

**MINUTES OF THE MEETING OF
THE BOARD OF THE EARTHQUAKE COMMISSION**
Held at Wairarapa Room, [REDACTED] / via Microsoft Teams
9.30am – 4.00pm, Wednesday 26 August 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
Fraser Gardiner, Chief Financial Officer
Sharlene Taylor, Acting Chief People Officer
Jaron Shaw, Chief Data Officer
Tina Mitchell, Chief Strategy Officer (Secretariat)
Hamish Wall, Head of Transition Performance and Support
Kate Tod, Head of Canterbury Claims
Kate West, Head of Policy & Government Relations

Apologies:

Nil

[REDACTED] (KPMG) [privacy]

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		
<i>Sid Miller joined the meeting at 9.45am</i>			
	Board and CE Only		
<i>Tina Mitchell joined the meeting at 10.00am</i>			
1.1	Present and Apologies The Board: a) noted there were no apologies received.		
1.2	Interests Register / Declaration of Conflicts of Interest The Board: a) noted that Alison O’Connell has joined Annuitas Management Limited as a director.		
1.3	Confirmation of Board Minutes – 29 July 2020 The Board: a) approved the Board minutes from 29 July 2020 as a true and accurate record.		

1.4	Matters Arising and Action Points The Board; a) noted the updates to the Action Points.		
1.5	Proactive Release of Redacted Board Minutes – June 2020 The Board: a) approved the public release of the redacted Minutes for its meeting on 24 June 2020, subject to one redaction on item 5.2; 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; c) noted that dollar amounts set out in the Delegated Financial Authority (DFA) have been redacted according to the Board’s expressed preference.		
1.6	Ratification of Evote The Board: a) agreed to ratify the Evotes <i>Acceptance of the ILVR and Request for approval to execute new contract with Pulse Research Limited.</i>		

Tina Mitchell joined the meeting at 10.30am

Section 2	Strategic Priorities		
2.1	Chief Executive’s Report The Board: a) noted the key focus areas outlined in the CE Report b)  [commercially sensitive] c) noted their strong support for the data platform EQC is working on with LINZ.	Management to keep the Minister Responsible for EQC briefed on the influx of customer contacts following the letter to homeowners on the On-Solds programme	

Jaron Shaw joined the meeting at 10.35am

2.2	Transformation Update The Board:		
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	<p>a) noted the progress that has been made over the previous month across the Transformation Portfolio;</p> <p>b)  [commercially sensitive]</p> <p>c)  [commercially sensitive]</p> <p>d) noted the proposed new Transformation Portfolio reporting for consideration based on recent feedback from the EQC Board. The pack includes this overview and a One-EQC Transformation Portfolio summary. Workstream one-page updates are also included in the resource centre as reference;</p> <p>e) noted the integrated schedule has been updated to reflect milestone changes and include Technology workstream activity approved at the Transformation Steering Group (TSG) on 18th August 2020.</p>		
<p>2.4 Technology Update</p> <p>The Board:</p>	<p>a) noted that EQC’s IT model has changed significantly over the past 18 months, with new focus areas emerging to ensure EQC succeeds alongside our strategic partners;</p> <p>b) noted the proposed Technology Roadmap lays out EQC’s major technology change initiatives for the next 18-24 months. The roadmap is based on simplifying and modernising EQC’s technology to improve IT performance and enable better customer outcomes;</p> <p>c) noted the Technology Roadmap cost profile and target areas for subsequent efficiency gains, that will be incorporated into the Half Year Economic and Fiscal Update (HYEFU); and</p> <p>d) noted </p>	<p>The Audit & Risk Committee to monitor the costs and benefits of all IT investments when reviewing BEFU and HYEFU</p> <p> [commercially sensitive]</p> <p>Management to include a specific focus on privacy and security in the Technology Roadmap</p>	

	[redacted]		
	[redacted] [commercially sensitive]		
<p><i>Jaron Shaw left the meeting at 11.35am</i> <i>Fraser Gardiner, [redacted] entered the meeting at 11.42am [privacy]</i></p>			
2.3	<p>Risk Workshop</p> <p>The Board participated in a Risk Workshop facilitated by KPMG from 11.42am – 1pm.</p>	<p>Management to schedule a further 1.5 hour risk workshop for the Board ahead of the next Board meeting in September</p>	
<p><i>The meeting adjourned for lunch at 1pm</i> <i>Commissioners, Sid Miller, Tina Mitchell re-entered the meeting at 1.30pm</i> <i>Kate Tod and Hamish Wall joined the meeting at 1.31pm</i></p>			
2.5	<p>Canterbury Claims Programme</p> <p>The Board:</p> <p>a) noted that management have actioned the Board’s request from the July 2020 meeting to update the Canterbury Claims Programme Framework;</p> <p>b) noted that this update reflects the consideration of customer and reputational impacts of proposed initiatives.</p>	<p>Management to consider all reputational, operational, strategic, and financial risks in setting initiative thresholds</p> <p>Management to note the benefits for planned initiatives, including improved fairness, speed, efficiency and customer outcomes</p>	
<p><i>Kate Tod and Hamish Wall left the meeting at 1.50pm</i> <i>Kate West joined the meeting at 1.52pm</i></p>			
2.6	<p>Communications and Policy Update</p> <p>The Board:</p> <p>a) noted the priorities discussed at the Board workshop on the Act review on 19 August 2020, with amendments;</p> <p>b) agreed that the Board will be kept updated on activities related to the Act review through a subcommittee of the Board;</p> <p>c) noted EQC’s progress towards establishing a National Advisory Group;</p> <p>d) noted EQC management is developing reporting options to ensure the Board can maintain effective oversight of EQC’s activities</p>	[redacted]	<p>[under active consideration]</p> <p>Management to ensure KPMG reports canvass progress on all Public Inquiry recommendations</p>

	<p>in implementing the Public Inquiry recommendations;</p> <p>e) agreed that KPMG be engaged to provide independent assurance on EQC's response to the Public Inquiry recommendations;</p> <p>f) noted the recent policy work that has supported the Canterbury On-Sold properties programme and the proposed content for the Briefing to the Incoming Minister; and</p> <p>g) noted the communications activity that has supported the Canterbury On-Sold properties programme in August</p> <p>h) noted the communications activity that is planned in September 2020 for the 10th anniversary, which will take into account the broader strategic context for New Zealand currently</p>		
<p><i>Kate West left the meeting at 2.35pm</i> <i>Sharlene Taylor joined the meeting at 2.36pm</i></p>			
Section 3	Performance and Reporting		
<p>3.1</p>	<p>Health, Safety, Security and Wellbeing Report</p> <p>The Board:</p> <p>a) noted there were three (3) Health, Safety and Security incidents reported in July 2020;</p> <p>b) noted there were zero (0) Medical Treatment Injury (MTI) during this reporting period;</p> <p>c) noted the update provided in this report on progress with delivery of the HSSW work programme; and</p> <p>d) noted the update provided in this report on the EQC Pandemic Response to Covid-19.</p>		
<p><i>Sharlene Taylor left the meeting at 2.38pm</i></p>			
<p>4.2</p>	<p>EQC Performance Report – July 2020</p> <p>The Board:</p> <p>a) noted that this paper accompanies the EQC's Executive Dashboard to 31 July 2020 and provides qualitative commentary on performance to supplement the quantitative information shown in the dashboard;</p> <p>b) noted that the EQC's Executive Dashboard to 31 July 2020 (excluding the section pertaining to Kaikōura and information relating to near</p>		

	<p>misses in the Privacy Breaches section) will be published on EQC’s external website by 11 September 2020; and</p> <p>c) noted that the reporting of year end results detailing performance against our customer satisfaction SoPE measures for FY19-20 are outlined in Addendum FY19-20 Customer Satisfaction FY19-20 SoPE Results.</p>		
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Fraser Gardiner joined the meeting at 2.46pm
Tina Mitchell left the meeting at 2.48pm

Section 4	Performance and Reporting		
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4.1	<p>Financial Reporting – July 2020</p> <p>The Board:</p> <p>a) noted the accompanying July 2020 Financial pack;</p> <p>b) noted the financial pack provides a summarised view of the month’s financial results, with a more detailed financial pack also available in the Resource centre;</p> <p>c) provided feedback on the top 10 vendor spend</p> <p>d) noted the following comments on the July financial performance:</p> <ul style="list-style-type: none"> i. Revenue for the month was above budget (\$0.9m), due to higher Premiums revenue. ii. Core operating costs were below budget for the month (\$1.3m) primarily due to lower consultancy spend. This variance is driven by lower Projects spend (\$1.0m), where the current spend on the Data & Analytics project is being classified as CAPEX (rather than OPEX) and the anticipated spend on other projects has not yet commenced. The remaining variance is due to lower legal/litigation costs (\$0.1m), lower comms & advertising costs (\$0.1m) and lower spend on other initiatives (\$0.2m). iii. Event operating costs were below budget for the month (\$0.5m). This is mainly due to lower resourcing costs in Canterbury, driven by lower than planned FTE levels (26 FTE). 		
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	<ul style="list-style-type: none"> iv. The YTD Surplus is favourable to budget (\$8.0m). This is largely driven by higher premiums revenue (\$0.9m), lower underwriting costs (\$5.7m) and lower expenses (\$1.4m). v. Cash & Investments held at 31 July were \$201m. 		
<p>4.2</p>	<p>[commercially sensitive]</p>		
<p>4.3</p>	<p>Renewal of Section 16 Deed</p> <p>The Board:</p> <ul style="list-style-type: none"> a) noted that when seeking a further 12 month extension to the section 16 Deed, Treasury raised concerns that the “Term” of the original Deed did not provide for it to be extended more than once, meaning it would expire on 18 September 2020; 		

	<p>b) noted that Management and Treasury both agree that the amended Deed provides a clear mechanism whereby EQC can request, and the Crown can agree, periodic extensions to the term without the need for formal amendment of the underlying document each time;</p> <p>c) noted [redacted] [legally privileged]</p> <p>d) noted [redacted] [under active consideration]</p> <p>e) agreed [redacted] [under active consideration]</p>		
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Section 5 Board Committee Updates

5.1	<p>People and Culture Committee – 22 July 2020</p> <p>The Board:</p> <p>a) noted the draft minutes of the People and Culture Committee Meeting held on 22 July 2020.</p> <p>Audit and Risk Committee – 04 August 2020</p> <p>The Board:</p> <p>a) noted the draft minutes of the Audit and Risk Committee Meeting held on 04 August 2020.</p>		
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Section 6 General Business

6.1	<p>Board Work Programme</p> <p>The Board:</p> <p>a) noted the proposed workplan for the coming year;</p> <p>b) noted the current schedule for review of EQC policies, with amendments;</p> <p>c) discussed the workplan and provided feedback.</p>	<div style="background-color: #cccccc; width: 100px; height: 60px; margin-bottom: 5px;"></div> <p>[commercially sensitive]</p> <p>Management to update the Board workplan based on Board feedback</p>	
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Section 7 Correspondence of Interest

7.1	<div style="background-color: #cccccc; width: 100%; height: 15px; margin-bottom: 5px;"></div> <p>[commercial negotiations]</p> <p>The Board:</p> <p>a) noted the above correspondence of interest.</p>		
7.2	<p>EQC Briefing: On-Sold programme extension</p> <p>The Board:</p> <p>a) noted the above correspondence of interest.</p>		
7.3	<p>Joint Briefing: NSHM Revision Project Update and Launch</p> <p>The Board:</p> <p>a) noted the above correspondence of interest.</p>		

Commissions, Sid Miller and Fraser Gardiner left the meeting at 3.45pm
The meeting closed at 3.45pm

	<p>The next meeting is to be held on 30 September 2020.</p> <p>These minutes were approved by the Board as a true and correct record.</p> <p>_____ _____</p> <p>Mary Jane Daly Date</p> <p>Board Chair</p>		
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