

NOTE: SOME CONTENTS OF THESE MINUTES ARE SUBJECT TO LEGAL PRIVILEGE.



**MINUTES OF THE MEETING OF  
THE BOARD OF THE EARTHQUAKE COMMISSION  
Held In the Pukeko Room  
EQC Offices, 53 Princess Street, Christchurch  
Monday 23 February 2015 at 9.00am**

**Present:**

Sir Maarten Wevers (Chair)  
Keith Taylor (Deputy Chair)  
Russell Black  
Gordon Smith  
Roger Bell  
Paul Kiesanowski  
Mary Jane Daly  
Alison O'Connell

**In attendance:**

Ian Simpson (Chief Executive)  
Bryan Dunne (General Manager, Strategy Policy and Legal)  
Jane Whitfield (General Manager Project Portfolio Management) – part meeting  
Alison Murphy (Acting General Manager Organisational Development) – part meeting  
Emma Hicks (Chief Financial Officer) – part meeting  
Chris Chalney (Financial Controller) – part meeting  
Shane Collins (CCR Transition Manager) – part meeting  
Jane Thomassen (Acting Chief Risk Officer) – part meeting  
Gail Kettle (General Manager Customer and Claims) – part meeting  
Reid Stiven (General Manager CHRP) – part meeting  
Keith Land (Head of Canterbury Land) – part meeting  
Hugh Cowan (General Manager, Reinsurance Research & Education) – part meeting  
Debbie Barber (General Manager, Stakeholder Engagement and Reputation) – part meeting  
9(2)(a) (Strategic Advisor, Stakeholder Engagement and Reputation) – part meeting  
9(2)(a) - (Melville Jessup Wevers) – part meeting  
9(2)(a) (GM NZ), 9(2)(a) (Team Leader APAC London), 9(2)(a) (Head of ANZ, APAC London) and 9(2)(a) (Head of International Capital Markets, Aon Benfield Securities, London).

**Apologies:**

Keith Taylor and Ian Simpson from 2pm.

9(2)(a) (Minutes) – part meeting

The meeting was declared open at 9.00 am.

	AGENDA ITEMS & KEY DISCUSSION POINTS	ACTIONS REQUIRED	DUE DATE
	<p>The Board entered into a private session. Ian Simpson joined the meeting at 9.35 am. 9(2)(a) joined the meeting at 9.50 am</p>		
1.	<p><b>Present and Apologies.</b></p> <p>There were no apologies to record. The Chair noted that the Deputy Chair, Keith Taylor would be leaving the meeting at 2.00 pm along with the CE.</p>		

2.	<p><b>Interests Register/Declaration of Conflicts of Interest</b></p> <p>The Board noted that there were no conflicts of interest advised for matters on the agenda for the meeting.</p>		
3.	<p><b>Matters arising and Action Items</b></p> <p>The Board:</p> <p>a) Discussed the matters arising from previous meetings and noted the status of each item updates where appropriate.</p> <p>b) Noted that there was a delay in Management providing the Terms of Reference to the Chair of the EBT for consideration.</p>	<ul style="list-style-type: none"> <li>The Chair of the EBT to consider the draft Terms of Reference and forward to the Board for consideration in March.</li> </ul>	23.03.15
4.	<p><b>Introduction to new ELT Functions</b></p> <p>The CE provided the Board with an overview of the re-structure of the ELT functions and an update on its implementation.</p>		
	<p><i>Allison Murphy entered the meeting at 10.02 am</i></p>		
	<p><b>Health and Safety Report</b></p> <p>The Board:</p> <p>a) Noted the contents of the Health and Safety Report, including:</p> <ul style="list-style-type: none"> <li>EQC safety performance for the month of December/January, specifically the EQC Injury data (lag and lead indicators) and associated key points relating to the data.</li> <li>Internal activities undertaken during the month of December/January to support our journey towards zero harm.</li> <li>Fletcher EQR safety performance across the Canterbury Home Repair Programme (CHRP) for December/January</li> <li>The Serious Near Miss Incident Summary Report following a non-Canterbury incident that occurred in Gisborne in November 2014.</li> <li>The Chair of the HSBC updated the Board on the recent Committee meeting.</li> </ul>		
	<p><i>Morning Tea available in the room</i></p>		
<p>9(2)(a)</p>	<p><i>Alison Murphy left the meeting and Hugh Cowan joined the meeting at 10.15 am. [REDACTED] joined the meeting at 10.15 am.</i></p>	<p>9(2)(a)</p>	

<p>6.</p>	<p><b>Reinsurance Renewal Strategy</b>  <i>Representatives from Aon Benfield in attendance.</i></p> <p>The GM NZ provided an overview of the key areas of interest to be discussed including:</p> <ul style="list-style-type: none"> <li>• the 2015/16 Renewal Strategy</li> <li>• Pre-renewal conditions</li> <li>• Pricing Expectations</li> <li>• EQC Cat Bond solution</li> </ul> <p>and noted that the key objective is to place the programme within budget and counterpart security requirements while maximising 'value for money' in placement.</p> <p><span style="border: 1px solid black; padding: 2px;">s(2)(e)</span> [REDACTED] left the meeting at 11.16 am.</p> <p>The Board:</p> <ol style="list-style-type: none"> <li>a) Requested further advice from Management on the level of the budget required to achieve the 2015 placement.</li> <li>b) <span style="border: 1px solid black; padding: 2px;">s(2)(j)</span> [REDACTED]</li> <li>c) Confirmed the marketing of the core programme, initially on expiring capacity.</li> <li>d) Confirmed that any risk-adjusted savings will be reinvested in the programme.</li> <li>e) Agreed not to access alternative capital for the 2015 placement.</li> <li>f) Requested Management (with Aon Benfield) to provide further advice on alternative capital for next year's programme.</li> <li>g) Noted that the existing service level agreement with Aon Benfield specifically anticipates the potential placement of capital market solutions, but costs associated with such options are not included in the current broker remuneration.</li> <li>h) Authorised Management to embark on the programme for the 2015 reinsurance renewal, at gross rates on line of Table 1 (or better), at the CEO's discretion, in order to keep within the total budget and still achieve the targets.</li> </ol>	<ul style="list-style-type: none"> <li>• Management to provide the Board with the level of the budget required to achieve the 2015 placement.</li> <li>• Management (with Aon Benfield) to provide further advice on alternative capital for next year's programme.</li> </ul>	<p>25/02/15</p> <p>Q3</p>
	<p><i>Hugh Cowan left the meeting. Keith Land, Bryan Dunne and Gail Kettle joined the meeting at 11.32 am.</i></p>		

7.	<b>CUSTOMERS/COMPLETING CANTERBURY</b>		
7.1	<p><b>Claims Settlement Process update for Increased Liquefaction Vulnerability (ILV)</b></p> <p>The Board:</p> <ul style="list-style-type: none"> <li>a) Noted EQC still needs to adopt an ILV Policy Statement and confirm a legal strategy regarding potential challenge from private insurers or customers to the ILV Policy.</li> <li>b) Noted EQC is still continuing to assess which properties have suffered ILV damage based on the two tests for natural disaster damage under the Earthquake Commission Act 1993. It anticipates that between 5000 and 6000 Green Zone properties could qualify for ILV.</li> <li>c) Emphasised that any proposed ILV settlements must comply with the law, and fall within the guidance given through the recent Declaratory Judgment</li> <li>d) Noted that work through the Ground Improvement Programme has established a number of cleared site repair techniques. No affordable and practical repair technique is however available for the majority of sites where the house remains in-situ.</li> <li>e) Agreed that Management should proceed to settle claims for cleared sites as expeditiously as possible.</li> <li>f) Invited Management to provide written advice confirming that, at present there is no economically viable repairs solution for complex land damage where a house remains 'In situ'.</li> <li>g) Agreed that a paper be prepared for the March Board meeting drawing on the discussion</li> </ul>	<ul style="list-style-type: none"> <li>• Management to bring a paper to the next Board meeting with further options applying, as the priority, an approach consistent with the recent Declaratory Judgment and the EQC Act for the settlement of complex land damage claims with houses 'in situ'.</li> <li>• Management to provide written advice confirming that, at present there is no economically viable repairs solution for complex land damage where a house remains 'in situ'.</li> </ul>	<p>23.3.15</p> <p>23.3.15</p>
	<p><i>Keith Land left the meeting at 12.15 pm. Debbie Barber and [REDACTED] joined the meeting at 12.16 pm.</i></p> <p>9(2)(a)</p>		
8.	<b>STAKEHOLDER ENGAGEMENT</b>		
8.1	<p><b>Quarterly Reputational Presentation</b></p> <p>The GM SER discussed the key focus areas and current projects underway in respect of public education, collaboration, internal consultation and stakeholder relationships.</p> <p>The Chairman noted that this is Debbie's last Board meeting and thanked her for her valued contribution to the EQC.</p>		

	<p><i>Debbie Barber and [redacted] left the meeting at 12.33 pm.</i></p> <p><i>The Board meeting broke for lunch at 12.35pm and reconvened at 12.55 pm.</i></p> <p><i>Shane Collins, Reid Stiven and Jane Whitfield joined the meeting at 12.57 pm.</i></p>		
<b>9.</b>	<b>CHIEF EXECUTIVE REPORT</b>		
<b>9.1</b>	<p><b>Chief Executive's Report</b></p> <p>The Board:</p> <p>a) Noted the report.</p>	<ul style="list-style-type: none"> <li>GM SPOL to email the Motu Report referred to in the discussion.</li> </ul>	<b>Actioned</b>
	<p><i>Emma Hicks joined the meeting at 1.09 pm. Chris Chainey joined the meeting at 1.12 pm.</i></p>		
<b>9.2</b>	<p><b>Business Performance Report</b></p> <p>The Board:</p> <p>a) Noted the delivery of an updated Financial Board Pack and the process followed in determining the level of information suitable for the Board.</p> <p>b) Provided feedback on the pack and any further changes the Board requires.</p>	<ul style="list-style-type: none"> <li>Management to prepare future financial reporting in light of the feedback received.</li> </ul>	
<b>9.3</b>	<p><b>Complete Canterbury Response Dashboard</b></p> <p>The Board:</p> <p>a) Noted the dashboard and progress towards completing the Canterbury Response.</p>		
	<p><i>Emma Hicks, Chris Chainey, Jane Whitfield, Gail Kettle, Shane Collins and Reid Stiven left the meeting at 1.44 pm. Hugh Cowan, [redacted] joined the meeting at 1.45 pm</i></p>		
<b>10.</b>	<b>REINSURANCE RESEARCH &amp; EDUCATION</b>		
<b>10.1</b>	<p><b>Insurance Liability Valuation Report (ILVR) 31 December update</b></p> <p>The Board:</p> <p>a) Adopted the ILVR as at 31 December 2014.</p> <p>b) Noted the changes in assumptions from the 30 June 2014 ILVR contained in Appendix H to the 31 December 2014 ILVR.</p> <p>c) Noted the movements in valuation from the 30 June 2014 ILVR.</p>		

<p>9(2)(a)</p>	<p>Ian Simpson and Keith Taylor left the meeting at 2.00 pm. Bryan Dunne took over as Acting CE for the remainder of the meeting.</p> <p>██████████ left the meeting at 2.08 pm</p>		
<p>10.2</p>	<p><b>Reinsurance Broking Contract Extension</b></p> <p>The Board:</p> <ol style="list-style-type: none"> <li>a) Agreed, in principle that In (2)(a) EQC will go to market with a tender for its reinsurance broking services.</li> <li>b) Noted the reasons for extending the current Aon Benfield Agreement.</li> <li>c) Noted that MBIE and The Treasury have been consulted on the proposed extension and are comfortable with its rationale.</li> <li>d) Noted the probity report by McHale Group (attached) confirming a clear pathway for EQC to negotiate an extension and commending the proposed approach in terms of good practice.</li> <li>e) Authorised Management to negotiate an extension to the Agreement with Aon Benfield for reinsurance broking services as a sole source procurement approach.</li> <li>f) Noted that EQC will have regard to value for money and Aon Benfield's capacity, capability and risk mitigation.</li> </ol>	<ul style="list-style-type: none"> <li>• The GM RRE to provide to the Chair of the Board assurance that Aon Benfield have in place and operate appropriate safeguards to maintain the confidentiality and security of EQC and private insurer information, given the relationships Aon Benfield have with EQC and also with private carriers in the domestic market.</li> </ul>	<p>23.2.15</p>
<p>10.3</p>	<p><b>Geonet Contract Renewal and Work Plan</b></p> <p>The Board:</p> <ol style="list-style-type: none"> <li>a) Noted the requirement under the terms of the existing 10-year GeoNet contract to make a decision before the end of April 2015 regarding funding for the remaining 5-years of the contract, with the opportunity to consider renewal for another 10 years, or a move to an 'evergreen' provision.</li> <li>b) Noted the work underway to understand the issues and opportunities, including:                 <ul style="list-style-type: none"> <li>• Addressing recommendations of the 2013 International Panel Review</li> <li>• Reviewing of the GeoNet science plan</li> <li>• Commissioning NZIER to undertake an assessment of national capability gaps for tsunami detection and warning</li> <li>• Undertaking an audit of GNS's financial management of GeoNet, and review of the current financial model assumptions</li> </ul> </li> </ol>		

	<ul style="list-style-type: none"> <li>• Engaging with stakeholders to provide input to strategic development options</li> </ul> <p>c) Provided feedback to Management on the indicative outline of issues for GeoNet strategic development and associated investment (as currently understood).</p> <p>d) Noted that a joint session with the GNS Board, and senior managers, is proposed for 24 March 2015, at which some strategic options paths for the future of the EQC/GNS partnership will be presented for discussion.</p> <p>e) Agreed that, given the significance of the EQC/GNS partnership to both sides, it would be preferable to defer decisions on the strategic options until 2016, with an interim funding extension to cover the next twelve months.</p>		
	<p><i>Hugh Cowan left the meeting and Jane Thomassen and Emma Hicks joined the meeting at 2.35 pm.</i></p>		
<b>10.4</b>	<p><b>Chief Risk Officer Report</b></p> <p>The Board:</p> <p>a) Noted the paper.</p>		
	<p><i>Jane Thomassen left the meeting and Chris Chainey joined the meeting at 2.47 pm.</i></p>		
<b>11.</b>	<p><b>CORE FOUNDATIONS</b></p>		
<b>11.1</b>	<p><b>Revised Financial Delegation Framework</b></p> <p>The Board:</p> <p>a) Provided feedback on the revised Financial Delegation Framework.</p> <p>b) Noted the outcome of the review of the Delegations Framework and that the CE was no longer in attendance at the meeting.</p> <p>c) Approved the revised changes to the current Delegations Framework that are shown in Table which the exception of</p> <ul style="list-style-type: none"> <li>• The proposal to increase the Chief Executive's delegations to approve CAPEX spend within budget from \$1m to \$2.5m'</li> <li>• The proposal to increase the Chief Executive's delegations to approve unbudgeted CAPEX spend from \$100,000 to \$1m'</li> </ul> <p>Those changes agreed will be effective from 2nd March 2015.</p>	<ul style="list-style-type: none"> <li>• Management to bring back to the Board further information to support the proposed changes to the Chief Executive's delegations as outlined at para 8(a) and 8 (b) of the paper.</li> </ul>	



11.2	<p><b>EQC Insurance Renewal Review</b></p> <p>The Board</p> <p>a) Noted the contents of the ARC paper.</p>		
	<p><b>Financial Assurance Report</b></p> <p>The Board:</p> <p>a) Noted the contents of the ARC paper.</p>		
	<p><i>The Chair noted that this is Emma's last Board meeting and thanked her for her contribution to EQC.</i></p> <p><i>Emma Hicks left the meeting at 3.07 pm.</i></p>		
12.	<p><b>NOTING AND DISCUSSION PAPERS</b></p>		
12.1	<p><b>Treasury Monitoring Report</b></p> <p>The Board:</p> <p>a) Noted the EQC quarterly monitoring report (including Statement of Performance Expectations measures) for the quarter ended 31 December 2014.</p> <p>b) Provided comment on the report to guide further development prior to delivering to Treasury.</p> <p>c) Requested Management amend the report and submit to the Chair for final approval prior to submission to Treasury.</p>	<ul style="list-style-type: none"> <li>• Management to amend the report according to feedback provided at the meeting.</li> <li>• Management to provide the revised report to Chair for final approval prior to submission to Treasury.</li> </ul>	<p><b>2.3.15</b></p> <p><b>2.3.15</b></p>
12.2	<p><b>Quarterly ISSP update</b></p> <p>The Board:</p> <p>a) Noted this quarterly update of progress against the 2013-2016 Information Systems Strategic Plan (ISSP).</p>	<ul style="list-style-type: none"> <li>• Management to provide a report to the March Board meeting, on the recovery plan in place to address issues in the event that the current CMS system becomes unstable.</li> </ul>	<p><b>23.3.15</b></p>
	<p><i>Jane Whitfield entered the meeting at 3.30 pm</i></p>		
12.3	<p><b>Project and Portfolio Reporting</b></p> <p>The Board:</p> <p>a) Provided feedback on the Project and Portfolio presentation submitted.</p>	<ul style="list-style-type: none"> <li>• Management to incorporate feedback and comments provided at the meeting and bring the revised report to the March Board meeting and monthly thereafter.</li> </ul>	<p><b>23.3.15</b></p>
	<p><i>The Chair noted that this is Jane's last Board meeting and thanked her for her contribution to EQC. Jane Whitfield left the meeting at 3.45 pm</i></p>		



<b>13.</b>	<b>OTHER BUSINESS</b>		
<b>13.1</b>	<p><b>Minutes</b></p> <p>The Board:</p> <p>a) Confirmed the minutes of the Board Meeting held on 15 December 2014 as a true and accurate record.</p>		
<b>13.2</b>	<p><b>Declaratory Judgment</b></p> <p>The Board ratified the decision made by email circulation at the end of January, and confirmed the recommendations contained within that paper.</p> <p>Viz. The Board:</p> <p>a) Noted the key outcomes of the Declaratory Judgment [REDACTED] 9(2)(h)</p> <p>b) Agreed that EQC will not seek to appeal any of the points of the decision that it was unsuccessful on.</p> <p>c) Noted that it appears unlikely that any other parties will file an appeal with the Court.</p> <p>d) Noted that the decision pinpoints key areas that Management will need to consider carefully in the operationalisation of Increased Flooding Vulnerability (IFV) settlements and the finalisation of the Increased Liquefaction Vulnerability (ILV) policy.</p> <p>e) Noted that Management anticipates making the first IFV settlements in February 2015.</p> <p>f) Noted that Management will bring a paper to the Board in February with recommendations for the ILV policy approach.</p>		
<b>14.</b>	<b>INFORMATION ITEMS</b>		
<b>14.1</b>	<p><b>Board Committee updates</b></p> <p>The Chair of the Health and Safety Board Committee provided a brief overview of key discussion points at the HSBC meeting held on Wednesday 17 February 2014.</p> <p>The Chair of the Enterprise Business Technology Committee provided a brief overview of the key discussion points at the EBT meeting held on Tuesday 13 January 2014.</p>		

	<p><b>General Business and Items of Interest</b></p> <p>The Board:</p> <p>a) Discussed the letters received from:</p> <ul style="list-style-type: none"> <li>• The Office of Hon Bill English regarding the delegation to the Associate Minister of Finance of the responsibility for working with the MREQC on matters regarding the Review of the Earthquake Commission Act 1993.</li> <li>• Christchurch City Council letter regarding collaborative funding opportunities for funding Earthquake related flood works.</li> </ul> <p>b) Discussed the draft 2015 Board Work Programme and requested Management update the document subject to feedback provided at the meeting.</p>	<ul style="list-style-type: none"> <li>• Management to amend the 2015 Board Work Programme incorporating requests made at the meeting.</li> </ul>	
	<p>Bryan Dunne and <span style="background-color: black; color: red;">9(2)(a)</span> left the meeting at 3.55pm.</p>		
	<p><b>Review and Close Of Meeting</b></p> <p>The Board entered into a private session.</p>		
	<p>The next Board meeting will be on <b>Monday 23 March 2015 in Wellington.</b></p> <p>The Meeting closed at 4.15 pm.</p> <p>These minutes were approved by the Board as a true and correct record.</p> <p>_____ Sir Maarten Wevers</p> <p>_____ Date</p>		

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**MINUTES OF THE MEETING OF  
THE BOARD OF THE EARTHQUAKE COMMISSION  
Held in the Majestic Centre Board Room  
Level 20, 100 Willis Street, Wellington  
Monday 23 March 2015 at 9.00am**

**Present:**

Sir Maarten Wevers (Chair)  
Keith Taylor (Deputy Chair)  
Russell Black  
Gordon Smith  
Roger Bell  
Paul Klesanowski  
Mary Jane Daly  
Allison O'Connell

**In attendance:**

Ian Simpson (Chief Executive)  
Bryan Dunne (General Manager, Strategy Policy and Legal)  
Heather Stewart (General Manager Organisational Development) – part meeting  
Gillian Dudgeon (General Manager Shared Services) – part meeting  
Gail Kettle (General Manager Customer and Claims) – part meeting  
Keith Land (Head of Canterbury Land Settlement) – part meeting  
Reid Stiven (General Manager Canterbury Home Repair Programme) – part meeting  
Hugh Cowan (General Manager Reinsurance, Research and Education) – part meeting  
9(2)(a) [REDACTED] (Research and Education) – part meeting  
Chris Chainey (Financial Controller) – part meeting  
Neil Hoskin (Acting General Manager Project Portfolio Management) – part meeting  
Shane Collins (Complete Canterbury Response Manager) – part meeting  
9(2)(a) [REDACTED] (Deloitte) – part meeting  
9(2)(a) [REDACTED] (Minutes) – part meeting

**Apologies:**

The meeting was declared open at 9.00 am.

	AGENDA ITEMS & KEY DISCUSSION POINTS	ACTIONS REQUIRED	DUE DATE
	<p><i>The Board had a private session.</i> <i>Ian Simpson joined the meeting at 9.20 am.</i> 9(2)(a) [REDACTED] <i>joined the meeting at 9.36 am</i></p>		
1.	<p><b>Present and Apologies.</b></p> <p>There were no apologies to record.</p>		

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Released under the Official Information Act 1982

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2.	<p><b>Interests Register/Declaration of Conflicts of Interest</b></p> <p>The Board noted that there were no conflicts of interest advised for matters on the agenda for the meeting.</p>		
3.	<p><b>Matters arising and Action Items</b></p> <p>The Board:</p> <p>a) Discussed the matters arising noting the status of each item and providing updates where appropriate.</p> <p>b) Noted that the ARC Work programme be included in all Board papers including sub Committees (HSBC and ARC).</p>	<ul style="list-style-type: none"> <li>• GM RRE to forward email to Board regarding Aon Benfield exercising appropriate safeguards to maintain the confidentiality and security of EQC and private insurer information.</li> <li>• Chair of ARC to distribute copy of minutes from ARC meeting held 18.3.15.</li> </ul>	<p style="text-align: right;"><b>25.3.15</b></p> <p style="text-align: right;"><b>24.3.15</b></p>
	<p><i>Heather Stewart joined the meeting at 9.40 am.</i></p>		
4.	<p><b>Health and Safety Report</b></p> <p>The Board:</p> <p>a) Noted the contents of the Health and Safety Report, including:</p> <ul style="list-style-type: none"> <li>○ EQC safety performance for the month of February, specifically the EQC injury data (lag and lead indicators) and associated key points relating to the data.</li> <li>○ Internal activities undertaken during the month of February to support our journey towards zero harm.</li> <li>○ Fletcher EQR safety performance across the Canterbury Home Repair Programme (CHRP) for February.</li> </ul> <p>b) Extended gratitude to the GM OD and the Health and Safety Team and commended the results achieved.</p> <p>The Chair of the Health and Safety Board Committee provided a brief overview of key discussion points at the HSBC meeting held on Tuesday 17 February 2015.</p>	<ul style="list-style-type: none"> <li>• Management to communicate with staff once EQC's accreditation status with ACC is confirmed.</li> <li>• Management to provide to the Board at the next meeting, the number of customers who could be considered 'at high risk of severely threatening behaviour'.</li> </ul>	<p style="text-align: right;"><b>Once available</b></p> <p style="text-align: right;"><b>20.4.15</b></p>
	<p><i>Heather Stewart left the meeting at 9.55 am. Gail Kettle, Hugh Cowan &amp; Keith Land joined the meeting at 9.56 am.</i></p>		

5.	<b>COMPLETING CANTERBURY</b>		
5.1	<p><b>ILV Land Claims Settlement Options</b></p> <p>The Board:</p> <p>a) Noted that following the February 2015 Board meeting the Board requested that Management bring a paper to the March 2015 Board meeting outlining how to progress an ILV Policy that is consistent with both the Earthquake Commission Act 1993 and the recent Declaratory Judgment result;</p> <p>b) Noted that Management is proposing to develop a diminution of value methodology for ILV in-situ properties following a similar process to Increased Flooding Vulnerability but taking account of both the more limited market information available for ILV and less granular nature of the engineering information available for an individual property;</p> <p>c) Endorsed Management's view that no significant additional geotechnical work should be done to support the production of this methodology.</p>	<ul style="list-style-type: none"> <li>• Management to bring a paper to the April Board meeting on settlement of cleared sites which should include clarity on:                             <ul style="list-style-type: none"> <li>○ timing;</li> <li>○ legal issues;</li> <li>○ insurer concerns.</li> </ul> </li> </ul>	
	<p><i>Gail Kettle and Keith Land left the meeting at 10.29 am.</i></p>		
5.2	<p><b>Ground Improvement Programme update</b></p> <p>The Board:</p> <p>a) Noted the contents of this update.</p> <p>b) Noted that the HSM method of ILV land repair is feasible and cost-effective for only a minority of ILV properties where the house remains in situ.</p> <p>c) Noted an alternative settlement path option must be sought for the ILV 'in-situ' portfolio, while management will review and report back on the sub-set of 'in-situ' properties for which the HSM method may be suitable.</p>		
	<p><i>Bryan Dunne and Reid Stiven joined the meeting at 10.30 am. Hugh Cowan left the meeting at 10.30 am.</i></p>		

6.	<b>FUTURE OF EQC</b>		
6.1	<p><b>EQC Strategy Development – Board update</b></p> <p>The Board:</p> <ul style="list-style-type: none"> <li>a) Noted this update and accompanying slide deck.</li> <li>b) Noted following three areas of emphasis for the strategy work programme;                             <ul style="list-style-type: none"> <li>i. Grow EQC’s financial resilience</li> <li>ii. Improve EQC’s operational performance and customer experience</li> <li>iii. Expand EQC’s contribution to national resilience.</li> </ul> </li> <li>c) Requested that in future updates Management map activities against the key points noted at the Board Strategy session held in November 2014.</li> </ul>		
6.2	<p><b>EQR Contract Discussion</b></p> <p>The General Manager CRHP provided an update and overview to the Board on the current contract discussions with Fletcher EQR.</p> <p>The Board:</p> <ul style="list-style-type: none"> <li>a) Agreed that there should be a remaining claims tiered fee and incentivisation structure for completion of the programme.</li> <li>b) Noted that the contract is a high priority for the Board.</li> <li>c) Noted that the management of this contract negotiation and completion of the programme needs to be focused and clear.</li> <li>d) Agreed to nominate Commissioners Black, Smith, Taylor and the Chair Sir Maarten Wevers to approve the final contract on behalf of the Board.</li> </ul>	<ul style="list-style-type: none"> <li>• Management to provide a copy of the final contract for signing to the appointed Commissioners for approval.</li> </ul>	25.3.15
	<p><i>Reid Stiven and Bryan Dunne left at 11.37 am. Hugh Cowan &amp; (2)(a) joined the meeting at 11.37 am</i></p>		
7.	<b>REINSURANCE RESEARCH AND EDUCATION</b>		
7.1	<p><b>Reinsurance Renewal Budget</b></p> <p>The Board:</p> <ul style="list-style-type: none"> <li>a) Noted the marketing of the programme for 2015 will be initially on expiring terms, (2)(j)</li> <li>b) Noted the objective to maintain nationwide coverage for the perils covered in the EQC Act, at a rate that maximises the level of financial protection offered.</li> </ul>		

	<p>c) Authorised Management to place the programme, having taken into account the discussion at this meeting, at the gross rates on line of Table 3 (or better), at the CEO's discretion, in order to keep within the budget and still achieve the targets.</p> <p>d) 9(2)(j)</p>		
<p><b>7.2</b></p>	<p><b>Geonet Update</b></p> <p>The Board:</p> <p>a) Noted the revised timeline for key GeoNet development activities and decisions, including considering at the April 2015 Board meeting renewal in principle for at least a further 10 years, with approval to be sought for interim funding for FY15/16.</p> <p>b) Noted that this proposed interim funding would be based on a work plan for FY15/16, to be presented to the Board in April 2015.</p> <p>c) Noted that interim funding provides immediate certainty for the work plan, without compromising any Board decision on future option selection, as 'Year 1' of all likely future options is closely similar.</p> <p>d) Noted that the extended timeline provides for a more considered input by the Board in addressing the Issues raised in the February 2015 Board paper, and will allow for more effective engagement with central government stakeholders on addressing the wider opportunities.</p> <p>e) Provided feedback to Management on the revised timeline, and outline of issues for GeoNet strategic development and associated investment (as currently understood), following the joint session with GNS on March 24.</p> <p>f) Noted that a final decision paper will be brought to the Board for consideration in November 2015.</p>	<ul style="list-style-type: none"> <li>• Management to bring a paper to the April 2015 Board meeting with consideration of a 'renewal in principle' and seeking approval for interim funding for FY15/16.</li> <li>• Management to bring a final decision paper on Geonet funding to the Board meeting in November 2015.</li> </ul>	<p><b>20.4.15</b></p> <p><b>23.11.15</b></p>
	<p>Hugh Cowan and 9(2)(a) left the meeting at 12.07pm.</p> <p>The Board meeting broke for lunch at 12.07 pm and reconvened at 12.30pm.</p> <p>Gillian Dudgeon and Representatives from Deloitte joined the meeting at 12.37pm.</p>		



8.	<p><b>Deloitte Audit Strategy</b></p> <p>The Chair of the Audit and Risk Committee provided a brief overview of the report submitted.</p> <p>The Board:</p> <p>a) Discussed the report in detail and sought clarity from Deloitte's on a number of issues including claims liabilities, fraud processes, reporting requirements and deadlines.</p>		
	<p><i>Representatives from Deloitte left the meeting at 12.54pm. Chris Chainey joined the meeting at 12.54 pm.</i></p>		
9.	<p><b>CORE FOUNDATIONS</b></p>		
9.1	<p><b>Revised Financial Delegations</b></p> <p>The Board:</p> <p>a) Noted the changes approved by the Chief Executive (CE) in relation to recent restructures.</p> <p>b) Approved the proposed change to the current Delegations Framework that are shown in Table 1. These will be effective immediately. 9(2)(a)</p> <p>c) Approved the addition of [REDACTED] to the bank mandate as per point 12.</p> <p>d) Noted the removal of three people from the bank mandate as per point 13.</p> <p>e) Noted the update on the CE's CAPEX delegations.</p>		
9.2	<p><b>Budget Economic Forecast Update (BEFU)</b></p> <p>The Board:</p> <p>a) Approved the EQC reported budget numbers for submission of the BEFU to Treasury. These numbers are included in the attached presentation.</p> <p>b) Noted Management's advice that Treasury have requested an EQC secondee to work out of their offices.</p>		
9.3	<p><b>Hamilton Property Lease</b></p> <p>The Board:</p> <p>a) Noted that EQC has determined its current accommodation is earthquake prone and Management recommends moving to alternative premises in line with the Property Strategy.</p> <p>b) Noted the business requirements, financial information and preferred option set out in this paper.</p>		

	<ul style="list-style-type: none"> <li>c) Noted that approval to enter into a new lease in Hamilton has been received from the Property Management Centre of Expertise.</li> <li>d) Noted that EQC does not intend to renew the lease at 150 London Street.</li> <li>e) Approved completion of lease negotiations with the landlord at 500 Victoria Street.</li> <li>f) Approved the proposed capital expenditure budget of 3(2)(i)</li> <li>g) Authorised the Chairman and one other Commissioner to sign the lease on behalf of EQC.</li> </ul>		
	<p><i>Gail Kettle, Bryan Dunne, Reid Stiven joined the meeting at 1.20 pm.</i></p>		
<b>10.</b>	<b>CHIEF EXECUTIVE REPORT</b>		
	<p>The Board:</p> <ul style="list-style-type: none"> <li>a) Noted the Chief Executive Report.</li> </ul>		
<b>10.1</b>	<b>Business Performance Report</b>		
	<p>The Board:</p> <ul style="list-style-type: none"> <li>a) Noted the Business Performance Report.</li> </ul>		
<b>10.2</b>	<b>Chief Risk Officer Report (Quarterly Risk Report)</b>		
	<p>The Board:</p> <ul style="list-style-type: none"> <li>a) Agreed to assess key risks with the strategy risk review session in June.</li> </ul>		
	<p><i>Chris Chainey left the meeting at 2.07 pm. Neil Hoskin and Shane Collins joined the meeting at 2.07 pm.</i></p>		
<b>10.3</b>	<b>Project Portfolio Report</b>		
	<p>The Board:</p> <ul style="list-style-type: none"> <li>a) Noted the Project Portfolio Report.</li> <li>b) Requested Management keep records of decisions and processes taken to ensure informed and fair decisions.</li> <li>c) Noted that an assessment of options for reporting to the Board will be undertaken in the future.</li> </ul>		

<p><b>10.4</b></p>	<p><b>Engaging Guidewire for CMS Programme</b></p> <p>The Board:</p> <ul style="list-style-type: none"> <li>a) Noted the CMS Programme wishes to engage Guidewire services for the period from May 2015 to December 2015, a period of 8 months;</li> <li>b) Noted that Guidewire requires a 90 day mobilisation period in order to commit resources to a customer;</li> <li>c) Noted that the cost of the 8 month period (for Guidewire) is currently estimated at [REDACTED] 9(2)(j) [REDACTED];</li> <li>d) Noted that should the programme/project be terminated or delayed [REDACTED] 9(2)(j) [REDACTED];</li> <li>e) Noted that this expenditure will be capex if the project continues to installation, but written off as opex if the project does not reach that stage, and that funding is available for both eventualities for the [REDACTED] 9(2)(j) [REDACTED] in financial year 2014/15;</li> <li>f) Noted this only relates to the Guidewire component i.e. it does not include other vendors;</li> <li>g) Noted EQC will be able to utilise Guidewire services for the 30 day period if the programme/project is delayed;</li> <li>h) Noted EQC are unlikely to be able to use the Guidewire services for the 30 day period if the programme/project is terminated; and</li> <li>i) Agreed to engage Guidewire for the CMS Programme as above.</li> </ul>	<ul style="list-style-type: none"> <li>• Management to provide a CMS Initial Business case to the April 2015 Board meeting.</li> </ul>	<p><b>20.4.15</b></p>
	<p><i>Shane Collins, Gail Kettle, Neil Hoskin and Reid Stiven left the meeting at 2.31 pm.</i></p>		
<p><b>10.5</b></p>	<p><b>Complete Canterbury Response (CCR) Report</b></p> <p>The Board:</p> <ul style="list-style-type: none"> <li>a) Noted the dashboard and progress towards completing the Canterbury Response.</li> </ul>		
<p><b>11.</b></p>	<p><b>OTHER BUSINESS</b></p>		
<p><b>11.1</b></p>	<p><b>The EQC Scheme – High Level Reflection on Lessons Learned</b></p> <p>The Board:</p> <ul style="list-style-type: none"> <li>a) Noted that at its meeting of 12 October 2012 and 17 November 2014 the Board considered the paper “Treasury-led review of the Earthquake Commission Act 1993: Lessons learned about the EQC model during the Canterbury response”.</li> </ul>		

	<p>b) Noted that at its meeting of 17 November 2014, the Board requested a report on the high level learnings with an overview of operational lessons learned.</p> <p>c) Noted the attached summary of high level learnings.</p> <p>d) Requested Management to bring progress reports back to future meetings.</p>		
<b>11.2</b>	<p><b>Minutes</b></p> <p>The Board:</p> <p>a) Confirmed the minutes (subject to minor amendments) of the Board Meeting held on 23 February 2015 as a true and accurate record.</p>		
<b>12.</b>	<b>INFORMATION ITEMS</b>		
<b>12.1</b>	<p><b>Board Committee updates</b></p> <p>Discussed under Matters Arising and Health and Safety Report agenda items earlier in the meeting.</p>		
	<p><b>Paper from the ARC for Board information</b></p> <p><b>Terms of Reference</b></p> <p>The Board:</p> <p>a) Noted that the Audit and Risk Committee (ARC) have recommended that the attached Terms of Reference be forwarded to the Board for approval.</p> <p>b) Approved the revised Terms of Reference for the ARC.</p> <p>c) Noted the EBT Terms of Reference will focus on Governance of CMS rather than risk management.</p>	<ul style="list-style-type: none"> <li>Management to review all Terms of Reference for Board Committee's to ensure consistency.</li> </ul>	<b>18.5.15</b>
	<p><b>Policy on Participation of Reinsurers</b></p> <p>The Board:</p> <p>a) Noted that the Audit and Risk Committee (ARC) have approved the attached Policy on Participation of Reinsurers and Reinsurance brokers</p> <p>b) Authorised the CE as part of the upcoming renewal programme to place no more than (2) of the Total programme with a single company or inter-related group of companies and to ensure that the overall placement structure delivers a manageable spread of reinsurers.</p>		

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	<p><b>Provided For Board Information only:</b></p> <ul style="list-style-type: none"> <li>• Reinsurance Security Report</li> <li>• Half Year Financials</li> </ul>		
12.2	<p><b>General Business and Items of Interest</b></p> <p>The Board:</p> <ol style="list-style-type: none"> <li>a) Requested that Board Strategy discussions be added to the 2015 Work Programme.</li> <li>b) Agreed to provide comment to Manager OCE regarding the Board sub-committee dates.</li> <li>c) Noted the Chair has received an invitation to attend the opening day of Awesome Forces which will be forwarded to the CE.</li> </ol>		
	<p><i>Ian Simpson, Bryan Dunne, Gail Kettle, Gillian Dudgeon and [REDACTED] left the meeting at 2.52 pm.</i></p> <p style="text-align: center;"><span style="border: 1px solid red; padding: 2px;">9(2)(a)</span></p> <p><i>The Board entered into a private session.</i></p>		
	<p><b>Review and Close Of Meeting</b></p>		
	<p>The next Board meeting will be on <b>Monday 20 April 2015 in Christchurch.</b></p> <p>The Meeting closed at 3.05 pm.</p> <p>These minutes were approved by the Board as a true and correct record.</p>		
	<p>_____                  Sir Maarten Wevers</p>	<p>_____                  Date</p>	

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**MINUTES OF THE MEETING OF  
THE BOARD OF THE EARTHQUAKE COMMISSION  
Held in the Pukeko Room  
EQC Offices, 53 Princess Street, Christchurch  
Monday 20 April 2015 at 9.00am**

**Present:**

Sir Maarten Wevers (Chair)  
Keith Taylor (Deputy Chair)  
Russell Black  
Gordon Smith  
Roger Bell  
Paul Kiesanowski  
Mary Jane Daly  
Alison O'Connell

**In attendance:**

Gillian Dudgeon (Acting Chief Executive)  
Tom Dibley (Acting General Manager, Strategy and Transformation) – part meeting  
9(2)(a) (Senior Policy Advisor) – part meeting  
9(2)(a) (Programme Manager) – part meeting  
Richard Smith (Acting General Manager Reinsurance, Research and Education) – part meeting  
Neil Hoskin (Acting General Manager Project Portfolio Management) – part meeting  
Heather Stewart (General Manager Organisational Development) – part meeting  
Chris Chainey (Acting Chief Financial Officer) – part meeting  
Gail Kettle (General Manager Customer and Claims) – part meeting  
Reid Stiven (General Manager Canterbury Home Repair Programme) – part meeting  
9(2)(a) (Manager Public Education Design) – part meeting  
Linda Smith (Chief Information Officer) – part meeting  
Steve Cantwell and Jack Kwok (Treasury) – part meeting  
9(2)(a) (Minutes) – part meeting

**Apologies:**

The meeting was declared open at 9.00 am.

	AGENDA ITEMS & KEY DISCUSSION POINTS	ACTIONS REQUIRED	DUE DATE
	<i>The Board had a private session.</i> 9(2)(a) <i>Gillian Dudgeon and 9(2)(a) joined the meeting at 9.20 am.</i>		
1.	<b>Present and Apologies.</b>  There were no apologies to record however the Chair noted that Ian Simpson, Bryan Dunne and Hugh Cowan had appointed delegates for the meeting.		
2.	<b>Interests Register/Declaration of Conflicts of Interest</b>  The Board noted that there were no conflicts of interest advised for matters on the agenda for the meeting		

3.	<p><b>Matters arising and Action Items</b></p> <p>The Board:</p> <p>a) Discussed the matters arising noting the status of each item and providing updates where appropriate.</p>		
	<p><i>Heather Stewart joined the meeting at 9.29 am.</i></p>		
4.	<p><b>HEALTH &amp; SAFETY</b></p>		
	<p><b>Health and Safety Report</b></p> <p>The Board:</p> <p>a) Noted the contents of the Health and Safety Report, including:</p> <ul style="list-style-type: none"> <li>o EQC safety performance for the month of March, specifically the EQC injury data (lag and lead indicators) and associated key points relating to the data.</li> <li>o Internal activities undertaken during the month of March to support our journey towards zero harm.</li> <li>o Fletcher EQR safety performance across the Canterbury Home Repair Programme (CHRP) for March</li> </ul> <p>b) Commended Management and staff for achieving 'tertiary status' under the ACC audit which recognises "best practice and a commitment to continuous improvement in workplace health and safety".</p> <p>c) Noted the approval of the Health and Safety Work plan distributed to the HSBC by email.</p>	<ul style="list-style-type: none"> <li>• Management to report back to the Board the analysis of the increase in sick leave taken during the period Jan-Mar and any steps that might be taken to minimise and/or mitigate</li> <li>• Management to report back to the next HSBC meeting on the protocols for managing EQC customer enquiries in relation to retrospective CHRP repairs involving asbestos.</li> <li>• Management to provide to the HSBC, the Executive summary of the Gluckman report 'Asbestos exposure in New Zealand – Review of the scientific evident of non-occupational risks.'</li> </ul>	<p><b>18.5.15</b></p> <p><b>14.5.15</b></p> <p><b>14.5.15</b></p>
	<p><i>Heather Stewart left the meeting at 9.42am</i></p>		
	<p><b>Appointment of attorneys for execution of lease documentation</b></p> <p>The Board:</p> <p>a) Noted that the Chair and Deputy Chair are requested to sign the Power of Attorney in respect of Lease Documentation.</p> <p>b) Noted that the Board agreed at its 16 August 2013 meeting that "for entering Leases and Deeds up to a quantum (\$250,000), the power to act is delegated to the Chair and one other Board member.</p> <p>c) Noted the document was signed per the request at the Board meeting held 20.4.15 (today).</p>		



5.	<b>CORE FOUNDATIONS</b>		
	<p><b>Eastbourne Search Company Contract: Title Search services</b></p> <p>The Board:</p> <ul style="list-style-type: none"> <li>a) Approved delegation of authority to the Chairman to sign this contract for Land Title search services.</li> <li>b) Noted an expectation that consideration be given to putting this contract out to open tender at the first renewal date of 30 March 2017.</li> <li>c) Noted that this Contract does not bind EQC to one supplier.</li> </ul>		
	<p>The Acting CE provided a brief update from the CE who is currently visiting Reinsurers.</p>		
<p>9(2)(a)</p>	<p>██████████ <i>Tom Dibley and Representatives from Treasury joined the meeting at 10.05 am.</i></p>		
	<p><b>Review of the EQC Act: Draft Discussion Document</b></p> <p>The Board:</p> <ul style="list-style-type: none"> <li>a) Noted the attached draft discussion document on the EQC Act review and the accompanying cover note outlining the preferred reform package, prepared by the Treasury;</li> <li>b) Noted that, in order to meet the Cabinet deadlines set by the responsible Ministers, this is a working draft discussion document and the key gaps are outlined in the Treasury cover note;</li> <li>c) Discussed the working draft discussion document with the Treasury at the EQC Board meeting on 20 April 2015;</li> <li>d) Noted that this is an opportunity to notify the Treasury and responsible Ministers of any significant comments with regard to the preferred reform package;</li> <li>e) Noted that there will be a further opportunity to make a formal submission on the EQC Act review once the discussion document is publicly released;</li> <li>f) Noted there will be other opportunities to provide comment on the development of any amendments to the legislation as the work progresses through its policy development and legislative drafting stages later in 2015.</li> <li>g) Agreed that Board members may provide additional feedback on the discussion document to Manager OCE who will co-ordinate with Treasury.</li> </ul>	<ul style="list-style-type: none"> <li>• Management to confirm that as a Crown Entity, the EQC Board will in fact have an opportunity to make a formal submission on the EQC Act review once the discussion document is publically released.</li> <li>• Management to draft, in anticipation of the release of the discussion document, a statement on behalf of the Board to the Minister (s) in support of the document.</li> <li>• Management to draft a briefing note on the discussion with Treasury on the Review of the EQC Act, for the meeting with the Minister set down for Wednesday 6 May 2015.</li> </ul>	<p><b>21.4.15</b></p> <p><b>Once available</b></p> <p><b>21.4.15</b></p>

9(2)(a)	<p>Tom Dibley and Representatives from Treasury left the meeting at 11.12 am</p> <p>Gail Kettle and Keith Land joined the meeting at 11.17 am.</p>		
6.	<b>CUSTOMER/COMPLETING CANTERBURY</b>		
6.1	<p><b>Land Programme: Increased Liquefaction Vulnerability Cleared Sites</b></p> <p>The Board:</p> <p>a) Noted that the framework to be utilised for establishment of an ILV Policy was outlined in the Declaratory Judgment proceedings.</p> <p>b) 9(2)(h)</p> <p>c) Noted that Management proposes to hold all ILV settlement until after the final ILV Policy is prepared for consideration by the Board in June 2015.</p> <p>d) Invited Management to prepare a paper for the Board for the May meeting on stakeholder and customer issues relevant to the implementation of this approach.</p>	<ul style="list-style-type: none"> <li>Management to bring a paper to the May Board meeting outlining the stakeholder and customer implications for the implementation of the ILV policy for settlement of land claims.</li> </ul>	18.5.15
	<p>Keith Land left the meeting and [redacted] joined the meeting at 11.40 am.</p> <p style="text-align: center;">9(2)(a)</p>		
6.2	<p><b>Claims Management System (CMS Programme) – Project Cre8 Initial Business Case</b></p> <p>The Board:</p> <p>a) Noted:</p> <ul style="list-style-type: none"> <li>the content of the attached Business Case;</li> <li>to date OpEx of 9(2)(h) and CapEx of [redacted] has been approved which covers forecasted spend to end April 2015;</li> <li>the CMS programme structure and workstreams have been established as per the November 2014 Board CMS Update paper and the subsequent Programme Mandate approved by the CMS Steering Committee in March 2015; and</li> </ul>	<ul style="list-style-type: none"> <li>Management to arrange a further EBT meeting to further consider the identified project risks and the risk management processes in place to manage these risks. As part of this management to commission an independent risk management report to assist the EBT with its review and reporting back to the Board.</li> </ul>	21.4.15

	<ul style="list-style-type: none"> <li>• the CMS programme is included in the 2014/15 and 2015/16 Project Portfolio Plans.</li> </ul> <p>b) Approved:</p> <ul style="list-style-type: none"> <li>• this Initial Business Case to commence the Project Cre8 Investigate and Design phase;</li> <li>• funding of:             <ul style="list-style-type: none"> <li>i. 9(2)(j) - 9(2)(j) from the FY14/15 and 9(2)(j) from the FY15/16 Project Operational budget;</li> <li>ii. 9(2)(j) from the FY14/15 and 9(2)(j) from the FY15/16 Project Capital budget;</li> <li>iii. Additional contingency of 9(2)(j) and 9(2)(j) to complete the Investigate and Design Phase.</li> </ul> </li> <li>• delegation to the CEO to approve contractual arrangements with vendors (e.g. IBM &amp; Guidewire) as per business case funding; and</li> <li>• the level of governance stated.</li> </ul> <p>c) Requested Management at an early stage to engage with the EBT Board sub committee to further consider the project plan, risks, and project risk management measures in place so that the EBT can report back to the full Board.</p>		
	<p>9(2)(a)  <i>Gail Kettle and 9(2)(a) left the meeting at 12.05 pm. The meeting adjourned for lunch at 12.05 pm and reconvened at 12.40 pm. Tom Dibley joined the meeting at 12.40 pm.</i></p>		
<p><b>7.</b></p>	<p><b>FUTURE OF EQC</b></p>		
<p><b>7.1</b></p>	<p><b>Draft Statement of Performance Expectations 2015-16</b></p> <p>The Board:</p> <ul style="list-style-type: none"> <li>a) Noted the appended 'in progress' draft 2015-2016 SPE included with this report;</li> <li>b) Noted that the attached SPE takes into account the direction on approach and content provided by the Board's Audit and Risk Committee at their meeting of 18 March 2015;</li> <li>c) Noted that feedback on an earlier draft SPE has been received from EQC Auditors which has been taken into account in the current draft of the SPE. The direction of the SPE has been discussed with and noted by Treasury;</li> <li>d) Noted that the focus for the Minister's consultation draft SPE is the measures for 2015-16 financial year;</li> <li>e) Noted that a number of targets for 2015-16 are being completed in conjunction with the business</li> </ul>	<ul style="list-style-type: none"> <li>• Management to commission a project to establish levels of insurance penetration for fire insurance/EQC cover in New Zealand, including if possible on a regional basis, and report back on progress to the May Board meeting.</li> </ul>	<p><b>18.5.15</b></p>

	<p>planning process and will be finalised in April 2015. These targets will be included in the final draft of the SPE for the 22 June Board meeting; and</p> <p>f) Agreed to provide the attached draft SPE to the Minister Responsible for the Earthquake Commission for consultation by 30 April 2015.</p>		
	<p><i>Tom Dibley left the meeting and Richard Smith joined the meeting at 1.10 pm.</i></p>		
<b>8.</b>	<b>RESEARCH AND EDUCATION</b>		
<b>8.1</b>	<p><b>GeoNet Renewal and Work Plan</b></p> <p>The Board:</p> <p>a) Approved the renewal of EQC's long-term commitment to GeoNet, for:</p> <ul style="list-style-type: none"> <li>• A five year term with an active renewal mechanism after two years.</li> </ul> <p>b) Invited Management, in light of the discussion, to include as part of its advice to the November Board meeting, consideration of the longer term role of Geonet, not only for EQC but for a possible wider national risk and hazard function (yet to be scoped).</p> <p>c) Authorised Management to progress renegotiation of the GeoNet Agreement with GNS for the forthcoming financial year, on the basis of an EQC contribution up to a maximum of \$10m;</p> <p>d) Noted that consideration will be given to a further contribution (above \$10m) subject only to the submission of an appropriate business case;</p> <p>e) Noted that Management will work with the GeoNet team to assess in detail the strategy option paths, including development of financial models, to bring to the Board for consideration before a final decision is made in November 2015;</p> <p>f) Noted that EQC and GNS will work collectively on engagement with Government to ensure all relevant stakeholders are informed of issues and opportunities related to GeoNet capability, and the wider hazard risk management framework.</p>	<ul style="list-style-type: none"> <li>• Management to report back to the May Board meeting on the status of the negotiations with GeoNet.</li> <li>• Management to include in the paper for submission at the November Board meeting, considerations of the longer term role of Geonet, not only for EQC but for a possible wider national risk and hazard function (yet to be scoped).</li> </ul>	<p><b>18.5.15</b></p> <p><b>23.11.15</b></p>
	<p><i>Richard Smith left the meeting at 1.48 pm. Chris Chainey joined the meeting at 1.40pm.</i></p>		

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9.	<b>CHIEF EXECUTIVE REPORT</b>		
	<p><b>Chief Executive's Report</b></p> <p>The Board:</p> <p>a) Noted the report.</p>		
9.1	<p><b>Business Performance Report</b></p> <p>The Board:</p> <p>a) Noted the report and;</p> <p>b) Declined the removal of information from the BBPD listed in point 7;</p> <p>c) Declined the addition of information to the BBPD listed in point 11.</p> <p>d) Requested a copy of the Organisational chart be included in each Board pack showing Tier 1, 2 and 3 numbers under each GM heading.</p> <p>e) Sought advice from Management on when and how the Board will be engaged on a discussion with Treasury on the Crown guarantee for the Natural Disaster fund.</p>	<ul style="list-style-type: none"> <li>• Management to retain the dashboard as is and ensure that the information contained therein is in alignment with the CCR Report also submitted.</li> <li>• Management to include a copy of the Organisational chart in each Board pack clearly showing the numbers of staff under each GM category.</li> <li>• Management to update the Board on when and how the Board will be engaged in a discussion with Treasury on the Crown Guarantee for the Natural Disaster Fund.</li> </ul>	<p><b>21.4.15</b></p> <p><b>18.5.15</b></p> <p><b>22.6.15</b></p>
	<p><i>Gail Kettle, Reid Stiven and Neil Hoskin joined the meeting at 2.07 pm.</i></p>		
9.2	<p><b>Complete Canterbury Response (CCR) Report</b></p> <p>The Board:</p> <p>a) Noted the dashboard and progress towards completing the Canterbury Response.</p>		
9.3	<p><b>EQR Fletcher Contract Status update</b></p> <p>The GM Canterbury Home Repair Programme provided an update on the current status of the 'completion vehicle' discussions with Fletcher EQR.</p> <p>The Board:</p> <p>a) Noted the GM CHRP's advice that by 1 September every customer will either be underway or will have an agreed start date and scope of works with a contractor.</p>	<ul style="list-style-type: none"> <li>• Management to provide to the sub-group (Commissioners Wevers, Smith, Taylor and Black) a copy of the Amendment to the existing Fletcher EQR contract for approval and sign-off, if possible before 30 April 2015.</li> </ul>	<p><b>24.4.15</b></p>
	<p>The Board acknowledged that this is Reid Stiven's last Board meeting and expressed its appreciation for all of his hard work, both prior to and after the Earthquakes, particularly his leadership role in Communication and Community engagement and stepping up as Manager of the Canterbury Home Repair Programme and wished him every success in the future.</p>		

	<i>Reid left the meeting at 2.28pm.</i>		
9.4	<p><b>Chief Risk Officer Report</b></p> <p>The Board:</p> <ul style="list-style-type: none"> <li>a) Noted that this paper covers a high level overview of risk management activities and a summary of the key initiatives being undertaken in response to each of the current challenges identified.</li> <li>b) Agreed that future reporting be provided on a Quarterly basis only.</li> </ul>		
9.5	<p><b>Project Portfolio Report</b></p> <p>The Board:</p> <ul style="list-style-type: none"> <li>a) Noted the status of the reported projects (CMS Programme and Majestic Property) are re-set to green following approved change requests.</li> <li>b) Noted the Initial Business Case for the CMS Programme has been completed.</li> </ul>		
9(2)(a)	<p>██████████ joined the meeting at 2.34 pm. Chris Chainey left the meeting at 2.39 pm.</p>		
9.6	<p><b>Fix 1 Thing – Discussion Item</b></p> <p>The Board:</p> <ul style="list-style-type: none"> <li>a) Noted the Acting GM SER’s information on the current “Fix 1 Thing” campaign that is proposed to commence in June 2015.</li> </ul>		
9(2)(a)	<p>██████████ and Neil Hoskin left the meeting and Linda Smith joined the meeting at 2.45 pm.</p>		
10.	<b>OTHER BUSINESS</b>		
10.1	<p><b>Quarterly ISSP Report – Work Programme</b></p> <p>The Board:</p> <ul style="list-style-type: none"> <li>a) Noted this quarterly update of progress against the 2013-2016 Information Systems Strategic Plan (ISSP).</li> <li>b) Noted a change in format of this report to align with the Institute of Directors four pillars of governance best practice and the Information Technology (IT) governance framework ISO/IEC 38500:2008.</li> <li>c) Noted the annual CMS disaster recover test is scheduled to commence the 1st May 2015.</li> <li>d) Noted Government Chief Information Officer (GCIO) self-assessment information privacy and security survey summary in Appendix 1.</li> </ul>		



	<i>Linda Smith and Gail Kettle left the meeting at 2.48 pm.</i>		
<b>10.2</b>	<b>Minutes</b>  The Board: a) Confirmed the minutes (subject to minor amendments) of the Board Meeting held on 23 March 2015 as a true and accurate record.		
<b>11.</b>	<b>INFORMATION ITEMS</b>		
<b>11.1</b>	<b>General Business and Items of Interest</b>  The Board:  a) Noted that productive joint session with GNS Board on 24 March 2015 and the strong alignment of EQC and GNS' long term interests. b) Noted that an interim funding paper for GNS had been discussed at the Board meeting earlier in the day and a further paper will be discussed at the Board meeting in November 2015. c) Noted that the Board members present at the joint session had agreed that there may be value in a joint approach from both Boards to Ministers around natural hazard and risk identification and management. d) Invited Management to prepare a draft letter on its behalf as noted in the letter to the Minister in April 2014 in relation to the Review of the EQC Act.	<ul style="list-style-type: none"> <li>Management to draft a letter to the Minister in relation to the outcomes of the technical workshop as referred to in paragraph 44 of the letter sent to the Minister in April 2014 in relation to the Review of the EQC Act.</li> </ul>	<b>20.5.15</b>
	<b>Review and Close Of Meeting</b> 9(2)(a)  <i>Gillian Dudgeon, [REDACTED] left the meeting at 2.45 pm. The Board went into Private Session. The meeting closed at 3.05 pm.</i>		
	<b>The next Board meeting will be on Monday 18 May in Wellington.</b>  The Meeting closed at 3.00 pm.  These minutes were approved by the Board as a true and correct record.  _____ Sir Maarten Wevers  _____ Date		



NOTE: SOME CONTENTS OF THESE MINUTES  
ARE SUBJECT TO LEGAL PRIVILEGE.

**MINUTES OF THE MEETING OF  
THE BOARD OF THE EARTHQUAKE COMMISSION**  
Held in the Majestic Centre Board Room  
Level 20, 100 Willis Street, Wellington  
Monday 18 May 2015 at 9.00am

**Present:**

Sir Maarten Wevers (Chair)  
Keith Taylor (Deputy Chair)  
Russell Black  
Roger Bell  
Paul Klesanowski  
Mary Jane Daly  
Alison O'Connell

**In attendance:**

Ian Simpson (Chief Executive)  
Bryan Dunne (General Manager, Strategy and Transformation)  
– part meeting  
Neil Hoskin (Acting General Manager Project Portfolio  
Management) – part meeting  
Heather Stewart (General Manager Organisational  
Development) – part meeting  
Hugh Cowan (General Manager Reinsurance, Research &  
Education) – part meeting  
9(2)(a) (Science and Education Manager) – part  
meeting  
Gillian Dudgeon (General Manager Shared Services) – part  
meeting  
9(2)(a) (Management Accountant) – part meeting  
9(2)(a) (Debt and Collections Contractor) – part meeting  
Keith Land (Head of Canterbury Land Settlements) – part  
meeting  
Suzanne Carter (General Manager Stakeholder Engagement  
and Reputation) – part meeting  
Gail Kettle (General Manager Customer and Claims) – part  
meeting  
Shane Collins (Complete Canterbury Response Transition  
Manager) – part meeting  
9(2)(a) (Minutes) – part meeting

**Apologies:**

Gordon Smith

The meeting was declared open at 9.00 am.

	AGENDA ITEMS & KEY DISCUSSION POINTS	ACTIONS REQUIRED	DUE DATE
	<i>The Board had a private session. Ian Simpson joined the meeting at 9.30 am. Heather Stewart and 9(2)(a) joined the meeting at 9.37 am</i>	9(2)(a)	
1.	<b>Present and Apologies.</b>  The Chair recorded apologies from Gordon Smith.		
2.	<b>Interests Register/Declaration of Conflicts of Interest</b>  The Board noted that there were no conflicts of interest advised for matters on the agenda for the meeting.		

<p>3.</p>	<p><b>Matters arising and Action Items</b></p> <p>The Board:</p> <p>a) Discussed the matters arising noting the status of each item and providing updates where appropriate.</p> <p>b) The Board subcommittee has accepted Management's recommendation that the revised Fletcher Construction Company (FCC) contract will take effect from 1 May and is approved and ready for signing by the Chair at the conclusion of the Board meeting today.</p>	<ul style="list-style-type: none"> <li>• Management to contact Treasury to confirm status of the Governance Group in relation to the legislative review of EQC and report back to the Board in June.</li> </ul>	<p>19.5.15</p>
<p>4.</p>	<p><b>Health and Safety Performance Report</b></p> <p>The Board:</p> <p>a) Noted the contents of the Health and Safety Report, including:</p> <ul style="list-style-type: none"> <li>○ EQC safety performance for the month of April, specifically the EQC injury data (lag and lead indicators) and associated key points relating to the data.</li> <li>○ Internal activities undertaken during the month of April to support our journey towards zero harm.</li> <li>○ Fletcher EQR safety performance across the Canterbury Home Repair Programme (CHRP) for April</li> </ul> <p>b) Discussed the data analysis/Safe 6 'fatal risk' performance graphs highlighted in the report noting that some levels of compliance need to be clarified and addressed on an urgent basis.</p> <p>c) Invited Management to provide clarification on the statement on page 10 of the report which notes an 'overall improvement' in safe working practices in four fatal risks.</p> <p>The Chair of the Health and Safety Board Committee (HSBC) provided a brief overview of key discussion points at the HSBC meeting held on Wednesday 13 May 2015.</p>	<ul style="list-style-type: none"> <li>• Management to distribute to the Board, a copy of EQC's submission on the new Asbestos Regulations for information.</li> <li>• Management to report back to the HSBC by email on the data flows that underpin the 'fatal risk' graphs and whether they have been previously reported to the HSBC and if not, why not.</li> <li>• Subject to the data flow information above, Management to arrange a Video Conference with Commissioner Wevers, Black, Klesanowski and [redacted] (EQR) to discuss the rate of compliance across all Safe 6 ratings and remediation's for non-compliant Safe 6 sites.</li> <li>• Management to provide clarification on the statement on page 10 of the report which notes an 'overall improvement' in safe working practices in four fatal risks.</li> </ul>	<p>19.5.15</p> <p>19.5.15</p> <p>19.5.15</p> <p>19.5.15</p>
	<p><i>Heather Stewart left the meeting at 10.17 am.                  Gail Kettle, Jeff Galt and Keith Land joined the meeting at 10.21 am.</i></p>		

5.	<b>CUSTOMERS/COMPLETING CANTERBURY</b>		
5.1	<p><b>ILV Stakeholder Risks in Advance of finalised Settlement Policy</b></p> <p>The Board:</p> <p>a) Noted that the development of the ILV policy for complex land claims will culminate in a paper presented to the Board in June 2015.</p> <p>b) Noted that the potential policy decisions to be made in June have significant implications for a range of stakeholders.</p> <p>c) 9(2)(g)(i)</p> <p>d) Noted that comprehensive engagement plans are in place for the key groups and that Management will review continuously to ensure alignment with policy progress.</p> <p>e) Agreed that proactive engagement should be undertaken with a particular focus on customers and all other key stakeholders including reinsurers on the development of the ILV settlement policy.</p>	<ul style="list-style-type: none"> <li>Management to provide to the Board with the policy paper, an annex outlining the various scenario groups explaining customer expectations versus actual entitlement.</li> <li>Management to ensure the paper scheduled to come to the Board in June provides a clear way forward detailing how ILV settlement will be operationalised, implemented and communicated and should include specific examples under plausible scenarios.</li> </ul>	<p>22.6.15</p> <p>22.6.15</p>
	<p><i>Gail Kettle and Keith Land left the meeting at 10.57am. Gillian Dudgeon and [redacted] joined the meeting at 10.59am.</i></p> <p>9(2)(a)</p>		
5.2	<p><b>CHRP Excess Debtor Management Approach</b></p> <p>The Board:</p> <p>a) Noted approval by the ELT of the Debtor Management Policy and Debt Write-off Policy on the 4th May 2015.</p> <p>b) Noted how these Policies will be applied to the management of CHRP Excess debt.</p> <p>c) Noted that Management will come back with a paper once advice has been received from Privacy Commission on the legality of sharing customer Information to debt collection agencies.</p>	<ul style="list-style-type: none"> <li>Management to report back to the Board with confirmation on the legality of sharing customer information to debt credit reporting agencies.</li> </ul>	27.7.15
	<p><i>Gillian Dudgeon and [redacted] left the meeting at 11.07 am.</i></p> <p>9(2)(a)</p> <p><i>Hugh Cowan and [redacted] joined the meeting at 11.10 am</i></p> <p>9(2)(a)</p>		

<b>6.</b>	<b>REINSURANCE, RESEARCH AND EDUCATION</b>		
<b>6.1</b>	<p><b>Update on status of Geonet negotiations and FY15/16 Workplans</b></p> <p>The Board:</p> <ul style="list-style-type: none"> <li>a) Noted the basis for the revised funding options for the FY15/16 interim work plan.</li> <li>b) Noted the issues associated with achieving sustainability of current GeoNet capability.</li> <li>c) Agreed to FY15/16 work plan option 1 (Status quo) with associated budget of \$10million.</li> <li>d) Agreed to provide an additional \$2million in funds to be applied as a one off injection that should not be considered as a commitment to future spending.</li> <li>e) Requested Management closely monitor and provide a report back on the application of the \$2 million provided.</li> <li>f) Invited Management to continue their efforts with GNS and other agencies with a view to refining EQC's strategy in natural hazard risk management; address issues relating to the long term role, sustainability, funding and stewardship of GeoNet and provide a report back prior to November, if possible.</li> </ul>	<ul style="list-style-type: none"> <li>• Management to closely monitor and provide a report back to the Board on the application of the \$2 million provided.</li> <li>• Management to continue their efforts with GNS and other agencies with a view to refining EQC's strategy in natural hazard risk management; address issues relating to the long term role, sustainability, funding and stewardship of GeoNet and provide a report back prior to November, if possible.</li> </ul>	<p>27.7.15</p> <p>27.7.15</p>
<b>6.2</b>	<p><b>Renewal of Research Capability Agreements:</b></p> <ul style="list-style-type: none"> <li>• Victoria University – Seismology</li> <li>• Massey University – Land Use Planning</li> </ul> <p>The Board:</p> <ul style="list-style-type: none"> <li>a) Agreed to EQC renewing the research capability funding agreement with Victoria University of Wellington in seismic studies for five years from 1 July 2015.</li> <li>b) Agreed to EQC renewing the research capability funding agreement with Massey University in natural hazards planning for five years from 1 July 2015.</li> </ul>		
<b>6.3</b>	<p><b>Execution of Aon Benfield Agreement for Reinsurance Broking services</b></p> <p>The Board:</p> <ul style="list-style-type: none"> <li>a) Authorised the Chairman to sign the extension agreement with Aon Benfield.</li> </ul>		
	<p>Hugh Cowan and [REDACTED] left the meeting at 12.00 pm.</p> <p style="color: red;">9(2)(a)</p>		

	<p>The Board broke for lunch at 12.05 pm and reconvened at 12.33pm. Bryan Dunne and Gillian Dudgeon entered the meeting at 12.34pm. [REDACTED] entered the meeting at 12.45 pm. [REDACTED]</p>		
<b>7.</b>	<b>CORE FOUNDATIONS</b>		
<b>7.1</b>	<p><b>Q3 Treasury Monitoring and SPE Report</b></p> <p>The Board:</p> <p>a) Noted the EQC quarterly monitoring report (including Statement of Performance Expectations measures) appended to this paper.</p> <p>b) Approved the release of the quarterly monitoring report to Treasury.</p> <p>c) Invited Management to provide advice to the next Board meeting on the extent to which the Quarterly Monitoring Report to Treasury and other EQC performance data might be made available in the public forum.</p>	<ul style="list-style-type: none"> <li>Management to provide advice to the next Board meeting on the extent to which the Quarterly Monitoring Report to Treasury and other EQC performance data might be made available in the public domain.</li> </ul>	<b>22.6.15</b>
	<p>Bryan Dunne left the meeting at 12.53 pm.</p>		
<b>7.2</b>	<p><b>2015/2016 Business Planning update</b></p> <p>The Board:</p> <p>a) Noted the key themes highlighted in this paper from the initial business planning work.</p> <p>b) Noted that the Board will be requested to approve the Canterbury CHE budget at the June Board meeting.</p> <p>c) Noted the current status of the planning process and that as identified in the Next steps section of this paper, over the next month a review and challenge process will be undertaken with each business unit which will Interrogate the validity of the numbers and ensure alignment across EQC of planned activities.</p> <p>d) Encourages Management to continue with a clear focus to ensure the delivery of a resolution for the diminishing number of clients.</p>		
	<p>Jeremy Ford entered the meeting at 1.10pm.</p>		
<b>8.</b>	<b>CHIEF EXECUTIVE REPORT</b>		
<b>8.</b>	<p><b>Chief Executive's Report</b></p> <p>The Board:</p> <p>a) Noted the report.</p> <p>b) Provided an update on the recent Reinsurance renewal market meetings undertaken in Sydney, Singapore, New York, London and Europe.</p>	<ul style="list-style-type: none"> <li>Management to provide an update by email to all Board members on the status of the Reinsurance renewal programme.</li> </ul>	<b>19.5.15</b>

<p><b>8.1</b></p>	<p><b>EQC Submission on 'Parliament's Legislative Response to Future National Emergencies'.</b></p> <p>The Board:</p> <ul style="list-style-type: none"> <li>a) Noted the draft submission appended to this paper.</li> <li>b) Agreed to provide feedback on the draft submission to Bryan Dunne by 5pm on Monday 25 May 2015.</li> <li>c) Authorised the Board Chair to sign and send the submission when it has been finalised.</li> </ul>		
	<p><i>Jeremy Ford left the meeting at 1.34 pm.</i></p> <p><i>Gail Kettle, Neil Hoskin and Shane Collins entered the meeting at 1.36pm.</i></p>		
<p><b>8.1</b></p>	<p><b>Business Performance Report</b></p> <p>The Board:</p> <ul style="list-style-type: none"> <li>a) Discussed and noted the financial reports for the month ended 30 April 2015.</li> </ul>		
<p>9(2)(a)</p>	<p>██████████ left the meeting at 1.50 pm</p>		
<p><b>8.2</b></p>	<p><b>Complete Canterbury Response (CCR) Report</b></p> <p>The Board:</p> <ul style="list-style-type: none"> <li>a) Noted the dashboard and progress towards completing the Canterbury Response.</li> <li>b) Noted that under 'Properties with Managed Repairs' a number of the target dates are under revision awaiting the variation to the EQR Agreement and business planning discussions.</li> </ul>	<ul style="list-style-type: none"> <li>• Management to include totals on the dashboard where not currently provided.</li> </ul>	<p><b>22.6.15</b></p>
	<p><i>Shane Collins left the meeting at 2.11 pm.</i></p>		
<p><b>8.3</b></p>	<p><b>EQR Contract</b></p> <p>In accordance with the decision taken at the last Board meeting and following consultation with Commissioners Black, Taylor and Smith, the Chairman signed the Variation to the PMO Services Agreement between EQC, Fletcher Construction Company (FCC) and Fletcher Building Limited.</p>		





	i) Approved the requested changes to the 'Ability to refer claims files to the Police' delegation (point 24).		
9.4	<p><b>Minutes</b></p> <p>The Board:</p> <p>a) Confirmed the minutes (subject to amendments of the action items under Item 11.1) of the Board Meeting held on 20 April 2015 as a true and accurate record.</p>	<ul style="list-style-type: none"> <li>Board Executive to update minutes and clarify action items as they relate to the letters required under Item 11.1.</li> </ul>	
10.	<b>INFORMATION ITEMS</b>		
10.1	<p><b>Board Committee updates</b></p> <p>The Chair of the Enterprise Business Technology (EBT) Committee provided a brief overview of key discussion points at the EBT meeting held on 4 May 2015.</p>		
10.2	<p><b>General Business and Items of Interest</b></p> <p>The Chair discussed the Seismic Digital Archive that has been established and invited Management to investigate how EQC could be involved in making a submission.</p>	<ul style="list-style-type: none"> <li>Management to provide a proposal outlining the content of an EQC submission to the Seismic Digital Archive to the June Board meeting.</li> </ul>	22.6.15
9(2)(a)	<p><b>Review and Close Of Meeting</b></p> <p><i>Ian Simpson, Gillian Dudgeon, Gail Kettle, Jeff Galt and [REDACTED] left the meeting at 2.45 pm. The Board went into Private Session.</i></p>		
	<p>The next Board meeting will be on <b>Monday 22 June 2015 in Wellington.</b></p> <p>The Meeting closed at 3.00 pm.</p> <p>These minutes were approved by the Board as a true and correct record.</p> <p>_____ Sir Maarten Wevers</p> <p>_____ Date</p>		

NOTE: SOME CONTENTS OF THESE MINUTES ARE SUBJECT TO LEGAL PRIVILEGE.



**MINUTES OF THE MEETING OF  
THE BOARD OF THE EARTHQUAKE COMMISSION  
Held in the Majestic Centre Board Room  
Level 20, 100 Willis Street, Wellington  
Monday 22 June 2015 at 9.00am**

**Present:**

Sir Maarten Wevers (Chair)  
Keith Taylor (Deputy Chair)  
Russell Black  
Gordon Smith  
Paul Kiesanowski  
Mary Jane Daly  
Alison O'Connell

**In attendance:**

Ian Simpson (Chief Executive)  
Bryan Dunne (General Manager, Strategy and Transformation) – part meeting  
– part meeting  
9(2)(a) [redacted] (Principal Advisor, Office of the CE) – part meeting  
[redacted] (Senior Project Manager) – part meeting  
Neil Hoskin (Acting General Manager Project Portfolio Management) – part meeting  
Heather Stewart (General Manager Organisational Development) – part meeting  
Ailson Murphy (Health and Safety Manager) – part meeting  
Chris Chainey (Financial Controller) – part meeting  
Gillian Dudgeon (General Manager Shared Services)  
Gall Kettle (General Manager Customer and Claims) – part meeting  
Jeff Galt (General Manager Governance) – part meeting  
Tom Dibley (Manager Office of the Chief Executive) – part meeting  
Keith Land (Manager Land) – part meeting  
9(2)(a) [redacted] (Senior Policy Analyst) – part meeting  
Hugh Cowan, (General Manager Reinsurance, Research and Education) – part meeting  
Jeremy Ford (Chief Legal Advisor) – part meeting  
Jane Thomassen (Manager Risk) – part meeting  
9(2)(a) [redacted] (Chapman Tripp) – part meeting  
[redacted] (PriceWaterhouse Coopers) – part meeting  
9(2)(a) [redacted] (Deloitte) – part meeting  
9(2)(a) [redacted] (Melville Jessup Weaver) – part meeting  
9(2)(a) [redacted] (KPMG) – part meeting  
[redacted] (Minutes) – part meeting

**Apologies:**  
Roger Bell

The meeting was declared open at 9.00 am.

	AGENDA ITEMS & KEY DISCUSSION POINTS	ACTIONS REQUIRED	DUE DATE
	The Board had a private session. Ian Simpson joined the meeting at 9.45 am. Heather Stewart, Alison Murphy and [redacted] joined the meeting at 9.57 am 9(2)(a)		

1.	<p><b>Present and Apologies.</b></p> <p>The Chair recorded apologies from Roger Bell.</p>		
2.	<p><b>Interests Registers: Declaration of Conflicts of Interest</b></p> <p>The Board noted that there were no conflicts of interest advised for matters on the agenda for the meeting.</p>		
3.	<p><b>Matters arising and Action Items</b></p> <p>The Board:</p> <p>a) Discussed the matters arising noting the status of each item and provided updates where appropriate.</p> <p>b) Requested Management amend B206 to reflect the Board's initial request that advice should be provided to the Board on how the \$2m GNS infrastructure funding will be applied before the spend, rather than after the fact as provided for in the CE Report contained within the June Board papers.</p>	<ul style="list-style-type: none"> <li>• Management to amend B206 to reflect the Board's initial request that advice should be provided to the Board on how the \$2m GNS infrastructure funding will be applied before it is spent and to ensure the spend does not create on-going future funding obligations.</li> </ul>	27.7.15
4.	<p><b>HEALTH AND SAFETY REPORTS</b></p>		
	<p><b>Health and Safety Report</b></p> <p>The Board:</p> <p>a) Noted the contents of the Health and Safety Report, including:</p> <ul style="list-style-type: none"> <li>○ EQC safety performance for the month of May, specifically the EQC injury data (lag and lead indicators) and associated key points relating to the data.</li> <li>○ Internal activities undertaken during the month of May to support our journey towards zero harm.</li> <li>○ Fletcher EQR safety performance across the Canterbury Home Repair Programme (CHRP) for May</li> </ul>		
	<p><b>CHRP Monitoring Paper</b></p> <p>The Board:</p> <p>a) Noted the details of the safe6 fatal risk CHRP site monitoring programme that is undertaken by EQC H&amp;S specialist Auditors.</p> <p>b) Noted the discussion points arising from the special HSBC meeting held on 22 May as a result of concerns raised at the previous HSBC meeting, and the proposed changes to future reporting.</p>	<ul style="list-style-type: none"> <li>• Management to reinforce with Fletcher EQR the continued importance of compliance with Health and Safety requirements, particularly for scaffolding and electrical.</li> <li>• Management to continue working closely with Fletcher with vigilant monitoring.</li> </ul>	23.6.15  23.6.15

	<p>c) Agreed that the format of quarterly CHRP monitoring report will be reviewed taking into account the discussion at the meeting.</p> <p>d) Noted the actions taken by EQC auditors when non-compliance is observed and the proposed changes to data collation (H &amp; S Monitoring Checklist: Attachment 1)</p> <p>e) Discussed the rate of compliance across the EQC safe6 fatal risk monitoring programme.</p> <p>f) Requested Management reinforces with Fletcher EQR the continued importance of compliance with Health and Safety requirements, particularly for scaffolding and electrical</p> <p>g) Invited Management to continue working closely with Fletcher EQR with vigilant monitoring.</p>		
	<p><b>Board Committee updates</b></p> <p>The General Manager Organisational Development and the Chair of the Health and Safety Board Committee provided a brief overview of key discussion points at the special HSBC meeting held on Wednesday 22 May 2015 and noted the report submitted for Board information.</p>		
	<p><i>Jeff Galt, Jane Thomassen and Jeremy Ford entered the meeting and Alison Murphy left the meeting at 10.25am.</i></p>		
	<p><b>Copy of MSD Security Review paper</b></p> <p>The Board noted the contents of the Summary Report and proposed MSD objectives attached including:</p> <p>a) Recommendations made following the Ashburton Event in 2014;</p> <p>b) EQC's equivalency in relation to each of the Objectives listed;</p> <p>c) Comments and actions undertaken as necessary to ensure EQC is aligned with best practice recommendations/ objectives as set out in the MSD Report.</p>	<ul style="list-style-type: none"> <li>• Management to report back to the next HSBC meeting, confirming all staff, who might be required or invited to engage with customers outside of the office, are appropriately trained ('Allsafe').</li> </ul>	<p><b>12.8.15</b></p>

	<p><b>Copy of Health and Safety Risk paper</b></p> <p>The Board:</p> <ul style="list-style-type: none"> <li>a) Noted the risk assessment presented and associated management actions.</li> <li>b) Noted that Management believe that they have taken all reasonable and practicable steps to mitigate Health and Safety risks within the current operating environment, but remain focused on continuous improvement as required.</li> <li>c) Accepted the high risks that EQC will continue to face while operating in the Canterbury environment, especially around scaffolding, heights and electrical.</li> </ul>		
	<p><b>Draft 'Lessons Learned' (Worksafe) paper</b></p> <p>The Board:</p> <ul style="list-style-type: none"> <li>a) Noted the Health and Safety Board Committee requested a report to the Board on EQC's response to the legal proceedings filed in the District Court by Worksafe in 2014.</li> <li>b) Noted that EQC's Legal Team has identified a number of successful steps taken by EQC as well as some possible areas for improvement in the event of a future major business incident or investigation.</li> <li>c) Invited Management to consider whether the CEDAR review is being managed in accordance with the principles and practices of the Incident Management Plan.</li> </ul>	<ul style="list-style-type: none"> <li>• Management to consider whether the CEDAR review is being managed in accordance with the principles and practices of the Incident Management Plan and report to the July Board meeting.</li> </ul>	<p><b>27.7.15</b></p>
	<p><b>Asbestos Protocols</b></p> <p>The Board:</p> <ul style="list-style-type: none"> <li>a) Noted the content of the Asbestos Protocols that have been developed to manage customer queries in relation to CHRP retrospective asbestos repairs (i.e. those completed prior to the introduction of the Fletcher EQR Asbestos Guidelines, June 2013).</li> <li>b) Noted that the Health and Safety Board Committee (HSBC) have asked that the draft protocols are circulated to the EQC Board.</li> <li>c) Noted that stage 1 of this project is complete and that a senior Manager within Customer &amp; Claims will be identified to manage the implementation of Stages 2 and 3 of the graded response protocol (Hazard evaluation and risk assessment, and testing).</li> <li>d) Noted that the group established to deal with Asbestos issues (DART) is already underway.</li> </ul>		

	<p>The Chairman noted that this is Heather Stewart's last Board meeting and thanked her for her valued contribution to the EQC.</p> <p><i>Heather Stewart, Jane Thomassen and Jeremy Ford left the meeting at 10.40 am.</i></p> <p><i>The meeting adjourned for morning tea and reconvened at 10.45 am.</i></p> <p style="text-align: center;">9(2)(a)</p> <p><i>Gail Kettle, Keith Land, [REDACTED] joined the meeting at 10.45 am.</i></p>		
<p>5.</p>	<p><b>Increased Liquefaction Vulnerability (ILV) Report</b></p> <p>The Board:</p> <ul style="list-style-type: none"> <li>a) Noted that the Board have received a series of papers on the settlement of ILV land claims since 2014 and have indicated that it expects the approach adopted to be anchored in the framework established by the IFV Declaratory Judgment decision.</li> <li>b) Noted that this paper recommends in principle policy decisions for the Board to take on the establishment of an ILV settlement approach. This will allow Management to progress the operationalisation of the policy ahead of final methodologies and policy being adopted by the Board in August 2015.</li> <li>c) Noted that repair techniques are available for situations where the property is being demolished or moved temporarily as a result of damage sustained during the earthquake sequence. For properties where the house is remaining in place then Management considers there is not a practical repair that a person is likely to undertake and DOV is the most appropriate form of settlement.</li> <li>d) Noted EQC's valuation advisors are finalising a DOV methodology which is driven by the hedonic modelling undertaken by Auckland University alongside further analysis by Tonkin &amp; Taylor explaining the practical implications for a property of its increased vulnerability to liquefaction in a future event.</li> <li>e) Noted the ILV engineering methodology has substantially evolved since the Board adopted initial thresholds in late 2012. A process is underway to document this in a final engineering methodology report and obtain a full peer review. This will be completed by the end of July.</li> </ul>	<ul style="list-style-type: none"> <li>• Management to ensure the 'in principle' policy decisions agreed to today are communicated with the Mayor and Council of Christchurch City and other stakeholders prior to public release.</li> </ul>	<p>23.6.15</p>

	<p>f) Noted in recommending an ILV settlement approach, Management having focused on the following key factors:</p> <ul style="list-style-type: none"> <li>i. EQC's general preference to settle claims based on cost of repair where this practical and a customer is likely to carry it out.</li> <li>ii. Ensuring any framework adheres to and is anchored in the declaratory judgment decision.</li> <li>iii. Having a clear and transparent approach which can be effectively communicated.</li> </ul> <p>g) Agreed in principle, subject to the final engineering and valuation methodologies, that the policy approach to settling ILV claims contained in the draft ILV Policy Statement (Appendix A) be adopted. The key elements of this are:</p> <ul style="list-style-type: none"> <li>i. Where it can be established that a dwelling is being or has been demolished or will be moved to effect repairs to the dwelling, EQC will generally settle with the customer based on the cost of repair to the land.</li> <li>ii. Where a property is settled on the basis of cost of repair, EQC will calculate this based on a repair to the building footprint and the halo area required by the MBIE guidance, together with any DOV for the remaining insured land outside of the halo area.</li> <li>iii. Where a dwelling is not otherwise being moved to effect repair, settlement will be based on DOV unless a customer can demonstrate that they will undertake a repair.</li> <li>iv. In situations where it is not clear that a property is being demolished or a decision has not been made yet on the future of the dwelling, the settlement will be based on DOV. If it can be subsequently demonstrated a property will be moved to effect a repair of the land then EQC may 'top-up' the settlement to repair.</li> <li>v. Where the property has been sold, the claim will be settled based on DOV.</li> </ul> <p>h) Noted these in principle decisions will likely provide a settlement pathway for 90-95% of the ILV properties but that some residual properties will still require some more bespoke settlement approaches to be developed.</p>		
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	<p>i) Noted following these decisions, Management will set about operationalising ILV settlements in parallel to the work to finalise the assessment methodologies and Policy Statement. The following key actions will be undertaken before the August 2015 Board meeting:</p> <ul style="list-style-type: none"> <li>i. Finalise the ILV policy and methodologies, including peer review for adoption by the Board in August 2015.</li> <li>ii. Develop internal settlement processes required to begin ILV settlements.</li> <li>iii. Establish settlement approach for the remaining properties.</li> <li>iv. Communicate with key stakeholders about the Board's 'in principle' decisions such as the Minister, ICNZ, community groups, and Christchurch City Council.</li> </ul> <p>j) Noted a stakeholder engagement and customer communications plan is being developed that draws on the approach established for IFV and the lessons learnt.</p> <p>k) Noted the adoption of this settlement approach will have to take account of the resolution of certain legal issues and will have implications for engagement with private insurers, settlement of properties with both IFV and ILV, and the settlement of the Red Zone portfolio with CERA. Aspects of this may need to be referred back to the Board for decisions.</p>		
	<p style="text-align: center;">9(2)(a)</p> <p><i>Keith Land, [redacted] left the meeting and Hugh Cowan, and representatives from Melville Jessup Weaver and Deloitte joined the meeting at 11.35 am.</i></p>		
<p><b>6.</b></p>	<p><b>Insurance Liability Valuation Report (ILVR)</b></p> <p>MJW distributed a discussion note outlining the ILVR modelling approach noting:</p> <ul style="list-style-type: none"> <li>a) Developments since 31 December 2014 on Building and Land models and CHE</li> <li>b) Estimated Gross ultimate claims costs</li> <li>c) Intentions for 30 June 2015 for land modelling revision and loss run reporting reconciliation.</li> </ul>	<ul style="list-style-type: none"> <li>• Management to bring the revised ILVR to the July Board meeting which includes details on: <ul style="list-style-type: none"> <li>○ Impact of the 'in principle' policy decision on ILV;</li> <li>○ Deterministic scenario based risk assessments for both building and land.</li> </ul> </li> </ul>	<p><b>27.7.15</b></p>
	<p><i>Representatives from Melville Jessup Weaver and Deloitte left the meeting at 12.00 pm. The Board adjourned for lunch at 12.00 pm and reconvened at 12.30 pm. Gillian Dudgeon, Bryan Dunne, [redacted] and [redacted] joined the meeting at 12.30 pm. 9(2)(a)</i></p>	<p style="text-align: center;">9(2)(a)</p>	

7.	<b>STRATEGY AND TRANSFORMATION</b>		
7.1	<p><b>Board Strategy</b></p> <p>The Board:</p> <ul style="list-style-type: none"> <li>a) Discussed the draft Mission statement, Vision statement and three strategic outcomes and agreed amendments to the draft.</li> <li>b) Agreed that EQC should engage with shareholding Ministers in support of Strategic Outcome One and sought early advice from Management on the level of financial resources considered sufficient or prudent, as a basis for engaging with Shareholder Ministers.</li> <li>c) Sought advice from Management on how to give effect to the natural hazard risk reduction leadership role for EQC.</li> <li>d) Invited Management to bring the finalised Mission statement, Vision statement and strategic outcomes for formal approval at the July Board meeting following which internal communications to staff will be undertaken.</li> <li>e) Noted the approved finalised Mission, Vision and strategic outcomes statement will enable a revised Statement of Intent to be drafted and presented to the Minister, subject to Board's final agreement.</li> </ul>	<ul style="list-style-type: none"> <li>• Management to provide advice to the Board on sustainable size for the NDF and the basis for that determination.</li> <li>• Management to provide advice to the Board on how to give effect to the natural hazard risk reduction leadership role for EQC.</li> <li>• Management to bring a finalised Mission statement, Vision statement and strategic outcomes for formal approval at the July Board meeting following which internal communications to staff will be undertaken.</li> <li>• Management to prepare a revised Statement of Intent to be presented to the Minister subject to Board's final agreement.</li> </ul>	<p>TBC</p> <p>TBC</p> <p>27.7.15</p> <p>TBC</p>
	<p style="text-align: center;">9(2)(a)</p> <p><i>Bryan Dunne, [REDACTED] left the meeting and Tom Dibley joined the meeting at 2.04 pm.</i></p>		
7.2	<p><b>Statement of Performance Expectations</b></p> <p>The Board:</p> <ul style="list-style-type: none"> <li>a) Noted that at the April 2015 meeting the Board approved the SPE measures and consultation with the Minister</li> <li>b) Noted that the Minister has indicated that he has no specific comments on the measures</li> <li>c) Noted that the final SPE included with this paper contains all targets for the measures approved by the Board in April 2015 and, reflects the comments from Treasury and EQC's Auditors</li> <li>d) Noted the timetable for providing a final SPE to the Minister and publication; and</li> <li>e) Approved the final SPE for signing and publication.</li> </ul>		
	<p><i>Tom Dibley left the meeting at 2.18 pm.</i></p>		

<b>8.</b>	<b>REINSURANCE RESEARCH AND EDUCATION</b>		
<b>8.1</b>	<p><b>Reinsurance Programme Market update</b></p> <p>The Board:</p> <p>a) Noted that EQC's reinsurance programme has been renewed for a further 12 months, within Firm Order budget and with completion and contract certainty achieved prior to inception.</p> <p>b) Noted that EQC has the option within budget to re-open marketing in order to increase the placement further on Layer 5.</p> <p>c) Resolved not to re-open the placement, given full placement of the core programme had been accomplished together with an increase of Layer 5 capacity.</p>	<ul style="list-style-type: none"> <li>• Management to include in future Market updates, a list of all participants and a diagrammatic view of the programme placements.</li> </ul>	<b>27.7.15</b>
	<p><i>Hugh Cowan left the meeting and Chris Chainey joined the meeting at 2.27 pm.</i></p>		
<b>9.</b>	<b>CORE FOUNDATIONS</b>		
<b>9.1</b>	<p><b>Business planning Update and CHE/Capex Budget approvals</b></p> <p>The Board:</p> <p>a) Noted the current status of the business planning process as detailed in this paper.</p> <p>b) Noted the rationale for consideration by the Board of the following two papers:</p> <ul style="list-style-type: none"> <li>• Finalised Canterbury CHE budget</li> <li>• 2015/2016 Capital Budget approval</li> </ul> <p>c) Noted that Management will provide the finalised Canterbury CHE budget estimate to the July Board meeting.</p> <p>d) Approved the initial proposed 2016 Canterbury CHE budget estimate enabling it to be reported on from July 2015.</p> <p>e) Noted the next step of continued business planning to include further planning for risks; this may result in increased budget being required.</p> <p>f) Invited Management to monitor contract expenses for Tonkin and Taylor and Chapman Tripp.</p> <p>g) Noted the Project Portfolio for 2015-19 to support EQC's Business plan.</p> <p>h) Approved total capital funding of \$20.9m for the 2015/16 financial year.</p> <p>i) Requested Management continue all efforts to ensure close control in all areas of the Commission's activities particularly with concern to the effective completion of Canterbury claims.</p>	<ul style="list-style-type: none"> <li>• Management to provide the finalised Canterbury CHE budget to the July Board meeting.</li> </ul>	<b>27.7.15</b>

9(2)(a)	<p>Chris Chainey left the meeting and Neil Hoskin, [redacted] and representatives from KPMG joined the meeting at 3.26 pm.</p>		
9.2	<p><b>Project Management Governance Review</b></p> <p>The Board:</p> <p>a) Noted the KPMG review and associated appendix which summarises a fit-for-purpose Project Governance Framework consistent with other government agencies.</p> <p>b) Noted the EQC response and plan for 2015/16 in the appendix which outlines a focus on benefits management and stakeholder management.</p>		
	<p>Neil Hoskin, [redacted] and representatives from KPMG left the meeting at 3.37 pm. Chris Chainey joined the meeting at 3.40 pm. Jeremy Ford joined the meeting at 3.50 pm.</p>		
10.	<p><b>CHIEF EXECUTIVE REPORT</b></p>		
	<p><b>Chief Executive's Report</b></p> <p>The Board:</p> <p>a) Noted and discussed the report.</p>	<ul style="list-style-type: none"> <li>Management to circulate to the Board by email, the GNS summary page as referred to by GM Shared Services.</li> </ul>	23.6.15
	<p>Jeremy Ford left the meeting at 4.08 pm.</p>		
10.1	<p><b>Business Performance Report</b></p> <p>The Board:</p> <p>a) Noted and discussed the report.</p>		
	<p>Chris Chainey left the meeting at 4.12 pm.</p>		
10.2	<p><b>Complete Canterbury Response (CCR) Report</b></p> <p>The Board:</p> <p>a) Noted the dashboard and reported progress towards completing the Canterbury Response.</p> <p>b) Noted that due to technical issues the land data has not be updated. A fix has been identified and will be implemented for the July Board meeting.</p> <p>c) Noted that target dates for completion will be updated on finalisation of the Business Plan.</p> <p>d) Noted that work is underway to review the work streams against which we report and monitor claim settlement progress. This is required due to the impact of the revised EQC/EQR contract settings and as a result of more detailed planning analysis of the remaining claims.</p>		

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<b>11.</b>	<b>OTHER BUSINESS</b>		
<b>11.1</b>	<p><b>Minutes</b></p> <p>The Board:</p> <p>a) Confirmed the minutes (subject to minor amendments) of the Board Meeting held on 18 May 2015 as a true and accurate record.</p>		
<b>12.</b>	<b>INFORMATION ITEMS</b>		
<b>12.1</b>	<p><b>Board Committee updates</b></p> <p>The Chair of the Audit and Risk Committee provided a brief overview of key discussion points at the ARC meeting held on Wednesday 17 June 2015 and confirmed the draft minutes will be distributed by email to the Board for their information.</p>	<ul style="list-style-type: none"> <li>• Board Executive to distribute to the Board, a copy of the draft ARC minutes once approved by Chair of ARC.</li> </ul>	<b>23.6.15</b>
<b>12.2</b>	<p><b>General Business and Items of Interest</b></p> <p>The Board:</p> <p>a) Noted the correspondence of interest provided:</p> <ul style="list-style-type: none"> <li>o Shareholder Expectations letter</li> <li>o ICNZ Letter to Minister Brownlee</li> </ul> <p>b) Confirmed the recommendations previously agreed to (by distribution) for the changes to current Lease Agreements for 8 Willis Street namely:</p> <ul style="list-style-type: none"> <li>o Noted the contents of this paper which details the renegotiation of the leases for 8 Willis Street</li> <li>o Authorised the Chairman to execute related lease documents</li> </ul> <p>c) Noted the revised Governance Manual for inclusion in future Induction materials.</p> <p>d) Agreed to provide feedback on proposed amendments to the Office of the Chief Executive where required.</p>	<ul style="list-style-type: none"> <li>• Management to arrange for a stakeholder discussion with the newly appointed GM Communications People and Education (CPE) at the July Board meeting in Christchurch.</li> </ul>	<b>27.7.15</b>
	<p><b>Review and Close Of Meeting</b></p> <p><i>Ian Simpson, Jeff Galt, Gail Kettle, Gillian Dudgeon and [REDACTED] left the meeting at 4.36pm.</i></p> <p><u>9(2)(a)</u></p> <p><i>The Board went into Private Session.</i></p>		

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	<p>The next Board meeting will be on <b>Monday 27 July 2015 in Christchurch.</b></p> <p>The Meeting closed at 4.50 pm.</p> <p>These minutes were approved by the Board as a true and correct record.</p> <p>_____ Sir Maarten Wevers</p> <p>_____ Date</p>		
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**MINUTES OF THE MEETING OF  
THE BOARD OF THE EARTHQUAKE COMMISSION  
Held in the Pukeko Room  
EQC Offices, 53 Princess Street, Christchurch  
Monday 27 July 2015 at 9.00am**

**Present:**

Sir Maarten Wevers (Chair)  
Keith Taylor (Deputy Chair)  
Russell Black  
Gordon Smith  
Roger Bell  
Paul Kiesanowski  
Mary Jane Daly  
Alison O'Connell

**In attendance:**

Ian Simpson (Chief Executive)  
Bryan Dunne (General Manager, Strategy and Transformation)  
– part meeting  
Lynda Jelbert (General Manager People and Capability)– part  
meeting  
Suzanne Carter (General Manager Communications and Public  
Education) – part meeting  
Linda Smith (Chief Information Officer) – part meeting  
Chris Chainey (Financial Controller ) – part meeting  
Gillian Dudgeon (General Manager Shared Services  
Jane Thomassen (Manager Risk and Assurance) – part meeting  
Gail Kettle (General Manager Customer and Claims) – part  
meeting  
Jeff Galt (General Manager Governance)

**Apologies:**

9(2)(a) [REDACTED] (Deloitte) –  
part meeting  
9(2)(a) [REDACTED] (Melville Jessup Weaver) – part  
meeting  
9(2)(a) [REDACTED] (Minutes) – part meeting

The meeting was declared open at 9.00 am.

	AGENDA ITEMS & KEY DISCUSSION POINTS	ACTIONS REQUIRED	DUE DATE
	<p><i>The Board had a private session.</i></p> <p><i>Ian Simpson and Jeff Galt joined the meeting at 9.15 am.</i></p> <p><i>Lynda Jelbert and 9(2)(a) [REDACTED] joined the meeting at 9.48 am</i></p>		
1.	<p><b>Present and Apologies.</b></p> <p>There were no apologies to record.</p>		
2.	<p><b>Interests Register/Declaration of Conflicts of Interest</b></p> <p>The Board noted that there were no conflicts of interest advised for matters on the agenda for the meeting.</p>		



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3.	<p><b>Matters arising and Action Items</b></p> <p>The Board:</p> <p>a) Discussed the matters arising noting the status of each item and providing updates where appropriate.</p>		
4.			
	<p><b>Health and Safety Report</b></p> <p>The Board:</p> <p>a) Noted the contents of the Health and Safety Report, including:</p> <ul style="list-style-type: none"> <li>• EQC safety performance for the month of June, specifically the EQC Injury data (lag and lead indicators) and associated key points relating to the data.</li> <li>• Internal activities undertaken during the month of June to support our journey towards zero harm.</li> <li>• Fletcher EQR safety performance across the Canterbury Home Repair Programme (CHRP) for June.</li> <li>• Summary of EQC safety performance for the 2014-20145FY</li> </ul>		
	<p><i>Lynda Jelbert left the meeting and Gail Kettle joined the meeting at 10.00 am</i></p>		
5.	<p><b>STRATEGY AND TRANSFORMATION</b></p>		
	<p><i>Bryan Dunne, Gillian Dudgeon and Jane Thomassen joined the meeting at 10.11 am.</i></p>		
5.1	<p><b>EQC's Mission, Vision and Strategic Outcomes</b></p> <p>The Board:</p> <p>a) Noted that at its 22 June 2015 meeting the Board discussed and proposed amendments to the draft Mission statement, Vision statement and strategic outcomes.</p> <p>b) Noted that Management were requested to finalise the Mission, Vision and strategic outcome statements and present these for formal approval at the July Board meeting, following which internal communications to staff will be undertaken.</p> <p>c) Approved the attached Mission statement, Vision statement and strategic outcome statements (as amended).</p> <p>d) Noted that the Minister shall be advised.</p>	<ul style="list-style-type: none"> <li>• Management to advise the Minister of the new Mission, Vision and Strategic Outcomes statement.</li> <li>• Management to ensure that the Annual report for the 2014/15 year reflects the confirmed Vision Statement.</li> <li>• Management to report back to the October Board on how Management will give effect to this Statement as it relates to the Work Programme.</li> </ul>	<p>30.7.15</p> <p>30.7.15</p> <p>19.10.15</p>

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	<p>e) Noted that the Annual report for the 2014/15 year will reflect the confirmed Vision Statement.</p> <p>f) Noted Management will report back in October on how Management will give effect to this Statement as It relates to the Work Programme.</p>		
<b>5.2</b>	<p><b>Strategic Risk Discussion</b></p> <p>The Board:</p> <p>a) Noted the risks identified to date by the ELT.</p> <p>b) Noted the new risk assessment model which will be subject to further discussion with the Board as part of the annual review of the Risk Management Policy and Framework.</p> <p>c) Discussed the areas of risk presented by Management, to identify other key Strategic Risks for consideration.</p> <p>d) Agreed that Management should revise the draft Strategic Risk assessment in light of the discussion and present back to the December ARC meeting.</p> <p>e) Agreed that a Strategic Risk Discussion be programmed annually in the Board programme.</p>	<ul style="list-style-type: none"> <li>• Board Executive to include Strategic Risk Discussion on Annual Board Work Programme for 2016.</li> <li>• Management to present the revised draft Strategic Risk assessment document to the December ARC.</li> </ul>	<p><b>27.7.15</b></p> <p><b>9.12.15</b></p>
<b>5.3</b>	<p><b>Privacy Maturity Assessment and Programme</b></p> <p>The Board:</p> <p>a) Noted KPMG were engaged to undertake an assessment of EQC's privacy maturity against the all-of-Government Privacy Maturity Assessment Framework;</p> <p>b) Noted that the review found EQC's maturity had increased from "ad hoc" to a "developing" level and made recommendations for improving privacy maturity levels.</p> <p>c) Noted the Board requested Management report back mid-2015 outlining the implications of efforts to reach the "embedded" maturity level, rather than the "defined" level set in the Privacy Strategy;</p> <p>d) Noted KPMG considered a target level of "embedded" was "ambitious" and the level of "defined" set in the Privacy Strategy is more achievable;</p> <p>e) Noted the recommendations made by KPMG (refer report attached), indicate that EQC should focus on four areas in order to improve its privacy maturity:</p> <ul style="list-style-type: none"> <li>• Defining EQC's appetite or tolerance for privacy-related risks;</li> <li>• Proactive communication on privacy best practice and 'lessons learned' from incidents;</li> </ul>	<ul style="list-style-type: none"> <li>• Management to report annually to the Board on the performance of the Commission in relation to the Roadmap noting that progress reports are included in the quarterly Compliance report provided to ARC.</li> </ul>	<b>30.7.15</b>

	<ul style="list-style-type: none"> <li>• Incorporating privacy/information management practices into accountability frameworks, performance management processes, and performance measures reporting;</li> <li>• An emphasis on Privacy by Design (PbD) by raising awareness and understanding of PbD principles, and expanding the use of tools to achieve PbD (e.g. Privacy Threshold Assessments, Privacy Impact Assessments) into business improvement and change management practices;</li> </ul> <p>f) Agreed "defined" is a more achievable maturity target by June 2016, recognising resourcing levels required to drive a higher target at this time;</p> <p>g) Noted KPMG concluded that implementing the initiatives within the Roadmap will allow a practical means of enhancing overall privacy maturity.</p> <p>h) Noted Management will continue to implement the initiatives in the privacy roadmap, prioritising those areas identified by KPMG where appropriate, to attain a "defined" maturity level.</p> <p>i) Invited Management to report annually to the Board on the performance of the Commission in relation to the Roadmap noting that progress reports are included in the quarterly Compliance report provided to ARC.</p>		
	<p><i>Jane Thomassen left the meeting and Chris Chainey joined the meeting at 11.00 am.</i></p>		
<p>5.4</p>	<p><b>CHE/Business Plans and BAU Budget</b></p> <p>The Board:</p> <p>a) Noted assumptions (Appendix 1), priorities (Appendix 2) and business drivers (paragraph 14) that have been developed to support the 2015/16 business plan and forward view and the development of forecast completion dates.</p> <p>b) Noted that, additional and detailed claims processing and headcount analysis has been undertaken (for all claims categories)</p> <p>c) Noted that the analysis undertaken has been tested and validated through the use of a model that has been independently reviewed by PwC</p> <p>d) Noted the forecast completion dates (Appendix 3) and headcount (Appendix 4) that result from the forecast model.</p> <p>e) Noted that the baseline forecast represents a conservative forecast that:</p>	<ul style="list-style-type: none"> <li>• Management to report to the October Board meeting with a revised budget figure.</li> <li>• Management to report to the September Board meeting with specific steps that can be taken to accelerate the current rate of completion and provide advice on costs per claim.</li> </ul>	<p>19.10.15</p> <p>21.9.15</p>

	<ul style="list-style-type: none"> <li>• Takes account of recent trends in processing volumes, capacity, capability and contracts with external suppliers; and</li> <li>• Is a prudent view of the challenges and uncertainties associated with new categories of claims (i.e. land)</li> <li>• Does not assume any process efficiency gains through new ways of working</li> <li>• Assumes that EQC will be able to recruit to address attrition but will not be able to materially increase headcount levels (without significantly impacting on costs per FTE).</li> <li>• Assumed that current staff contracts can be extended where required.</li> </ul> <p>f) Noted that the most pressing issue for ELT to address in relation to the forecast completion of customer facing activities in Canterbury is the retention of staffing levels.</p> <p>g) Approved the extension of FTE contracts to June 2016 as detailed on page 18, Appendix 5 up to a dollar limit of \$3m, noting that Management is required to come back to the Board with a revised budget figure by October 2015.</p> <p>h) Noted the indicative lifetime CHE range provided to EQC's Actuaries and outlined in the draft ILVR report provided to the July 2015 Board meeting.</p> <p>i) Invited Management to come back with specific steps that can be taken to accelerate the current rate of completion and provide advice on costs per claim.</p> <p>j) Noted the Board encourages Management to pursue actively the early and successful completion of the claims process within the bounds of the law and make appropriate tradeoffs for retention and recruitment of staff that are crucial to deliver this.</p> <p><b>BAU Budget</b></p> <p>The Board:</p> <p>a) Noted the draft Non-Canterbury operating expense forecast and the next steps for the HYEPU Treasury submission.</p> <p>b) Noted that the final Non-Canterbury operating expense forecast will be provided to the Board for approval no later than 21 September 2015.</p> <p>c) Noted that the HYEPU Treasury submission will be presented to the Board for approval at the 21 September 2015 meeting.</p>		
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	<p><i>Bryan Dunne left the meeting at 12.00 pm</i></p> <p><i>The Board broke for lunch at 12.00 pm</i></p> <p><i>Members of the Customer Advocacy Group (CAG) were in attendance for lunch.</i></p> <p><i>The Board reconvened at 1.03 pm</i></p> <p><i>Representatives from Deloitte and Melville Jessup Weaver joined the meeting at 1.03 pm.</i></p>		
<b>6.</b>	<b>CUSTOMER/COMPLETING CANTERBURY</b>		
<b>6.1</b>	<p><b>30 June 2015 Actuarial Liability Valuation</b></p> <p>The Board:</p> <p>a) Received the Insurance Liability Valuation as at 30 June 2015. The outcome being a Gross Ultimate figure (including CHE) of \$11,152bn.</p> <p>b) Invited Melville Jessup Weaver and Management to finalise the report in light of comments made by the Board and submit the revised version to the ARC meeting set down for 12 August 2015.</p>	<ul style="list-style-type: none"> <li>Melville Jessup Weaver and Management to finalise the report in light of comments made by the Board and submit the revised version to the ARC meeting set down for 12 August 2015.</li> </ul>	<b>12.8.15</b>
	<p><i>Representatives from Deloitte left the meeting at 1.28 pm.</i></p> <p><i>Representatives from Melville Jessup Weaver left the meeting at 1.47 pm.</i></p> <p><i>Gillian Dudgeon and Chris Chainey left the meeting and Suzanne Carter joined the meeting at 1.47 pm.</i></p>		
<b>7.</b>	<b>CORE FOUNDATIONS</b>		
<b>7.1</b>	<p><b>Board Reporting for Communications and Public Education Activities</b></p> <p>The Board:</p> <p>a) Noted the information outlined as a discussion starter to agree future reporting to the Board to support the governance of the organisation.</p> <p>b) Agreed in principle the key areas of Board interest, to ensure reporting meets the need of the Board while ensuring scope for relevant updates of interest.</p> <p>c) Agreed frequency of the CPE Report is to remain quarterly.</p>		
	<p><i>Suzanne Carter left the meeting and Gillian Dudgeon and Linda Smith joined the meeting at 2.05 pm.</i></p>		

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<p><b>7.2</b></p>	<p><b>Information Systems Strategic Plan Quarterly Update</b></p> <p>The Board:</p> <ul style="list-style-type: none"> <li>a) Noted this quarterly update of progress against the 2013-2016 Information Systems Strategic Plan (ISSP).</li> <li>b) Noted the annual CMS disaster recovery test was successful in May.</li> <li>c) Noted ICT Assurance plan has been completed and delivered to Government Chief Information Officer (GCIO).</li> </ul>		
	<p><i>Linda Smith left the meeting and Chris Chainey joined the meeting at 2.12 pm.</i></p>		
<p><b>7.3</b></p>	<p><b>Delegations Framework update</b></p> <p>The Board:</p> <ul style="list-style-type: none"> <li>a) Approved the proposed changes to the Human Resource Delegations Framework (point 7 - table 1). This reflects the removal of the Establishment Management Panel (EMP).</li> <li>b) Noted the variation to processing of invoices required to be signed by the Chairman to reflect the need for a remote approval option.</li> <li>c) Approved wording clarification changes to Section 2.1: Claims Mediations and Alternative Dispute Resolution of the Corporate, Legal and Communications Delegations Framework to reflect that the delegated limits are per claim (point 13).</li> <li>d) Approved the proposed changes to the Corporate, Legal and Communications Delegations Framework, delegation number 4, "Police Referrals" to align with the updated EQC Fraud Policy approved by ELT on 4 May 2015 (point 17 – table 2).</li> <li>e) Approved a proposed delegation under the Corporate, Legal and Communications Delegations Framework authorising the exercise of the discretionary powers to formally decline a claim or part of a claim pursuant to Clause 3 of Schedule 3 of the Earthquake Commission Act 1993 (point 25 – table 3).</li> <li>f) Noted these delegations would become active on the approval of the paper, with the exception of the declining a claim delegation which would only become active upon the Chief Executive approving the declination policy.</li> </ul>		
	<p><i>Chris Chainey left the meeting and Jane Thomassen joined the meeting at 2.17pm.</i></p>		

<p><b>7.4</b></p>	<p><b>Quarterly Review of EQC's Risks</b></p> <p>The Board:</p> <ul style="list-style-type: none"> <li>a) Noted the risk review undertaken for the quarter ended 31 May 2015.</li> <li>b) Noted that updates on treatments reflect the status as at 31 May 2015 and only limited updates have been made to recognise feedback from the Audit &amp; Risk Committee on 17 June 2015.</li> <li>c) Accepted the risk assessments presented and associated Management actions.</li> <li>d) Noted that the Board will receive a copy of the key EQC Risks on an annual basis.</li> </ul>		
<p><b>7.5</b></p>	<p><b>Annual Review of Risk Policy and Framework</b></p> <p>The Board:</p> <ul style="list-style-type: none"> <li>a) Noted the contents of this paper.</li> <li>b) Noted that the Audit &amp; Risk Committee supported the proposed changes at their meeting on 17 June 2015.</li> <li>c) Approved changes to the Risk Management Policy to reflect the restructure of the Executive Leadership Team and EQC's values and the addition of relevant definitions.</li> <li>d) Approved the realignment of the Risk Management Framework to an Enterprise Risk model with improved clarity of the risk management cycle.</li> <li>e) Approved no changes to the Risk Evaluation and Management Matrix for the evaluation of EQC's key risks and associated Business Unit Risks.</li> <li>f) Delegated authority to the Audit &amp; Risk Committee to approve the use of alternative risk assessment models.</li> <li>g) Noted the current assessment of EQC's Risk Management Maturity model and the proposed review of the model used.</li> </ul>		
<p><b>8.</b></p>	<p><b>CHIEF EXECUTIVE REPORT</b></p>		
	<p><b>Chief Executive's Report</b></p> <p>The Board:</p> <ul style="list-style-type: none"> <li>a) Noted and discussed the report.</li> </ul>		
	<p><i>Chris Chainey joined the meeting at 2.56pm.</i></p>		





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10.	<b>INFORMATION ITEMS</b>		
	<p><b>Board Committee updates</b></p> <p>The Chair of the Audit and Risk Committee provided a brief overview of key discussion points at the ARC meeting held on Wednesday 17 June 2015.</p> <p>The Chair of the Enterprise Business Development Committee provided a brief overview of key discussion points at the EBT meeting held on Monday 20 July 2015.</p>		
	<p><b>General Business and Items of Interest</b></p> <p>The Board:</p> <p>a) Agreed that Management provide a Board Calendar for 2016 based on 9 meetings (excluding January, July and December) and provide to Chairs of Board/ARC and HSBC for comment and review.</p>		
	<p><b>Review and Close Of Meeting</b></p> <p><i>Ian Simpson, Gillian Dudgeon, Jeff Galt, Jane Thomassen, Gail Kettle and [REDACTED] left the meeting at 3.35 pm. 9(2)(a)</i></p> <p><i>The Board went into Private Session.</i></p>		
	<p>The next Board meeting will be on <b>Monday 17 August 2015 in Wellington.</b></p> <p>The Meeting closed 4.00 pm.</p> <p>These minutes were approved by the Board as a true and correct record.</p> <p>_____ Sir Maarten Wevers</p> <p>_____ Date</p>		

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**MINUTES OF THE MEETING OF  
THE BOARD OF THE EARTHQUAKE COMMISSION  
Held in the Akoranga Room  
EQC Offices, 53 Princess Street, Christchurch  
Monday 21 September 2015 at 9.00am**

**Present:**

Sir Maarten Wevers (Chair)  
Keith Taylor (Deputy Chair)  
Russell Black  
Gordon Smith  
Roger Bell  
Paul Klesanowski  
Mary Jane Daly  
Alison O'Connell

**In attendance:**

Ian Simpson (Chief Executive)  
Gillian Dudgeon (General Manager Shared Services)  
Jeff Galt (GM Governance) – part meeting  
Lynda Jelbert (GM People and Capability) – part meeting  
Richard Smith (Acting GM Reinsurance, Research & Education)  
– part meeting  
Chris Chainey (Financial Controller) – part meeting  
Gail Kettle (General Manager Customer and Claims) – part meeting  
Shane Collins (Transition Manager) – part meeting  
9(2)(a) (Senior Policy Analyst) – part meeting  
Keith Land (Head of Canterbury Land Settlement) – part meeting  
9(2)(a) (Manager, Investigations and Quality Assurance, CHRP) – part meeting  
9(2)(a) (Principal Advisor, Office of the CE) – part meeting  
Greg Kubala (Manager Customer Solutions) – part meeting  
Jayne Lapin (Head of Customer Services, Claims Processing) – part meeting  
9(2)(a) (Minutes)

**Apologies:**

The meeting was declared open at 9.00 am.

	AGENDA ITEMS & KEY DISCUSSION POINTS	ACTIONS REQUIRED	DUE DATE
	<p><i>The Board entered into a private session.</i></p> <p><i>Ian Simpson and Gillian Dudgeon joined the meeting at 9.20 am.</i></p> <p>9(2)(a) joined the meeting at 9.36 am</p>		
1.	<p><b>Present and Apologies.</b></p> <p>There were no apologies to record.</p>		
2.	<p><b>Interests Register/Declaration of Conflicts of Interest</b></p> <p>The Board noted that there were no changes of conflict to record, and no conflicts of interest advised for matters on the agenda for the meeting.</p>		

<b>3.</b>	<p><b>Matters arising and Action Items</b></p> <p>The Board:</p> <p>a) Discussed the matters arising noting the status of each item and providing updates where appropriate.</p> <p>b) Invited Management to provide a paper on the regular reporting model for how routine business is settled and how the Board can best be informed on the settlement progress of claims; this should include a benchmark comparison against other insurers.</p>	<ul style="list-style-type: none"> <li>• Management to provide a paper on the regular reporting model for how routine business is settled and how the Board can best be informed on the settlement progress of claims; this should include a benchmark comparison against other insurers.</li> </ul>	<p><b>19.10.15</b></p>
	<p><i>Jeff Galt and Lynda Jelbert joined the meeting at 9.45 am.</i></p>		
<b>4.</b>	<p><b>HEALTH AND SAFETY</b></p> <p><b>Health and Safety Report</b></p> <p>The Board:</p> <p>a) Noted the contents of the Health and Safety Report, including:</p> <ul style="list-style-type: none"> <li>• EQC H &amp; S performance for the month of August, specifically the EQC injury data (lag and lead indicators) and associated key points relating to the data;</li> <li>• Internal activities undertaken during the month of August to support our journey towards zero harm;</li> <li>• A summary of Fletcher EQR H &amp; S performance across the Canterbury Home Repair Programme (CHRP) for August 2015; and</li> <li>• Results of EQC's Healthy Heart and Influenza programmes.</li> </ul> <p>b) Discussed the inclusion of the results of the 'Healthy Heart Programme' and agreed that these should be provided to the Health and Safety Board Committee (HSBC) rather than in the Board Health and Safety Report. Also, the detailed information contained in the Board report on this occasion should be removed, and only information relating to the nature of wellness programmes, and participation by staff, should be reported.</p> <p>c) Invited the GM People and Capability to report to the HSBC on what Wellness programmes are in place and the effectiveness of these.</p> <p>The Chair of the Health and Safety Board Committee provided a brief overview of key discussion points at the HSBC meeting held on Wednesday 12 August 2015.</p>	<ul style="list-style-type: none"> <li>• Management to remove the detailed information contained in Appendix 1 around the results of the 'Healthy Heart Programme' and report only on the participation numbers.</li> <li>• Management to report to the HSBC on what Wellness programmes are in place and the effectiveness of these.</li> </ul>	<p><b>22.09.15</b></p> <p><b>18.11.15</b></p>

	<i>Lynda Jelbert left the meeting at 9.59 am.</i>		
	<b>Board Committee updates</b>  The Chair of the Audit and Risk Committee provided a brief overview of key discussion points at the ARC meeting held on Wednesday 12 August 2015.		
	<i>Richard Smith joined the meeting at 10.08 am.</i>		
<b>5.</b>	<b>RESEARCH AND EDUCATION</b>		
<b>5.1</b>	<b>Research and Education Strategy</b>  The Board: a) Noted and discussed the paper and provided feedback on Board expectations for content of the draft strategy, and its implementation plan	<ul style="list-style-type: none"> <li>Management to report back on the development of a research and education strategy, and implementation plan, including scoping business cases as needed.</li> </ul>	<b>23.11.15</b>
	<b>Built Environment Leadership Forum (BELF)</b>  Richard Smith provided a brief overview of subsequent actions that will be taken following the Built Environment Leadership Forum event that took place on 10 and 11 September 2015 in Wellington.  The Chairman expressed the Board's thanks to Richard Smith and [REDACTED] for their contribution to the success of the BELF, and to those Commissioners who were able to attend.		
<b>6.</b>	<b>CUSTOMERS/COMPLETING CANTERBURY</b>		
	<i>Richard Smith left the meeting and Gail Kettle, [REDACTED] and Keith Land joined the meeting at 11.00 am.</i>		
<b>6.1</b>	<b>Increased Liquefaction Vulnerability (ILV) Policy Paper</b>  The Board: a) Noted that at its meeting in June, the Board took in-principle decisions regarding the policy for settling ILV claims and asked Management to provide further advice on how the policy would be operationalised. b) Noted that the current paper takes forward the work for the Engineering and Diminution of Value (DOV) Methodologies which underpin the ILV Policy and that the Board is likely to be able to adopt these formally on or before its October	<ul style="list-style-type: none"> <li>Management to bring a copy of the Fact Sheet to the October Board meeting.</li> <li>Management to bring to the October Board meeting the engineering methodology and valuation policy for final approval.</li> </ul>	<b>19.10.15</b>  <b>19.10.15</b>

	<p>2015 meeting.</p> <p>c) Noted Management's advice that the Expert Valuation Panel met on 14 September 2015 and confirmed that the DOV Methodology is on track for finalisation shortly.</p> <p>d) Noted that the ILV Engineering Methodology and ILV Expert Valuation Panels comprise independent peer reviewers.</p> <p>e) Noted that the Land Programme proposes a two staged communication process with Stage 1 (scheduled to begin in October 2015) focused on confirming to the majority of potential ILV customers their final status. Subsequent monetary settlement for those confirmed as qualifying for ILV payments is scheduled to follow during 2016.</p> <p>f) Agreed that ILV Policy development is in a sufficiently advanced state in respect of the engineering advice, that EQC should continue to prepare the customer communication packs and begin engagement with key stakeholders.</p> <p>g) Noted that no letters will be sent to customers until after the Board adopts the final engineering methodology and valuation policy statements at the October 2015 meeting.</p> <p>h) Invited Management to bring to the October Board meeting the engineering methodology and valuation policy for final approval.</p>		
<p>9(2)(a)</p>	<p>██████████ and Keith Land left the meeting and joined the meeting at 11.52 am.</p>		
<p>6.2</p>	<p><b>EQC Quality Assurance</b></p> <p>The Board:</p> <p>a) Agreed to withdraw the QA paper and requested Management bring back a revised paper to the October Board meeting.</p> <p>b) The Board reaffirmed that the principle responsibility for providing a Quality Assurance process on the Canterbury Home Repair Programme sits with Fletcher EQR.</p>	<ul style="list-style-type: none"> <li>Management to review and amend the QA paper incorporating the Board's feedback and bring back a revised paper to the October Board meeting.</li> </ul>	<p>19.10.15</p>
	<p>9(2)(a) ██████████ left the meeting at 12.20 pm.</p> <p>The Board broke for lunch at 12.20 pm and reconvened at 12.50 pm.</p> <p>9(2)(a)</p> <p>Chris Chainey and ██████████ joined the meeting at 12.50 pm.</p>		

7.	<b>CORE FOUNDATIONS</b>		
7.1	<p><b>Business Plan</b></p> <p>The Board:</p> <ul style="list-style-type: none"> <li>a) Noted that at the July 2015 Board meeting Management presented the assumptions, business drivers and a resulting conservative and prudent forecast timeline and headcount (the baseline) for customer completion of Canterbury.</li> <li>b) Noted that in considering the baseline forecast the Board “invited Management to explore and report to the September Board meeting with specific steps that can be taken to accelerate the current rate of completion”</li> <li>c) Noted that in response to the July Board request substantial work has been carried out including analysing the potential levers, headcount, costs, risks and supporting work programmes for Canterbury customer completion at dates earlier than the baseline</li> <li>d) Noted that the business drivers, assumptions and priorities considered by the Board in July 2015 have remained unchanged apart from some refinement to reflect the evolving ILV settlement plans</li> <li>e) Noted that since the baseline planning was undertaken the benefits being achieved from “in train” process improvements have started to be realised and are incorporated into this updated forecast.</li> <li>f) Noted that Management considers the ‘achieve earlier’ forecast to be reasonable and achievable. However, there remains a level of uncertainty around the timeframes for completion of land settlements. This is due to the significance of some key dependencies required to deliver clear settlement paths.</li> <li>g) Noted that management are currently instigating an enhanced monitoring programme to ensure that the timeline can be achieved, that the risks in achieving the target dates are mitigated and that opportunities to complete even faster are identified and adopted.</li> <li>h) Agreed the ‘achieve earlier’ forecast as being the target forecast for the 2015-17 consolidated business plan.</li> <li>i) Agreed increasing the Total Life Claims Handling Expenses (CHE) budget to \$1,479m as detailed in Appendix 3.</li> <li>j) Noted that this CHE forecast is about \$43m higher than the budget approved by the Board in June 2015.</li> </ul>		



	<p>k) Noted that following the Board's decisions in this paper a high level EQC business plan will be confirmed and outlined to the Board at its meeting in October.</p>		
7.1a	<p><b>Half Year Economic and Fiscal Update (HYEFU)</b></p> <p>The Board:</p> <p>a) Noted that as at the time of writing Treasury are yet to release a formal timetable for the HYEFU. It is anticipated that the submission date will be before the October Board meeting.</p> <p>b) Noted that due to the absence of a formal timetable no forecast has been received from the Debt Management Office (DMO) in relation to Government Stock holdings. This may materially change this aspect of the forecast.</p> <p>c) Approved the draft HYEFU Treasury submission shown in the attached presentation (subject to changes from the DMO). This is a surplus of \$48.3m for the 2016 financial year.</p> <p>d) Approved that the final HYEFU Treasury submission can be approved by the CE with any material changes noted to the Board at the next meeting.</p>		
7.2	<p><b>Annual Report</b></p> <p>The Board:</p> <p>a) Noted the approach to the development of the draft Statement of Performance and financial statements;</p> <p>b) Provided feedback on the draft Statement of Performance and financial statements;</p> <p>c) Confirmed that the biographies of Board members in the Directory section of the report should be updated;</p> <p>d) Noted a representation letter for Deloitte will be required to be signed by the two Commissioners who sign the financial statements;</p> <p>e) Noted that the draft report will be submitted to the Minister for his consultation and approval;</p> <p>f) Noted that upon receipt of approval from the Minister, the report will be provided to the Chair of the Board and the Chair of the Audit and Risk Committee for final confirmation.</p>	<ul style="list-style-type: none"> <li>Commissioners to forward their qualification details to the Board Executive for inclusion in the Annual Report.</li> </ul>	22.09.15
	<p><i>Chris Chainey left the meeting at 1.28pm.</i></p>		

7.3	<p><b>Quarterly Treasury Monitoring Report</b></p> <p>The Board:</p> <p>a) Noted the EQC quarterly monitoring report (including Statement of Performance Expectations measures) appended to this paper is consistent with the Annual Report.</p>		
	<p><i>Greg Kubala and Jayne Lapin joined the meeting at 1.32 pm</i></p>		
7.4	<p><b>Customer Complaints Process</b></p> <p>The Board:</p> <p>a) Noted the history of managing complaints in EQC;</p> <p>b) Noted the current complaints management process;</p> <p>c) Noted the volumes and drivers of aged complaints;</p> <p>d) Noted the areas for improvement that are currently being worked on; and</p> <p>e) Noted a report will be tabled in November outlining progress in implementing the recommendations from the LSI review.</p>		
	<p><i>Greg Kubala and Jayne Lapin left the meeting at 2.10 pm.</i></p>		
8.	<p><b>CHIEF EXECUTIVE REPORT</b></p>		
	<p><b>Chief Executive's Report</b></p> <p>The Board:</p> <p>a) Noted the report.</p>		
	<p><i>Chris Chainey and Shane Collins joined the meeting at 2.24pm.</i></p>		
8.1	<p><b>Business Performance Report</b></p> <p>The Board:</p> <p>a) Noted the Monthly Board Financial pack.</p> <p>b) Discussed the Business Performance Dashboard and the information contained therein.</p>		

8.2	<p><b>Complete Canterbury Response Report</b></p> <p>The Board:</p> <ul style="list-style-type: none"> <li>a) Noted the dashboard and reported progress towards completing the Canterbury Response.</li> <li>b) Noted that target dates are being updated from the business plan and will be included in the October CCR Board Report subsequent to the Board agreeing to the dates in the September paper.</li> <li>c) Noted that the revised work streams against which we report and monitor claim settlement progress are being updated for reporting purposes.</li> </ul>		
	<p><i>Shane Collins and Chris Chainey left the meeting at 2.43 pm.</i></p>		
8.4	<p><b>Actuarial Liability Valuation Update – 30 June 2015</b></p> <p>The Board:</p> <ul style="list-style-type: none"> <li>a) Noted the Insurance Liability Valuation as at 30 June 2015 (attached), the outcome being a Gross Ultimate figure (including CHE) of \$11,249bn.</li> <li>b) Noted the changes to assumptions and analysis since discussion of a draft valuation report at the 27 July Board meeting (letter of 9 August attached).</li> <li>c) Noted the decrease of \$294m in the overall Gross Ultimate Incurred claims from the 31 December 2014 ILVR, comprising key changes for Land, Buildings, Contents and CHE of -\$360m, -\$25m, +\$10m and +\$81m, respectively.</li> <li>d) Noted that Management consider the refinements to the ILVR since the 27 July Board meeting represent a prudent analysis of liability, consistent with current policy settings and all available data while recognising uncertainties and the need to provision for systemic risks.</li> <li>e) Noted that the Audit and Risk Committee have requested Management to submit the ILVR report to the Board recommending that the Board receive the ILVR as at 30 June 2015 indicating Gross Ultimate Incurred Claims including Claims Handling Expenses of <b>\$11.249bn.</b></li> <li>f) Noted that the Board agreed via email on 3 September that the ILVR as agreed by the ARC on Wednesday 12 August could be used as the basis for a briefing to the Minister Responsible for the Earthquake Commission and following that, released to the Market through our Broker.</li> </ul>		

9.	<b>OTHER BUSINESS</b>		
9.1a	<p><b>Ratify Recommendations from Papers distributed by email:</b></p> <p><b><i>Delivering Canterbury Completion – Proposed Response to Staff Retention</i></b></p> <p>The Board:</p> <ul style="list-style-type: none"> <li>a) Noted the work which has been completed by the ELT on options to support stabilising staffing over the next 16 months</li> <li>b) Noted Management’s proposed approach to the overall Completion of Canterbury activities which is to :                             <ul style="list-style-type: none"> <li>i. Agree hard end dates for the Canterbury programme (e.g. Dwelling, Land)</li> <li>ii. Start developing the “ Interim organisational design’ based on capabilities required to deliver both BAU and Canterbury Tail end activities until legislative and/or organisational impacts arising from the current Review of the EQC Act are known.</li> <li>iii. Extend all existing staff contracts out to December 2016 (where appropriate) on the basis that the objective is to have the Interim EQC structure agreed and transitioned to before December 2016.</li> </ul> </li> <li>c) Approved a delegation to the CE to allow for staff to have contracts rolled to 31 December 2016 (variation to the currently approved June 2016 date) to help mitigate future attrition issues recognising that FTE reductions can be managed via a sinking lid policy and the one month notice period in all contracts.</li> </ul>		
9.1b	<p><b><i>EQC Board Performance Evaluation</i></b></p> <p>The Board:</p> <ul style="list-style-type: none"> <li>a) Agreed that, to meet the COMU expectation in 2014/15, EQC will utilise the Institute of Directors (IoD) ‘Better Boards Appraisal’ online survey and report process at a cost of \$4,835 plus GST;</li> <li>b) Agreed that a facilitated discussion session with Board members not be undertaken this year.</li> </ul>		

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<p><b>9.1c</b></p>	<p><b>August Board Reports</b></p> <p>The Board:</p> <ul style="list-style-type: none"> <li>a) Confirmed that the Board meeting set down for 17 August 2015 was cancelled.</li> <li>b) Confirmed receipt and recommendations contained within the suite of standard Management Reports including:                             <ul style="list-style-type: none"> <li>i. Health &amp; Safety Performance Report for July 2015;</li> <li>ii. Monthly Board Financial Pack for July 2015;</li> <li>iii. Complete Canterbury Programme update; and</li> <li>iv. Project and Portfolio Report</li> </ul> </li> </ul>		
<p><b>9.2</b></p>	<p><b>Minutes</b></p> <p>The Board:</p> <ul style="list-style-type: none"> <li>a) Confirmed the minutes of the Board Meeting held on 27 July 2015 as a true and accurate record.</li> </ul>		
<p><b>10.</b></p>	<p><b>INFORMATION ITEMS</b></p>		
	<p><b>General Business and Items of Interest</b></p> <p>The Chair of the Enterprise Business Technology Committee provided a brief overview of key discussion points at the EBT meeting held on Wednesday 9 September 2015.</p> <p>The Board:</p> <ul style="list-style-type: none"> <li>a) Discussed the draft OAG report, and undertook to provide draft comments to the Chair, prior to feedback being given to the Auditor-General.</li> <li>b) Agreed to enter into a private 'In Committee' discussion to discuss the Review of the Complaint. (BDM1 220915)</li> <li>c) Received a copy of the "Earthquake Commission; Managing the Canterbury Home Repair Programme Report" submitted by the Office of the Auditor General and agreed to provide any comments to the Chair for feedback to the OAG.</li> </ul> <p>The Chair advised that he has accepted a role on the newly developed "Canterbury Earthquake Recovery Lessons and Legacy Sponsors Group"</p>		

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<p><b>Review and Close Of Meeting</b></p> <p><i>Ian Simpson, Gillian Dudgeon, Gall Kettle, [REDACTED], [REDACTED] Jeff Galt and [REDACTED] left the meeting at 3.00 pm. 9(2)(a)</i></p> <p><i>The Board went into a Private session</i></p>		
<p>The next Board meeting will be on <b>Monday 19 October 2015 at 9.00 am.</b></p> <p>The Meeting closed at 3.10 pm.</p> <p>These minutes were approved by the Board as a true and correct record.</p> <p>_____ Sir Maarten Wevers</p> <p>_____ Date</p>		

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ARE SUBJECT TO LEGAL PRIVILEGE.

**MINUTES OF THE MEETING OF  
THE BOARD OF THE EARTHQUAKE COMMISSION  
Held in the Waiparapa Room  
EQC Offices, Level 11, Majestic Centre, 100 Willis Street  
Monday 19 October 2015 at 9.00am**

**Present:**

Sir Maarten Wevers (Chair)  
Russell Black  
Gordon Smith  
Roger Bell  
Mary Jane Daly  
Alison O'Connell

**In attendance:**

Ian Simpson (Chief Executive)  
Bryan Dunne (General Manager Strategy and Transformation)  
– part meeting  
Jeremy Ford (Chief Legal Advisor) – part meeting  
Gillian Dudgeon (General Manager Shared Services)  
Jeff Galt (GM Governance) – part meeting  
Suzanne Carter (GM Communications & Public Education) –  
part meeting  
Lynda Jelbert (GM People and Capability) – part meeting  
Linda Smith (Chief Information Officer) – part meeting  
9(2)(a) [REDACTED] (Senior Policy Analyst) – part meeting  
Keith Land (Head of Canterbury Land Settlement) – part  
meeting  
Steve Cantwell and Jack Kwok (Treasury) – part meeting

**Apologies:**

Keith Taylor (Deputy Chair)  
Paul Kiesanowski

9(2)(a) [REDACTED] (Minutes)

The meeting was declared open at 9.00 am.

	AGENDA ITEMS & KEY DISCUSSION POINTS	ACTIONS REQUIRED	DUE DATE
	<p><i>The Board entered into a private session.</i></p> <p><i>Ian Simpson joined the meeting at 9.45 am.</i></p> <p><i>Bryan Dunne and [REDACTED] joined the meeting at 10.00 am</i></p> <p>9(2)(a) [REDACTED]</p>		
1.	<p><b>Present and Apologies.</b></p> <p>The Chair recorded apologies from Keith Taylor and Paul Kiesanowski.</p>		
2.	<p><b>Interests Register/Declaration of Conflicts of Interest</b></p> <p>The Board noted that there were no changes of conflict to record, and no conflicts of interest advised for matters on the agenda for the meeting.</p> <p>Sir Maarten declared that he has accepted a place on the Canterbury Earthquake Recovery Lessons and Legacy Sponsors Group, a programme developed by the Department of the Prime Minister and Cabinet.</p>		



3.	<p><b>Matters arising and Action Items</b></p> <p>The Board:</p> <p>a) Discussed the matters arising noting the status of each item and providing updates where appropriate.</p>	<ul style="list-style-type: none"> <li>Management to look into options for an appropriate venue for the November Board meeting.</li> </ul>	23.11.15
	<p><i>Representatives from Treasury joined the meeting at 10.11 am.</i></p>		
4.	<p><b>FUTURE OF EQC</b></p>		
4.1	<p><b>EQC Act Review Summary and Next Steps</b></p> <p>The Board:</p> <p>a) Noted the key themes from submissions received on the proposed changes to the Earthquake Commission Act 1993;</p> <p>b) Noted Management's initial advice on key themes and specific proposals.</p> <p>c) Requested Management to include in the next report a breakdown of 'old versus new' areas so the Board can clearly see the changes proposed to the Act.</p> <p>d) Provided informal feedback to Treasury and Management and requested that a further update of analysis of the submissions and proposed advice to Ministers be provided in due course.</p>	<ul style="list-style-type: none"> <li>Management to include in future reporting to the Board, a breakdown of 'old versus new' areas so the Board can clearly see the changes proposed to the Act.</li> <li>Management to provide a further update of analysis of the submissions and proposed advice to Ministers in due course.</li> </ul>	TBC  TBC
	<p><i>Representatives from Treasury left the meeting at 10.56 am.</i></p> <p><i>Jeremy Ford and Jeff Galt joined the meeting at 11.02 am.</i></p>		
5.	<p><b>CHIEF EXECUTIVE REPORT</b></p>		
5.1	<p><b>Chief Executive's Report</b></p> <p>The Board:</p> <p>a) Noted and discussed the report.</p> <p>b) Requested advice on the appropriate role that EQC should take in the Global Disaster Risk Financing space.</p> <p><i>Bryan Dunne left the meeting the meeting at 11.22 am.</i></p> <p>The Board continued with the CE Report focusing on the Legal and Accountability Litigation update.</p>	<ul style="list-style-type: none"> <li>Management to bring a paper to the Board which should include advice on the appropriate role that EQC should take in the Global Disaster Risk Financing space (range of initiatives, resource and cost implications).</li> <li>Management to provide the Board with a copy of the weekly CHRP survey.</li> </ul>	Early 2016  Once available
	<p><i>Jeremy Ford left the meeting the meeting and Keith Land, Suzanne Carter and [REDACTED] joined the meeting at 11.30 am.</i></p> <p style="text-align: center;">§(2)(a)</p>		

<b>6.</b>	<b>CUSTOMERS/COMPLETING CANTERBURY</b>		
<b>6.1</b>	<p><b>ILV Final Policy Paper</b></p> <p>The Board:</p> <ul style="list-style-type: none"> <li>a) Noted that the Board took in-principle decisions regarding the policy to be adopted for the settlement of Increased Liquefaction Vulnerability land damage.</li> <li>b) Noted that Management have adopted a two staged communication process for customers identified as having properties that potentially suffered ILV damage. Stage one confirms qualification and begins in October 2015. Stage two will begin in early 2016 and will outline the methodology of settlement and provide the quantum for properties confirmed as suffering ILV.</li> <li>c) Noted that Board needs to adopt a final Policy Statement prior to communication with customers beginning. To do this the engineering methodology needs to be finalised and EQC's valuers need to have confirmed that the properties have suffered a loss of value where the engineering criteria have been met for the whole property.</li> <li>d) Noted that Management has advised that the required engineering and valuation expert advice has been received and that independent peer review has taken place. It is Management's recommendation that the Board adopt the final ILV Policy Statement attached to this paper.</li> <li>e) Adopted the ILV Policy Statement attached to the paper taking into account the comments expressed at this meeting.</li> <li>f) Noted that work will continue on finalising the DOV methodology and bespoke settlement approaches need for more complex ILV properties to ensure the settlement of ILV land claims begin in early 2016 as programmed.</li> <li>g) Extended its appreciation to Keith Land and [REDACTED] [9(2)(a)] and all other members of the EQC team, legal advisors and external advisors including Tonkin + Taylor for the work involved in getting the policy developed and finalised.</li> </ul>		
	<p><i>Suzanne Carter, Keith Land and [REDACTED] left the meeting at 12.07 pm.</i></p> <p style="text-align: right;">[9(2)(a)]</p>		

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6.2	<p><b>BAU Event Reporting</b></p> <p>The Board:</p> <ul style="list-style-type: none"> <li>a) Noted the current snapshot of EQC BAU claims;</li> <li>b) Noted that a presentation will be provided to the November Board around BAU initiatives;</li> <li>c) Noted the work underway on a monitoring framework.</li> </ul>		
	<p><i>The Board broke for lunch at 12.12 pm and reconvened at 12.44 pm.</i></p> <p><i>Lynda Jelbert joined the meeting at 12.44 pm.</i></p>		
7.	<p><b>HEALTH AND SAFETY</b></p>		
7.1	<p><b>Health and Safety Report</b></p> <p>The Board:</p> <ul style="list-style-type: none"> <li>a) Noted the contents of this Report, including: <ul style="list-style-type: none"> <li>I. EQC H &amp; S performance for the month of September, specifically the EQC injury data (lag and lead indicators) and associated key points relating to the data.</li> <li>II. Internal activities undertaken during the month of September to support our journey towards zero harm.</li> <li>III. A summary of Fletcher EQR H &amp; S performance across the Canterbury Home Repair Programme (CHRP) for September 2015.</li> </ul> </li> </ul>		
	<p><i>Lynda Jelbert left the meeting and Linda Smith and Gillian Dudgeon joined the meeting at 12.52 pm.</i></p>		
8.	<p><b>CHIEF EXECUTIVE REPORT</b></p>		
	<p><b>Chief Executive's Report</b></p> <p>Discussed earlier in the meeting.</p>		
8.1	<p><b>Monthly Financial and Business Performance Reports</b></p> <p>The Board:</p> <ul style="list-style-type: none"> <li>a) Discussed and noted the Board Monthly Financial Report ending September 2015.</li> </ul>		

<b>8.2</b>	<p><b>Complete Canterbury Response Report</b></p> <p>The Board:</p> <ul style="list-style-type: none"> <li>a) Noted progress towards the settlement of customers from the Canterbury earthquakes against the targets set in the 2015/2016 business plan.</li> <li>b) Noted the target dates have been updated to reflect those in the 2015/2016 business plan. The dashboard now reports actual performance against the agreed operational plan. The analysis and setting of targets was based upon the business planning assumptions remaining valid.</li> <li>c) Agreed to adopt the revised Complete Canterbury Response dashboard for future reporting to the Board.</li> </ul>		
<b>9.</b>	<b>CORE FOUNDATIONS</b>		
<b>9.1</b>	<p><b>Quarterly information Systems Strategic Plan</b></p> <p>The Board:</p> <ul style="list-style-type: none"> <li>a) Noted this quarterly update of progress against the 2013-2016 ISSP;</li> <li>b) Agreed to move to a semi-annual update focused on strategic activities for Information Systems.</li> </ul>		
	<p><i>Linda Smith left the meeting at 1.24pm. Suzanne Carter joined the meeting at 1.26 pm.</i></p>		
<b>9.2</b>	<p><b>Communications and Public Education Report</b></p> <p>The Board:</p> <ul style="list-style-type: none"> <li>a) Noted the paper;</li> <li>b) Discussed the work reported.</li> </ul>		
	<p><i>Suzanne Carter left the meeting at 1.57 pm.</i></p>		
<b>10. .</b>	<b>OTHER BUSINESS</b>		
<b>10.1</b>	<p><b>Subcommittee Reporting – Best Practice</b></p> <p>The Board:</p> <ul style="list-style-type: none"> <li>a) Noted the independent advice that Management has received from Monarch Consulting Limited and the recommendations contained on pages 6 and 7 of the document.</li> <li>b) Noted that following the presentation of the attached paper to the ARC, Management were asked to provide a copy of the paper to the Board and HSBC for their information and to amend the Terms of Reference for the ARC and HSBC to align with the recommendations contained in the report.</li> </ul>	<ul style="list-style-type: none"> <li>• Management to update the Terms of Reference for the ARC and HSBC to align with the recommendations contained within the 'best practice' report from Monarch Consulting Ltd.</li> </ul>	<b>21.10.15</b>

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<b>10.2</b>	<p><b>Minutes</b></p> <p>The Board:</p> <p>a) Confirmed the minutes of the Board Meeting held on 21 September 2015 as a true and accurate record.</p>		
<b>11. .</b>	<b>INFORMATION ITEMS</b>		
	<p><b>General Business and Items of Interest</b></p> <p>The Chair of the Performance Remuneration Board Subcommittee (PRBC) reported on the CE's performance assessment. The Board accepted the recommendations submitted.</p>		
	<p><b>Review and Close Of Meeting</b></p> <p><i>Ian Simpson, Gillian Dudgeon, Jeff Galt and [REDACTED] 9(2)(a) left the meeting at 2.05 pm.</i></p> <p><i>The Board went into a Private session.</i></p>		
	<p>The next Board meeting will be on <b>Monday 23 November 2015 at 9.00 am.</b></p> <p>The Meeting closed at 3.10 pm.</p> <p>These minutes were approved by the Board as a true and correct record.</p>		
	<p>_____ Sir Maarten Wevers</p>	<p>_____ Date</p>	

NOTE: SOME CONTENTS OF THESE MINUTES  
ARE SUBJECT TO LEGAL PRIVILEGE.

**MINUTES OF THE MEETING OF  
THE BOARD OF THE EARTHQUAKE COMMISSION  
Held in the Pukeko Room  
EQC Offices, 53 Princess Street, Christchurch  
Monday 23 November 2015 at 9.00am**

**Present:**

Sir Maarten Wevers (Chair)  
Keith Taylor (Deputy Chair)  
Russell Black  
Gordon Smith  
Roger Bell  
Paul Kiesanowski  
Mary Jane Daly  
Allison O'Connell

**In attendance:**

Ian Simpson (Chief Executive)  
Gillian Dudgeon (General Manager Shared Services) – part meeting  
Jeff Galt (GM Governance) – part meeting  
Alison Murphy (Safety and Wellbeing Manager) – part meeting  
Hugh Cowan (GM Reinsurance, Research & Education) – part meeting  
9(2)(a) [REDACTED] (Reinsurance, Research and Education) – part meeting  
Chris Chainey (Financial Controller) – part meeting  
9(2)(a) [REDACTED] (Field Office Process Supervisor) – part meeting  
Jayne Lapin (Head of Customer Services, Claims Processing) – part meeting  
9(2)(a) [REDACTED] (Claims Processing Manager) – part meeting  
Michael Price (Head of Canterbury Dwelling Settlement) – part meeting  
Suzanne Carter (GM Communications and Public Education) – part meeting  
Jane Thomassen (Manager, Risk and Assurance) – part meeting  
Linda Smith (Chief Information Officer) – part meeting  
9(2)(a) [REDACTED] (Minutes)

**Apologies:**

The meeting was declared open at 9.00 am.

	AGENDA ITEMS & KEY DISCUSSION POINTS	ACTIONS REQUIRED	DUE DATE
	<p><i>The Board entered into a private session.</i></p> <p>9(2)(a) [REDACTED] joined the meeting at 10.00.</p> <p>9(2)(a) [REDACTED] joined the meeting at 10.11 am.</p>		
1.	<p><b>Present and Apologies.</b></p> <p>There were no apologies to record.</p>		
2.	<p><b>Interests Register/Declaration of Conflicts of Interest</b></p> <p>The Board advised changes of conflicts to record, and confirmed there were no conflicts of interest advised</p>	<ul style="list-style-type: none"> <li>Board Executive to update the Interests Register to reflect the amendments provided at the meeting.</li> </ul>	24.11.15

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	for matters on the agenda for the meeting.		
	<i>Jeff Galt and Alison Murphy entered the meeting at 10.15am.</i>		
3.	<p><b>Matters arising and Action Items</b></p> <p>The Board:</p> <p>a) Discussed the matters arising noting the status of each item and providing updates where appropriate.</p>	<ul style="list-style-type: none"> <li>• Board Executive to ensure 'status' column on Matters Arising reflects whether the paper is included in the current Month's papers or will be a verbal update.</li> <li>• Chief Executive to circulate to Board members the appropriate document on the recent EQC staff engagement survey.</li> <li>• Chief Executive to Investigate options for the UMR Survey process and its redesign in consultation with Commissioner Bell.</li> </ul> <p>Board Executive to distribute letter from Sir Maarten to Minister dated 13 November 2015, regarding the proposal for a Disaster Insurance Pool in the South Pacific.</p>	<p>23.11.15</p> <p>24.11.15</p> <p>24.11.15</p> <p>24.11.15</p>
4.	<b>HEALTH AND SAFETY</b>		
4.1	<p><b>Health and Safety Report</b></p> <p>a) The Board noted the contents of this Report, including:</p> <ol style="list-style-type: none"> <li>i. EQC H&amp;S performance for the month of October, specifically the EQC injury data (lag and lead indicators) and associated key points relating to the data, including recording of medical treatment.</li> <li>ii. Internal activities undertaken during the month of October to support our journey towards zero harm.</li> <li>iii. A summary of EQC H&amp;S performance across the Canterbury Home Repair Programme (CHRP) for October 2015.</li> </ol>		
4.2	<p><b>Board Committee update</b></p> <p>The Chair of the HSBC provided the Board with a brief summary and update as a result of the meeting held on Wednesday 18 November 2015.</p>	<ul style="list-style-type: none"> <li>• Board Executive to distribute to the Board, the final Lessons Learned Report (Mike Cosman) once available.</li> </ul>	24.11.15
	<p><i>Alison Murphy left the meeting at 10.44am.</i></p> <p><i>Michael Price, [redacted] Jayne Lapin and [redacted] joined the meeting at 10.49 am.</i></p> <p>9(2)(a)</p>		



5.	<b>CUSTOMERS/COMPLETING CANTERBURY</b>		
5.1	<p><b>BAU Reporting update</b></p> <p>BAU Representatives spoke to the BAU Presentation included in the Board papers.</p>	<ul style="list-style-type: none"> <li>Management to provide a report showing the breakdown of declinature categories.</li> </ul>	14.12.15
	<p>9(2)(a) and 9(2)(a) left the meeting and Gillian Dudgeon joined the meeting at 11.16 am.</p>		
5.2	<p><b>LSI Report</b></p> <p>The Board:</p> <ol style="list-style-type: none"> <li>Noted the ten key recommendations from the review.</li> <li>Noted the Initiatives completed and those underway in response to the recommendations.</li> <li>Invited Management to report in April 2016 on improvements and outcomes delivered to customers and steps being taken on an ongoing basis as a result of the LSI Report.</li> </ol>	<ul style="list-style-type: none"> <li>Management to report to the Board on improvements and outcomes delivered to customers and steps being taken on an ongoing basis as a result of the LSI Report.</li> </ul>	26.04.16
	<p>Jayne Lapin left the meeting at 11.26 am.</p>		
5.3	<p><b>Quality Assurance Paper</b></p> <p>The Board:</p> <ol style="list-style-type: none"> <li>Noted the overview provided in this paper of the overall CHRP Quality Assurance framework which consists of a three tier framework comprising: <ol style="list-style-type: none"> <li>Performance Assurance, the key responsibility of EQR</li> <li>Review Assurance, the responsibility of EQC and Territorial authorities (where applicable)</li> <li>External Assurance, undertaken by external parties</li> </ol> </li> </ol>		
	<p>Gillian Dudgeon left the meeting at 11.36 am.</p>		
5.4	<p><b>Complete Canterbury Response (CCR) Report</b></p> <p>The Board:</p> <ol style="list-style-type: none"> <li>Noted progress towards the settlement of customers from the Canterbury earthquakes against the targets set in the 2015/2016 business plan.</li> <li>Noted work continues on obtaining accurate data for all Post Resolution work streams. It is expected that this will be available for the December Board meeting.</li> </ol>		

6.	RESEARCH AND EDUCATION		
6.1	<p><b>GeoNet Governance, Stewardship and Future Funding paper</b></p> <p>The Board:</p> <p>a) Noted EQC's renewal to a continuing commitment to GeoNet in May 2015, and approval of an 'interim' work plan for the current FY15/16.</p> <p>b) Noted EQC's role in ownership, governance and strategic oversight of GeoNet, and GNS Science's role as designer, operator and technical manager.</p> <p>c) Noted that GeoNet Management have presented a business plan (attached) for the next five years aligned with the 'Sustain' development path outlined in the revised GeoNet strategic plan.</p> <p>d) Noted that Management gives assurance that the 'Sustain' option is a conservative but prudent approach to securing core GeoNet capability while responding to the 'bow-wave' issue, and enabling future consideration of enhancements by EQC and others.</p> <p>e) Approved the funding envelope to the level outlined for the five year period (2016-2021) in the GeoNet Business plan.</p> <p>f) Noted that the specific funding requirement for each year will be reviewed by Management and approved by the Board on the basis of a detailed work plan.</p> <p>g) Directed Management to continue to work with the GeoNet team on development of a revised GeoNet Agreement (of an 'evergreen form'), for consideration by the Board in May 2016 which should include the business model, funding options, and an appropriate governance structure which delivers the GeoNet strategy.</p>	<ul style="list-style-type: none"> <li>• Management to continue to work with the GeoNet team on development of a revised GeoNet Agreement (of an 'evergreen form'), for consideration by the Board in May 2016 which should include the business model, funding options, and an appropriate governance structure which delivers the GeoNet strategy.</li> <li>• Management to draft a letter from the Chair to the Chair of GNS on behalf of the Board conveying the decisions made at the Board meeting today.</li> <li>• Management to draft a letter from the Chair to relevant Ministers providing advice of the agreements made at the Board meeting today.</li> </ul>	<p>30.5.16</p> <p>24.11.15</p> <p>4.12.15</p>
	<p>Hugh Cowan and ██████ left the meeting at 12.43 pm. 9(2)(a)</p> <p>The Board broke for lunch at 12.45 pm and reconvened at 1.15 pm.</p> <p>Gillian Dudgeon and Jane Thomassen joined the meeting at 1.17pm.</p>		

7.	<b>CORE FOUNDATIONS</b>		
7.1	<p><b>Catastrophe Response Proposal</b></p> <p>The Board:</p> <ul style="list-style-type: none"> <li>a) Noted the proposal outlined in this paper</li> <li>b) Confirmed the objectives of the proposal from a Board perspective</li> <li>c) Confirmed the appropriate level of participation by the Board in this scenario</li> <li>d) Noted the indicative timing for this scenario</li> <li>e) Requested that Management advise Board members of their likely level of involvement.</li> <li>f) Requested that Management report back to the Board on the Lessons Learned at the conclusion of the 'event' including remedial actions taken.</li> </ul>	<ul style="list-style-type: none"> <li>• Management to advise the Board members of their likely level of involvement.</li> <li>• Management to report back to the Board at the conclusion of the 'simulated event', with the Lessons Learned and remedial actions required.</li> <li>• Management to ensure the Fire Service are invited to participate in the disaster scenario once confirmed.</li> </ul>	<p>24.11.15</p> <p>Once available</p> <p>24.11.15</p>
	<p><i>Chris Chalney joined the meeting at 1.38pm and Jane Thomassen left the meeting at 1.46pm.</i></p>		
7.2	<p><b>Quarterly Treasury Monitoring Report</b></p> <p>The Board:</p> <ul style="list-style-type: none"> <li>a) Requested that Management revise finalisation of the report taking into account the feedback and discussion at the Board meeting.</li> <li>b) Noted the EQC quarterly monitoring report (including Statement of Performance Expectations measures) appended to this paper.</li> </ul>	<ul style="list-style-type: none"> <li>• Management to revise and finalise the report taking into account feedback and discussion at the Board meeting.</li> </ul>	<p>24.11.15</p>
7.3	<p><b>Project Portfolio Management Report</b></p> <p>The Board:</p> <ul style="list-style-type: none"> <li>a) Noted the approval of business cases for; FMIS WOLF 2, CCR Support Programme Complex Land Settlement, ITS Enterprise Wireless and Website and Intranet Re-platforming.</li> <li>b) <span style="background-color: black; color: black;">(b) [REDACTED]</span></li> <li>c) Noted the progress made with the key focus areas of benefits and stakeholder management relating to the KPMG PGF review and recommendations.</li> <li>d) Noted the project portfolio shift to primarily a programme delivery focus and recent business case activity, and the progress made to tailoring the right PGF approach to each programme.</li> </ul>		
	<p><i>Linda Smith joined the meeting at 1.55 pm.</i></p>		

(9(2)(b)(ii))

<p>7.4</p>	<p><b>CMS Version 8 Update</b></p> <p>The GM Shared Services distributed a paper for discussion at the meeting.</p> <p>The Board:</p> <p>a) Noted the attached paper which includes a summary of:</p> <ul style="list-style-type: none"> <li>i. the current status of Project Cre8</li> <li>ii. a high level overview of the key risks with the proposed approach.</li> </ul> <p>b) Noted the impact of the proposed approach on time is estimated to be:</p> <ul style="list-style-type: none"> <li>i. a delay in 'Go Live' to the end of October 2016 based upon the key assumption that a suitable strategic partner can be identified through the RFP process to deliver a solution for EQC.</li> <li>ii. a final Business case for this project will be presented to the Board in April 2016.</li> </ul> <p>c) [REDACTED]</p> <p>d) Approved, Opex of \$1.32m to cover the costs associated with funding the RFP and streamlined project resources through until April 2016 (subject to further advice from the Enterprise Business Technology Committee, noting that these costs are currently considered to be additional to the forecast costs for 'Implementation' noted in the paper on page 7.</p>	<ul style="list-style-type: none"> <li>• Management to provide the EBT with a further breakdown of the requested Opex of \$1.32m.</li> <li>• [REDACTED]</li> </ul> <p>(9(2)(b)(i))</p> <p>(9(2)(b)(ii))</p>	<p>24.11.15</p> <p>24.11.15</p>
	<p><i>Linda Smith left the meeting and Chris Chainey joined the meeting at 2.24 pm.</i></p>		
<p>8.</p>	<p><b>CHIEF EXECUTIVE REPORT</b></p>		
	<p>Management distributed a copy of the CHRP Customer Satisfaction Report for repairs completed 31.8.15 to 2.11.15.</p> <p>The Board:</p> <p>a) Noted the report.</p> <p>b) Indicated a strong interest in the results of the Engagement Survey and requested Management report back to the Board with a further update in due course.</p>	<ul style="list-style-type: none"> <li>• Management to distribute by email to the Board, an executive summary of the results from the Staff Engagement Survey.</li> <li>• Management to report back to the Board with a further update on resulting actions from the Staff Engagement survey.</li> <li>• Management to provide a copy of the CHRP Customer Satisfaction Report to the Board by email once received and finalised by Management.</li> </ul>	<p>24.11.15</p> <p>22.02.16</p> <p>Once Available.</p>

	<p>c) Requested Management provide a brief paper to the Board on the legal channels available to customers who are dissatisfied with either their scope or quality of completed works.</p> <p>d) Requested Management circulate a copy of the proposed approach to address the Anthony Harper 'declaratory judgment'.</p>	<ul style="list-style-type: none"> <li>• Management to provide a brief paper on the legal channels available to customers who are dissatisfied with either the scope or quality of completed works.</li> <li>• Management to circulate by email to the Board, a copy of the proposed approach to address the Anthony Harper 'declaratory judgment' request.</li> </ul>	<p><b>24.11.15</b></p> <p><b>Once Available</b></p>
<b>8.1</b>	<p><b>Business Performance Report</b></p> <p>The Board:</p> <p>a) Noted the Monthly Board Financial pack.</p> <p>b) Discussed the Business Performance Dashboard and the information contained therein.</p>		
	<p><i>Gillian Dudgeon and Chris Chainey left the meeting at 3.05 pm.</i></p>		
<b>9.</b>	<p><b>OTHER BUSINESS</b></p>		
<b>9.1</b>	<p><b>Minutes</b></p> <p>The Board:</p> <p>a) Confirmed the minutes of the Board Meeting held on 19 October as a true and accurate record.</p>		
<b>10.</b>	<p><b>INFORMATION ITEMS</b></p>		
	<p><b>General Business and Items of Interest</b></p> <p>The Board confirmed that the May 2016 meeting is moved to Monday 30 May and the HSBC and ARC be moved to Tuesday 31 May.</p> <p>Noted that Keith Taylor will be an apology for the April 2016 meeting.</p> <p>The Chairman, on behalf of the Board expressed its appreciation for the services provided by the Board Executive during her tenure and wished her well for her new role as Private Secretary to the Minister Responsible for EQC.</p>	<ul style="list-style-type: none"> <li>• Management to look into the feasibility of moving the Board papers to an appropriate electronic format.</li> </ul>	<p><b>22.02.16</b></p>
	<p><b>Review and Close Of Meeting</b> 9(2)(a)</p> <p><i>Ian Simpson, Jeff Galt and [REDACTED] left the meeting at 3.10 pm.</i></p> <p><i>The Board went into a Private session</i></p>		

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	<p>The next Board meeting will be on <b>Monday 14 December at 9.00 am.</b></p> <p>The Meeting closed at 3.30 pm.</p> <p>These minutes were approved by the Board as a true and correct record.</p> <p>_____ Sir Maarten Wevers</p> <p>_____ Date</p>		
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NOTE: SOME CONTENTS OF THESE MINUTES  
ARE SUBJECT TO LEGAL PRIVILEGE.

**MINUTES OF THE MEETING OF  
THE BOARD OF THE EARTHQUAKE COMMISSION  
Held in the Majestic Centre Board Room  
Level 11, 100 Willis Street, Wellington  
Monday 14 December 2015 at 9.00am**

**Present:**

Sir Maarten Wevers (Chair)  
Keith Taylor (Deputy Chair)  
Russell Black  
Gordon Smith  
Roger Bell  
Paul Kiesanowski  
Mary Jane Daly  
Alison O'Connell

**In attendance:**

Ian Simpson (Chief Executive)  
Bryan Dunne (GM Strategy & Transformation) – part meeting  
Lynda Jelbert (GM People and Capability) – part meeting  
Alison Murphy (Manager Health and Safety) – part meeting  
Jeremy Ford (Chief Legal ) – part meeting  
9(2)(a) (Chapman Tripp) – part meeting  
Hugh Cowan (GM Reinsurance, Research & Education ) – part meeting  
9(2)(a) (Aon Benfield)  
– part meeting  
Chris Chainey (Financial Controller ) – part meeting  
9(2)(a) (Minutes)

**Apologies:**

The meeting was declared open at 9.42 am.

	AGENDA ITEMS & KEY DISCUSSION POINTS	ACTIONS REQUIRED	DUE DATE
	<p><i>The Board entered into a private session.</i></p> <p><i>Ian Simpson joined the meeting at 9.20 am.</i></p> <p><i>Bryan Dunne, Lynda Jelbert, Alison Murphy and 9(2)(a) joined the meeting at 9.40 am</i></p>	9(2)(a)	
1.	<p><b>Present and Apologies.</b></p> <p>There were no apologies to record.</p>		
2.	<p><b>Interests Register/Declaration of Conflicts of Interest</b></p> <p>The Board noted that there was one change to the Register of Conflicts of Interest to record, Mary-Jane Daly is now Chair of the New Zealand Green Building Council. No conflicts of interest advised for matters on the agenda for the meeting.</p>		



<p>3.</p>	<p><b>Matters arising and Action Items</b></p> <p>The Board:</p> <p>a) Discussed the matters arising noting the status of each item and providing updates where appropriate.</p> <p>b) Noted for item H74 that it is not always practicable for all on-site visits to be conducted in pairs.</p>	<ul style="list-style-type: none"> <li>Management to provide a more fulsome commentary on the status of the action items and be more specific on the dates of when information will be provided. <b>22.2.16</b></li> <li>Management to provide a full explanation of the CMS Version 8 Update [REDACTED] <b>22.2.16</b></li> <li>Management to provide an update on the LSI report in February. <b>22.2.16</b></li> <li>Management to provide a full report on the LSI report in April. <b>26.4.16</b></li> </ul>	<p><b>22.2.16</b></p> <p><b>22.2.16</b></p> <p><b>22.2.16</b></p> <p><b>26.4.16</b></p>
<p>4.</p>	<p><b>HEALTH AND SAFETY</b></p> <p><b>Health and Safety Report</b></p> <p>The Board:</p> <p>a) Noted EQC H&amp;S performance for the month of November, specifically the EQC injury data (lag and lead indicators) and associated key points relating to the data.</p> <p>b) Noted internal activities undertaken during the month of November to support our journey towards zero harm.</p> <p>c) Noted a summary of Fletcher EQR H&amp;S performance across the Canterbury Home Repair Programme (CHRP) for November 2015.</p> <p>d) Noted that Tonkin and Taylor need to finish their completion of outstanding items from the recent Health and Safety Expectations audit report to demonstrate that the processes they are developing are documented.</p> <p>e) Noted the Board's very best wishes and warmest thanks to Alison Murphy for her outstanding contribution to the health and safety work of EQC.</p>	<ul style="list-style-type: none"> <li>Management to continue to engage actively with Tonkin and Taylor to ensure that they are continuing to meeting their health and safety obligations and to report back to the Board. <b>22.2.16</b></li> <li>Management to provide background on significance of non CHRP injuries. <b>22.2.16</b></li> <li>Management to report back on the outstanding items in the Tonkin and Taylor Health and Safety Audit. <b>22.2.16</b></li> </ul>	<p><b>22.2.16</b></p> <p><b>22.2.16</b></p> <p><b>22.2.16</b></p>
<p>9(2)(a)</p>	<p>[REDACTED] and Jeremy Ford joined the meeting at 10.06 am.</p>		
<p>9(2)(h)</p>	<p><b>Health and Safety In Employment Act</b></p> <p>[REDACTED]</p>	<ul style="list-style-type: none"> <li>Management to produce a short paper for the next Health and Safety Board Committee on how our procurement and induction processes for BAU events take account of health and safety requirements. <b>23.2.16</b></li> </ul>	<p><b>23.2.16</b></p>

	9(2)(h)		
9(2)(e)	Lynda Jelbert, Jeremy Ford and Alison Murphy left the meeting at 10.47 am. Hugh Cowan and Representatives from Aon Benfield joined the meeting at 10.48 am		
<b>5.</b>	<b>REINSURANCE</b>		
<b>5.1</b>	<p><b>Reinsurance Renewal</b></p> <p>The Board:</p> <p>a) Noted the post-2015 reinsurance renewal market update from Aon Benfield.</p> <p>b) 9(2)(j)</p> <p>c) Agreed that the 2016/17 renewal strategy will be finalised in February 2016.</p> <p>d) 9(2)(j)</p>		
	<p>Hugh Cowan and Representatives from Aon Benfield left the meeting at 11.34 am. Chris Chaney entered the meeting at 11.34am Jeremy Ford entered the meeting at 11.53am</p>		
<b>6.</b>	<b>CHIEF EXECUTIVE REPORT</b>		
	<p><b>Chief Executive's Report</b></p> <p>The Board:</p> <p>a) Noted the report.</p> <p>b) Noted that we are working with the Christchurch City Council on alternatives given the closure of the In the Know hub.</p> <p>c) Noted that EQC will issue a statement about our interpretation on the Limitations Act this week.</p> <p>d) Noted the report back from the Chair and CEO on their appearance at the Finance and Expenditure Committee on 2 December 2015 .</p> <p>e) Noted that we have served notice on IBM for the CMS Version 8 Update and that we are working on the RFP seeking a replacement partner.</p> <p>f) Noted that Management are engaging with the agencies that will be picking up aspects of CERA once this is dismantled.</p>	<ul style="list-style-type: none"> <li>• Management to circulate the DOV ILV operational paper before the February Board meeting. <b>22.2.16</b></li> <li>• Management to report back to the Board on the steps taken and the engagement with Massey University about their recent survey. <b>22.2.16</b></li> <li>• Management to circulate Professor Ilan Noy's inaugural address. <b>24.12.15</b></li> </ul>	

	<p>g) Noted the recent publicity surrounding the Massey University survey around the lessons learned [REDACTED]</p> <p>h) [REDACTED]</p> <p>i) Noted the current state of litigation proceedings.</p> <p>j) [REDACTED]</p>		
<p><i>Jeremy Ford left the meeting at 12.08pm</i></p>			
6.1	<p><b>Business Performance Report</b></p> <p>The Board:</p> <p>a) Noted the Monthly Board Financial pack.</p> <p>b) Discussed the Business Performance Dashboard and the information contained therein.</p>		
6.2	<p><b>Complete Canterbury Response Report</b></p> <p>The Board:</p> <p>a) Noted progress towards the settlement of customers' claims from the Canterbury earthquakes against the targets set in the 2015/2016 business plan.</p>	<ul style="list-style-type: none"> <li>Management to provide a paper outlining the details around the wash up process.</li> </ul>	26.3.16
6.3	<p><b>BAU Dashboard</b></p> <p>The Board:</p> <p>a) Noted the attached report on EQC BAU claims and declinatures.</p> <p>b) Agreed that in the absence of a large/major event the EQC BAU claims report is provided on a six monthly basis to the Board.</p> <p>c) Noted that further development of the EQC BAU claims report is underway.</p>	<ul style="list-style-type: none"> <li>Management to show the details provided in the table at 3. in more detail which includes dollar values.</li> <li>Management to provide the EQC BAU claims report on a six monthly basis.</li> </ul>	22.2.16 25.6.16
7.	<b>OTHER BUSINESS</b>		
7.1	<p><b>Minutes</b></p> <p>The Board:</p> <p>a) Confirmed the minutes of the Board Meeting held on 23 November 2015 as a true and accurate record.</p>		

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NOTE: SOME CONTENTS OF THESE MINUTES  
 ARE SUBJECT TO LEGAL PRIVILEGE.

<b>8.</b>	<b>INFORMATION ITEMS</b>		
	<b>General Business and Items of Interest</b> There were no items for discussion.		
<b>8.1</b>	<b>Verbal update from ARC meeting held 11 December 2015.</b> There was insufficient time for this item.		
<b>8.2</b>	<b>General business</b> <ul style="list-style-type: none"> <li>• 2015 Board work programme</li> <li>• 2016 Board calendar</li> </ul>		
	<b>Board Strategy Session</b> The Board went into a Strategy Session with a presentation and discussion led by Bryan Dunne after lunch.		
	The next Board meeting will be on <b>Monday 22 February 2016 in Christchurch.</b>  The Meeting closed at 12.35 pm.  These minutes were approved by the Board as a true and correct record.		
	_____ Sir Maarten Wevers	_____ Date	