealand provided expert input to the South Pacific Regional Environmental Programme's Pacific Islands Regional Biosafety Workshop in Apia, Samoa, on capacity building to comply with the requirements of the Cartagena Biosafety Protocol.

The Co-operation Programme for the Trans-Tasman Mutual Recognition Agreement special exemption for hazardous substances, dangerous goods, industrial chemicals and poisons was extended for another 12 months. Follow-up work on the analysis of the report of the case studies developed last year was hindered by organisational changes in Australia. ERMA New Zealand continues to be the operational contact point in New Zealand for this special exemption programme.

Visits were carried out to Australia (NRA, NICNAS, Therapeutic Goods Administration, and Office of the Gene Technology Regulator), USEPA, health and environmental agencies in the Netherlands, and the Pesticides Safety Directorate and the Health and Safety Executive in the UK to advance counterpart agency co-operation.

Financial performance

	\$ GST excl. Estimate in SOI	Actual
Total Output cost	395,000	490,353
External revenue	-	-
Net cost	395,000	490,353

OUTPUT 8 PROMOTING PUBLIC AWARENESS AND UNDERSTANDING OF HSNO RISKS

This output comprises programmes for promoting public awareness and knowledge of hazardous substance and new organism risks and how to effectively manage them.

8.1 Publications programme

Output Specification

A basic publications programme is carried out including three issues of the newsletter *Perspective* all containing some awareness material, and any necessary revision of quick guides and information sheets.

Performance Report

The newsletter *Perspective* continued to be an important communication tool and awareness material was included in each issue. A wide range of material has been picked up from *Perspective* by other media and magazines. Two issues were published during the year. The third issue was held over until the 2001/02 financial year, because of the priority given to hazardous substances publications and related publicity in the lead-up to commencement.

The existing quick guide series was completely reviewed and consolidated to become a succinct yet comprehensive public awareness resource. Much of the original content was out of date and new guides were needed on hazardous substances. We now have eight titles in this series, which is designed to give quick information on ERMA New Zealand and its procedures under HSNO. The information sheet series was also completely revised. These are informal documents, providing detailed information on specific policy or operational matters.

There has been an ongoing request for information from schools for information sheets and the Community Education Kit on Genetic Engineering. ERMA New Zealand produced a video on genetic engineering for Māori which has also been distributed on demand.

8.2 Consultation with Sector Groups

Output Specification

Meetings with consultative groups are held as planned comprising at least four meetings with the hazardous substances industry group, two meetings with the new organisms industry group and four meetings with the NGO group.

Performance Report

Meeting programmes were maintained with the hazardous substances, new organisms and NGO consultative groups. Six NGO liaison meetings were held for the year including three NGO briefings prior to the round of hazardous substance workshops in June 2001. A survey into the format and value of the NGO meetings was undertaken with the results indicating that they continued to contribute to positive relations.

The Hazardous Substances ICG met five times over the year, covering topics including hazardous substance regulations progress, pre-commencement workshops, enforcement updates, transfer programme, and Codes of Practice.

The New Organisms ICG met once during the year, covering topics including Part V new organism applications and decisions, the Royal Commission of Inquiry, containment facility standards, amendments to the HSNO Act, unauthorised GMO work, enforcement, public awareness, and IBSC audits.

8.3 Maintenance of ERMA New Zealand and HSNO websites

Output Specification

The HSNO website is maintained by the replacement or deletion of outdated material; and development and maintenance of the ERMA New Zealand website is carried out so that hazardous substance material is fully incorporated and the website is always up to date within 10 days.

Performance Report

Phase three of the ERMA New Zealand website strategy was implemented which meant a redesign of the site focussing on accessibility by a wide audience. This is the first stage in taking into account the Govis report and future e-government strategies. One of the highlights was the development of the Te Putara web pages which give particular emphasis to issues of environmental concern to Māori.

The HSNO website was kept up to date with information on educational aspects of the HSNO Act. This website was widely promoted as an educational tool throughout the hazardous substances workshops.

To celebrate World Environment Day this year, ERMA New Zealand designed a poster called Hazard a Guess which links into an interactive game on the HSNO website for kids and the community to illustrate just where and what environmental hazards are. The poster was distributed to over 3,000 schools around the country.

Fortnightly meetings continued to be held looking at development possibilities and updating material.

8.4 Speaking programme on introduction of new plants

Output Specification

A speaking and information dissemination programme focused on imported plants is carried out so that priority audiences are addressed when so willing, and cooperative discussions continued with other agencies including DoC, MAF, and Forest and Bird.

Performance Report

ERMA New Zealand initiated an active campaign to target priority audiences for the importation of plants. Various speaking and information dissemination opportunities were undertaken including addresses to the Biosecurity Institute's annual conference, the Biosecurity Consultative Forum, the Plant Tissue Culture and Biotechnology Conference, Nursery and Garden Industry Association, the Orchid Council of New Zealand, Horticultural Field Days, and Lifestyle Farmers, and others are planned for the future. Relationships were maintained with other government agencies including contributing to a MAF coordinated display on biosecurity awareness at the Mystery Creek Fielddays, and regular input to the Environmental Communicators meetings.

8.5 Government-based Hazardous Substances Awareness Programme

Output Specification

An initial hazardous substances awareness programme is carried out in the lead-up to commencement of the HSNO Act for hazardous substances, including publications, mailouts and a series of five regional workshops.

Performance Report

A full information package on hazardous substances commencement was posted out in May 2001, and a nationwide roadshow of industry training workshops on hazardous substances was undertaken with a total of approximately 800 people attending. The workshops were well received and our publications and websites were promoted as part of the exercise.

The User Guide to HSNO Thresholds and Classifications was completed and was being printed at the end of the year. The Summary User Guide to HSNO Thresholds and Classifications was published. The User Guide to Making a Hazardous Substances Application was completed and was being printed at the end of the year. Work on these user guides was a major piece of work because of the complexity and novelty of the HSNO regime.

A series of seven sample applications were prepared. A selection of four of these were further developed to include Evaluation and Review reports and decisions. The complete package was being readied for publication after commencement of the Act for hazardous substances.

8.6 Hazardous substance awareness in small business

Output Specification

A programme for raising awareness of HSNO obligations and controls in small businesses is carried out, in accordance with a contract with MfE.

Performance Report

A pilot project was initiated, under contract to MfE, to test communications tools for raising awareness of HSNO obligations and controls in small business. The project involves pre and post evaluation, and the tools being tested are brochures, posters, and seminars. The initial

development phase of the project was completed in late 2000 and a report made to MfE. Work began on preparing for the implementation phase through to June 2001. The project is expected to be implemented in November 2001.

Financial performance

	\$ GST excl.	
	Estimate in SOI	Actual
Total Output cost	946,000	822,820
External revenue	258,000	63,320
Net cost	688,000	759,500

9. CONTRIBUTION OF THE ACT TO ENVIRONMENTAL PROTECTION, HEALTH AND SAFETY, INCLUDING INCIDENTS

Section 148 (b) of the HSNO Act requires that the Authority include in the *Annual Report* an assessment of the extent to which the Act has contributed to the health and safety of people and the environment, including an assessment of any reduction in the likelihood that hazardous substances or new organisms will adversely affect people or the environment.

The Act has been in operation for new organisms for two years and has just commenced for the management of hazardous substances.

9.1 NEW ORGANISMS

During the third year of operation of the Act for new organisms the number of applications for release of new organisms to the environment was small. The voluntary moratorium imposed by the Government on releases and field trials of genetically modified organisms no doubt contributed to this. Applications for new organisms in containment were still considered and the Authority assigned containment controls on all approvals. There were a small number of containment breaches reported, but no adverse effects on the health and safety of people and the environment were reported from these.

There continued to be a low level of applications for non-genetically modified new organisms. This indicates that fewer people are seeking to openly introduce new species to New Zealand than before the Act commenced. However, it is difficult to estimate the extent to which the rigour and cost of the HSNO regime is deterring beneficial introductions. Neither do we have a clear picture of the extent to which there is non-compliance at the border although it is encouraging to note the increased levels of surveillance being undertaken, under the auspices of the Biosecurity Act.

A result of this increased surveillance came to light during the year leading to the development of border controls on the contamination of seeds for sowings with low levels of genetically modified seeds. ERMA New Zealand has worked closely with MAF over this issue and this too is expected to contribute to the overall purposes of the HSNO Act.

With the development of a monitoring strategy, incorporating performance indicators, a clearer picture of the contribution the decision-making function of the Act makes to the health and safety of people and the environment is expected to emerge in the future.

9.2 HAZARDOUS SUBSTANCES

While the hazardous substances parts of the Act commenced just after the year finished, a number of initiatives have contributed to achieving the purposes of the Act already. Notable has been the number of notifications of toxic substances under the Toxic Substances Act in anticipation of the HSNO Act commencing. These reached 216,000 and represent a much more comprehensive identification of hazardous substances in New Zealand than available previously. Many of these are, at best, only cursorily controlled at the moment and the impact of the Transfer Project on this is likely to make a considerable contribution to improving the management of these substances.

There have been continuing initiatives to improve the awareness of industry of the requirements of the HSNO Act and this also is expected to show up in improvements in the management of effects of hazardous substances. Further, enforcement and emergency response mechanisms have been developed in advance of commencement for hazardous substances and these too will lead to expected improvements.

The process implemented to monitor these improvements has been designed to enable contributions of the Act to the protection of the health and safety of people and the environment to be more quantitatively demonstrated in future years.

10. DECISIONS BY THE AUTHORITY

Section 148(d) of the Act requires the Authority to include in the *Annual Report* information on decisions under section 62 of the Act (grounds for reassessment). This chapter looks more broadly at all decisions made under Part V of the Act, and should be read in conjunction with the more detailed information in Appendix I.

10.1 DECISIONS OTHER THAN UNDER S62 OF THE ACT

The number of applications received and processed during the year is summarised in the following table.

Type of Application	Applications Received	Benchmark Planning Level	Applications Decided
Import GMOs into containment	24 ¹	7	35
Develop GMOs in containment	18 ²	4	28 (21 of these were whilst IBSC delegation was suspended)
Field trial GMOs	0	0	4
Import other new organism into containment	6	5	13
Release new organism (not GMO)	2	5	4 ³
Determine status of new organism	3	7	5
Reassessments	2	-	1
Totals	55	28	90

1 GMC00004 – withdrawn

2 GMD00079, GMD00080, GMD00052 and GMD00053 – withdrawn

3 NOR00002 declined under rapid assessment route

The number of applications received during the year was twice that predicted for planning purposes. This was largely a consequence of the investigation into unauthorised GMO developments in 2000 which generated an increase in applications. Also more applications were considered by the Authority while delegations to institutions to decide on low risk GMO developments were suspended.

This unexpected workload stretched the resources of ERMA New Zealand and contributed to delays in processing applications.

The most significant application decided in the year was the third element of an application by AgResearch Limited to field test genetically modified cattle. This part of the application involved the insertion of a gene coding for the human myelin basic protein, and was approved in July 2000. (The other two components of this application were approved in November 1999.)

This decision was the subject of an appeal to the High Court. The High Court dismissed all but one of the 22 grounds for appeal, but held that the Authority had erred in law by not incorporating into its decision explicit references to the use of the Methodology. The Court instructed the Authority to consider the application anew. This was done with a decision to approve the application with controls being made in May 2001.

The other GM field trial applications decided by the Authority in the year were an application by AgResearch to field test GM sheep (October 2000), and two applications by Forest Research to field test pine and spruce trees (December 2000). In the latter case, the Authority conducted a hearing in Rotorua – the first time it has held a hearing out of Wellington.

No applications to release a GMO have been made to the Authority. In June 2000 the Government established a voluntary moratorium on applications to release or for certain field tests of GMOs. No such applications have been lodged since that date.

The Authority approved three applications to release biocontrol agents to control the obscure mealy bug, mistflower and Hieracium. An application to release 11 species of *Agathus* trees was not approved by the rapid assessment processing route because of insufficient information on the concerns that might be felt by Māori in regard to the cultural significance and integrity of the New Zealand Kauri.

In five determinations (made under Section 26 of the Act) the Authority determined that a total of 123 species are not new organisms. This included 106 iris species.

10.2 GROUNDS FOR REASSESSMENT: DECISIONS UNDER SECTION 62 OF THE ACT

The Authority decided, on application from the University of Otago, that there were grounds to reassess an approval to import GM mice into containment on the grounds that the restriction on the number of mice permitted was not consistent with other comparable approvals, and did not allow a sufficient number for research purposes. On further application by the University of Otago, the Authority reassessed the approval and removed the restriction.

A request was received for the Authority to decide that there were grounds to reassess an approval given to AgResearch Limited in October 2000 to field trial GM sheep. The request had not been determined at the end of the period.

11. FINANCIAL COMMENTARY

The continuing delays in hazardous substance commencement, eventually until after 30 June 2001, had a pervading influence on financial management. Mainly as a result of this, both expenditure and revenue for the year were less than forecast. The reduction in expenditure was more marked, leading to a substantial improvement in the net result – an actual surplus of \$139,000 compared to a planned deficit of \$449,000.

In terms of inputs, the reduction in expenditure was most strongly influenced by less than planned expenditure on personnel. The saving in this area amounted to \$580,000 or 19% of budget. This in turn was the result of a deliberately conservative approach to increasing staff, in light of the uncertainties referred to above. In the event, the approach was probably overly conservative and contributed to under-delivery in some outputs.

A comparison of actual and predicted total output costs indicates the relationship between the expenditure reductions referred to above and levels of activity. Levels of activity were less than planned in Output 1 (decision-making framework), Output 2 (Part V decision-making), Output 3 (Chief Executive-initiated reassessments), Output 5 (compliance), Output 6 (transfer of substances), and Output 8 (public awareness).

Most of these reductions were attributable to or influenced by the delay in hazardous substance commencement. However, work on the decision-making framework was lower for other reasons, including less work than anticipated on the Māori generic issues project (this work was deliberately put on hold until after the Royal Commission had reported) and a delay in the publication of the last issue of *The Bulletin* for the year. The decrease in Part V decision-making expenditure was less than might have been expected through the absence of hazardous substance work, because of an unexpected increase in GMO imports and developments.

The most significant reduction (\$536,000 GST excl) in output expenditure was for the transfer of substances. Although this reflected delay in the Regulations particularly (without completed Regulations it was impossible to make significant progress on classifying substances and setting controls), this was the area that also suffered the most from conservatism in employing additional staff. This shortcoming will be corrected in 2001/02.

Levels of activity were greater than planned in Output 4 (transitional decision-making), mainly because of the much greater level of work than planned for in setting up delegations for transitional decision-making. This more than counterbalanced the delay in the start of transitional decision-making. Expenditure was also greater than expected in Output 7 (policy advice and international), reflecting in part participation in the public hearings by the Royal Commission, but particularly the completion of the hazardous substance Regulations.

12. FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2001

Statement of financial performance for the year ended 30 June 2001

	Note	Actual 30-Jun-01 \$	Budget 30-Jun-01 \$	Actual 30-Jun-00 \$
Revenue				
Fees and other income		459,038	783,000	183,072
Crown revenue – core		4,373,333	4,284,000	4,000,000
Crown revenue – other				325,278
Interest income		99,152		57,335
Total revenue		4,931,523	5,067,000	4,565,685
Expenditure				
Personnel		2,533,476	3,114,000	2,413,483
Consultant and contract costs		216,279	360,000	209,799
Property expense		266,655	270,000	253,398
Depreciation		499,086	600,000	478,179
Disposal of assets		(2,481)		1,107
Equipment maintenance and support		14,431		8,422
Other operating costs		642,616	631,000	699,624
Audit expenses		14,105	15,000	14,496
Authority fees	10	180,400	320,000	181,254
Travel costs		204,786		206,884
Capital charge		222,399	206,000	236,148
Total expenditure		4,791,752	5,516,000	4,702,794
Net surplus/(deficit) for the period		139,771	(449,000)	(137,109)

Statement of movements in equity for the year ended 30 June 2001

	Actual 30-Jun-01 \$	Budget 30-Jun-01 \$	Actual 30-Jun-00 \$
Public equity as at 1 July 2000	2,224,358	2,224,000	2,361,467
Net surplus/(deficit) for the period	139,771	(449,000)	(137,109)
Total recognised revenues and expenses for the period	139,771	(449,000)	(137,109)
Public equity as at 30 June 2001	2,364,129	1,775,000	2,224,358

The statement of accounting policies and notes form an integral part of, and should be read in conjunction with, these financial statements.

Statement of financial position as at 30 June 2001

	Note	Actual 30-Jun-01 \$	Budget 30-Jun-01 \$	Actual 30-Jun-00 \$
PUBLIC EQUITY				
Retained earnings		2,364,129	1,775,000	2,224,358
Total public equity		2,364,129	1,775,300	2,224,358
Represented by:				
ASSETS				
Current assets				
Cash and bank		568,573	100,000	110,446
Short term deposits	5	1,368,156	1,372,000	1,547,195
Crown debtor		-	-	100,000
Debtors and prepayments	4	150,192	260,000	99,607
Total current assets		2,086,921	1,732,000	1,857,248
Non-current assets				
Fixed assets	1	1,083,272	1,143,000	1,428,070
Total assets		3,170,193	2,875,000	3,285,318
LIABILITIES				
Current liabilities				
Accounts payable and accruals	2	702,665	1,100,000	956,600
Employee entitlements	3	103,399	-	104,360
Total current liabilities		806,064	1,100,000	1,060,960
NET ASSETS		2,364,129	1,775,000	2,224,358

The statement of accounting policies and notes form an integral part of, and should be read in conjunction with, these financial statements.

Statement of cashflows for the year ended 30 June 2001

	Actual 30-Jun-01 \$	Budget 30-Jun-01 \$	Actual 30-Jun-00 \$
CASHFLOWS FROM OPERATING ACTIVITIES			
Cash was provided from:			
Fees	420,927	783,000	99,835
Supply of outputs to the crown	4,473,333	4,284,000	4,225,278
Interest received	98,227	0	64,151
	4,992,487	5,067,000	4,389,264
Cash was applied to:			
Payments to employees	(2,540,366)	(3,114,000)	(2,271,588)
Payments to suppliers	(2,004,214)	(1,801,000)	(1,528,248)
	(4,544,580)	(4,915,000)	(3,799,836)
Net cashflows from operating activities	447,907	152,000	589,428
CASHFLOWS FROM INVESTING ACTIVITIES			
Cash was applied to:			
Purchase of fixed assets	(168,819)	(315,000)	(355,063)
Net cashflows from investing activities	(168,819)	(315,000)	(355,063)
CASHFLOWS FROM FINANCING ACTIVITIES			
Cash was provided from:			
Capital contributions	0	0	0
Net cashflows from financing activities	0	0	0
Net increase in cash held	279,088	(163,000)	234,365
Plus opening cash	1,657,641	1,635,000	1,423,276
Closing cash balance	1,936,729	1,472,000	1,657,641

Net output costs to the Crown

	Actual 30-Jun-01 \$	Budget 30-Jun-01 \$	Actual 30-Jun-00 \$
Output			
1. Establishment	-	-	950,668
2. Decision Framework	711,794	785,000	563,296
3. Part V Decision making	927,387	463,000	1,209,404
4. Chief Executive-Initiated Reassessments	9,944	33,000	24,961
5. Transitional Decision making	97,647	78,000	3,395
6. Inquiries	31,483		22,170
7. Transfer of Substances	949,639	1,486,000	551,548
8. Monitoring and Enforcement	255,815	358,000	158,416
9. Policy Advice	397,046	394,000	340,630
10. Public Awareness	759,500	687,000	324,563
11. International	93,307		176,229
Total	4,233,562	4,284,000	4,325,279

Reconciliation of the net operating deficit to net cashflows from operating activities for the year ended 30 June 2001

	Actual 30-Jun-01 \$	Budget 30-Jun-01 \$	Actual 30-Jun-00 \$
Net operating surplus/(deficit)	139,771	(449,000)	(137,109)
Add non-cash items:			
Depreciation	496,605	600,000	479,286
Total non-cash items	496,605	600,000	479,286
Add/(less) movements in working capital items			
(Increase)/Decrease in debtors and prepayments	49,415	(38,000)	(183,431)
Increase/(Decrease) in accounts payable and accruals	(236,923)	39,400	402,986
Increase/(Decrease) in employee entitlements	(961)		27,696
	(188,469)	1,000	247,251
Net cashflow from operating activities	447,907	152,000	589,428

The statement of accounting policies and notes form an integral part of, and should be read in conjunction with, these financial statements.

Statement of commitments as at 30 June 2001

The Environmental Risk Management Authority has a lease on its premises in Wellington. The lease expires on 31 March 2002 with a right of renewal for two further periods of two years.

Operating leases include lease payments for premises, and photocopiers/printers.

	Actual 30-Jun-01 \$	Actual 30-Jun-00 \$
Operating lease commitments (GSTexclusive)		
Not later than one year	221,996	212,351
Later than one but not later than two years	18,940	158,634
Later than two but not later than five years	42,616	2,688
More than five years	-	-
Total lease commitments	283,552	373,673

Statement of contingencies as at 30 June 2001

The Environmental Risk Management Authority has no known contingent liabilities or assets and no known guarantees given under section 59 of the Public Finance Act 1989.

The statement of accounting policies and notes form an integral part of, and should be read in conjunction with, these financial statements.

Notes to the financial statements

I. Fixed assets

	Cost 30-Jun-01 \$	Accumulated depreciation 30-Jun-01 \$	Net book value 30-Jun-01 \$
Furniture and fittings	263,536	135,651	127,885
Office equipment	141,059	68,906	72,153
Leasehold improvements	687,684	334,254	353,430
Computer software	908,859	536,667	372,192
Computer hardware	520,766	363,154	157,612
Total	2,521,904	1,438,632	1,083,272

	Cost 30-Jun-00 \$	Accumulated depreciation 30-Jun-00 \$	Net book value 30-Jun-00 \$
Furniture and fittings	260,169	92,039	168,130
Office equipment	127,432	45,982	81,450
Leasehold improvements	687,684	219,619	468,065
Computer software	860,615	344,476	516,139
Computer hardware	463,289	269,003	194,286
Total	2,399,189	971,119	1,428,070

2. Accounts payable

	30-Jun-01 \$	30-Jun-00 \$
Trade creditors and accruals	615,363	615,397
Capital Charge Payable		236,148
GST	46,580	65,380
PAYE and withholding tax	40,722	39,675
Total accounts payable	702,665	956,600

3. Employee entitlements

	30-Jun-01 \$	30-Jun-00 \$
Current employee entitlements		
Annual leave	103,399	104,360
Total employee entitlements	103,399	104,360

4. Debtors and prepayments

	30-Jun-01 \$	30-Jun-00 \$
Accrued revenue	68,863	4,381
Debtors	57,927	87,182
Prepayments	23,402	8,044
Total debtors and prepayments	150,192	99,607

5. Short-term deposits

As at balance date there was \$1,368,156 invested with the Authority's bankers on short-term deposits, (30/06/00 – \$1,547,195) for periods of 30 or 60 days at interest rates between 5.75% and 5.83%.

6. Remuneration

The remuneration of employees who received remuneration and other benefits of \$100,000 or more per annum, shown in \$10,000 bands is as follows.

2000	Total remuneration and other benefits	2001
1	\$100,000 – \$109,999	1
2	\$110,000 – \$119,999	1
0	\$120,000 – \$129,999	1
1	\$180,000 – \$189,999	0
0	\$200,000 – \$209,999	1

The total remuneration and other benefits of the Chief Executive was in the \$200,000 to \$209,999 band.

7. Related party transactions

The Environmental Risk Management Authority is a wholly owned entity of the Crown. The government influences the roles of the Environmental Risk Management Authority as well as being its major source of revenue.

The Environmental Risk Management Authority enters into numerous transactions with government departments, Crown agencies, and state-owned enterprises. These transactions are not considered to be related party transactions.

8. Financial instruments

The Environmental Risk Management Authority is party to financial instrument arrangements as part of its everyday operations. These financial instruments include bank accounts, term deposits, accounts receivable, and accounts payable.

Credit risk

Credit risk is the risk that a third party will default on its obligations to the Environmental Risk Management Authority, causing the Environmental Risk Management Authority to incur a loss.

In the normal course of business, the Environmental Risk Management Authority incurs credit risk from transactions with financial institutions.

The Environmental Risk Management Authority does not require collateral or other security to support financial instruments with credit risk, as the Environmental Risk Management Authority deals with financial institutions that have high credit ratings. The Authority does not have significant concentrations of credit risk.

Fair value

The fair value of all financial instruments is equivalent to the carrying amount disclosed in the statement of financial position.

Currency and interest rate risk

Currency risk is the risk that debtors and creditors due in foreign currency will fluctuate because of changes in foreign exchange rates. The Environmental Risk Management Authority has no significant exposure to currency risk on its financial instruments. Interest rate risk is the risk that the Environmental Risk Management Authority's return on the funds it has invested and the cost of borrowed funds will fluctuate due to changes in market interest rates. Under section 46 of the Public Finance Act the Environmental Risk Management Authority cannot raise a loan without ministerial approval and no such loans have been raised. Accordingly, there is no interest rate exposure on funds borrowed.

9. Post balance date events

No significant events, which would materially affect the financial statements, occurred between 30 June 2001 and the date of signing the financial statements.

10. Fees

The following fees were paid to Authority members and to members of Ngā Kaihautū Tikanga Taiao.

	30 June 2001 \$	30 June 2000 \$
W. J. Falconer *	13,284	20,556
B. Scott *	3,611	15,571
C. Mantell	16,438	14,406
H. Hughes	18,375	17,031
J. Maasland	5,625	3,000
L. Nelson	24,749	13,719
O. Sutherland	22,974	20,279
T. Lomax *	7,406	6,052
J. White #	8,621	
T. Haggerty #	6,891	
P. Kapua #	6,684	
Ngā Kaihautū Tikanga Taiao	45,742	70,640
Total	180,400	181,254

* – Retired during year

– Appointed during year

Statement of accounting policies for the year ended 30 June 2001

Reporting entity

The Environmental Risk Management Authority is a Crown entity as defined in Section 2 of the Public Finance Act 1989. The Environmental Risk Management Authority was established under the Hazardous Substances and New Organisms Act 1996 and commenced activities on 9 October 1996.

These financial statements have been prepared in accordance with Section 41 of the Public Finance Act 1989.

Measurement system

The financial statements have been prepared on an historical cost basis.

Accounting policies

The following accounting policies, which materially affect the measurement of financial performance and financial position, have been applied:

(i) Budget figures

The budget figures are those approved by the Board at the beginning of the financial year.

The budget figures have been prepared in accordance with generally accepted accounting practice and are consistent with the accounting policies adopted by the Board for the preparation of the financial statements.

(ii) Revenue

The Environmental Risk Management Authority derives revenue through the provision of outputs to the Crown and interest on money in its bank account. Such revenue is recognised when earned and is reported in the financial period to which it relates.

(iii) Leases

Operating lease payments, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items, are charged as expenses in the periods in which they are incurred.

(iv) Fixed assets

All fixed assets are recorded at historical cost. Fixed assets are recognised as individual items, which have a useful life greater than one year.

Losses and gains on disposal of fixed assets are taken into account in determining the operating result for the year.

(v) Depreciation

Depreciation of fixed assets is calculated on a straight-line basis so as to allocate the cost of the assets, after recognising residual values, over their useful lives. The estimated useful lives and associated depreciation rates used in the preparation of these statements are as follows:

	Depreciation rate (%) \$	Residual value (%) \$	Useful life (years)
Furniture and fittings	16.7	Nil	6
Office equipment	16.7	Nil	6
Leasehold improvements	16.7	Nil	6
Computer software	20–33	Nil	3–5
Computer hardware	33	Nil	3

(vi) Employee entitlements

Provision is made in respect of the Environmental Risk Management Authority's liability for annual leave. The annual leave provision has been calculated on an actual entitlement basis at current rates of pay.

(vii) Receivables

Accounts receivable are stated at their estimated realisable value after providing for doubtful and uncollectable debt.

(viii) Investments

Investments are stated at the lower of cost and net realisable value.

(ix) Statement of cash flows

Cash means cash balances on hand and money held in bank accounts.

Operating activities include cash received from all income sources of the Environmental Risk Management Authority and records the cash payments made for the supply of goods and services.

Investing activities are those activities relating to the acquisition and disposal of non-current assets.

Financing activities comprise the change in the equity and debt capital structure of the Environmental Risk Management Authority.

(x) Financial instruments

The Environmental Risk Management Authority is party to financial instrument arrangements as part of its normal operations. All financial instruments are recognised in the Statement of Financial Position and all revenues and expenses relating to financial instruments are recognised in the Statement of Financial Performance. The Environmental Risk Management Authority has not entered into any off-balance sheet transactions.

Financial instruments including cash, bank, term deposits and accounts payable are recognised at historical cost. Accounts receivable are valued in terms of their individual policy.

(xi) Goods and Services Tax (GST)

The financial statements are prepared on a GST exclusive basis, with the exception of accounts payable and accounts receivable which are stated GST inclusive. GST payable at balance date is included in Accounts Payable.

(xii) Taxation

The Environmental Risk Management Authority is exempt from income tax in terms of the Income Tax Act 1994. Accordingly, no charge for income tax has been provided for.

(xiii) Commitments

Future expenses and liabilities to be incurred on contracts that have been entered into at balance date are disclosed as commitments at the point a contractual obligation arises, to the extent that they are equally unperformed obligations.

(xiv) Contingencies

Contingent liabilities and contingent assets are disclosed at the point at which the contingency is evident.

(xv) Cost of service statements

The cost of service statements, as reported in the Statement of Objectives and Service Performance, report the net cost of services for the outputs of the Environmental Risk Management Authority and are represented by the costs of providing the Environmental Risk Management Authority these activities.

(xvi) Cost allocation

The net cost of service for each significant activity has been derived using the cost allocation system outlined below.

Direct costs are those costs directly attributable to a significant activity.

Indirect costs are those costs which cannot be identified in an economically feasible manner with a specific significant activity.

Cost allocation policy

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities based on cost drivers and related activity/usage information. The appropriate cost drivers may compare actual usage, staff numbers, and floor area.

For the year ended 30 June 2001, indirect costs accounted for 65% of the Environmental Risk Management Authority's total costs (74% in the year ending 30 June 2000).

Changes in accounting policies

There have been no changes in accounting policies since the date of the last audited financial statements. The policies have been applied on a basis consistent with previous year.

13. REPORT OF THE AUDIT OFFICE



TO THE READERS OF THE FINANCIAL STATEMENTS OF THE ENVIRONMENTAL MANAGEMENT RISK AUTHORITY FOR THE YEAR ENDED 30 JUNE 2001

We have audited the financial statements on pages 18 to 34 and 40 to 50. The financial statements provide information about the past financial and service performance of the Environmental Risk Management Authority and its financial position as at 30 June 2001. This information is stated in accordance with the accounting policies set out on page 48 to 50.

Responsibilities of the Board

The Public Finance Act 1989 requires the Environmental Risk Management Authority to prepare financial statements in accordance with generally accepted accounting practice which fairly reflect the financial position of the Environmental Risk Management Authority as at 30 June 2001, the results of its operations and cash flows and the service performance achievements for the year ended 30 June 2001.

Auditor's responsibilities

Section 43(1) of the Public Finance Act 1989 requires the Audit Office to audit the financial statements presented by the Board. It is the responsibility of the Audit Office to express an independent opinion on the financial statements and report its opinion to you.

The Controller and Auditor-General has appointed Stephen Lewis, of Audit New Zealand, to undertake the audit.

Basis of opinion

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. It also includes assessing:

- the significant estimates and judgements made by the Board in the preparation of the financial statements
- whether the accounting policies are appropriate to the Environmental Risk Management Authority's circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with generally accepted auditing standards, including the Auditing Standards issued by the Institute of Chartered Accountants of New Zealand. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

Other than in our capacity as auditor acting on behalf of the Controller and Auditor-General, we have no relationship with or interests in the Environmental Risk Management

Authority.

Unqualified opinion

We have obtained all the information and explanations we have required.

In our opinion the financial statements of the Environmental Risk Management Authority on 18 to 34 and 40 to 50:

- comply with generally accepted accounting practice
- fairly reflect:
 - the financial position as at 30 June 2001
 - the results of its operations and cash flows for the year ended on that date
 - the service performance achievements in relation to the performance targets and other measures adopted for the year ended on that date.

Our audit was completed on 26 October 2001 and our unqualified opinion is expressed as at that date.



Stephen Lewis

Audit New Zealand

On behalf of the Controller and Auditor-General

Wellington, New Zealand

APPENDIX I

PART V DECISIONS: A SUMMARY OF DECISIONS MADE AND PROCESSING STATISTICS

Decisions made by the Authority

The Authority made decisions on 26 applications for approvals, one determination on the status of a new organism and three reassessments during the year. They were:

Section 26 Determinations

- Code** S2699004
Applicant Bloomz
Purpose To determine that three species of *Zantedeschia* (*Z. odorata*, *Z. jucunda* and *Z. valida*) are not new organisms under section 26 of the HSNO Act.
Decision Determined not to be a New Organism
- Code** S2600002
Applicant New Zealand Iris Society (Inc.)
Purpose Application for determination that 106 Iris species are not new organisms under section 26 of the HSNO Act
Decision Determined not to be a New Organism
- Code** S2600004
Applicant Massey University
Purpose To determine that plant *Berkheya coddii* Roessl (Asteraceae) is not a new organism
Decision Determined not to be a New Organism
- Code** S2600005
Applicant Landcare Research – Mt Albert
Purpose To determine that 12 species within the fungal genus *Neurospora* (Family Sordariaceae, Ascomycota) are not new organisms
Decision Determined not to be a New Organism
- Code** S2600009
Applicant Lincoln University – Main Campus
Purpose Application for determination that *Phaeomoniella chlamydospora* (Black Goo Fungus) is not a new organism under section 26 of the HSNO Act
Decision Determined not to be a New Organism

Reassessments

- Code** REA00002
Applicant University of Otago
Purpose Application to decide whether there are Grounds for Reassessment of controls to remove the existing limitation on the numbers of transgenic mice with an inactive copy of the E-cadherin gene that can be held in containment. (Associated application GMC00007)
Decision Grounds Exist for Reassessment

Decisions on Applications to Import Genetically Modified Organisms in Containment

Code	NOC99006
Applicant	University of Otago
Purpose	To import into containment genetically modified adenovirus in order to study the process of cellular immortalisation.
Decision	Approved with Controls
Code	NOC99008
Applicant	Malaghan Institute of Medical Research
Purpose	To import into containment genetically modified murine cell lines for use in research into the biochemical and cellular events underlying mammalian physiological processes. Results of this research may be applied to improving human/animal health.
Decision	Approved with Controls
Code	NOC99011
Applicant	University of Otago
Purpose	To import into containment, for research purposes, genetically modified <i>Saccharomyces cerevisiae</i> laboratory strains that contain fragments of DNA cloned from other species
Decision	Approved with Controls
Code	GMC00001
Applicant	Crop and Food Research – Lincoln
Purpose	To gain approval to maintain in containment and to import strains of genetically modified <i>E. coli</i> and <i>Agrobacterium</i> which are used to facilitate the introduction of foreign DNA into a wide range of crop species.
Decision	Approved with Controls
Code	GMC00002
Applicant	AgResearch – Lincoln Office
Purpose	To import into containment <i>Pseudomonas fluorescens</i> , genetically modified by marker genes, to be used as an indicator organism to examine the dispersal and persistence of formulated microorganisms.
Decision	Approved with Controls
Code	GMC00005
Applicant	Institute of Environmental Science & Research (ESR)
Purpose	To import into containment <i>Acinetobacter calcoaceticus</i> genetically modified for antibiotic resistance, to be used to diagnose the occurrence of horizontal gene transfer.
Decision	Approved with Controls
Code	GMC00006
Applicant	Landcare Research – Lincoln
Purpose	To import into containment genetically modified attenuated bacterial strains of <i>Salmonella typhimurium</i> for use in mutagenicity assays assessing the DNA-damaging properties associated with a chemical or chemical mixtures.
Decision	Approved with Controls

Code	GMC00007
Applicant	University of Otago
Purpose	To reassess the decision on application NOC99003 (to import GM mice into containment) to give flexibility to number of E-cadherin inactivated mice that can be maintained in containment facility. The decision on NOC99003 limited this to 30 mice at any one time.
Decision	Approved with Controls
Code	GMC00008
Applicant	University of Auckland
Purpose	To import into containment <i>Herpes simplex virus</i> genetically modified by the green fluorescent protein gene from bioluminescent jellyfish (<i>Aequorea victoria</i>) to study the replication & transport of the virus, with the possibility of treatment discoveries
Decision	Approved with Controls
Code	GMC00009
Applicant	Malaghan Institute of Medical Research
Purpose	To import into containment 35 strains of genetically modified inbred mice for experimental research.
Decision	Approved with Controls
Code	GMC00010
Applicant	AgResearch – Wallaceville Office
Purpose	To import into containment recombinant baculovirus (<i>Autographa californica nuclear polyhedrosis virus</i>) and insect cell lines containing recombinant baculovirus for investigation of mammalian reproductive processes.
Decision	Approved with Controls
Code	GMC00011
Applicant	AgResearch – Wallaceville Office
Purpose	To import into containment recombinant mycobacteria (<i>Mycobacterium smegmatis</i> , species in the <i>M. tuberculosis complex</i> , and <i>M. avium subsp. paratuberculosis</i>) for studies into mycobacterial function and medical research.
Decision	Approved with Controls
Code	GMC00012
Applicant	Hort Research – Mt Albert
Purpose	To expand the importable range of <i>Escherichia coli</i> K12 and B bacteria containing fragments of DNA that have been cloned from other species for research. These modifications are extensions of the vectors and DNA source organisms in NOC99007
Decision	Approved with Controls
Code	GMC00013
Applicant	University of Otago
Purpose	To import into containment two recombinant strains of the diploid yeast <i>Candida albicans</i> (CACW-0 and CACW-1) for investigation of how the yeast colonises in humans, which may lead to methods for preventing the disease candidosis
Decision	Approved with Controls
Code	GMC00014

Applicant	University of Otago
Purpose	To import into containment genetically modified <i>Streptococcus salivarius</i> and <i>S. pyogenes</i> strains to be used in studies designed to give greater understanding of the production and ecological significance of bacteriocins
Decision	Approved with Controls
Code	GMC00015
Applicant	University of Otago
Purpose	To import into containment genetically modified mice to be used to model different types of disease such as cancer; multiple sclerosis and more generally to help understand what happens during a biological or immune response.
Decision	Approved with Controls
Code	GMC00016
Applicant	University of Auckland
Purpose	To import 4 strains of 'knockout' mice in order to study the mechanism of action of anticancer drugs and the role of two Connexin proteins in cataract formation.
Decision	Approved with Controls
Code	GMC00017
Applicant	Massey University
Purpose	To import transgenic strains of the vinegar fly <i>Drosophila melanogaster</i> , to gain insights into the genetic control of biological processes in humans by studying genes in <i>Drosophila</i> .
Decision	Approved with Controls
Code	GMC00018
Applicant	University of Auckland
Purpose	To import into containment genetically modified mice in order to study and understand the mechanisms and epipathogenesis of Type II Diabetes.
Decision	Approved with Controls
Code	GMC00019
Applicant	University of Otago
Purpose	To import transgenic mice into containment to model different types of disease such as cancer; multiple sclerosis and more generally to help understand what happens during a biological or immune response.
Decision	Approved with Controls
Code	GMC00020
Applicant	Landcare Research – Palmerston North
Purpose	To import into containment genetically modified carrots and potatoes expressing possum contraceptive antigens (ZP3) with immune response enhancing proteins (s-LT-B), to develop an immunocontraceptive for possums
Decision	Approved with Controls
Code	GMC00021
Applicant	Institute of Environmental Science & Research (ESR)
Purpose	To import into containment <i>E. coli</i> strain (M5219 pMS.D Smr) also known as mutant bacteriophage pMS.D as an internal standard for quantitative PCR assays for the detection of enteroviruses in fresh waters.
Decision	Approved with Controls
Code	GMC01004

Applicant	University of Auckland
Purpose	To import into containment three strains of genetically modified mice in order to study the pathogenesis of neurological disorders and possible therapeutic strategies
Decision	Approved with Controls

Decisions on Applications to Develop Genetically Modified Organisms in Containment

Code	GMD99001
Applicant	University of Otago
Purpose	To develop in containment recombinant adenovirus and <i>E. coli</i> for the purpose of studying their effects on fundamental processes in cell biology (ie life and death).
Decision	Approved with Controls
Code	GMD99002
Applicant	University of Otago
Purpose	To develop in containment replication deficient but infection competent retroviruses to be used to study the role of viral and cellular proteins in cell cycle control.
Decision	Approved with Controls
Code	GMD00026
Applicant	University of Canterbury
Purpose	To develop in containment genetically modified variants of <i>E. coli</i> , <i>Pseudomonas</i> , <i>Erwinia</i> and <i>Serratia</i> sp. which are central to our understanding of the natural mechanisms by which these potential biocontrol agents interact with various phytopathogens.
Decision	Approved with Controls
Code	GMD00056
Applicant	Victoria University of Wellington
Purpose	To modify <i>E. coli</i> for the purpose of propagating recombinant DNA, required to make diagnostic probes for the detection of human mutations and polymorphisms, and to generate target sequences to validate the probes (positive controls).
Decision	Approved with Controls
Code	GMD00058
Applicant	Victoria University of Wellington
Purpose	To study the function and regulation of the epithelial sodium channel.
Decision	Approved with Controls
Code	GMD00059
Applicant	Victoria University of Wellington
Purpose	To apply mammalian cell transfection to produce proteins in mammalian cells to study the function and regulation of the epithelial sodium channel.
Decision	Approved with Controls
Code	GMD00060
Applicant	Victoria University of Wellington
Purpose	To apply recombinant DNA technology to clone and express genes of interest as tools to produce proteins in either mammalian cells or oocytes to study the function and regulation of the epithelial sodium channel.
Decision	Approved with Controls

Code	GMD00061
Applicant	Victoria University of Wellington
Purpose	To apply routine recombinant DNA technology to clone and express genes of interest as tools to produce protein in either bacterial or mammalian cells to study the function and regulation of H-cadherin.
Decision	Approved with Controls
Code	GMD00062
Applicant	Victoria University of Wellington
Purpose	Transient transfection of mammalian cells.
Decision	Approved with Controls
Code	GMD00063
Applicant	University of Canterbury
Purpose	Demonstration of basic molecular/microbial genetic techniques to second-year students in PAMS and Zoology departments involving experiments to determine the presence of transforming DNA by expression of marker genes and properties under investigation.
Decision	Approved with Controls
Code	GMD00065
Applicant	University of Canterbury
Purpose	To generate modified <i>E. coli</i> , using <i>Arabidopsis thaliana</i> and <i>Pinus radiata</i> cDNAs, as research tools to assist investigations into the regulation of gene expression in plant cells.
Decision	Approved with Controls
Code	GMD00066
Applicant	University of Canterbury
Purpose	To develop novel molecular genetic markers (microsatellites) for population and conservation genetic studies to help biologists to better understand the relationships of individuals within and between natural populations of non-native species.
Decision	Approved with Controls
Code	GMD00067
Applicant	University of Canterbury
Purpose	The use of kanamycin resistant <i>Hieracium praealtum</i> as a rapid assay for levels of zygotic as compared with apomictic embryogenesis.
Decision	Approved with Controls
Code	GMD00068
Applicant	New Zealand Forest Research Institute Limited
Purpose	To develop in containment modified microorganisms which will form the genetic stock of the molecular biology research programme for use in the genetic engineering of conifer species and to further develop and improve transformation methods.
Decision	Approved with Controls
Code	GMD00069
Applicant	New Zealand Forest Research Institute Limited
Purpose	To develop in containment modified <i>Nicotiana tabacum</i> and <i>A. thaliana</i> to be used as model plant organisms to assess the expression characteristics of promoters and the function of a range of genes.
Decision	Approved with Controls

Code	GMD00070
Applicant	New Zealand Forest Research Institute Limited
Purpose	To develop in containment modified <i>Pinus radiata</i> and <i>P. abies</i> with genes related to pest and disease and wood quality traits to assess gene expression patterns and characteristics and evaluate a transgenic approach to improve forest tree value.
Decision	Approved with Controls
Code	GMD00071
Applicant	University of Canterbury
Purpose	To modify <i>Saccharomyces cerevisiae</i> and <i>E. coli</i> with <i>S. cerevisiae</i> DNA to determine what genes are involved in the natural processes of amino acid transport in yeast.
Decision	Approved with Controls
Code	GMD00072
Applicant	University of Canterbury
Purpose	To modify <i>Escherichia coli</i> to determine how genes are naturally transferred between microorganisms and how that process influences the evolution of plants.
Decision	Approved with Controls
Code	GMD00073
Applicant	Landcare Research – Mt Albert
Purpose	To modify <i>E. coli</i> with DNA from selected bacteria to 1) establish the extent to which genes may be transferred between bacterial species in nature and 2) develop specific diagnostic probes for plant pathogenic bacteria of significance to NZ's biosecurity.
Decision	Approved with Controls
Code	GMD00074
Applicant	Victoria University of Wellington
Purpose	To modify <i>E. coli</i> for the purpose of propagating recombinant DNA. The recombinant DNA is required to make diagnostic probes for the production of FISH probes. The probes will be used in studies analysing development expression patterns in rats.
Decision	Approved with Controls
Code	GMD00165
Applicant	New Zealand Dairy Research Institute (NZDRI)
Purpose	To allow the development of genetic markers that can identify types of faecal contamination in waterways. Such knowledge would facilitate environmental management, by providing regional bodies with tools to identify contaminating sources.
Decision	Approved with Controls
Code	GMD00166
Applicant	New Zealand Dairy Research Institute (NZDRI)
Purpose	To update GMO99/DR006 to include cloning vectors, reporter genes and a modified lactococcal transposon for laboratory scale experiments or fermentations of GM <i>L. lactis</i> , in order to determine the effects of overexpressed enzymes or other proteins.
Decision	Approved with Controls

Code	GMD00167
Applicant	New Zealand Dairy Research Institute (NZDRI)
Purpose	To update GMO00/DR007 to include cloning vectors, reporter genes and a modified lactococcal transposon to carry out small-scale fermentations of modified <i>Lactobacillus</i> bacteria in order to determine the effects of those proteins on dairy product industrial properties.
Decision	Approved with Controls
Code	GMD00168
Applicant	New Zealand Dairy Research Institute (NZDRI)
Purpose	To update GMO98/DR001 to include additional cloning vectors or cloning systems for research into the properties of enzymes or other proteins cloned into <i>E. coli</i> from cheese starter (<i>L. lactis</i>) and non-starter (lactobacilli) bacteria.
Decision	Approved with Controls
Code	GMD00171
Applicant	Christchurch Polytechnic Institute of Technology
Purpose	To develop in containment a gene library of genetically modified <i>Escherichia coli</i> containing DNA from the insect <i>Microctonus hyperodae</i> to teach students the principles and practices of bacterial transformation and for further study of the library by AgResearch.
Decision	Approved with Controls
Code	GMD01001
Applicant	New Zealand Dairy Research Institute (NZDRI)
Purpose	To genetically modify dairy lactic acid bacteria in small-scale laboratory experiments to change the levels of proteins produced by these bacteria, in order to assess the effects of these proteins on dairy product properties.
Decision	Approved with Controls
Code	GMD01137
Applicant	National Institute of Water and Atmospheric Research Limited (NIWA)
Purpose	To develop in containment genetically modified <i>Escherichia coli</i> for the cloning of rRNA sequences from marine microorganisms for the sole purpose of identifying one particular bacterium (molecular phylogenetic analysis) when a mixture of microbes is present by molecular phylogenetic analysis.
Decision	Approved with Controls

Decisions on Applications to Field Test Genetically Modified Organisms

Code	GMF98009
Applicant	AgResearch – Ruakura
Purpose	To field test, in Waikato, cattle genetically modified with cattle casein genes or the human myelin basic protein gene; or deletion of the cattle β -lactoglobulin gene. Milk may have enhanced nutritive value or be valuable as a drug for multiple sclerosis.
Decision	Approved with Controls
Code	GMF99001
Applicant	New Zealand Forest Research Institute Limited
Purpose	To field test, in the Bay of Plenty (Rotorua), over a period of 20 years, <i>Pinus radiata</i> plants with genetic modifications in genes controlling reproductive

development. The total duration of this project including a post-trial monitoring phase is 22 years.

Decision Approved with Controls

Code GMF99004

Applicant AgResearch – Ruakura

Purpose To field test in containment in the Waikato region, genetically modified sheep with an inactivated myostatin gene, to increase the understanding of myostatin function in order to identify the effects on sheep muscularity.

Decision Approved with Controls

Code GMF99005

Applicant New Zealand Forest Research Institute Limited

Purpose To field test, in the Bay of Plenty (Rotorua), over a period of 10 years, *Pinus radiata* and *Picea abies* plants genetically engineered in herbicide resistance. The total duration of this project is 11 years.

Decision Approved with Controls

Decisions on Applications to Release of Genetically Modified Organisms

No decisions were made by the Authority on applications to release any genetically modified organisms.

Decisions on Applications to Import Other (Non GMO) Organisms in Containment

Code NOC99023

Applicant Landcare Research – Mt Albert

Purpose To import into containment microorganisms for the International Collection of Microorganisms from Plants (ICMP) as a reference collection in the investigation of plant quarantine outbreaks of plant diseases and for international and NZ research use.

Decision Approved with Controls

Code NOC00002

Applicant Manaaki Whenua Landcare Research

Purpose To import into containment unknown microorganisms from Antarctic terrestrial samples of namely; soils, microbial mats, and wooden artefactual materials into for the isolation, identification, and characterisation of the microbes.

Decision Approved with Controls

Code NOC01001

Applicant Auckland Zoo

Purpose To import into containment the Fijian Crested Iguana (*Brachylophus vitiensis*) as part of a regional captive breeding programme and for public display.

Decision Approved with Controls

Decisions on Applications to Field Trial Other (Non GMO) Organisms

No decisions were made by the Authority on applications to field test any new organisms, other than the above GMOs.

Decisions on Applications to Release New Organism

Code	NOR00001
Applicant	Hieracium Control Trust
Purpose	To import for release the insects <i>Macrolabis pilosellae</i> (Binnie 1878), <i>Cheilosia urbana</i> Meigen and <i>Cheilosia psilophthalma</i> (Becker 1894) for the purpose of biological control of hawkweeds, Hieracium spp.
Decision	Approved
Code	NOR00002
Applicant	Dyer
Purpose	To import for release 11 species of trees in the genus <i>Agathis</i> (Family Araucariaceae) to provide a resource for future botanical and scientific interest.
Decision	Declined
Code	NOR99001
Applicant	Hort Research – Mt Albert
Purpose	To release from containment the insect <i>Pseudaphycus maculipennis</i> (Mercet) (Hymenoptera: Encyrtidae) for biological control of the obscure mealy bug, <i>Pseudococcus viburni</i> (Signoret) (Hemiptera: Pseudococcidae), a major pest of fruit crops.
Decision	Approved
Code	NOR99004
Applicant	Auckland Regional Council
Purpose	To release from containment the mist flower gall fly, <i>Procecidochares alani</i> (Steyskal), for the purpose of biological control of mist flower (<i>Argeratina riparia</i>).
Decision	Approved

Number of Decisions made by IBSCs, as provided to ERMA New Zealand, as at 30 June 2001.

Institution holding delegation to rapidly assess low risk GMO developments	Number of decisions made under delegation
AgResearch Palmerston North	6
AgResearch Wallaceville	7
AgResearch Ruakura	19
Carter Holt Harvey	7
Crop and Food Research Palmerston North	8
Crop and Food Research Lincoln (this IBSC is joint with Landcare Research Lincoln as well)	9
Dairy Research Institute	0
Fletcher Challenge	11
Genesis Research and Development	13
HortResearch Auckland	25
HortResearch Palmerston North	9
Industrial Research Ltd	3
Landcare Research-Lincoln	3
Landcare Research-Mt Albert	0
Lincoln University	13
Massey University	95
University of Auckland	72
University of Canterbury	0
University of Otago	72
University of Waikato	5
Total	377

STATISTICAL ANALYSIS

Number of Applications Received by the Authority

Type of Application	Applications Received	Benchmark Planning Level	Applications Decided
Import GMOs into containment	24 ¹	7	35
Develop GMOs in containment	18 ²	4	28
			(21 Of these were whilst IBSC delegation was suspended)
Field trial GMOs	0	0	4
Import other new organism into containment	6	5	13
Release new organism (not GMO)	2	5	4 ³
Determine status of new organism	3	7	5
Reassessments	2	-	1
Totals	55	28	90

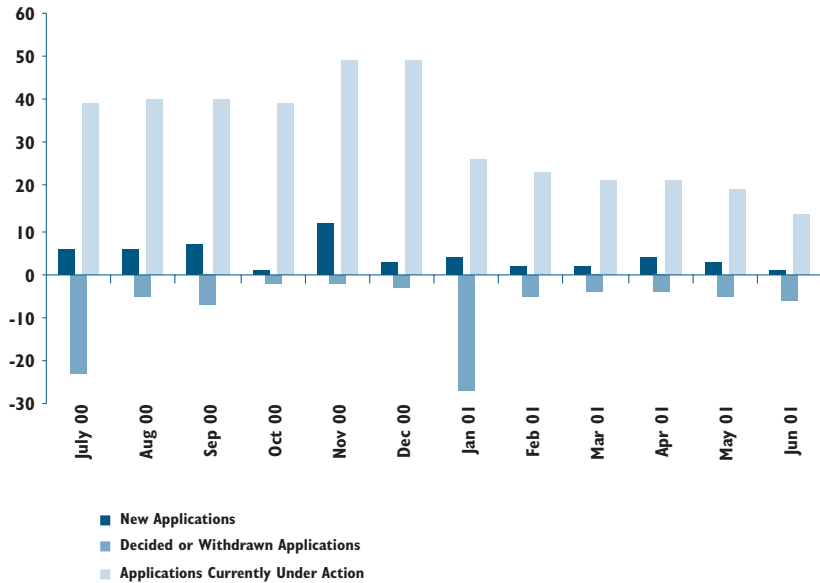
1 GMC00004 – withdrawn

2 GMD00079, GMD00080, GMD00052 and GMD00053 – withdrawn

3 NOR00002 declined under rapid assessment route

Monthly Processing of Applications

The monthly processing of applications has been:



Processing Time

The processing time (in working days) from receipt of an application to the issuing of decisions has been:

	Statutory	Average Time Period	Minimum	Maximum
GMO Application				
Processing time (notified)	84	203	119	329
Processing time (non-notified)	45	47	13	143
Processing time (rapid assessments)	10	20	10	38
NO Applications				
Processing time (notified)	84	135	114	156
Processing time (non-notified)	45	66	23	102

Processing Costs

The direct costs (excluding overheads) and revenue from dealing with applications have been:

	Number	Average	Assumed Cost in Statement of Intent	Minimum	Maximum
GMO Applications					
Unit processing costs (Major)	4	\$159,475	\$55,000	\$111,167	\$255,680
Unit processing revenue (Major)	4	\$149,644		\$38,018	\$209,897
Unit processing costs (Minor)	25	\$5,678	\$7,000	\$1,033	\$18,186
Unit processing revenue (Minor)	25	\$8,335		\$346	\$30,492
Unit processing costs (rapid assessments)	25	\$508		\$52	\$1,209
Unit processing revenue (rapid assessments)	25	\$536		\$104	\$1,535
NO Applications					
Unit processing costs (Major)	3	\$83,712	\$93,000	\$72,518	\$101,325
Unit processing revenue (Major)	3	\$57,823		\$27,997	\$112,401
Unit processing cost (Minor)	10	\$9,130	\$19,000	\$4,686	\$13,441
Unit processing revenue (Minor)	10	\$12,447		\$1,853	\$27,433
Unit processing costs (rapid assessments)	1	\$15,319	\$3,500	\$15,319	\$15,319
Unit processing revenue (rapid assessments)	1	\$9,244		\$9,244	\$9,244
Unit processing costs (S26 determination)	5	\$8,071	\$4,900	\$3,471	\$17,135

Hearings re **GMO** applications

There was one hearing during the year, for the following applications:

Date	Application	
1–3 November 2000	Forest Research Institute	(Pine and Spruce tree field trial – two applications)

This hearing was conducted over three days.

Hearings re other (**Not GMO**) organisms

There were two hearings during the year, for the following applications:

Date	Application	
10 August 2000	Auckland Regional Council	(Biocontrol release – Mist flower Gall fly)
2 May 2001	Hieracium Control Trust	(Biocontrol release – Hieracium)

Each hearing was concluded within one day.

APPENDIX II

INCIDENTS, INQUIRIES AND COMPLIANCE

Incidents

Incidents are defined to include instances of non-compliance as well as occurrences (eg escapes, breaches of containment, accidents) with the potential to create adverse effects. In accordance with this definition there were 10 incidents during the year. All incidents involved new organisms because this was the only element of the HSNO Act in effect during the year.

The incidents together with immediate consequences are summarised as follows:

Description of incident, what, where & when

Gap in roof of GMO greenhouse, Forest Research Institute (FRI), July 2000

Source of report

FRI

Damage to environment and health & safety

None reported

NB All plants non-reproductive

Incident management at the time

Breach repaired and monitoring of structural integrity of greenhouse increased. Improved security of facility.

Follow up action by ERMA New Zealand

Level 2 inquiry in accordance with policy relating to GMOs

Description of incident, what, where & when

Incidence of bird being detected in FRI facility, September 2000

Source of report

FRI

Damage to environment and health & safety

None reported

Incident management at the time

Subsequent information from FRI noted that the incident did not involve the GMO containment facility. Reported incident involved a preparation room not used for GMOs

Follow up action by ERMA New Zealand

Initially approached as a Level 2 inquiry until it was ascertained that GMO facility was not involved. No further action required

Description of incident, what, where & when

Escape of capucin monkey from circus, November 2000

Source of report

MAF Biosecurity

Damage to environment and health & safety

None reported

Incident management at the time

Recaptured same day

Follow up action by ERMA New Zealand

Nil.

Description of incident, what, where & when

Unauthorised release of two weed species, October 2000

Source of report

MAF

Damage to environment and health & safety

Contaminated Balo seed planted in two Canterbury locations

Incident management at the time

Crop destroyed by MAF & monitoring instituted. Prosecution pending (Biosecurity Act)

Follow up action by ERMA New Zealand

Level 2 inquiry. HSNO prosecution investigated but not proceeded with

Description of incident, what, where & when

Unauthorised access to GM tamarillo field trial, Kerikeri, July 2000

Source of report

HortResearch

Damage to environment and health & safety

None reported

Follow up action by ERMA New Zealand

Level 2 inquiry. No further action as trial was no longer in progress. Notification of incident was a result of evidence presented to the Royal Commission in December

Description of incident, what, where & when

Possible deliberate mislabelling of imported seeds, November 2000

Source of report

MAF

Damage to environment and health & safety

None reported

Incident management at the time

MAF investigated prosecution (Biosecurity Act)

Follow up action by ERMA New Zealand

Nil

Description of incident, what, where & when

Escape of capucin monkey whilst on film set, West Coast, March 2001

Source of report

MAF

Damage to environment and health & safety

None reported

Incident management at the time

Monkey belonged to local zoo. Attempts to recapture unsuccessful

Follow up action by ERMA New Zealand

Nil

Description of incident, what, where & when

Attempted unauthorised access to Ruakura GMO field test containment facility, March and April 2001

Source of report

AgResearch

Damage to environment and health & safety

None reported

Incident management at the time

Police investigation

Follow up action by ERMA New Zealand

Level 2 inquiry. No further action

Description of incident, what, where & when

Failure to account for 2 GM mice, University of Auckland, 14 March 2001

Source of report

MAF quarterly report

Damage to environment and health & safety

None reported

Incident management at the time

Thorough search of facility. Review of procedures

Follow up action by ERMA New Zealand

Level 2 inquiry

Inquiries

Inquiries fall into three categories:

- major inquiries, commissioned by the Authority
- inquiries commissioned by the Chief Executive
- minor inquiries automatically conducted at staff level in order to fill information gaps or establish the need for a substantive inquiry.

This report deals with commissioned inquiries. There were five inquiries commissioned by the Chief Executive.

A summary of inquiries and investigations is as follows:

Inquiry code INQ01001

Brief description Forest Research Institute, Rotorua

Level of inquiry 2

Inquiry carried out by D Read

Inquiry status Completed

Results and other follow-up action

Improved facility security and monitoring of facility's structural integrity

Inquiry code INQ01003

Brief description Contaminated Balo crops

Level of inquiry 2

Inquiry carried out by D Read

Inquiry status Completed

Results and other follow-up action

Crop destroyed by MAF. HSNO prosecution not proceeded with as difficulty establishing 'knowingly imported or released'

Inquiry code INQ01004

Brief description HortResearch, Kerikeri

Level of inquiry 2

Inquiry carried out by D Read

Inquiry status Completed

Results and other follow-up action

No further action as trial completed

Inquiry code INQ01005

Brief description AgResearch, Hamilton

Level of inquiry 2

Inquiry carried out by D Read

Inquiry status Completed

Results and other follow-up action

Increased frequency of night security checks

Inquiry code INQ01006

Brief description Auckland University

Level of inquiry 2

Inquiry carried out by D Read

Inquiry status Completed

Results and other follow-up action

Need to have easily managed inventory procedures when dealing with large numbers of small animals. IBSCs reminded of requirement to report incidents to ERMA New Zealand as well as MAF