

**MINUTES OF THE MEETING OF
THE BOARD OF THE EARTHQUAKE COMMISSION
Held at PwC Centre, 10 Waterloo Quay, Wellington
Monday 29 October 2018**

Present:

Dame Annette King (Chair)
Sir Michael Cullen
Mary-Jane Daly
Alison O'Connell
Paul Kiesanowski
Erica Seville
Toni Ferrier

In attendance:

Sid Miller, Chief Executive
Chris Chainey, Chief Financial Officer
Renee Walker, Deputy Chief Executive – Canterbury and
External Affairs
Jayne Lapin, GM People, Culture and Change
Hugh Cowan, GM Resilience
Paul Jepson, Deputy Chief Executive - Operations
Jeremy Ford, General Counsel

Apologies:

Tim Hurdle

9(2)(a) Event Lead
9(2)(a) PwC
9(2)(a) Treasury
9(2)(a) (Executive Assistant to the Chief Executive) –
Minutes

The meeting was declared open at 10:50am

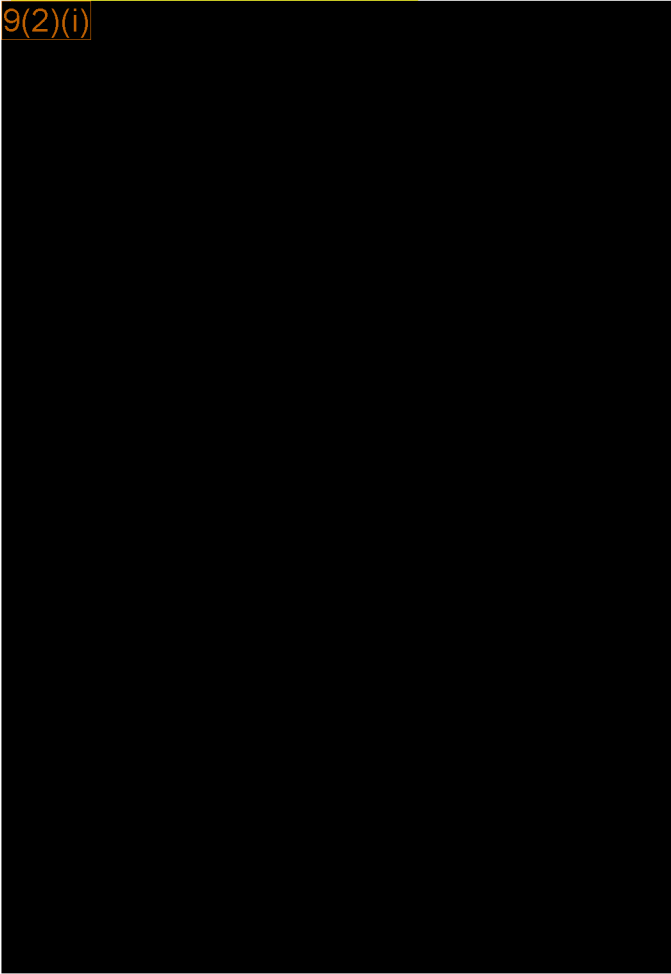
	AGENDA ITEMS & KEY DISCUSSION POINTS	ACTIONS REQUIRED	DUE DATE
Section 1	Board Governance		
	<i>Commissioners only (in committee) at 10:35am</i>		
	<i>Commissioners and Chief Executive only at 10:45.</i>		
	<i>Chris Chainey, Jeremy Ford, Paul Jepson, Jayne Lapin, and 9(2)(a) (EQC) joined the meeting at 10:50am.</i>		
1.1	Present and Apologies The Board: b) noted that an apology was received from Tim Hurdle.		
1.2	Interests Register/Declaration of Conflicts of Interest The Board: a) noted the interests register; and b) confirmed that there were no other conflicts of interest advised for matters on the agenda		

	for the meeting.		
1.3	<p>Health and Safety Report</p> <p>The Board:</p> <p>a) noted there were 99 events reported in September, none of a critical nature;</p> <p>b) noted there were two recordable Loss of Time injuries by contractors in Canterbury;</p> <p>c) noted the ongoing progress of mental health and wellbeing initiatives;</p> <p>d) noted management have received the “Imprint” review of EQC’s Health and Safety framework and are reviewing to agree action plan;</p> <p>e) noted that the Board will receive updates on the progress of the management actions via the monthly Health, Safety and Wellbeing report;</p> <p>f) noted that from November 2018 responsibility for the production of the Health and Safety Report will rest with the General Manager, People, Culture and Change as a result of the recent organisational changes; and</p> <p>g) agreed that a plan for health and safety site visits for Commissioners will be established in November.</p>	<ul style="list-style-type: none"> • Management to make changes to the remit of the People, Performance and Remuneration Committee to include a broader range of HR and health and safety issues. • Management to ensure a number of site visits is maintained, balanced with the reducing level of repair activity. • Management to come back to Board with a timetable for Board site visits for the next six months. Visits do not need to be the whole Board and can take place anywhere in the country to ensure the different health and safety visits EQC is exposed to are seen. 	
	<i>Renee Walker (EQC) joined the meeting at 10:52am and Hugh Cowan (EQC) joined the meeting at 11.02am</i>		
Section 2	Strategic Priorities		
2.1	<p>Chief Executive’s Report</p> <p>The Board;</p> <p>a) noted the updates provided on;</p> <ol style="list-style-type: none"> a. Update on IMA Recommendations b. Customer satisfaction update c. Ministerial Announcements – Section 16 and Inquiry d. Canterbury Earthquakes Insurance Tribunal Bill e. EQC Amendment Bill f. EQC Structural Change g. Geotechnical Services Procurement h. Legal and litigation update 		

	<p>i. Media update</p>		
<p>9(2)(a) (Treasury) joined the meeting at 11.13am.</p>			
<p>2.2</p>	<p>Insurer Finalisation</p> <p>The Board:</p> <p>a. noted the current status of the Insurer Finalisation work stream;</p> <p>b. noted both the financial and legal risks to EQC surrounding Insurer Finalisation;</p> <p>c. noted the uncertainty of the final outcome of Finalisation / Wash-up;</p> <p>d. noted the current strategy to enable EQC and insurers to reconcile their financial liabilities is contained in the Framework Agreements, signed or being negotiated with each insurer;</p> <p>9(2)(i)</p> <p>f. endorsed the work proposed to be completed (under the Framework Agreements) with insurers that will inform and assist in coming to settlements with each insurer for Insurer Finalisation;</p> <p>g. noted that upon completion of the analytical work proposed under the Framework Agreement, further information or recommendations will be made to the Board;</p> <p>h. requested Management to ensure that adequate resources are allocated within EQC to progress the analytical work required in Insurer Finalisation as quickly as possible and get greater clarity on the potential risk to EQC and the Crown;</p> <p>i. requested Management to provide monthly reporting on progress made on the analytical work around Insurer Finalisation; and</p> <p>j. requested Management give consideration to engaging an internationally based actuary to provide a further view on Insurer Finalisation.</p>	<ul style="list-style-type: none"> • Management to ensure that adequate resources are allocated within EQC to progress the analytical work required in Insurer Finalisation as quickly as possible and get greater clarity on the potential risk to EQC and the Crown. • Management to provide monthly reporting on progress made on the analytical work around Insurer Finalisation. • Management give consideration to engaging an internationally based actuary to provide a further view on Insurer Finalisation. 	

2.3	<p>Dispute Resolution Update</p> <p>The Board:</p> <p>a) noted the principles and vision that have been developed to guide the resolution of the remaining Canterbury claims, with a focus on an internal dispute resolution process to resolve claims before they reach litigation;</p> <p>b) noted that EQC currently has 404 claims in the litigation stream, and has in place initiatives to resolve claims in litigation in as timely a manner as possible;</p> <p>c) noted the proposed prototype operational model designed to address complex claims before litigation commences and/or immediately after the commencement of a proceeding; and</p> <p>d) noted that timeframes have been put in place to ensure that a clear implementation plan is progressed and embedded across the whole claims management process.</p>	<ul style="list-style-type: none"> • Management to continue providing monthly updates on the progress of moving claims from Litigation to Dispute Resolution. 	
2.4	<p>Greater Christchurch Claims Resolution Service</p> <p>The Board;</p> <p>a) noted the update provided on the work that has been progressed to date on the Greater Christchurch Claims Resolution Service and the work EQC has been undertaking to ensure its operations can integrate with this service accordingly.</p>		
<i>The meeting broke for lunch at 12:26pm and resumed at 1.04pm</i>			
2.5	<p>Event Readiness and PwC Strategic Review</p> <p>The Board:</p> <p>a. noted that this paper summarises the 'investigate' phase of EQCs Event Readiness programme;</p> <p>b. noted that EQC has updated its current Event Response Plan based on analysis that we have conducted as part of the 'investigate' phase;</p> <p>c. noted the 'Kaikoura review PowerPoint' which outlines three potential future models for dealing with natural disaster events;</p> <p>d. noted the session plan for an interactive Board workshop at the October 29 Board</p>		

	<p>meeting; and</p> <p>e. noted that EQC will provide a further update on the Event Readiness and Kaikoura initiatives at the November Board meeting.</p>		
2.6	<p>EQC Inquiry Update (moved up the agenda 11.55pm)</p> <p>The Board:</p> <p>a) advised Management that Sir Michael Cullen will be the Chair of the Inquiry Board Committee (IBC) and Mary-Jane Daly the Deputy Chair and Alison O’Connell as a member;</p> <p>b) agreed that when meetings of the IBC are called, all Board members will be invited and those that are available will attend;</p> <p>c) noted the matters that will be discussed at the first meeting of the IBC;</p> <p>d) noted the updated Assumptions Table; and</p> <p>e) noted Management’s approach to pastoral care for staff, Commissioners and witnesses.</p>		
Section 3	Financials and Risk		
3.1	<p>Financial Pack and Investment Report – September 2018 (moved up the Agenda 12:19pm)</p> <p>The Board:</p> <p>i. noted the September 2018 financial pack and investment report;</p> <p>i. noted the financial pack provides a summarised view of the month’s financial results; with a more detailed financial pack (as previously produced) also available in the Resource centre;</p> <p>i. noted the following comments on September’s financial performance:</p> <ul style="list-style-type: none"> i. month revenue above budget (\$0.6m); ii. core costs above budget (\$0.5m) for the month. This is mainly driven by higher consultancy and grants & sponsorship costs (GeoNet); partly offset by lower personnel costs; iii. event costs above budget for month (\$0.3m), mainly due to higher resourcing costs in Canterbury and 	•	

	<p>Kaikoura costs; and iv. cash and investments held at 30 September were \$121m; and v. noted that following the September Board meeting, Management reached an agreement with Treasury to an initial draw-down from the Section 16 funding deed of \$50m +GST on 1 November 2018.</p>		
<p>3.2</p>	<p>9(2)(i)</p> 		
<p>3.3</p>	<p>On-Sold Test Case Update</p> <p>The Board:</p> <p>a) noted the outcome of the Case Management Conference held at the Christchurch High Court on 10 October 2018 (the conference) for the Shine Lawyers negligence proceedings (the proceedings);</p> <p>b) noted Shine Lawyers will shortly file an application to have a preliminary hearing for the <i>Gibling</i> test case that will consider some of the legal issues (the application), with all other remaining legal issues deferred to a</p>	<ul style="list-style-type: none"> • Management to circulate the advice received from Crown Law. • Management to keep Board advised on the media strategy for its decisions around the on-sold test case with Shine Lawyers. 	

	<p>later hearing (if necessary);</p> <p>9(2)(h)</p> <p>f) requested Management to advise the Board on their media strategy for its decisions around the on-sold test case with Shine Lawyers.</p>		
<p><i>Sid Miller left the meeting at 2.25pm.</i></p>			
<p>Section 4 Performance</p>			
<p>4.1</p>	<p>EQC Performance Dashboards</p> <p>The Board:</p> <p>a) noted that this paper accompanies the EQC’s Executive Dashboard to 30 September 2018 and provides qualitative commentary on performance to supplement the quantitative information shown in the dashboard; and</p> <p>b) noted that the EQC’s Executive Dashboard to 30 September 2018 (excluding the ECP and Kaikōura sections) will be published on EQC’s external website once it has been fully approved.</p>	<ul style="list-style-type: none"> Management will provide more granular information on the cause behind the lodgment of claims being reopened and add trend analysis to the Performance Dashboard for the November Board Report. 	
<p>Section 5 General Business</p>			
<p>5.1</p>	<p>Matters Arising and Action Items</p> <p>The Board:</p> <p>a) noted the updated Matters Arising and Action Points.</p>		
<p>5.2</p>	<p>Confirmation of Board Minutes – 24 September 2018</p> <p>The Board</p>		

	a) confirmed the Draft Board Minutes from the meeting held on 24 September 2018 as a true and accurate record.		
5.3	Confirmation of Board Minutes – 12 October 2018 The Board a) confirmed the Draft Board Minutes from the meeting held on 12 October as a true and accurate record.		
5.4	Ratification of Evote – On-Sold Properties – Proposed Litigation Strategy The Board; a) ratified the Evote Revised <i>On-Sold Properties – Proposed Litigation Strategy</i> which was passed by Evote on 6 October 2018.		
5.4	Ratification of Evote – Delegations Framework Update The Board; a) ratified the Evote <i>Delegations Framework Update</i> which was passed by Evote on 12 October 2018		
5.5	Ratification of Evote – Canterbury Earthquake Insurance Tribunal Bill The Board; a) ratified the Evote <i>Canterbury Earthquake Insurance Tribunal Bill</i> which was passed by Evote on 17 October 2018.		
Section 6 Correspondence of Interest			
6.1	Letter from Minister Woods to the Chief Executive The Board; a) noted the letter from Minister Woods to the Chief Executive advising the appointment of Sir Michael Cullen as a Commissioner from 1 October 2018 and as Chair from 1 November 2018.		

<p>6.2</p>	<p>Letter to the Chair of the Governance and Administration Committee</p> <p>The Board;</p> <p>a) noted the letter to the Chair of the Governance and Administration Committee making a written submission in support of the Canterbury Earthquakes Insurance Tribunal Bill.</p>		
	<p>Retirement of Dame Annette King</p> <p>The Board;</p> <p>a) noted that this was the final meeting of the Interim Chair of the Earthquake Commission, Dame Annette King, and thanked her for her contribution.</p>		
<p><i>The meeting closed at 2.48pm</i></p>			
	<p>The next meeting is to be held on 26 November 2018 in Wellington</p> <p>The Meeting closed at 2.48pm. These minutes were approved by the Board as a true and correct record.</p> <p>_____</p> <p>Sir Michael Cullen Date</p> <p>Board Chair</p>		