

**MINUTES OF THE MEETING OF
THE BOARD OF THE EARTHQUAKE COMMISSION**
Held at Wairarapa Room, Majestic Centre / via Microsoft Teams
9.30am – 1.15pm, Wednesday 28 October 2020

Present:

Mary Jane Daly (Chair)
Alison O’Connell
Erica Seville
Alastair Hercus
Emma Dobson
Fiona Wilson
Scott Lewis

In attendance:

Sid Miller, Chief Executive Officer
Tina Mitchell, Chief Strategy Officer
Jaron Shaw, Chief Data Officer
Sharlene Taylor, Acting Chief People Officer
Kate Tod, Head of Canterbury Claims
Pip Andrews, Head of OnSolds
Privacy ██████████, Head of Risk Modelling
Josh Lindsay, Chief Readiness Officer
Privacy ██████████
Privacy ██████████
Privacy ██████████ (Russell McVeagh)
Privacy ██████████ Manager Office of the CE (Secretariat)

Apologies:

Nil

The meeting was declared open at 9.30am

	AGENDA ITEMS & KEY DISCUSSION POINTS	ACTIONS REQUIRED	DUE DATE
Section 1	Board Governance		
<i>Commissioners joined the meeting at 9:30am</i>			
	Board Only		
1.6	<p>Board performance evaluation and development discussion</p> <p>The Board:</p> <p>a) discussed their professional development plans for the future</p>	<p>The Chair and Chief Executive to discuss the Board professional development plan.</p> <p>Management to add Commissioners to distribution list for Isentia media reporting</p>	
<i>Sid Miller, Tina Mitchell & Privacy ██████████ joined the meeting at 10.10am</i>			
1.1	<p>Present and Apologies</p> <p>The Board:</p> <p>a) noted there were no apologies received.</p>		
1.2	<p>Interests Register / Declaration of Conflicts of Interest</p> <p>The Board:</p>		

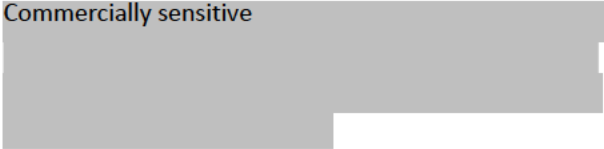
	<p>a) noted the interests register and made two alterations for Alastair Hercus:</p> <ul style="list-style-type: none"> • Privacy [REDACTED] • Confirmed Independent Chair of Co-operative Life Ltds. 		
1.3	<p>Confirmation of Board Minutes – 30 September 2020</p> <p>The Board:</p> <p>a) approved the Board minutes from 30 September 2020 as a true and accurate record.</p>		
1.4	<p>Matters Arising and Action Points</p> <p>The Board;</p> <p>a) noted the updates to the Action Points.</p>	Management to review the format of the actions register.	
1.5	<p>Proactive Release of Redacted Board Minutes – August 2020</p> <p>The Board:</p> <p>a) approved the public release of the redacted Minutes for its meeting on 26 August 2020 subject to the redaction changes requested by the Board;</p> <p>b) noted that since June 2018 when the Board Minutes began being published on the EQC website, there have been 1,130 (+35) page views, with 660 (+26) from external sources;</p> <p>c) noted that dollar amounts set out in the Delegated Financial Authority (DFA) have been redacted according to the Board’s expressed preference.</p>	Free and frank [REDACTED]	
<i>Sharelene Taylor joined the meeting at 10.27am</i>			
1.7	<p>Health, Safety, Security and Wellbeing Report – September 2020</p> <p>The Board:</p> <p>a) noted there were seven (7) Health, Safety and Security incidents reported in September 2020;</p> <p>b) noted the key risks identified during this period related to Dangerous Land and Buildings, Security and Ergonomics;</p> <p>c) noted there were no Medical Treatment Injury (MTI) during this reporting period;</p> <p>d) noted the update provided in this report on progress with delivery of the HSSW work programme;</p>	<p>As part of the HSSW session in November, the Board requested</p> <ul style="list-style-type: none"> • Legally privileged [REDACTED] • [REDACTED] 	

	<p>e) noted the outline of the Board session on Health and Safety planned for November;</p> <p>f) Legally privileged</p> <p>g) noted the update provided in this report on the EQC Pandemic Response to COVID-19.</p>	<p>Insurer Response Model; and</p> <ul style="list-style-type: none"> • advice on how EQC recommends staff protect their public identity (eg social media) • EQC procedures for allowing our people into disaster affected areas. 	
<p><i>Sharlene Taylor left the meeting at 10.42am</i></p>			
<p>Section 2</p>	<p>Strategic Priorities</p>		
<p>2.1</p>	<p>Chief Executive’s Report</p> <p>The Board:</p> <p>a) noted the key focus areas outlined in the CE Report</p> <p>b) Legally privileged</p>		
<p><i>Jaron Shaw and Privacy joined the meeting at 10.53am</i></p>			
<p>2.2</p>	<p>Transformation Update</p> <p>The Board:</p> <p>a) noted the progress that has been made over the previous month across the Transformation Portfolio as part of the attached Transformation Portfolio Dashboard.</p> <p>b) noted a separate paper is presented this month to the Board on the bilateral agreements for the Insurer Response Model.</p> <p>c) noted the inclusion this month of the Event Readiness Assessment Dashboard as part of the transformation dashboard after a draft report was considered at last month’s Board meeting.</p> <p>d) noted the progress update on the Readiness Programme, Information and Analytics Programme (I&A), and Loss Modelling Project.</p>	<p>Management to provide three-monthly reporting on loss modelling. This will be added to the Board workplan February.</p> <p>Management to undertake a review of the partnership lessons learnt from the contract to build RiskScape 2.0 and supporting loss modelling work.</p> <p>Management to provide a copy of the Aon reports referred to in the Risk Financing TSG report</p>	
<p><i>Jaron Shaw and Privacy left the meeting at 11.14am</i></p> <p><i>Privacy joined the meeting at 11.16am</i></p>			

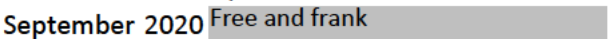
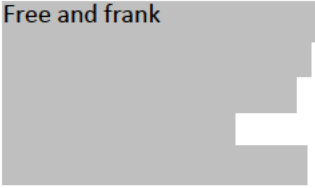
<p>2.6 Insurer Finalisation</p> <p>The Board:</p> <p>a) noted Commercially sensitive [Redacted]</p> <p>b) noted Commercially sensitive [Redacted]</p> <p>c) noted this paper is not asking the Board to approve any final settlements until EQC has completed negotiations Commercially sensitive [Redacted]</p> <p>d) noted Commercially sensitive [Redacted]</p> <p>e) endorsed Commercially sensitive [Redacted]</p> <p>f) approved delegated authority to the Chief Executive to continue engaging in negotiations with Commercially sensitive [Redacted]</p> <p>g) endorsed the Chief Executive to continue engaging in negotiations with Commercially sensitive [Redacted]</p> <p>h) approved delegated authority to the Chief Executive to engage in Commercially sensitive [Redacted]</p> <p>i) noted EQC management will revert to the Board to seek final approval for any proposed settlement Commercially sensitive [Redacted]</p> <p>j) endorsed Commercially sensitive [Redacted]</p>		<p>Management to brief the new Minister Responsible for the Earthquake Commission on insurer finalisation negotiations.</p> <p>Management to advise the Board on event apportionment in an out of cycle Board meeting in November</p>	
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Privacy [Redacted] left the meeting at 11.46 am

Josh Lindsay and Privacy [Redacted] (Russell McVeagh) joined the meeting at 11.49am

	<p>sponsorship (\$0.3m) and IT spend (\$0.2m), largely offset by higher workforce expenses (\$1.0m) and higher Outsourced service provider costs (\$0.2m). The favourable consultancy variance is largely driven by lower Projects spend where the current spend on the Data & Analytics project is being classified as CAPEX (rather than OPEX) and the lower grants & sponsorship costs is due to timing of GeoNet spend. The unfavourable workforce expenses is due to higher than planned FTE levels (\$0.6m), annual leave charges (\$0.1m) and late invoices from contractors (\$0.3m).</p>		
<p>4.2</p>	<p>2020 Half Year Economic Fiscal Update Submission</p> <p>The Board:</p> <p>a) Commercially sensitive </p> <p>b) noted that EQC will be due to submit its final numbers as part of the 2020 HYEPU update exercise on 29 October 2020 and this will include the latest accepted ILVR (June 2020);</p> <p>c) noted the increase is in BAU operating expenses of \$2m since the PREFU forecast reflecting increased resourcing to support the delivery of EQC's strategic outcomes. This forecast reflects the requirements to implement the Insurer Response Model, the recommendations of the Public Inquiry and EQC Act modernisation and the execution of the technology roadmap to simplify and modernise EQC's technology;</p> <p>d) approved the submission of EQC's forecast to the HYEPU process, which forecasts the following 2021 – 2025 net surpluses:</p> <ul style="list-style-type: none"> i. 2021 - \$361.1m, \$171.9m excluding risk margin ii. 2022 - \$179.3m, \$151.9m excluding risk margin iii. 2023 - \$165.4m, \$149.6m excluding risk margin iv. 2024 - \$150.8m, \$143.9m excluding risk margin v. 2025 - \$136.8m, \$136.8m excluding risk margin; and <p>e) noted the revised forecast for the On-Solds programme, which will be provided to Treasury.</p>		

<p>4.3 Execution of Property Agreements</p>	<p>The Board:</p> <p>a) noted the Delegations Framework (3.1 Property Leases) requires Board approval or a Power of Attorney from the Board to be in place for the CEO or CFO to approve any agreements of lease, deed of lease, licence, variations, renewals, surrenders and rent reviews;</p> <p>b) noted endorsement from the Chief Financial Officer and external legal advisors (Russell McVeagh) has been received for all documentation in preparation for signing; and</p> <p>c) approved the following property agreements to be signed by the Chair of the Board and Chair of the Audit and Risk Committee:</p> <ul style="list-style-type: none">• Deed of Surrender, Safety [REDACTED] [REDACTED] This follows the Notice of Surrender signed by Hon Sir Michael Cullen on 11 June 2020 based on a Board evote approval on the same day;• Deed of Variation Safety [REDACTED] [REDACTED]• Deed of Variation Safety [REDACTED] [REDACTED]• Licence to Occupy with Safety [REDACTED] [REDACTED]		
<p>4.4</p>	<p>Request for Extension of Scanned Mail and Related Services Contract</p> <p>The Board:</p> <p>a) approved a 24-month extension of the Contract commencing on 01 April 2021 and expiring on 31 March 2023;</p> <p>b) agreed to delegate authority to the Chief Executive to execute the variation agreement required to give effect to this extension;</p> <p>c) noted that this extension would not comply with the Government Procurement Rules;</p> <p>d) noted Commercially sensitive [REDACTED] [REDACTED]</p> <p>e) noted that EQC may choose Commercially sensitive [REDACTED] [REDACTED]</p>		

Section 2	Strategic Priorities		
2.7	<p>Engagement Survey Result</p> <p>The Board:</p> <p>a) noted EQC’s Engagement Survey results have moved from 63% in February to 74% in September 2020, as noted below and detailed in Appendix A; and</p> <p>b) congratulated management on the strong result; and</p> <p>c) noted the approach for continuing to build EQC’s employee engagement as it relates at an Enterprise and Business Unit level.</p>	<p>The Board requested information on the reasons behind the lower level of engagement in the 18 to 25 year old bracket.</p>	
<p><i>Kate Todd and Pip Andrews joined the meeting at 12.35pm</i></p>			
Section 3	Performance and Reporting		
3.1	<p>EQC Performance Report to 30 September 2020</p> <p>The Board:</p> <p>a) noted that this paper accompanies the EQC’s Executive Dashboard to 30 September 2020 and provides qualitative commentary on performance to supplement the quantitative information shown in the dashboard; and</p> <p>b) noted that the EQC’s Executive Dashboard to 30 September 2020 ^{Free and frank}  will be published on EQC’s external website by 16 November 2020.</p>	<p>Free and frank </p> <p>Management consider using the same reporting format for the Board and the Minister</p>	
<p><i>Kate Todd and Pip Andrews left the meeting at 12.45pm</i></p>			
Section 2	Strategic Priorities		
2.3	<p>National Reference Group: stakeholder feedback</p> <p>The Board:</p> <p>a) note that EQC undertook stakeholder consultation in September and October 2020 to inform the function, scope and purpose of a proposed national reference group;</p> <p>b) note the stakeholder feedback summarised in this report which canvasses both a national representative group and local groups following an event;</p>	<p>Management to provide further advice on how EQC would engage with HOAG to maintain engagement with Canterbury claimants</p> <p>Management to provide advice on the communications approach that will be used for</p>	

	<p>c) discuss and provide feedback on draft objectives for the proposed community groups, based on stakeholder feedback so far;</p> <p>d) noted that the proposed National Reference Group should include representation from a consumer group such as Consumer NZ</p> <p>e) note an out-of-cycle Board workshop is planned for November 2020 for Commissioners to hear from the current Claims Reference Group, approve objectives, the role and form of the group(s), membership criteria and appointment process, and draft terms of reference;</p> <p>f) note that, subject to a Board workshop planned for mid-November, the Claimants Reference Group is currently scheduled to end on 30 November 2020; and</p> <p>g) note that claimants affected by the Canterbury earthquake sequence will continue to have representation through Homeowner Advisory Group, which advises the Greater Christchurch Claims Resolution Service.</p>	<p>decisions on the National Reference Group.</p>	
<p>2.4</p>	<p>Communications Update</p> <p>The Board:</p> <p>a) noted the Colmar Brunton Public Sector Reputation Index Results for 2020 which confirm EQC is among the top five most-improved agencies for the second year running;</p> <p>b) noted EQC has developed a 'core EQC story' to ensure all internal and external communications deliver clear, consistent and compelling messaging;</p> <p>c) noted the EQC Engagement strategy is being developed, building on the results of the Colmar Brunton and other stakeholder surveys; and</p> <p>d) noted the communications planning underway to support announcements on the Insurer Response Model, EQC's Annual Report 2020 and the Commercially sensitive [REDACTED] which will take place in November 2020.</p>	<p>Management to incorporate the aims of the Resilience strategy into communications planning</p>	
<p>Section 6</p>	<p>Correspondence of Interest</p>		
<p>6.1</p>	<p>Hon Grant Robertson, 7 October</p> <p>The Board:</p> <p>a) noted the letter from Hon Grant Robertson regarding the Changes to the on-sold services agreement.</p>		

Commissions, Sid Miller, Tina Mitchell and Privacy left the meeting at 1.15pm

The meeting closed at 1.15pm

The Board visited the GeoNet Programme Office at GNS Science in Lower Hutt.

The next meeting is to be held on 25 November 2020.

These minutes were approved by the Board as a true and correct record.

Mary Jane Daly

Board Chair

Date