

Reference: 20220290

23 September 2022



Dear 

Thank you for your Official Information Act (OIA) request, received on 29 July 2022. You requested the following:

*The 20-21 Annual Report of EQC on page 17 noted that:
'a number of agencies across government are, therefore, working together to ensure that there is clarity about roles and responsibilities for housing recovery in the event of a major natural disaster.'*

That EQC Annual Report also noted that EQC is supporting this work rather than leading it. I therefore am making this request to your Ministry rather than EQC.

The specific request is for documents relating to work being done, or which has been done, on determining which government agency is responsible for housing after major natural disasters.

I seek documents produced since 1 July 2020.

The documents sought are:

- press releases;*
- meeting agendas;*
- minutes of meetings;*
- reports produced by MBIE on the topic;*
- reports produced by any agency to summarise the result of meetings; and*
- any other documents summarising the progress of the work.*

The request was transferred to the Treasury and extended by 20 working days.

Information being released

Please find enclosed the following documents:

Item	Date	Document Description	Decision
1.	30 July 2020	Treasury Report: Considerations for a future managed repair programme T2020/2426	Release in full
2.	2 October 2020	Email: Follow up on managed repair/housing recovery workshop last week	Release in full
3.	2 October 2020	Email attachment: Follow up on managed repair/housing recovery workshop last week: Managed repair notes 25 September	Release in full
4.	19 October 2020	DRAFT DOCUMENT: Treasury Report: Considerations for a future managed repair programme: Further advice	Release in part
5.	11 December 2020	Earthquake Commission Briefing: Housing recovery and private insurers	Release in part
6.	22 December 2020	Email: Key points from our check in yesterday	Release in full
7.	10 March 2021	Treasury Report: Update on implementation of the response to the Public Inquiry into the Earthquake Commission	Release in part
8.	7 April 2021	NEMA Briefing: Confirming the lead agency for housing recovery	Release in part
9.	4 August 2021	Treasury Report: Implementing the Public Inquiry into EQC response: Draft letters to your colleagues	Release in part
10.	9 November 2021	Aide Memoire: GOV talking points: Public Inquiry into EQC recommendations relating to Emergency Management System Reforms	Release in part
11.	10 November 2021	Treasury Report: Update on implementation of the response to the Public Inquiry into the Earthquake Commission – November 2021	Release in part
12.	10 November 2021	Treasury Report Appendix 2: Gantt chart Public Inquiry progress	Release in part
13.	18 November 2021	Aide Memoire: Ministerial meeting on post-disaster housing recovery	Release in part
14.	30 November 2021	Letter from Hon Poto Williams regarding post-disaster housing recovery	Release in full
15.	27 May 2022	Cross-agency meeting on housing recovery – annotated agenda	Release in part
16.	1 September 2022	Summary of 27 May 2022 cross-agency DCEs housing recovery meeting	Release in full

I have decided to release the documents listed above, subject to information being withheld under one or more of the following sections of the OIA, as applicable:

- personal contact details of officials, under section 9(2)(a) – to protect the privacy of natural persons, including that of deceased natural persons,
- advice still under consideration, section 9(2)(f)(iv) – to maintain the current constitutional conventions protecting the confidentiality of advice tendered by Ministers and officials,
- certain sensitive advice, under section 9(2)(g)(i) – to maintain the effective conduct of public affairs through the free and frank expression of opinions,
- commercially sensitive information, under section 9(2)(b)(ii) – to protect the commercial position of the person who supplied the information, or who is the subject of the information, and
- information that may prejudice ongoing negotiations between public organisations, under section 9(2)(j).

Direct dial phone numbers of officials have been redacted under section 9(2)(k) in order to reduce the possibility of staff being exposed to phishing and other scams. This is because information released under the OIA may end up in the public domain, for example, on websites including Treasury's website.

Draft document included in the release

Note that item 4 in the above table is a draft report that was never sent to the Minister. It does not reflect government policy or the official Treasury position. The draft document has been included as it has been identified as being within scope of the request and provides contextual information you may find useful.

Information relating to the Natural Hazards Insurance Bill

Your request has captured policy advice related to the Natural Hazards Insurance Bill, for example document items 7 and 11. We note that the Bill is currently being considered by the Finance and Expenditure Committee and its final form is still subject to Parliamentary scrutiny and passage.

Information publicly available

The following information is also covered by your request and is publicly available on the Treasury website:

Item	Date	Document Description	Website Address
17.	1 July 2020	Cabinet minute DEV-20-MIN-0116: Government response to the Public Inquiry into the Earthquake Commission	https://www.treasury.govt.nz/sites/default/files/2020-09/govt-response-ecq-inquiry-DEV-20-MIN-0116.pdf

Accordingly, I have refused your request for the document listed in the above table under section 18(d) of the OIA: *the information requested is or will soon be publicly available.*

Information to be withheld

There are additional documents covered by your request that I have decided to withhold in full under the following sections of the OIA, as applicable:

- advice still under consideration, section 9(2)(f)(iv) – to maintain the current constitutional conventions protecting the confidentiality of advice tendered by Ministers and officials,
- certain sensitive advice, under section 9(2)(g)(i) – to maintain the effective conduct of public affairs through the free and frank expression of opinions,
- commercially sensitive information, under section 9(2)(b)(ii) – to protect the commercial position of the person who supplied the information, or who is the subject of the information, and
- information that may prejudice ongoing negotiations between public organisations, under section 9(2)(j)

One of the documents being withheld in full is detailed minutes from a meeting of senior officials on 27 May 2022. I have prepared for release a summary of the document which was withheld in full. The summary does not include any information which would be subject to withholding under the OIA, therefore the summary is released in full – refer to item 16 in the above table of documents for release.

In making my decision, I have considered the public interest considerations in section 9(1) of the OIA.

Please note that this letter (with your personal details removed) and enclosed documents may be published on the Treasury website.

This reply addresses the information you requested. You have the right to ask the Ombudsman to investigate and review my decision.

Yours sincerely

Siobhan Duncan
Team Leader, Earthquake Commission Policy Team

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Treasury Report: Considerations for a future managed repair programme

Date:	30 July 2020	Report No:	T2020/2426
		File Number:	TY-2-1-17-1

Action sought

	Action sought	Deadline
Hon Grant Robertson Minister Responsible for the Earthquake Commission	Agree to progress work to appoint a permanent lead agency in a timely manner, rather than initiating work to appoint an interim agency.	N/A

Contact for telephone discussion (if required)

Name	Position	Telephone	1st Contact
Danijela Tavich	Analyst, Earthquake Commission Policy Team	s9(2)(k) (wk)	N/A (mob) ✓
Helen McDonald	Manager, Earthquake Commission Policy Team	s9(2)(k) (wk)	s9(2)(g)(ii) (mob)

Minister's Office actions (if required)

Return the signed report to Treasury.

Note any feedback on the quality of the report

Treasury Report: Considerations for a future managed repair programme

Executive Summary

1. You have asked for advice on whether an agency could be appointed to be responsible for a future managed repair programme in the interim while a longer-term policy process led by the National Emergency Management Agency (NEMA) is progressing on roles and responsibilities in the emergency management system. The suggestion of an 'interim agency' was raised by the Earthquake Commission (EQC) in their recent briefing to you [BNR 19-20 098 refers].

An interim agency appointment may help to clarify responsibilities in the short-term...

2. EQC has raised concerns that the NEMA-led policy process lacks a clear means for appointing a managed repair agency, and that the timeframes for this work mean that a significant gap will remain in Government's disaster preparedness until it is completed. EQC's Board has made it clear that they do not see EQC's role as leading a future managed repair programme, and that they do not currently have preparations in place to do so.
3. As an immediate next step, NEMA plans to report to Ministers by December 2020 on progress made to clarify the role and responsibilities of NEMA and the wider emergency management system. The report back will include detail on NEMA's progress in clarifying and agreeing roles and responsibilities in relation to managed repair.
4. This report back will be part of NEMA's broader work to update the National Civil Defence and Emergency Management Plan 2015 (NCDEM Plan 2015). The NCDEM Plan 2015 sets out the guiding principles and roles and responsibilities for those agencies and entities that have a role to play in emergency management in New Zealand.
5. Project planning for the NCDEM Plan 2015 review is currently underway, with the completion of the Plan expected to be an eighteen month to two-year process overall. As the Plan will reflect agreed roles and responsibilities, it is expected that the managed repair agency would be confirmed and already working on associated planning for the role prior to the updated Plan being in place.
6. EQC has suggested that appointing an interim agency might mitigate some of the risks associated with the timeframes of the NEMA process – namely that Government would have an agency – one that has both the capability and the capacity required – to turn to should a large-scale managed repair programme be needed in the short-term.

...but risks the interim agency underinvesting in the role

7. While we agree that appointing an interim agency may help to improve cross-government disaster preparedness by clarifying short-term responsibilities among agencies, we see a risk that an interim agency would not invest adequate time and resources in undertaking the necessary planning for the role.
8. If an agency is the 'interim' lead, and standard planning processes see management and policy resources are directed to their highest-returning uses, the interim role will be competing for resource against activities with much longer-lasting returns, making it difficult to prioritise investment in the role. This effect is likely to be exacerbated by the low frequency nature of disasters, which makes preparedness planning difficult to trade off against more urgent resourcing needs.

9. In a similar vein, appointing an interim agency will likely pre-empt the outcomes of the NEMA-led approach by making one agency the obvious choice to continue in the role, on the assumption that the interim agency would have already begun investing and planning for the role to some degree. This may have the effect of discouraging agencies to take on the 'interim' position knowing that they may effectively be taking on a permanent role. This may also serve to further exacerbate reluctance in an interim agency to invest in the role, due to a desire to avoid becoming the strongest candidate to be the permanent lead.

There is more work to be done to understand the functions of a lead agency for managed repair, before the role can be allocated

10. Good policy process would see the following steps taken to appoint either an interim or permanent agency:
 - a Further work to define the skills and functions required to undertake a managed repair programme.
 - b Based on a clear understanding of the function, begin engaging with agencies and potential candidates to determine whether and how, if required, they would be able to carry out a managed repair programme.
 - c Provide advice on options for agencies to lead the programme, for Ministerial decisions.
11. We note that undertaking steps (a) and (b) is not expected to be an entirely linear process, as engaging with agencies will help to further define the scope of the role.

Discussions are underway between Treasury and EQC on work that can be done to speed up the NEMA-led process

12. Because of our concerns about the effectiveness of an interim appointment, along with the further work needed to more fully define the skills and functions required to undertake a managed repair programme, it is, in our view, a more effective approach to focus on progressing work to appoint a permanent lead agency in a timely manner, rather than initiating work to appoint an interim agency.
13. Additionally, we see significant value in undertaking this work as part of broader consideration of roles and responsibilities in the system, as is allowed for by NEMA's emergency management system oversight and stewardship role. This approach will enable considered allocation of roles in the system that is likely to be more enduring and garner greater agency buy-in.
14. We have considered whether work might begin now to progress step (a), defining the skills and functions required to undertake a managed repair programme, which can then be used by NEMA as a basis for beginning conversations with potential candidates to lead a future programme. This would allow outcomes from the NEMA process to drive to conclusions more quickly, and for the content of the December 2020 NEMA report-back to be further advanced.
15. Due to prioritising policy work to modernise the EQC Act, Treasury is not able to resource further work in 2020 to define the functions of a lead agency for managed repair or engage with agencies on their potential role in managed repair. However, discussions are ongoing between Treasury and EQC on other options to progress work on step (a) in the short-term, to feed into NEMA's NCDEM Plan process.

Recommended Action

We recommend that you:

- a **Note** there is a significant gap in Government's disaster preparedness as no agency (including EQC) is currently prepared to lead a managed repair programme that may be required following a significant natural disaster event.
- b **Note** EQC considers appointing an interim lead agency for managed repair would mitigate some of the risks associated with this preparedness gap, and has raised this with you.
- c **Note** Treasury is concerned that an interim lead agency on managed repair may not be adequately incentivised to invest time and resources preparing for the role.
- d **Note** Treasury considers further work is needed to more fully define the skills and functions required to undertake a managed repair programme, before a lead agency is appointed.
- e **Note** Treasury sees significant value in undertaking this work as part of broader consideration of roles and responsibilities in the system, as is allowed for through NEMA's work to update the NCDEM Plan 2015.
- f **Agree** to progress work to appoint a permanent lead agency in a timely manner, rather than initiating work to appoint an interim agency.

Agree/disagree.

- g **Note** that, due to prioritising policy work to modernise the EQC Act, Treasury is not able to resource further work in 2020 to define the functions of a lead agency for managed repair or engage with agencies on their potential role in managed repair.
- h **Note** discussions are ongoing between Treasury and EQC on whether there are other options to progress work to define the skills and functions of a lead agency for managed repair in the short-term, to feed into NEMA's work to update the NCDEM Plan 2015.

Helen McDonald
Manager, Earthquake Commission Policy Team

Hon Grant Robertson
Minister Responsible for the Earthquake Commission

Treasury Report: Considerations for a future managed repair programme

Purpose of Report

16. The purpose of this report is to provide advice on whether an agency could be appointed to be responsible for a future managed repair programme in the interim while a longer-term policy process led by the National Emergency Management Agency (NEMA) is progressing on roles and responsibilities in the emergency management system. The suggestion of appointing an 'interim agency' was raised by the Earthquake Commission (EQC) in its recent briefing to you [BNR 19-20 098 refers].

Background and problem definition

17. The Canterbury Home Repair Programme (CHRP) was established in October 2010 to repair homes damaged in the Canterbury earthquakes. Its purpose was to centralise all aspects of repairs, meaning that for homeowners everything would be provided for including physical repairs, legal and building code compliance, quality monitoring and control, and remedying any defects identified during the three-month liability period.
18. Fletcher Building project managed the repair work as an agent for EQC, which was responsible for the design and implementation of the Programme. Physical repair work was carried out by accredited contractors and their staff or subcontractors.
19. The purpose of the Programme was to mitigate a number of risks associated with the large scale of necessary repairs in Canterbury. Theoretically, centralising the management of repairs should avert problems associated with inflation; allow for control of quality or safety of the building work; and avoid problems aligning objectives, prioritisation of work, and access to resources.

The lead for a future managed repair programme is a gap in our disaster preparedness

20. The experience from the CHRP has led to improvements in the clarity of post-disaster roles and responsibilities across government (Appendix 1 refers). The Public Inquiry into the EQC, which reported in March 2020, found that the reasons for establishing a managed repair programme in the wake of the Canterbury earthquakes were sound, and will likely apply again in future. However, assigning overall responsibility for the Programme to EQC "was a mistake", primarily because undertaking a large-scale managed repair was a role EQC was unprepared for.¹
21. EQC has emphasised that, if another event were to occur in the immediate future requiring a managed repair programme, they would not have the capacity or capability to lead it. Leading a managed repair programme conflicts with EQC's own expectations of its role as a natural disaster insurer and hazard research funder and claims manager, with the EQC Board previously considering and rejecting responsibility for a managed repair programme.² Such a role requires extensive construction, commercial and project expertise; skills which are not inherent to an organisation whose primary purpose is as a first-loss insurer – this fact being a main contributor to shortcomings of the CHRP.

¹ See page 139 of the Inquiry report: <https://eqcinquiry.govt.nz/assets/Inquiry-Reports/Report-of-the-Public-Inquiry-into-EQC.pdf>

² See page 9 of the Public Inquiry into EQC.

22. For this reason, EQC has urged the Government to either provide early direction that EQC would be expected to lead on a future managed repair programme, so it can prepare, or define which alternative agency will fulfil the role.
23. The need to clarify expectations for who will lead a future managed repair programme has been reiterated by recommendation 1.1.3 of the Public Inquiry which stated that, in order to improve future preparedness, Government should: *“Determine how a managed repair programme might be initiated and executed should it be required and whether EQC should be the lead agency to conduct the programme. If not, then specify EQC’s role in a managed repair or rebuild programme. As part of this, review the discretion in Schedule 3 of the EQC Act enabling EQC to manage the replacement or reinstatement of properties.”*

NEMA is updating the NCDEM Plan 2015, which will include providing clarity on managed repair

24. As a next step in responding to the Inquiry’s recommendation 1.1.3, the National Emergency Management Agency (NEMA) plans to report back to Ministers by December 2020 on progress made in clarifying and agreeing roles and responsibilities in relation to managed repair. This report back will be part of NEMA’s broader work to update the NCDEM Plan 2015, which sets out the guiding principles and roles and responsibilities for those agencies and entities that are involved in emergency management in New Zealand.
25. As part of NEMA’s work to update the NCDEM Plan, NEMA will explore the question of which agency should lead a future managed repair programme. Project planning for the NCDEM Plan review is currently underway, with completion of the Plan expected to be an eighteen month to two-year process overall. As the final Plan will reflect agreed roles and responsibilities, it is expected that the managed repair agency would be confirmed and already working on associated planning for the role prior to the updated Plan being in place. NEMA’s December report will include an update on work so far on the managed repair issue and expected next steps.

Skills and functions required for leading a managed repair programme

26. The lessons learned by EQC from its experience in leading the CHRP, along with the Public Inquiry into EQC commentary on the programme, provide a sound starting point to determine what is needed to prepare for and run a future managed repair programme. The below analysis draws from these two sources of information, as well as earlier reviews of the CHRP by the Office of the Auditor-General in 2013 and 2015.³

The CHRP experience provides a basis to define core functions of a managed repair programme

27. Based on the core elements of EQC’s responsibilities in implementing the CHRP,⁴ we see the below-listed functions as central to a managed repair programme. These are broadly grouped as **procurement and oversight, relationship and customer management**, and **managing repairs**. Depending on the contractual arrangements

³ The Auditor-General produced a report titled *‘Earthquake Commission: Managing the Canterbury Home Repair Programme’* in October 2013, and a follow-up to that report in November 2015.

⁴ This list of responsibilities is focused on the core functions of a managed repair programme and does not include other matters EQC were responsible for during the CHRP process including insurance claims handling, the Canterbury Home Heating Programme and dealing with emerging complex and difficult legal issues.

with the construction company ('agent') some of the functions may be more or less hands-off, such as those relating to managing repairs.

Procurement and oversight

- a Procuring agents to undertake necessary operational tasks (such as project management). The procurement team and evaluation panel EQC put together for the CHRP included experts in large scale procurement; construction management; building regulation and occupational licensing and probity audit sourced from the private sector and the former Ministry of Economic Development and the former Department of Building and Housing.
- b Acting as the 'principal' in determining the specifics of the contractual arrangement with the 'agents'. This was effectively the planning process for the repair programme in the case of the CHRP.
- c Monitoring and management of the programme (including quality assurance and project management costs to ensure that these are appropriate). This includes setting key performance indicators to consistently and meaningfully cover cost, time, quality, and safety, with targets where practicable.
- d Managing the substantial financial resources and contracts associated with the programme.
- e If necessary, adjusting the configuration of repair and project management services in the programme to deliver the best value and results in the circumstances and treat homeowners fairly and consistently.

Relationship and customer management

- f Working with the 'agent' and EQC to coordinate complaints management processes.
- g Communicating with the relevant population about the programme.
- h Recording and sharing information about specific properties with claimants and EQC.

Managing repairs

- i Undertaking inspections of residential premises and land (damage assessments), including recruiting assessors and providing training and operational policy around how to undertake these assessments.
- j Working with the 'agent' to scope repairs, including determining matters such as whether the homeowner will need to move out during repairs. Depending on the contractual arrangements with the 'agent' there may or may not be a need for practical involvement by the lead agency on this function (EQC worked with Fletcher Building to scope repairs in the CHRP).
- k Overseeing emergency repairs (project managed by Fletcher EQR in the CHRP) on houses that are dangerous or insecure.
- l Working with structural engineers to inform repair decisions and potentially establishing a technical services team to work as an in-house consulting service (as was done in the case of the CHRP).
- m Managing remedial repairs.

28. We also consider that a lead agency for managed repair would either lead on, or contribute to, advice to Government on whether a large-scale managed repair programme would be needed in a post-disaster scenario.

EQC will always have some involvement in a managed repair programme as first-loss insurer

29. We see leading a managed repair programme as a separate but related function to EQC's current role as first-loss insurer following a natural disaster event. Owing to EQC's role as insurer, it will always need to have some relationship to the managed repair programme. For example, it would have a role in determining whether a claim should be cash-settled or referred for a managed repair.
30. Consequently, regardless of which agency leads on managed repair, related claims-handling functions following a disaster should remain the responsibility of EQC as first-loss insurer. These include:
- a Determining whether a property is under-cap and should be referred to the managed repair programme or cash settled, or if it is over-cap to be referred to private insurer.
 - b Working with private insurers to coordinate handling of over-cap claims, including where a property was initially thought to be under-cap.
 - c Managing the invoice process for customers' insurance excess payments.
 - d Managing claims for vulnerable people, including working with the managed repair lead to allocate priority 'repair slots'.
 - e Working with the managed repair lead on coordinating complaints processes and information on specific claims.
31. EQC may also retain the option to undertake small-scale managed repairs, as is currently provided for in Schedule 3 of the EQC Act.

A range of skills is required to undertake the required functions

32. EQC has recommended that in the case of a future managed repair programme, the lead organisation needs the capacity and capability to be an "informed principal", proactively and rigorously reviewing, and managing, the performance of the project management office. Overall, the following expertise would be required:
- a Current and relevant construction, commercial, and project management expertise.
 - b Expertise and experience in actively monitoring, managing, and leading a project management office provider.
 - c Public sector expertise (including in the machinery of government, procurement, public finance, and working with Ministers).
 - d Customer communication skills.

Skills and functions may sit across more than one organisation

33. The broad range of required skills and functions suggest that the operation of a managed repair programme may appropriately sit across more than one organisation, though further analysis is required to consider options and their merits.

A lead agency will also need to undertake preparedness planning

34. Many of the shortfalls of the CHRP can be attributed to a lack of planning and experience. For example, EQC did not begin actively monitoring and managing the CHRP until 2013, when the programme was established in 2010. Important systems, controls, and support functions such as this could have been in place and fully effective sooner.
35. A future lead agency will be able to avoid pitfalls such as this by undertaking preparedness planning ahead of time, for example, establishing key performance indicators and monitoring processes in 'peacetime', to be implemented in a disaster recovery scenario. The agency would also have the benefit of the CHRP experience to draw on to inform this planning.
36. Additionally, if the lead agency does not have the necessary capability and capacity within its ranks, or not enough people with these skills, there must be a plan to rapidly fill these gaps after a disaster event.

Analysis of an interim agency approach

37. EQC has raised concerns that the NEMA-led policy process lacks a clear process for appointing a managed repair agency. EQC's view is that a significant gap will remain in Government's disaster preparedness if the status quo is maintained in the short to medium term. EQC's Board does not see EQC as the future lead agency for a future managed repair programme, and they do not currently have preparations in place to take up this role.
38. We consider that the role of an interim agency would be to ensure it was prepared to lead on a managed repair programme should an event happen in the short-term. This would require preparedness planning for the functions as described in the previous section on requirements for a managed repair programme.

An interim agency may underinvest in the role

39. While we agree that appointing an interim agency may help to improve cross-government disaster preparedness by clarifying short-term responsibilities among agencies, we see a risk that an interim agency would not invest adequate time and resources in undertaking the necessary planning for the role. If an agency is the 'interim' lead, and standard planning processes see management and policy resources directed to their highest-returning uses, the interim role will be competing for resource against activities with much longer-lasting returns, making it difficult to prioritise investment in the role. This reluctance to invest in the role is likely to be exacerbated by the low frequency nature of disasters, which makes preparedness planning difficult to trade off against more urgent resourcing needs.
40. In a similar vein, appointing an interim agency will likely pre-empt the outcomes of the NEMA-led process by making one agency the obvious choice to continue in the role, on the assumption that the interim agency would have already begun investing and planning for the role to some degree. This may have the effect of discouraging agencies to take on the 'interim' position knowing that they may effectively be taking on a permanent role. This may also serve to further exacerbate reluctance in an interim agency to invest in the role, due to a desire to avoid becoming the strongest candidate to be the permanent lead.

We see significant value in including responsibility for managed repair as part of broader consideration of roles and responsibilities in the system

41. In our view, there is significant value in including responsibility for managed repair as part of broader consideration of system roles and responsibilities. Necessary roles across the system could be considered at a high level, and responsibilities allocated to agencies through an options analysis process based on this. NEMA's emergency management system oversight and stewardship role best allows for this sort of analysis. This approach allows for a considered allocation of roles in the system that is likely to be more enduring and garner greater agency buy-in.

Next Steps

We consider that further work is needed to understand the functions of a lead agency for managed repair, before the role can be allocated

42. We have considered progressing an interim agency process versus proceeding with the previously agreed NEMA-led process as alternative options.
43. In our view, there is more work to be done to fully understand the skills and functions of a lead agency (either interim or permanent) for managed repair, before the role can be allocated. Further work will elaborate on the information outlined in this report.
44. Good policy process would see the following steps followed to appoint either an interim or permanent agency:
 - a Further work to define the skills and functions required to undertake a managed repair programme.
 - b Based on a clear understanding of the function, identify candidates that may be able to carry out the function, including running a 'request for proposal' style process with those candidates to determine whether and how, if required, they would be able to carry out a managed repair programme.
 - c Provide advice on options for agencies to lead the programme, for Ministerial decisions.
45. We note that undertaking steps (a) and (b) is not expected to be a linear process, as, for example, engaging with agencies will help to further define the scope of the role.

Discussions are underway between Treasury and EQC on work that can be done to speed up the NEMA-led process

46. Because of our concerns about the effectiveness of an interim appointment, along with the further work needed to more fully define the skills and functions required to undertake a managed repair programme, it is, in our view, a more effective approach to focus on progressing work to appoint a permanent lead agency in a timely manner, rather than initiating work to appoint an interim agency.
47. We have considered whether work might begin now to progress step (a), defining the skills and functions required to undertake a managed repair programme, which can be used by NEMA as a basis for beginning conversations with potential candidates to lead a future programme. This would enable the outcomes from the NEMA process to drive to conclusions more quickly, and for the content of the December 2020 NEMA report-back to be further advanced.

48. Due to prioritising policy work to modernise the EQC Act, Treasury is not able to resource further work in 2020 to define the functions of a lead agency for managed repair or engage with agencies.
49. Discussions are ongoing between Treasury and EQC on other options to progress work on step (a) in the short-term, to feed into NEMA's NCDEM Plan process. This includes working together to consider how we can harness EQC's existing knowledge base to provide a basis for engaging with other agencies on a future approach to managed repair.

Consultation and EQC comment

50. NEMA, MBIE and EQC have been consulted on this report.
51. EQC considers that there are significant risks associated with the status quo, which is that there is no agency in place with the mandate, capacity and capability to oversee a large-scale managed repair programme. The EQC Board is concerned that, without urgent consideration of interim and permanent arrangements, EQC will be regarded as the "default option". EQC does not have this retained capacity, either through its own resources or partners. This raises the delivery risks and challenges for customers that were identified in the report of the Public Inquiry into EQC.
52. EQC does not believe that any other government agency is undertaking any systematic preparations in this area. EQC's view is that this presents a substantial risk to the Government and to New Zealanders. This risk was clearly identified in the report of the Public Inquiry into EQC.
53. There is, however, expertise across government that could be harnessed on an interim basis to provide cover for this risk and lay the foundations for a permanent function to be established. It does not require the agency to do the work itself, but rather to procure and manage large-scale construction contracts. Interested parties who may be able to contribute to a discussion on how interim arrangements could be put in place as soon as possible include MBIE, NEMA, HUD and Kāinga Ora.
54. EQC is in discussions with Treasury regarding how we can harness EQC's existing knowledge base (including experience and lessons learnt through the CHRP) to provide a basis for engaging with other agencies on a future approach to managed repair.
55. In EQC's view, this would be a "no regrets" interim arrangement that could be easily transferred to a permanent agency once Ministers have made final decisions about permanent arrangements.

Appendix 1: Progress made in clarifying post-disaster roles and responsibilities since Canterbury

1. Since the Canterbury earthquake sequence, there have been some improvements in clarifying roles and responsibilities to be exercised across government in the wake of a disaster. These provide a better-developed starting point for a future managed repair programme. In particular, the development of the NCDEM Plan 2015, which included a new sub-part setting out roles and responsibilities for managing buildings in emergencies across the 4 Rs (reduction, readiness, response, and recovery).
2. The NCDEM Plan 2015 replaced the NCDEM Plan 2005, which was in force at the time of the Canterbury earthquake sequence. The NCDEM Plan 2015 incorporated lessons identified from the Canterbury earthquake sequence reviews and included a new appendix identifying lead agencies for hazards and the related legislation by which they are managed. It states that, in an emergency arising from geological hazards such as earthquakes, volcanic hazards, landslides or tsunamis, NEMA is the lead agency to manage the emergency at the national level.⁵ NEMA's role is to monitor and assess the situation, plan for and coordinate the national response, report to governance and provide policy advice, and coordinate the dissemination of public information.⁶
3. The NCDEM Plan 2015 also allocates roles to 'support agencies', including EQC, to work alongside lead agencies, such as NEMA. Those agencies are required to develop and maintain capability and capacity to perform their supporting roles.
4. The roles and responsibilities allocated by the NCDEM Plan 2015 for managing buildings during response and recovery include:
 - a **Relevant territorial authorities** (as building consenting authorities):
 - i Lead rapid building assessments.
 - ii Take steps to manage the safety of people in and near buildings.
 - iii Facilitate the efficient and effective recovery of building functions.
 - b **Relevant Civil Defence Emergency Management (CDEM) Groups:**
 - i Coordinate building management activities within the area.
 - ii May request national support from the National Controller when local capability is exceeded.
 - c **The Ministry of Business, Innovation and Employment:**
 - i Provide national coordination of building management support to a CDEM Group when requested by the National Controller or Director.
 - ii Lead rapid building assessment functions in a state of national emergency.
 - iii Advise and report on operational building management needs and options to the Director or the National Controller.
 - iv Provide building management policy advice to the Government as requested, including advising the Government on the requirements for facilitating the efficient and effective recovery of building stock and functions.

⁵ See Appendix 1 of the National CDEM Plan 2015.

⁶ See cl14(1) of the National CDEM Plan 2015.

- d **EQC:**
 - i Assist, as first loss insurer, with the repair or replacement of residential buildings.
 - ii May provide information and support to assist other agencies and CDEM Groups in assessing damage to residential buildings, and the consequential welfare and temporary accommodation needs of the resident populations.
 - iii To provide advice to Government on matters relevant to its functions.

This clear allocation of roles and process for housing recovery immediately following a disaster, including between territorial and national level roles and responsibilities, is a significant improvement since the Canterbury earthquakes.

The attached document is draft and not government policy –
it reflects free and frank notes from an officials' meeting

[TSY]

From: Kathrine Wigley [DPMC]
Sent: Friday, 2 October 2020 1:58 PM
To: 'Claire Solon'; Tina Mitchell; 'Katie Gunatunga'; Sarah Sinclair; Coreen Adamson;
John Dunn; 'Tyler Bartlett'; Craig Fookes [TSY]; Kate West
Cc: s9(2)(k); Anthony Richards [NEMA]; Dana MacDiarmid [NEMA];
Danijela Tavich [TSY]; Clare Robertson [NEMA]
Subject: Follow up on managed repair / housing recovery workshop last week
Attachments: managed repair notes 25 Sept.docx

Hello everyone

Thank you again for your engagement last week. Attached are a few notes from our discussion – happy to receive any feedback on these. While these are largely intended to cover what we discussed on the day, there are a few additional “after” thoughts you may wish to respond to.

I'll be in touch again soon with a date for our next catch up, which will likely be over the next couple of weeks. We think there is value in placing some project management ‘hygiene’ around the work, and on this basis would like to focus on particular aspects of this at the next meeting. These include:

- the project scope and overall timing
- the approach to stakeholder engagement
- problem definition

Ngā Mihi

Kathrine Wigley (She/Her/Ms)

Senior Policy Advisor
National Security Policy Directorate
National Security Group
Department of the Prime Minister and Cabinet
M s9(2)(g)(ii)
DDI s9(2)(k)
E s9(2)(k)



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The attached document is draft and not government policy – it reflects free and frank notes from an officials' meeting

Housing recovery / “managed repair” meeting notes, 25 September

This will be a policy-led process to begin with

- But will require increasing operational input over time. We think the options for ministers may range from a new agency through to outsourcing to the market (though in reality it is likely to be some variation in between).
- It may be that housing recovery is a better characterisation of the project than “managed repair”, which suggests a greater degree of government involvement than what we could end up with.
- While our advice on the options may end up being very broad, our start point should be the Public Inquiry report recommendation 1.1.3:

Determine how a managed repair programme might be initiated and executed should it be required and whether EQC should be the lead agency to conduct the programme. If not, then specify EQC's role in a managed repair and rebuild programme.

We don't yet have a concise problem definition

- We need to be clear about the problem so we are clear on the purpose of our intervention and the outcomes we are seeking.
- We *do* have a good sense of some of the presenting issues associated with the Canterbury Home Repair programme:
 - Lack of accountability and leadership.
 - Timeliness and quality issues – flow on impacts for psychosocial wellbeing, which in turn have a social and economic cost
 - Do not fit with EQC's perception of its roles and responsibilities, combined with lack of capacity and capability to deliver
 - EQC sees itself as an insurer, but this was a large-scale construction programme.
 - Lack of planning and coordination (eg to fulfil a large-scale project at short notice)
- While not discussed at the meeting, based on the observed Canterbury issues/problems, the potential triggers for a government intervention *could* be:
 - Market failure (labour issues, inflation)
 - Externalities (quality, unqualified trades, short term providers)
 - Undersupply of public goods (information, etc)]

Once we agree the problem/what's lacking, then we can get clarity around what a good intervention would deliver

- What is the role of Government (market failure, externalities, public goods)?
- What are the range of levers the Government has available (tax, spending/subsidies, regulation and monitoring, disclosure, or coordination)?
- What are problems preventing a timely housing recovery programme (what are the outputs and how do these link the outcomes we are seeking)? What should it do?

- What then are the appropriate skills and capabilities required to deliver these functions? Who is best placed to answer these questions?
- How could/should these be resourced?

“Who” should deliver this? A fundamental question we need to address upfront is the nature and extent of govt role

- Depending on the nature of the crisis and the issues that emerge, there may be a role for government (is this one of our core assumptions?). Ministers have indicated an interest in preparation and planning that may be required to ensure the Government can play this role effectively.
- A timely response requires us to consider the potential objectives for the government and its ability to act as:
 - a coordinator of resources, and plan ‘from the centre’ (eg for urban design)
 - a key player in identifying and addressing the recovery needs of vulnerable communities following a disaster, where the consequences are such that the means to undertake this at a local level are limited
 - a lever/influencer of labour market supply
 - A mechanism and enforcer for quality assurance (eg for repairs)
- The more nuanced question is the exact nature and extent of that involvement. Who within government would take this forward and where would that role stop, and the external sector role begin?

The project will need clarity of scope/definition

- What types of buildings should this cover? We seem to be assuming we are talking about residential properties – but does this cover apartments for example?
- Structures only or land?
- We also need clarity around what we mean by repair/recovery (for example we seem to assume this excludes cosmetic changes)

We need to be able to articulate the links to existing relevant frameworks

- The National CDEM Plan already provides for a holistic, big ‘R’ recovery framework within which a housing recovery programme would be nested (section 32 of the Guide to the National Plan).
- Any arrangements for housing recovery would need to be consistent with this wider framework (though would not necessarily be constrained by it).
- There may be other relevant frameworks at this early stage (Treasury’s Wellbeing Framework may be one).

Interdependencies with other relevant work – what do we need to be aware of? What can we influence? What is happening already we can leverage to support this work?

There may be interdependencies with:

- NEMA’s work to update the National CDEM Plan and reconfirm agency roles and responsibilities in recovery

- Regulatory reform (MBIE is it accurate to say you are undertaking work around the building code?)
- DIA's community resilience work?
- Any work underway in external sector
- Interface between private and government insurance?

We agreed there a range of interests in this work and its outcome – and there needs to be a consensus on the appropriate degree of stakeholder engagement

<i>Agencies at the centre</i>	<ul style="list-style-type: none"> • Treasury • EQC • NEMA • MBIE, HUD
<i>Agencies with an interest, but more on the periphery?</i>	<ul style="list-style-type: none"> • Kainga Ora [noting we'll let HUD manage that relationship] • DIA • TPK/Te Arawhiti • MCH?
<i>Local government</i>	<p><i>LGNZ</i> <i>CDEM Groups</i></p>
<i>External</i>	<ul style="list-style-type: none"> • Insurance council [<i>raised at the meeting, but please note we are now considering clarifying the scope by separating out the insurance question from the wider strategic work</i>] • Construction sector • Heritage groups

- Given the options and preferred solution may require a strong degree of external involvement, we may want to consider an external Reference group. We'd need to consider the purpose of such a group, its membership, the nature of the engagement (Consultation vs co-design), and models other agencies have used (eg NEMA).

While not discussed at the meeting specifically, our discussion pointed to a policy framework with the following components:

- Description of the problem, and the outcomes we are seeking to achieve/what are we trying to resolve?

- Articulates links to relevant frameworks
- Describes stakeholders
- Articulate assumptions and in particular why Government should have a role in the solution, and the limits of this
- Articulate the relevant functions/activities/outputs associated with a housing recovery programme and how it links to outcomes– what should it be designed to do?
- Articulates the relevant capabilities required to deliver these functions/activities
- This framework would then underpin our advice on the options for delivery:

(i.e. from a government run managed repair programme down to a lighter role in facilitating interactions between home owners and industry, etc)



TE TAI ŌHANGA
THE TREASURY

This is a draft report that was not sent to Ministers. It is not government policy and does not reflect the official Treasury position

Treasury Report: Considerations for a future managed repair programme:
Further advice

Date:	TBC	Report No:	T2020/2817
		File Number:	TY-2-1-17-1

Action sought

	Action sought	Deadline
Hon Grant Robertson Minister Responsible for the Earthquake Commission		

Contact for telephone discussion (if required)

Name	Position	Telephone	1st Contact
Danijela Tavich	Analyst, Earthquake Commission Policy Team	s9(2)(k) (wk)	N/A (mob) ✓
Helen McDonald	Manager, Earthquake Commission Policy Team	s9(2)(k) (wk)	s9(2)(g)(ii) (mob)

Minister's Office actions (if required)

Return the signed report to Treasury.

Forward to the Minister of Housing, Minister of State Services, Minister for Social Development, Minister for Māori Development, Minister for Building and Construction, and the Minister of Civil Defence for their information.

Note any feedback on the quality of the report

Enclosure: No

Treasury Report: Considerations for a future managed repair programme: Further advice

Executive summary

A range of agencies will need to come together to stand up a managed repair programme should a major natural disaster occur in the short term...

You have requested advice on who would be responsible for any large-scale residential property managed repair programme ('managed repair programme') if a major natural disaster event were to occur in the short-term, while policy work to establish more enduring arrangements is underway.

There is currently no plan for, or single agency with the capability to lead, a large-scale managed repair programme for a major event. If a major event were to occur in the short-term, this report identifies the core agencies who would need to come together to develop the plan for standing up a repair programme and procuring the resources to deliver it. Across the board, agencies have expressed that they expect to have limited capability to contribute to a centralised managed repair programme. This suggests that specialist technical skills will need to be brought in from the private sector, to support a future managed repair initiative.

The process of preparing this advice has caused agencies to reflect on their individual roles in such a programme in future and led to initial cross-agency connections being made that can be drawn on in a post-disaster scenario in the short-term.

s9(2)(f)(iv)



- **Work is underway to provide greater clarity on, and a decision-making framework for, the role of Government and its objectives for housing recovery following a natural disaster.**

This work is already underway in response to the findings of the Public Inquiry into Earthquake Commission. Agencies including the National Emergency Management Agency (NEMA), EQC, the Ministry of Housing and Urban Development (MHUD), the Ministry of Business, Innovation and Employment (MBIE), and Treasury are actively working through these questions as part of NEMA's work to update the National Civil Defence and Emergency Management Plan 2015 (NCDEM Plan).

- **EQC's preparedness planning for the insurance response to major natural disaster**

As the Crown's first-loss insurer for residential buildings damaged by natural disasters, EQC is responsible for the under-cap insurance claims following a natural disaster event. Regardless of any other initiative taken by Government, EQC's obligation to discharge its responsibilities to settle claims under the EQC Act will remain.

The Natural Disaster Response Agreement (NDRA) model means private insurers will manage insurance claims on behalf of EQC in response to natural disaster events.

EQC is clear it does not have the capability to run a large-scale managed repairs programme, either alone or with insurers. There is no provision in the NDRA for a large-scale managed repair response. If a major natural disaster were to occur, the NDRA provides that EQC and insurers will discuss appropriate roles and responsibilities given the circumstances of the event.

EQC is working through a range of different scenarios based on the size, nature, and probability of an event to further support their planning and preparedness. These scenarios will help the EQC Board to consider the performance of the NDRA in different potential events, and the event characteristics which may warrant EQC to take alternative approaches such as opting to manage repairs rather than cash settle claims.

EQC's advice on their continued scenario planning will help agencies to better understand how any housing intervention Government takes following a major natural disaster will interact with and complement the insurance response. It will also inform Treasury's monitoring on EQC's overall readiness strategy. The next monitoring update report is being prepared for November 2020.

Recommendations

We recommend that you:

- a **note** EQC has indicated it has no capability to run a large scale residential managed repair programme.
- b **note** that there is currently no plan for, or single agency with the capability to lead, a large-scale managed repair programme.
- c **note** if an event were to occur in the short-term, a range of core agencies identified in this briefing would need to come together to develop the plan for standing up a repair programme and procuring the resources to deliver it.
- d **note** that across the board, agencies have expressed that they expect to have limited capability to contribute to a centralised managed repair programme. This suggests that specialist technical skills will need to be brought in from the private sector, to support a future managed repair initiative.
- e **note** the process of preparing this advice has caused agencies to reflect on their individual roles in such a programme in future and led to initial cross-agency connections being made that can be drawn on in a post-disaster scenario in the short-term.

s9(2)(f)(iv)

- g **note** that agencies including the National Emergency Management Agency (NEMA), Earthquake Commission (EQC), the Ministry of Housing and Urban Development (MHUD), the Ministry of Business, Innovation and Employment (MBIE), and Treasury are actively working through a decision-making framework for housing recovery as part of NEMA's work to update the National Civil Defence and Emergency Management Plan 2015 (NCDEM Plan).
- h **note** the EQC is working to finalise arrangements with private insurers which will enable management of approximately 100,000 claims in a 12-month period.
- i **note** EQC is working through a range of different scenarios based on the size, nature, and probability of an event to further support their planning and preparedness.
- j **note** EQC will share its scenario planning with the Treasury to feed into the cross-government work on post-disaster housing recovery.
- k **note** EQC's scenario planning will also inform Treasury's monitoring on EQC's overall readiness strategy. The next monitoring update report is being prepared for November 2020.
- l **refer** to the Minister of Housing, Minister of State Services, Minister for Social Development, Minister for Māori Development, Minister for Building and Construction, and the Minister of Civil Defence, for their information regarding their agencies' expected involvement in providing post-disaster advice on whether and how to establish a managed repair programme.

Refer/not referred.

Helen McDonald
Manager, Earthquake Commission Policy Team

Hon Grant Robertson
Minister Responsible for the Earthquake Commission

Purpose of Report

1. This briefing identifies the core agencies who would need to come together to develop the plan for standing up a large-scale post-disaster managed repair programme and procuring the resources to deliver it if such an event were to occur in the short-term

2. s9(2)(f)(iv)

3.

Background

4. On 30 July 2020 we provided you with a report titled '*Considerations for a future managed repair programme*' (T2020/2426 refers). The report responded to your request for advice on whether an interim agency could be appointed to be responsible for managed repair, while a policy process led by the National Emergency Management Agency (NEMA) is progressing. EQC, NEMA, the Ministry of Housing and Urban Development (MHUD), the Ministry of Business, Innovation and Employment (MBIE), and Treasury are actively working together to get more clarity on roles as part of NEMA's work to update the National Civil Defence and Emergency Management Plan 2015 (NCDEM Plan).
5. You have asked for further advice on who would be responsible for a large-scale managed repair programme if a major earthquake were to occur in the short-term, under status quo arrangements.

Clarifying Government's objectives for post-disaster housing recovery

Clarifying when Government intervention is warranted

6. There is no clear threshold that determines Government intervention to support housing recovery. The timing, scale and nature of Government's intervention will depend on the projected scale of damage following an event and Government's objectives for supporting housing recovery. These may or may not be similar to the objectives that led to the development of the Canterbury Home Repair Programme (CHRP) which was led by EQC following the Canterbury earthquake sequence that occurred over 2010 and 2011. Problems likely to arise following a disaster that causes large-scale housing damage include:
 - construction price inflation
 - lack of domestic supply of labour (and potentially a need to facilitate international workers)

- an exacerbation of harm for vulnerable homeowners
 - people’s sum-insured amount not being set high enough to cover the necessary repairs to their homes.
7. As the CHRP was led by the EQC, its design implicitly targeted an insurance objective as the primary objective: price. An attempt to control price is consistent with a central purchasing structure for repairs. The theme of price as a key driver was echoed in the Office of the Auditor General report that was prepared on the CHRP in 2013.¹
8. s9(2)(f)(iv)
9. Additionally, appropriate housing recovery initiatives in response to different kinds of events will also vary greatly. For example, a response to a volcanic eruption in Auckland may call for more of a ‘managed clean-up’ than a rebuild necessarily.
10. Based on this, we see managed repair as one option for achieving ‘housing recovery’. Further options will be worked through as part of the cross-agency process to clarify Government’s objectives for housing recovery, which is discussed later in this report.

If Government determined a managed repair programme was the best intervention in the short-term

EQC can manage repairs at an individual or community level

11. EQC has discretion under Schedule 3 clause 9 of the EQC Act, to settle insurance claims following a disaster by replacement, reinstatement, or via a cash settlement. EQC cover is capped at \$150,000 (plus GST), with private insurers responsible for claims over the cap. Following the 2016 Kaikōura earthquake, EQC adopted cash settlement as a default settlement approach.
12. The Natural Disaster Response Agreement (NDRA) model that EQC is currently implementing means private insurers will manage insurance claims on behalf of EQC in response to natural disaster events. EQC estimates implementation of the NDRA will provide capacity for management² of circa 100,000 claims per annum, which approximately doubles EQC’s previous claims-handling capacity.

¹ Page 15 of the OAG report notes that: “the decision was made to set up a home-repair programme to reduce the risks of inflation in the cost of repairs and shortages of building materials”.

² Claims management includes such aspects as damage assessment, repair strategy development and claim valuation and payment/settlement. Management does not contemplate management of construction works required to re-instate the property.

13. Historically EQC has successfully run a small-scale managed repair programme for residential properties (following the Edgumbe flood in 2017).
14. However, EQC is clear it does not have the capability to run another large-scale managed repair programme. There is no provision in the NDRA for a large-scale managed repair response. If a large-scale event were to occur, the NDRA provides that EQC and insurers will discuss roles and responsibilities given the circumstances of the event.
15. EQC acknowledges there are occasions where it is appropriate for one-off or small groups of vulnerable claimants to be offered a managed repair. EQC is in the process of developing a decision-making framework that will assist in determining when to offer claimants managed repair in individual cases.

If a large-scale managed repair programme is considered the best intervention it would need to be a collaborative effort

16. There is currently no plan for, or single agency with the capability to lead, a large-scale managed repair programme if a major natural disaster were to occur under status quo governance arrangements. This means that, following an event, core agencies would need to come together to develop the plan for standing up a managed repair programme and procuring the resources to deliver it.
17. We have identified the core agencies that would need to be involved in a managed repair programme in some manner, be that from providing advice to Government to exercising aspects of the operational delivery, at Appendix 1. The list at Appendix 1 details agencies' respective interests and responsibilities relevant to a managed repair programme.
18. In a large-scale emergency, the Government response is likely to include a wider coordination and management arrangement. This may include establishing a National Recovery Office under the NCDEM Plan, or a new agency to implement the Government's response. Any decisions regarding a managed repair programme would be taken in this context and the programme would not be happening in isolation.
19. A successful managed repair programme would require engagement across all levels of government (including local and regional government), in the same holistic way New Zealand has responded to other disasters in our recent history, for example, the Rena running aground on the Astrolabe Reef, the Whakaari / White Island eruption and the current COVID-19 pandemic.

A range of capabilities would be needed to establish and run a large-scale managed repair programme

20. If a decision was taken to progress a centrally run large scale managed repair programme, at a minimum, the following core capability would be required. In the short term, some of the required capability will need to be brought in from the private sector while other capability may be found within government agencies:
 - **Project management:** We expect project management expertise would need to be purchased in the short-term. This would entail establishing structures, processes and reporting, overseeing employment and/or coordinating resources and delivery of the programme. We expect a project management office (PMO) would be established, which would hold relationships with relevant local authorities, iwi, media and community groups, track progress on individual builds and communicate with homeowners (supported by EQC). We can learn from examples in the past in this space (post Christchurch, Kaikōura) where multiple agencies have come together into a single delivery entity with a focus on rapidly mobilising in order to quickly stimulate economic activity.

Construction contracts procurement: A key resource in this space will be NZ Government Procurement's (within MBIE) established Commercial Pool, which are a skilled and experienced team of experts that agencies can hire to provide commercial and procurement advice on complex, risky or strategically important government projects. The relationships that MBIE has developed with the construction sector through the Construction Accord will also be an invaluable tool when determining the most appropriate way to structure and deliver the programme. Necessary skills would include contracts procurement and expertise in building processes (e.g. building design, engineering, and construction).

Te Puni Kōkiri (TPK) has established relationships with Māori organisations involved in urgent housing repair activities and this would be a part of the response in Māori communities affected by a disaster event.

- **Construction contract management:** Contract management entails working with procured providers to ensure contract deliverables are being met. This would best be delivered as a function from within the same entity that established the PMO. In other words, the organisation that established the contracts should also then sets up the contract management function, or at least identify where that function will be undertaken. Other types of monitoring might be done by external groups (such as the Office of the Auditor General, NZ Government Procurement) to ensure the programme is achieving the right outcomes.
 - **Building inspector/repair quality assessment:** MBIE has an oversight role for building quality, and is also responsible for working with territorial authorities on the initial rapid building assessment process in a state of national emergency, though this focus tends to be on high risk commercial buildings in the CBD (such as the CTV building in Christchurch).³ Evaluations of residential buildings are typically arranged through the homeowner's insurance company. Additionally, earthquake repairs tend to be exempt from requiring a building consent and so territorial authority building inspectors are also unlikely to be involved here – with quality being the responsibility of the builder. Further thought is needed as to whether a greater central role in ensuring quality of repairs is needed in future.
21. Some agencies outlined in Appendix 1 will be able to support these core functions with complementary activities, to enable, for example, effective engagement with local iwi and Māori communities (TPK) or to ensure access to information regarding individual property repair requirements and property owner contact information (EQC). Relationships with affected communities, in particular Māori communities, will be relevant across the board. Along with the experience and relationships held by TPK in this space, the *Māori and Iwi Housing Innovation Framework for Action (MAIHI)* Partnerships Programme (between HUD, TPK, Kāinga Ora, and the Ministry of Social Development) will also provide a good centre for this.
 22. The process of preparing this advice has caused agencies to reflect on their individual roles in such a programme in future and led to initial cross-agency connections being made that can be drawn on in a post-disaster scenario in the short-term.
 23. However, across the board, agencies we consulted on this paper have expressed that they are likely to be stretched delivering their core functions and responsibilities (such as delivering temporary housing) following a disaster and unlikely to be able to provide significant procurement, project management, or contract management capability to a centralised repair programme. This suggests that specialist technical skills will need to be brought in from the private sector, to support a future managed repair initiative.

³ Under the NCDEM Plan 2015 and Guide to the NCDEM Plan 2015.
T2020/2817 Considerations for a future managed repair programme: Further advice

Developing a decision-making framework for housing recovery

24. s9(2)(f)(iv)

Agencies are working together to develop a framework for housing recovery

25. Our previous advice to you noted that the work and effort needed to develop interim arrangements for managed repair was comparable to the effort needed to develop a permanent solution, and consequently work on more permanent arrangements should be prioritised (T2020/2426 refers). This remains Treasury's position and is supported by NEMA and the EQC.
26. As a result, NEMA, EQC, the Ministry of Housing and Urban Development (MHUD), the Ministry of Business, Innovation and Employment (MBIE), and Treasury have begun actively working together to get more clarity on roles as part of NEMA's work to update the National Civil Defence Emergency Management Plan 2015 (NCDEM Plan).
27. As an immediate next step, this includes developing a framework for housing recovery, to be reported back on by December 2020 as part of NEMA's one-year report back to Ministers on their progress clarifying emergency management system roles and responsibilities.
28. Agencies have shifted the scope of the decision-making framework from 'managed repair' to the broader concept of 'housing recovery' because this enables the process to work from what Government's objectives are in housing recovery, which will then enable consideration of mechanisms to deliver this, be that through a managed repair programme or via another approach as abovementioned.
29. The purpose of the framework will be to assist decision-makers in determining whether Government intervention is warranted following a major disaster, what type of intervention is appropriate, and who should be involved. It is unlikely the framework will propose a 'threshold' or 'trigger point' at which a Government intervention will be activated. The decision to initiate a Government intervention is likely to involve a number of variables including the number of people affected, the resources available and the impact on market pricing, the level and type of insurance cover availability, the long term viability of having houses in that area, the time of year and the wellbeing of those affected.
30. At a high level, the framework will cover:
 - What is "housing recovery" and what are the Government's objectives for housing recovery? What are the outcomes we are seeking to achieve/problems to be resolved?
 - What are the relevant functions associated with housing recovery?
 - What are the relevant capabilities required to deliver these functions?

- Who are the stakeholders, and who should be involved in post-disaster housing recovery?⁴
31. NEMA will be holding a series of cross-agency workshops over the coming months to work through these matters.

Clarifying EQC's preparedness planning for the insurance response

32. s9(2)(f)(iv)
33. As the Crown's first-loss insurer for residential buildings and land damaged by natural disasters, EQC is responsible for insurance claims under the \$150,000 cap. Regardless of any other initiative taken by Government, EQC's obligation to discharge its responsibilities to settle claims under the EQC Act will remain.

EQC will endeavour to provide speedy claims settlement following a natural disaster event

34. As abovementioned, EQC has a decision whether to repair, replace, or reinstate properties. EQC has been clear that its default settlement approach will be to cash settle unless individual claims meet criteria such as due to the vulnerability of the claimant they would unlikely be able to manage the repair process themselves.

The EQC will be responsible for discharging its role in the insurance response after a major natural disaster

35. We see a distinction between the work required to develop objectives and a framework for a targeted top-down Government housing recovery initiative as is being led by NEMA, versus the insurance response that EQC and the private insurance industry will initiate following a major disaster.

EQC is working through scenario planning to support its preparedness

36. In your Annual Letter of Expectations for 2020-21, you asked the EQC Board to develop robust contingency plans to manage significant natural disaster events that result in well over 100,000 claims. These contingency plans have been allowed for by EQC retaining contracts and building strong relationships with third party administrators (TPAs), in case it is necessary to 'step in' or supplement the insurer response model.

s9(2)(b)(ii)

37. EQC has put in place governance frameworks at Board, executive and management level to regularly review the operation of the NDRA with insurers, including opportunities to gain efficiencies and increase resource capacity. This is likely to contribute to claims being managed increasingly more effectively and efficiently within the NDRA model over time.
38. Additionally, EQC is working through a range of different scenarios based on the size, nature, and probability of an event to further support their planning and preparedness.

⁴ Whatever Government's objectives, private sector construction companies will play a significant role in delivering housing repairs. Therefore, in developing the framework it will be important that Government works with the private sector to 'enable' them to deliver.

These scenarios will help the EQC Board to consider the performance of the NDRA in different potential events, and the event characteristics which may warrant EQC to take alternative approaches such as opting to manage repairs rather than cash settle claims. EQC will share this planning with the Treasury to feed into the abovementioned cross-government work on post-disaster housing recovery.

39. EQC's advice on this will help agencies to better understand how any housing intervention Government takes following a major disaster will interact with the insurance response, and design any complementary intervention accordingly. It will also inform Treasury's monitoring on EQC's overall readiness strategy. The next monitoring update report is being prepared for November 2020.

Consultation

40. EQC, NEMA, MBIE, NZ Government Procurement (within MBIE), MHUD, MSD, TPK, DPMC and SSC have been consulted on this report.

Next Steps

You may wish to share this report with your Ministerial colleagues

41. We recommend that you refer this report to the Minister of Housing, Minister of State Services, Minister for Social Development, Minister for Māori Development, Minister for Building and Construction, and the Minister of Civil Defence, for their information regarding their agencies' expected involvement in providing post-disaster advice on whether and how to establish a managed repair programme.

Appendix 1: Key agencies to advise on a post-disaster housing recovery intervention

- **NEMA:** Under the NCDEM Plan, NEMA is responsible for coordinating the national-level management of emergencies resulting from meteorological and geological hazards, which are most likely to result in impacts to buildings that require a large-scale post-disaster managed repair programme. The NCDEM Plan notes that the Government may establish an agency to manage and co-ordinate the Government's interest in large-scale recovery. NEMA is also responsible for coordinating Civil Defence Emergency Management Group response and recovery activities at local and regional levels.
- **EQC:** Private insurers will be the first point of call for those suffering damage. EQC's relationships and ability to access data held by private insurers will support a deeper understanding of the scale and nature of the building/repair task, the ability to contact those affected and prioritise repair work.
- **MBIE:** MBIE is a steward of building management in an emergency and will play a significant coordination role at a national level when an emergency occurs. Under the NCDEM Plan, MBIE is responsible for:
 - i Leading rapid building assessment functions in a state of national emergency. MBIE has an oversight role for building quality, and is also responsible for working with territorial authorities on the initial rapid building assessment process in a state of national emergency, though this focus tends to be on high risk commercial buildings in the CBD.
 - ii Providing building management policy advice to the Government as requested, including advising the Government on the requirements for facilitating the efficient and effective recovery of building stock and functions.
- **MHUD:** MHUD has a range of interests in the housing recovery space including:
 - i MHUD holds specific housing sector expertise that would inform judgements about whether and how to restore an area. For example, MHUD has good information at a spatial level about different regions and is best place to advise on large-scale repair strategies.
 - ii MHUD administers the Urban Development Act, which would be one legislative option (potentially with some amendments required) for setting up a rebuild authority. Any significant housing repair programme following a major natural disaster would need to be undertaken in the context of a broader rebuild which considered roads, schools, health facilities, business etc. HUD also has a role in the fast track consent process under the Resource Management Act (alongside Ministry for the Environment).
 - iii MHUD is the department responsible for Kāinga Ora as a Crown agent. In the event of a major natural disaster, HUD would need to provide urgent advice to our Minister on the role of Kāinga Ora, and implications.
 - iv responsibility for the Unit Titles Act and the repair implications for body corporates following a natural disaster.
 - v responsibility with regard to public housing/transitional housing tenants whose houses are damaged through a natural disaster, and to others who become homeless following a natural disaster and need emergency housing support

(shared responsibility with MSD and MBIE – Temporary Accommodation Services).

- **Te Puni Kōkiri:** TPK has a role in supporting (and funding) urgent housing repairs in Māori communities for 200 to 500 houses per year. The approach is to fund competent Māori organisations within each community (usually Whānau Ora providers) to coordinate and manage the repair programmes. Additionally, TPK has a regional presence across the country connected to Māori communities. In the event that a natural disaster occurred in a predominantly Māori community, TPK would be required to act in a 'government first responder' role and would engage its local networks.
- **The Ministry of Social Development (MSD):** MSD is best placed to advise on identifying and supporting vulnerable people and communities, and has a complementary role in providing income and employment support to communities impacted by a disaster.
- **The Treasury:** As EQC monitor, Treasury would be best placed to advise on managing the volume of insurance claims, and if relevant, expected impacts for the Crown Guarantee.
- **Te Kawa Mataaho (the Public Services Commission):** Te Kawa Mataaho would be involved due to their responsibility for the Public Sector Act and expertise in cross-agency governance arrangements generally.



Earthquake Commission Briefing: Housing recovery and private insurers

Date	11 December 2020	
Reference Number	BNR 20-21 008	
EQC Priority	Medium	
Confidentiality Classification		
Ministerial Action Sought	<p>Minister Responsible for the Earthquake Commission (Hon Dr David Clark)</p> <p>Action sought:</p> <p>note EQC’s planning and preparation for future natural disaster is focused on the insurance response required following an event</p> <p>note Treasury is working with the National Emergency Management Agency, supported by EQC, who is convening the first stage of work on a cross-government first principles for a housing recovery response that may be required following a major natural disaster</p> <p>note we recommend that participants from the key sectors required to support a housing recovery are also brought together as part of developing options for a cross-sector approach and setting objectives for the programme.</p> <p>Deadline: Nil</p>	
Earthquake Commission Contact	<p>Mary-Jane Daly Chair</p> <p>Primary contact: ✓</p>	<p>Sid Miller Chief Executive</p>
Enclosures	Nil	

Purpose

1. EQC provided a Briefing to the Incoming Minister (BIM) on 6 November 2020 and undertook to provide a series of supplementary briefings to support your understanding of the EQC scheme and key issues (BNC 20-21 001 refers).
2. This briefing provides supplementary information on EQC's planning and preparation for future natural disasters, which is focused on the insurance response.

Briefing

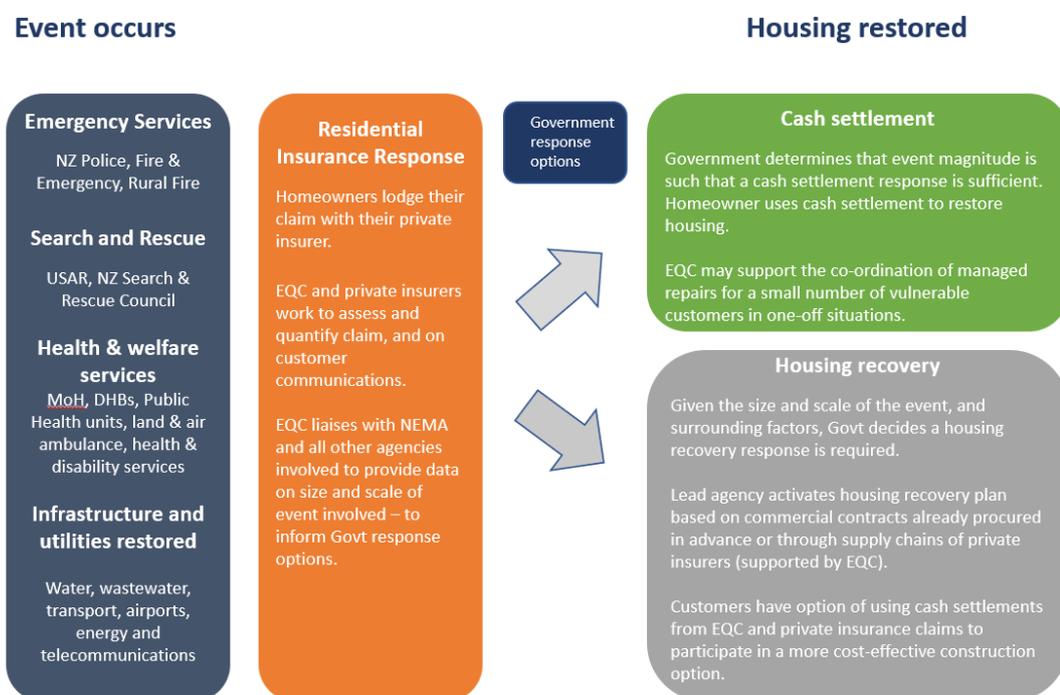
Introduction

3. Currently there is no plan across Government for a large-scale housing recovery programme following a major natural disaster.
4. The National Emergency Management Agency (NEMA) is working on clarifying roles and responsibilities for a large-scale housing recovery programme along with the Ministry of Housing and Urban Development (MHUD), the Ministry of Business, Innovation and Employment (MBIE), Treasury and EQC as part of NEMA's work to update the National Civil Defence and Emergency Management Plan 2015 (NCDEM Plan).
5. This briefing complements that workstream and outlines some possible options for leveraging the capacity that exists in the private insurance sector.

Emergency, insurance and restoration responses

6. At an operational level, the response to a natural disaster can be viewed as having three phases – emergency services, the insurance response and restoration options. Considering the response in these terms assists with identifying the roles and responsibilities that are required for each phase, and where that capability might be accessed.
7. Following a natural disaster, the first response is clearly that of *emergency services* – saving lives and property. A range of government agencies are typically involved this phase (e.g. the New Zealand Police and Fire and Emergency New Zealand).
8. The next phase can be seen as the *insurance response* – from EQC and private insurers. This is to deal with:
 - lodgement of claims for damage from the disaster
 - assessment of those claims
 - quantification and payment of claims.
9. The insurance aspect of the natural disaster response is a critical step that must occur effectively and efficiently, regardless of the restoration options that follow – cash settlement or reinstatement (housing recovery) or a mix of both.
10. EQC delivered both cash settlements and a managed repair programme following the Canterbury earthquake sequence, as did private insurers. The Public Inquiry into EQC found customers experienced significant frustrations with both the *insurance response* and the managed repairs programme as there were dual pathways, delays and duplication in process between EQC and private insurers.

11. EQC has now put in place the Insurer Response Model, to remove these frustrations and create a single claims experience for customers and to provide EQC with capacity to respond to up to 100,000 claims per annum. This model draws on private insurer resources to provide a better customer experience and make the *insurance response* phase co-ordinated and efficient.
12. Our focus is on embedding this model in a way that is fair, simple and speedy for customers so that the *restoration* options that follow are enduring. It requires efficient claims management systems, seamless communication between EQC, private insurers and customers, and comprehensive, high-quality building assessments.
13. Figure one shows the sequence from emergency response to insurance response to restoration response:



Restoration options

14. In a large-scale event, assessment of restoration options is likely to involve consideration of additional factors:
 - the size and scale of the event
 - the Government’s objectives for the recovery effort
 - wellbeing factors that might influence a response (e.g. vulnerability of the community, scarcity of resources, prioritising weather tightness over total completion of works)
 - the interplay between EQC and private insurance schemes
 - where the Government’s liability ends and the homeowner assumes responsibility
 - what levers the Government has to encourage or compel homeowners to participate in a housing recovery effort.

15. NEMA is considering all of these factors in determining when and how a housing recovery effort might be required, and what capability would be drawn from the public and private sectors. EQC considers the following issues will need to be considered as part of policy proposals:
- the legal framework that needs to be put in place
 - the roles and responsibilities of those managing and carrying out the programme and the skills and experience required.
16. One of the factors that made the managed repair programme in Canterbury possible was the terms of private insurance policies. Provisions allowing reinstatement were widely available at that time. It is yet to be tested how the two insurance schemes would interact now that the majority of private insurance policies allow for 'sum insured' as opposed to full reinstatement.
17. That is not to say that private insurers would not have incentives to participate in a housing recovery effort should a major event occur now. Private insurers will look to respond to the needs of their customers and will also likely have a view on their commercial interest in maintaining high-quality, insurable housing stock for the future.
18. There may not be as many levers to compel homeowner participation, given the interplay between EQC and private insurer schemes and the industry move to 'sum insured' in policies. A housing recovery option could, however, be established in a manner that it is attractive for homeowners to opt into. Such issues would need to be factored into the legal framework that is developed.

EQC's role

19. EQC has an integral role to play in the *insurance response*. This includes cash settlement in the majority of cases and reinstatement (repairs) in individual cases for vulnerable consumers who are unable to organise repairs themselves. For example, in the Edgumbe floods, EQC managed the repairs for approximately 10 houses. Private insurers managed repairs for approximately 180 houses.
20. For the Canterbury sequence, EQC received claims for 194,000 properties. Of those, 68,000 underwent managed repair, 100,000 were cash settled, and the remainder did not require a settlement. In total approximately 35% of properties underwent a managed repair.
21. EQC does not currently have the capability to deliver a large scale managed repair programme as a lead agency. EQC has had ongoing challenges for the last 10 years as a result of setting up the Canterbury managed repairs programme reactively, and at speed, and without the right organisational capability in place. This has led to complex issues of liability for repairs and re-repairs that have extended well beyond the insurance response. EQC's focus has therefore been on putting contracts, systems and resources in place to manage the *insurance response*.
22. Delivery of large-scale housing recovery would require expertise in procuring and overseeing large scale construction contracts, and standing up an experienced project management office under urgency. Systems to ensure quality, efficiency and prioritisation of resources would all need to be developed in advance, with commercial fees negotiated with suitable providers. Forward planning of this degree would minimise the risk that the problems of Canterbury would recur. This is consistent with the Public Inquiry into EQC

which recommended that the agency responsible for managed repair develop a plan and systems.

23. EQC is working with NEMA as it identifies the right public sector agency to play a lead role in establishing this capability and identifying the requisite commercial arrangements in advance. EQC's view is that this role is best suited to an agency that manages building programmes as part of its core activity s9(2)(g)(i) while EQC focuses on the insurance response.

Role of private sector in housing recovery

24. The work being led by NEMA focuses on the *restoration response* across Government and the services that agencies could procure. This will need to be based on a clear legal framework within which restoration options are being offered, clarity on where the Government's liability ends and the homeowner's begins, and established commercial partnerships between the public and private sectors.
25. The lead agency that is appointed following NEMA's policy work on roles and responsibilities may wish to engage with the insurance sector to further explore these initiatives. For such collaboration or partnerships to be most effective, work needs to take place prior to an event to make sure that systems are in place to share information effectively, thereby ensuring that parties are clear on roles and responsibilities and have the necessary training and resources. EQC could support the lead agency by setting up linkages, governance and assurance systems with the private insurance sector in advance, and by being available as a key support to all parties after an event.
26. EQC is aware that private insurers have already undertaken work considering the role that they could play in disaster response and recovery. One such example is IAG's work as part of a Resilient New Zealand and the report "Contributing More – improving the role of business in recovery".

9(2)(b)(ii)

29. Given the recent success of establishing the Insurer Response Model as the first private-public insurance partnership for a natural disaster response, EQC will work with NEMA to ascertain what other possibilities may be present within the private sector to prepare for a large-scale housing recovery and to offer its advice and support for any large-scale restoration responses. By pulling together input across the emergency management sector, the insurance sector, the building/construction sector and project management services, options for closer collaboration and a multi-disciplinary, cross-sector approach could be identified.

Recommended Action

The Earthquake Commission recommends that you:

Note EQC's planning and preparation for future natural disaster is focused on the insurance response required following an event

Noted

Note Treasury is working with the National Emergency Management Agency, supported by EQC, who is convening the first stage of work on a cross-government first principles for a housing recovery response that may be required following a major natural disaster

Noted

Note we recommend that participants from the key sectors required to support a housing recovery are also brought together as part of developing options for a cross-sector approach and setting objectives for the programme

Noted



Signature

Mary-Jane Daly
Chair

Signature

Date

Hon Dr David Clark
Minister Responsible for the Earthquake Commission

[TSY]

From: Michala Beacham <s9(2)(k) >
Sent: Tuesday, 22 December 2020 3:50 PM
To: Adam Allington [NEMA]; s9(2)(k)
s9(2)(k); Danijela Tavich [TSY]
Cc: Nicole Randall
Subject: Housing Recovery: Key points from our check in yesterday

Kia ora koutou katoa

Thanks so much for meeting with us yesterday on the housing recovery work led by NEMA. Kate, Nicole and I were keen for an update prior to Kate finishing her contract with EQC this week and my taking on Head of Policy and Government Relations role from 11 January 2021.

Based on our discussion yesterday, our key takeouts were:

- The project's scope is about housing recovery; a much broader scope than managed repair. EQC supports this scope given the importance of housing recovery to communities affected by major disasters.
- NEMA aims to give Ministers preliminary advice on the housing recovery work in February 2021. This advice will include the scope of the housing recovery project and a progress update. The purpose of this advice is to give Ministers a sense of the issues involved and an opportunity to provide early input.
- Treasury does not intend briefing Ministers on housing recovery prior to the delivery of NEMA's preliminary advice.
- NEMA's senior leadership team supports NEMA's leading the first tranche of this work (ie delivering the preliminary advice to Ministers noted above) but NEMA is unlikely to be the lead agency on subsequent tranches.
- NEMA has previously done work on this (or a similar) topic that can be drawn on to inform this project.
- NEMA has met with a range of government agencies, and will engage with these agencies and private insurers as required on this work.

As raised at the meeting, EQC's position is that interim housing recovery arrangements are needed should a major disaster occur prior to the completion of this project. We suggest that NEMA uses Treasury's work from earlier this year to inform thinking on this, as well as the earlier NEMA work referred to above, to develop an interim framework to help the government assign roles and responsibilities across government agencies on an interim basis and pending formal delegation of roles and responsibilities.

Thank you again for the update, and EQC is happy to contribute to the housing recovery work as it develops.

Meri Kiritete

Ngā mihi nui

Michala

Michala Beacham | Policy | Strategy Group
Earthquake Commission | *Kōmihana Rūwhenua*
www.eqc.govt.nz



Treasury Report: Update on implementation of the response to the Public Inquiry into the Earthquake Commission

Date:	10 March 2021	Report No:	T2021/19
		File Number:	TY-2-1-17-1

Action sought

	Action sought	Deadline
Hon Grant Robertson Minister of Finance	For information.	N/A
Hon Dr David Clark Minister Responsible for the Earthquake Commission	Note the update on implementation of the Government response to the Public Inquiry into EQC. Indicate whether the updated progress table should be published on the Treasury's website.	N/A

Contact for telephone discussion (if required)

Name	Position	Telephone		1st Contact
Danijela Tavich	Analyst, Earthquake Commission Policy Team	s9(2)(k) (wk)	N/A (mob)	✓
Helen McDonald	Manager, Earthquake Commission Policy Team	s9(2)(k) (wk)	s9(2)(g)(ii) (mob)	

Minister's Office actions (if required)

Return the signed report to Treasury.
If agreed, **refer** copies of the report to relevant Ministers for information.

Note any feedback on the quality of the report

Enclosure: Yes (attached)

Treasury Report: Update on implementation of the response to the Public Inquiry into the Earthquake Commission

Executive Summary

The Government publicly released the report of the Public Inquiry into the Earthquake Commission (the Inquiry) on 9 April 2020. Cabinet agreed the Government response to the Inquiry on 6 July 2020.

The Government response to the Inquiry stated that the Treasury would coordinate six-monthly report-backs of progress on all recommendations to a group of relevant portfolio Ministers, including the Minister Responsible for the Earthquake Commission, Minister for Greater Christchurch Regeneration, Minister of Housing, Minister for the Environment, Minister for Building and Construction, Minister of Local Government, and Minister for Emergency Management (then Minister of Civil Defence).

This report provides the first of these report-backs to Ministers for noting. An updated table of progress on each recommendation is attached.

Completion status of each recommendation

Each recommendation in the attached table of progress has been allocated a progress rating. Of 70 recommendations: 14 have been completed, 8.5 are at an advanced stage, 38 are in progress, and 9.5 are dependent on another recommendation.¹ We note that recommendations marked as 'advanced progress' relate to work to modernise the Earthquake Commission Act 1993 (EQC Act). The Bill will need to be passed into law, to officially complete these recommendations. Additionally, a significant number of the recommendations will be completed following the implementation of the Earthquake Commission (EQC) Insurer Response Model, expected in quarter two of 2021.

Progress on housing recovery

A key area of work that has been delayed is work to allocate roles and responsibilities for housing recovery, in response to recommendation **1.1.3: *Determine how a managed repair programme might be initiated and executed should it be required and whether EQC should be the lead agency to conduct the programme. If not, then specify EQC's role in a managed repair and rebuild programme. As part of this, review the discretion in Schedule 3 of the EQC Act enabling EQC to manage the replacement or reinstatement of properties.***

This work is being led by the National Emergency Management Agency (NEMA), with support from the Treasury, the EQC, and a working group of other relevant agencies. EQC has emphasised that it sees this work as a significant priority, due to the potential implications it may have for New Zealand's ability to recover from a natural disaster event. EQC has previously advised that it does not currently have the capability to deliver a large-scale managed repair programme as a lead agency (EQC briefing BNR 20-21 008 refers).

The original Government response to the Inquiry stated that agencies would report back to Ministers on this recommendation by the end of 2020. NEMA has indicated the delay in reporting has been due to time needed to establish a new policy function within NEMA to lead the work, whilst managing competing priorities in responding to various disaster events over 2020. NEMA is committed to completing this report back with support from the Treasury by 31 March 2021, with agencies working to finalise the advice in the coming weeks. If you

¹ Recommendation 1.1.2 has two parts, one of which is advanced and another which is dependent on another recommendation. We have reflected each part as 0.5 in our count of the recommendations.

are interested in progress on this work, you may wish to discuss this with the Minister for Emergency Management.

Progress on dispute resolution and Community Law centres

Progress has also been delayed on the report back on the Inquiry's recommendations relating to dispute resolution:

- **8.1.1:** *Develop a standing dispute resolution mechanism that is robust, accessible, timely and responsive to complainants, drawing on the experience of the Canterbury earthquakes, including the experiences of EQC and claimants; this may include enacting legislation to support such a mechanism.*
- **8.1.2:** *Support and ensure adequate resourcing of a community law service that provides free or low-cost legal advice to assist claimants in the event of dispute with EQC, while ensuring any such service is sustainable and carries forward the important knowledge gained from events such as the Canterbury earthquakes.*

The Government response to the Inquiry stated officials would report back on these by December 2020 but this was not met due to competing priorities of lead agencies Treasury, Ministry of Justice (MoJ) and Ministry of Business, Innovation and Employment (MBIE). Analysis is well-advanced, and a report on dispute resolution from Treasury and MBIE will be provided to you by mid-March 2021. A separate report on Community Law centres by MoJ is being provided to the Minister of Justice by the end of April 2021.

Keeping the public up to date on our progress

Additionally, the previous Minister Responsible for the EQC and the previous Minister for Greater Christchurch Regeneration requested that once the Government response to the Inquiry is released, Treasury continue to keep an online, public table of responses to the Public Inquiry updated to show progress in implementation over time. We seek your direction on whether you would like to proceed with this approach.

If you would like to continue releasing public updates on the Government's progress implementing the Inquiry, we seek your direction on the timing of this release. As the attached progress table has been written for a Ministerial audience, it is likely more editing will need to be done to the public version of the table to remove material still under consideration. We will work with your office on any amendments needed to the table prior to its release.

Recommended Action

We recommend that you:

- a **note** the attached progress report on implementing the Government response to the Public Inquiry into EQC.
- b **indicate** whether the updated progress table should be published on the Treasury's website.

Yes/no.

If you would like to publish the updated progress table, **Either**:

- c **agree** the table should be published **following** Cabinet decisions on the Bill to modernise the EQC Act

Agree/disagree.

Or:

- d **agree** the table should be published **prior** to Cabinet decisions on the Bill to modernise the EQC Act

Agree/disagree.

- e **note** we will work with your office on any amendments needed to the table prior to its release

- f **refer** this report to the Minister of Housing, Minister for the Environment, Minister for Building and Construction, Minister of Local Government, and Minister for Emergency Management.

Refer/not referred.

s9(2)(k)



Helen McDonald
Manager, Earthquake Commission Policy Team

Hon Dr David Clark
Minister Responsible for the Earthquake Commission

KEY	
	Completed
	Advanced progress
	In progress
	Dependent on another recommendation

Progress update: Implementation of the response to the Public Inquiry into the Earthquake Commission

#	Recommendation	Lead ²	Response	Comment in Government response (as at June 2020)	Status as at February 2021
1.1.1	Provide a mandate in legislation for EQC (or another appropriate agency) to coordinate the residential insurance response to ensure housing recovery following a natural disaster, including setting roles and responsibilities, monitoring performance and requiring assistance from other government agencies.	Joint NEMA/Treasury/EQC	Accept.	NEMA, the Treasury and EQC will work together in consultation with other relevant agencies over 2020-2021 to consider EQC's future role and mandate in the emergency management system. This work will inform the modernisation of the EQC Act, the scope of which is currently being considered by Ministers, with the objective of introducing amending legislation in mid-2021 at the earliest.	<p>Advanced progress.</p> <p>As proposed the modernised EQC Act will include a clear statement of purpose, functions, and objectives for the EQC. A proposed new claims management objective will note EQC should contribute to the timely replacement or reinstatement of natural disaster damaged residential buildings or land by <i>ensuring claimants receive a timely and fair settlement of any claims relating to the insurance provided by the Act</i> – which will put EQC at the centre of the Crown's participation in any post-disaster residential insurance response. The modernised EQC Act is expected to be introduced in 2021.</p> <p>Work is progressing in response to recommendation 1.1.3 regarding which agency should be responsible for setting post-disaster roles and responsibilities, monitoring performance and requiring assistance from other government agencies, for housing recovery efforts that are broader than the insurance response.</p>
1.1.2	Clarify expectations with EQC about its responsibility in land-use planning before, and for the coordination of land remediation after, a natural disaster.	Treasury/MfE/ DIA/EQC	Accept.	<p><i>Role of EQC in land-use planning</i></p> <p>Work is already underway within EQC to develop a work programme and strategy around how it can contribute to decision-making in the land-use planning process. The Treasury and EQC will work in consultation with MfE, DIA and local government on further policy work regarding the role of EQC in land-use planning over 2021 in response to recommendations 6.4.1 and 6.4.2. This will inform work to modernise the EQC Act and will leverage other opportunities across Government's existing work programme in the local government and natural hazards space.</p> <p><i>Role of EQC in land remediation</i></p> <p>The extent to which EQC is involved in land remediation in the future should be considered following decisions about its involvement in managed repair, as the two functions are closely related – with land remediation a prerequisite to managed repair in many instances.</p>	<p><u>Part one of recommendation 1.1.2 re: land-use planning</u></p> <p>Advanced progress.</p> <p>Work to modernise the EQC Act has considered EQC's role in land-use planning. It is proposed that the new Act will broaden EQC's research and education function to better support community resilience and cross-government initiatives. It will also introduce the option to provide public funding to EQC where EQC is directed to support cross-government activities that are broader than the insurance function funded by EQC premiums, such as in the land-use planning and broader community resilience space. The modernised EQC Act is expected to be introduced in 2021.</p> <p>EQC's role in land remediation is subject to further decisions on recommendation 1.1.3.</p>
					<p><u>Part two of recommendation 1.1.2 re: land remediation</u></p> <p>Dependent on another recommendation.</p> <p>EQC's role in land remediation is subject to further decisions on recommendation 1.1.3.</p>

² Note the lead agency has been **bolded**.

1.1.3	Determine how a managed repair programme might be initiated and executed should it be required and whether EQC should be the lead agency to conduct the programme. If not, then specify EQC's role in a managed repair and rebuild programme. As part of this, review the discretion in Schedule 3 of the EQC Act enabling EQC to manage the replacement or reinstatement of properties.	Joint Treasury/EQC/NEMA/MBIE	Accept.	The Treasury and EQC will work together in consultation with other relevant agencies to consider EQC's future role and mandate in the emergency management system over 2020-2021.	<p>In progress.</p> <p>Treasury and EQC have been working closely with the National Emergency Management Agency (NEMA) on this issue as it aligns with a project to update the National Civil Defence Emergency Management Plan Order 2015 (NCDEM Plan), which details roles and responsibilities for agencies working in the emergency management system. NEMA has also established an inter-agency working group including Treasury, EQC, the Ministry of Business, Innovation and Employment (MBIE), the Ministry of Housing and Urban Development (MHUD) and the Department of Internal Affairs (DIA).</p> <p>Agencies are developing a decision-making framework for housing recovery, to support greater clarity on roles and responsibilities following future disasters. It is proposed the modernised EQC Act will be permissive to support the future durability and flexibility of the EQC Act. This will also avoid pre-empting the outcomes of NEMA's process. As the lead for phase one of this work, NEMA plans to report back (in partnership with EQC and Treasury) to Ministers by the end of March 2021 with an update on work so far on housing recovery and expected next steps.</p>
1.1.4	Review the appropriateness of the title of the EQC Act to make clear its scope is not limited to earthquakes but to a range of natural disasters.	Treasury	Accept.	The title of the EQC Act will be reviewed as part of work to modernise the EQC Act, the scope of which is currently being considered by Ministers, with the objective of introducing amending legislation in mid-2021 at the earliest.	<p>In progress.</p> <p>The Treasury is working with EQC to consider a potential new name to better reflect the breadth of EQC's work. Advice has been provided to the Minister Responsible for EQC in on possible approaches to this work. Any changes are likely to be implemented through the modernised EQC Act.</p>
1.1.5	Develop a mechanism that identifies the threshold for a "major natural disaster", which triggers the coordination of a residential insurance response to ensure housing recovery.	EQC or other responsible agency TBC	Further consideration needed.	The agency that is given responsibility for the post-disaster residential insurance response and future managed repair programme through implementation of recommendations 1.1.1 and 1.1.3 will lead work on the thresholds for determining the nature of the insurance response or whether a managed repair programme is needed.	<p>Dependent on another recommendation.</p> <p>Subject to further decisions on recommendation 1.1.3.</p>
1.2.1	Consider inclusion of a purpose statement and set of principles in the EQC Act that will guide the discharge of EQC's responsibilities as an insurer with a social responsibility to claimants.	Treasury	Accept.	<p>These recommendations will be implemented as part of work during 2020-2021 to modernise the EQC Act, including its key provisions and definitions.</p> <p>The work to modernise the Act will also consider relevant commentary in the Inquiry report which stated that it would be worth revisiting the proposal to introduce a test to ensure that any new functions assigned to EQC do not unduly detract from its core business in settling residential insurance claims.</p>	<p>Recommendation 1.2.1: Advanced progress.</p> <p>As proposed the modernised EQC Act will introduce a clear statement of purpose for EQC, to make clear EQC exists to reduce the impact of natural disaster damage by encouraging resilience and by contributing to the timely replacement or reinstatement of residential land and buildings.</p>
1.3.1	Review the legislative framework so that there is a greater clarity of key provisions and definitions, including definitions of the phrases in the legislation such as "when new", and "reinstatement".	Treasury	Accept.	The development of a clear purpose statement for inclusion in the EQC legislation in response to recommendation 1.2.1 may serve to address concerns raised in recommendation 1.4.1 by reducing the need for Ministerial directions in future.	<p>Recommendation 1.3.1: Advanced progress.</p> <p>As proposed the modernised EQC Act will introduce definitions for currently undefined terms including: appurtenant structures; temporary accommodation; and each natural hazard covered by the EQC Act. A clear statement of EQC's repair standard for land and buildings is also proposed.</p>

1.3.2	Review the EQC Act in light of the High Court ruling on reinstatement of cover following each natural disaster event and other judicial determinations that have had a significant impact on EQC's work.	Treasury	Accept.		Recommendation 1.3.2: Advanced progress. Work to modernise the EQC Act has included a review of relevant case law and considered the High Court ruling on reinstatement.
1.4.1	Ensure that when ministerial directions or reviews are initiated these are clearly signalled, discussed with EQC to ensure that they will advance rather than hinder its response to a major natural disaster, and recorded.	Treasury	Accept.		Recommendation 1.4.1: Advanced progress. The development of a clear purpose statement for inclusion in the EQC legislation in response to recommendation 1.2.1 will serve to address concerns raised in recommendation 1.4.1 by reducing the need for Ministerial directions in future.
1.5.1	Review the EQC cap on residential building cover to establish whether it should reflect at least the current building costs and provide a mechanism for regular adjustment thereafter, as required.	Treasury	Accept.	Some consideration has already been given to lifting the EQC cap on residential building cover by the Treasury as part of its existing work on the affordability and availability of residential property insurance. This will be considered further as part of work to modernise the EQC Act.	In progress. The Minister Responsible for EQC is currently considering options to support affordable and available residential property insurance across New Zealand, including changes to the EQC cap, as part of modernising the EQC Act.
1.6.1	Identify changes to provisions in relevant legislation that will require: <ul style="list-style-type: none"> • greater certainty of the completion of works; • assurance of quality; and • future resilience of housing following repairs after a natural disaster. 	MBIE/MHUD	Accept in principle, further consideration on mechanism.	Builders are responsible for ensuring repair work that does not require a building consent complies with the Building Code. Requiring a building consent for repair work would slow down the recovery and have unintended consequences for other repair work. MBIE has provided a significant amount of guidance and training to improve the capability of builders, which has been implemented following the Canterbury earthquakes. MBIE will continue to provide updated industry guidance as new information emerges.	Completed (no further action needed following the Government response).
1.6.2	Consider a provision in legislation that allows EQC to work with the homeowner to enable necessary structural but non-natural disaster repairs to be dealt with at the same time as natural disaster repairs (at the homeowner's cost).	Treasury/EQC	Further consideration needed.	This will be considered by Treasury in consultation with EQC as part of work in 2020-2021 to modernise the EQC Act. This issue does not arise with cash settlements, only EQC-managed repairs, so its significance depends on the settlement model used by EQC.	Completed. Work to modernise the EQC Act has considered whether changes are necessary to enable homeowners to undertake other repairs at the same time as EQC repairs. There is nothing preventing this in the Act currently, and the Minister Responsible for the EQC considers EQC should continue to exercise its discretion on this matter on a case by case basis. As a result, no changes are proposed to implement this recommendation.
1.7.1	Consider the need for legislative change to provide greater clarity on EQC's responsibilities to property owners in multi-unit and mixed-use buildings.	Treasury	Accept.	On 23 March 2020, Cabinet agreed to proposed amendments to the EQC Act focused on EQC cover of mixed-use buildings. The amendments intend to ensure that the EQC Act equitably accounts for homeowners' use of, and interest in, common areas in mixed-use buildings. These amendments would substantially address the concerns that led to the Inquiry's recommendations. A Bill is expected to be introduced to the House in the next Parliamentary term.	Advanced progress. As proposed the modernised EQC Act will introduce more equitable cover for homeowners of mixed-use buildings, compared with the treatment of standalone houses, in line with decisions made by Cabinet in March 2020 [CAB-20-MIN-0210 refers].

1.7.2	Provide property owners in multi-unit and mixed-use buildings with certainty, as far as is possible, about their building's status as it relates to EQC cover.	EQC	Accept in principle, further consideration on mechanism.	<p>As part of current negotiations with private insurers, EQC is looking to enter into data sharing arrangements that may enable it to receive this information from insurers.</p> <p>The outcome of these negotiations will inform whether legislative changes are needed to better enable information sharing between EQC and private insurers as part of work to modernise the EQC Act over 2020-21.</p>	<p>Dependent on another recommendation.</p> <p>EQC will provide more information targeting multi-unit and mixed-use building owners as part of broader communications efforts once proposed changes to the EQC Act are in force in response to recommendation 1.7.1, expected late 2022-2023.</p>
2.1.1	Embed into its operational practices a commitment to treating claimants with respect, fairness, dignity and a sensitivity to post-disaster pressures they might be facing and clearly demonstrate how improvements are being made in claimants' experiences.	EQC	Accept.	<p>Improvements in EQC's approach to dealing with claimants have already been made in response to learnings from Canterbury, such as the recent introduction of EQC's 'Customer code' to guide all interactions with customers to be measured in EQC's Statement of Performance Expectations for 2020/2021.</p> <p>EQC will commission an independent review of its operational practices to identify any additional opportunities to improve customer experience by the end of 2020.</p> <p>The implementation of the proposed insurer model, where EQC will enter into agreements with private insurers to act on EQC's behalf, will see EQC and insurers working together to frame communications, leveraging the well-resourced communication channels insurers already have in place. It will also enable EQC to coordinate a more consistent approach to dealing with claimants across the insurance industry.</p> <p>Adopting an insurer model would also mean that claimants deal only with their private insurer i.e. one party in processing their claim. A case management approach, where the claimant only deals with the same staff member or members, will be used where appropriate, depending on the event.</p>	<p>Recommendation 2.1.1: In progress.</p> <p>Recommendation 2.1.1 is being delivered through the implementation of the Insurer Response Model (IRM) which is a partnership between EQC and private insurers. Customers will have one point of lodgement, assessment, and resolution for their insurance claims. EQC is ensuring all of its agents take a consistent approach to treating customers fairly, respectfully, and sensitively by developing an EQC Insurer Manual (as a core operational document for all parties performing claims management under the IRM). EQC is also developing a comprehensive assurance programme to support the IRM. This includes tracking insurer performance of Statement of Performance Expectation measures and customer feedback).</p> <p>The independent review mentioned in the Government response and originally intended for late 2020 will be deferred until the IRM has been fully implemented and operational for a suitable period of time (the IRM is expected to commence in quarter two (Q2) of 2021). The review will then consider the various issues as they arise in the context of the new model.</p> <p>Customer experience will continue to be monitored through key performance measures in EQC's Statement of Performance Expectations.</p>
2.1.2	Make claimants aware of their entitlements under the EQC Act and clearly demonstrate how it is working with claimants to deliver on these entitlements.				<p>Recommendation 2.1.2: In progress.</p> <p>Recommendation 2.1.2 will be delivered through updates to customer information on the EQC website. These will be available once the IRM is implemented (expected Q2 of 2021). EQC is also supporting insurers in developing letters and key messages for customers.</p> <p>EQC is establishing a National Reference Group (NRG) to maintain networks with a broad range of community groups to create a constructive environment for members to share ideas, questions and opportunities from their communities. The NRG will support and provide advice on EQC's focus on providing customer-centric services.</p> <p>EQC monitors the extent to which it is successfully working with claimants to deliver on their entitlements through independent customer satisfaction surveys as outlined in the annual Statement of Performance Expectations. It measures the quality of its response based on whether customers feel</p>

					they were treated in a fair and timely manner, that EQC was responsive, recognised a customer's individual needs and communicated well, and that EQC managed claims within Board-approved budgets. These measures will continue under the IRM. The results are published in EQC's annual report.
2.1.3	Ensure, as far as practicable, that claimants have continuity of staff in dealing with their claims and a process that minimises interaction with multiple parties, whether EQC or a third-party is managing the claim, adopting a "case management" approach wherever possible.				Recommendation 2.1.3: In progress. The IRM responds to recommendation 2.1.3 by ensuring continuity of staff and consistency of process by providing one pathway for customers in lodging claims. This recommendation will be completed once the IRM is fully operational (expected to be Q2 2021).
2.1.4	Seek advice from agencies with experience in trauma and psychosocial services and support, develop clear guidance for its staff on dealing with people affected by disasters and loss and ensure its staff are properly trained and refreshed on the guidance that is developed.				Recommendation 2.1.4: In progress. EQC is developing resilience training for EQC staff in response to recommendation 2.1.4 . Design is progressing well and the training will be delivered to EQC People Leaders in March 2021 and then to all staff during July and August 2021. This extends the completion date for this Recommendation to 31 August 2021. The additional time is required to allow training for People Leaders first. This supports People Leaders to have a dual focus: supporting and leading others in psychological resilience, as well as maintaining their own. Work is underway (e.g., developing processes and monitoring arrangements) to support insurers to identify and support customers experiencing vulnerability, as part of EQC's wider work programme establishing the IRM.
2.1.5	Develop a policy for how it classifies claimants as vulnerable and how this is applied to ensure the process is made easier for those claimants. This should be based on advice obtained from appropriate agencies on best practice in this area and should be adapted to recognise the unique nature of each event.	EQC	Accept in principle, further consideration on mechanism.	EQC will develop relationships with district health boards across the country in order to ensure EQC's services are part of a coordinated effort. This will require a whole-of-government approach, including NEMA, MSD, MoH and the social sector. EQC will have a stakeholder engagement plan in place by March 2021. The implementation of the proposed insurer model will enable EQC to integrate the approach to identifying and supporting vulnerable customers across insurers, in line with the whole of government approach.	In progress. There are two components to this work: development of an EQC policy (underway), and development of supporting guidance for EQC staff and private insurers working with EQC through the IRM. Guidance for supporting vulnerable customers is being developed alongside the work on the Insurer Manual under the IRM – this component is more advanced (to be completed Q2 of 2021) and EQC will ensure alignment between these two pieces of work.
2.1.6	Provide training for its staff in dealing appropriately with people with a range of needs, which respects cultural or language differences.	EQC	Accept.	EQC will commission an independent review of its operational practices to identify any additional opportunities to improve customer experience by March 2021. The proposed insurer model will see EQC and private insurers agreeing on a consistent approach to customer support, and give EQC an opportunity to leverage the existing channels and resources insurers already have in place for supporting staff.	In progress. Unconscious bias training was delivered to all EQC People Leaders in 2020. This training will be delivered to other EQC staff by 30 June 2021. EQC is now in year two of implementing a Diversity and Inclusion Strategy. The scope of the Strategy is internally and

					externally focused. As with recommendation 2.1.4 , it is proposed the independent review signalled in the Government response to the Inquiry is carried out after the implementation of the IRM.
2.1.7	Ensure resourcing and support for the housing recovery is available from the outset of a response to a major natural disaster to establish services such as navigators or support coordinators to assist affected communities.	Joint NEMA /MBIE	Accept in principle, further consideration on mechanism.	<p>Navigators have been used in a number of responses effectively since the Christchurch Earthquake e.g. Edgecumbe flooding response (2017) and the Rotorua flooding response (2018). These were much smaller events but use of Navigators received positive community engagement and supports social and housing recovery.</p> <p>NEMA is reviewing the National Civil Defence Emergency Management Plan over 2020-21, and will work with MBIE to consider how to incorporate housing recovery into this work. The Ministry of Social Development, Ministry of Housing and Urban Development, Ministry of Health and Te Puni Kōkiri (with Whanau Ora experience) could also provide input regarding navigators.</p>	<p>In progress.</p> <p>s9(2)(f)(iv)</p>
2.2.1	Commit to sharing information that provides an honest assessment of the post-disaster challenges and shortcomings of its response, including providing regular updates on realistic timeframes and obligations that reflect the best information available.	EQC	Accept.	<p>Improvements in EQC's approach to dealing with claimants have already been made in response to the Canterbury earthquake sequence, such as the recent introduction of EQC's 'Customer code' to guide all interactions with customers to be measured in EQC's Statement of Performance Expectations for 2020/2021.</p> <p>EQC will commission an independent review of its operational communications practices to identify any additional opportunities to improve customer experience by the end of 2020.</p>	<p>In progress.</p> <p>This is being delivered through co-design of the Customer Outcomes guide as part of the IRM. This guide will be completed for the commencement of the IRM, which is expected in Q2 of 2021.</p>

				Under the proposed insurer model, EQC will conduct loss modelling and insurers will gather information in the immediate aftermath of an event. The sharing of this information would enable joint analysis of customer groups based on their personal situation and the expected impact on them.	
2.2.2	Ensure information is presented in a clear and simple form so that it can be easily understood by audiences who might already be grappling with multiple and complex problems post-disaster.	EQC	Accept.	<p>Improvements in EQC's approach to dealing with claimants have already been made in response to the Canterbury earthquakes, such as the recent introduction of EQC's 'Customer code' to guide all interactions with customers to be measured in EQC's Statement of Performance Expectations for 2020/2021.</p> <p>Under the proposed insurer model, EQC and insurers will co-design the event communications to ensure an appropriate response is deployed, meaning EQC would be able to leverage the communications experience, channels and resources insurers already have in place.</p>	<p>Recommendation 2.2.2: In progress.</p> <p>This is being delivered through co-design of the EQC Insurer Manual and EQC's assurance programme for the IRM (which tracks insurer performance of Statement of Performance Expectation measures and customer feedback) and through EQC's Event Communications Plan.</p> <p>The Insurer Manual and assessment framework will be completed for the commencement of the IRM, which is expected in Q2 of 2021.</p>
2.2.3	Develop a plan for how it will reach large and diverse audiences in a post-disaster environment where normal channels for communication are restricted or unavailable.			EQC will commission an independent review of its engagement practices to identify any additional opportunities to improve relationships with media by the end of 2020, to further support communications efforts.	<p>Recommendation 2.2.3: Completed.</p> <p>EQC has developed an Event Communications Plan with input from the Insurance Council of New Zealand (ICNZ) and individual insurers. This plan outlines a coordinated approach to distributing key messages to the public in a future disaster event.</p>
2.2.4	Build stronger relationships with media outlets so that they understand more clearly EQC's mandate and disaster response, including encouraging the media to access and use EQC's research.				<p>Recommendation 2.2.4: In progress.</p> <p>Relationships between EQC and various media outlets strengthened as a result of recent media announcements profiling EQC's resilience work and will be ongoing.</p> <p>An external communications company has been engaged to carry out an independent review of engagement practices with media. It is anticipated that the review will be complete by March 2021.</p>
2.3.1	Ensure a suitable advisory group or body is in place to provide representative community input into its work and associated responsibilities. EQC must consider the advice and act upon it appropriately. Following a major natural disaster, a specific group or body should be established that reflects communities affected by that event.	EQC/Treasury	Accept.	<p>EQC will consider the most appropriate form for an advisory group or body by the end of 2020, including membership, terms of reference, secretariat services and the whether a Ministerial appointment process would be appropriate.</p> <p>Treasury will implement any necessary legislative amendments as part of work to modernise the EQC Act.</p>	<p>In progress.</p> <p>As noted in recommendation 2.1.2, EQC is establishing a National Reference Group (NRG) to provide representative community input from a range of sectors to support EQC in dealing with future national hazard events. There are two components to the work EQC is progressing to achieve this: 1) Establishing the NRG which is 90% complete, and; 2) planning for post-disaster groups which is 10% complete (EQC will seek input from the NRG on this once it is established).</p> <p>Treasury has considered whether any legislative change is needed to support the establishment of an EQC advisory group and found that none is required.</p>

3.1.1	Develop clear guidelines about what an assessment entails and the respective roles of EQC, its staff and contractors, and claimants in the assessment process and ensure this information is widely available.	EQC/Treasury	Accept in principle, further consideration on mechanism.	Improvements in EQC's approach to dealing with claimants have already been made in response to the Canterbury earthquake sequence, such as the recent introduction of EQC's 'Customer code' to guide all interactions with customers to be measured in EQC's Statement of Performance Expectations for 2020/2021.	<p>In progress.</p> <p>Recommendations 3.1.1 – 3.1.7 are being progressed by EQC in consultation with private insurers as part of developing a suite of shared guides and working documents to support implementation of the IRM.</p> <p>Guides, which set out agreed processes and policies relating to each relevant matter, include a Claims Manual, an Assessment Manual, and a Repair and Reinstatement Guide.</p> <p>Event Response Strategies are also being developed as part of EQC's readiness workstreams.</p> <p>The independent review signalled in the Government response to the Inquiry has been deferred until the IRM has been operational for a suitable period of time (the model is expected to commence in Q2 of 2021).</p>
3.1.2	Provide clarity for homeowners as early as possible after a major natural disaster about who will be managing claims and conducting assessments—whether it is led by EQC, third-party contractors, or private insurers—and its responsibilities to cover the cost of expert reports and professional services.			EQC will commission an independent review of its assessment practices to identify any additional opportunities to improve by the end of 2020.	
3.1.3	After a major natural disaster, provide for suitable initial assessment of damage to land and housing in order to develop a comprehensive plan for full assessment that includes a clear process and realistic timeframes for homeowners.			The implementation of the proposed insurer model will mean customers only have one assessment process being undertaken, rather than two. EQC will provide training for insurers to ensure consistent and transparent processes for assessment. Further consideration of EQC's role in response to recommendation 1.3.1 will enable the development of appropriate guidelines.	
3.1.4	In the initial assessment of damage, identify any need for emergency repairs to ensure temporary shelter and essential services, and share this information with other relevant agencies to act on.				
3.1.5	Take the time to complete thorough, consistent and accurate assessment of properties from the outset, carefully documenting progress and involving the homeowner through the process as much as is practical to avoid confusion and minimise disputes.				
3.1.6	Clearly define the expectations of workers involved in the assessment process from the outset of a disaster response and share this information with homeowners.				

3.1.7	Ensure the assessment process is transparent so that claimants have a clear understanding of the process, including how invasive an assessment will be, and access to all relevant information and documentation.				
3.1.8	Work with relevant agencies and experts on engineering solutions for housing and land (both area-wide and for individual properties), including determining the need to retire land from residential use and provide monitoring to ensure that these solutions are applied appropriately.	EQC or other responsible agency TBC	Further consideration needed.	The agency that is given responsibility for a future managed repair programme through implementation of recommendation 1.1.3 will lead work on engineering solutions for housing and land and their implementation.	Dependent on another recommendation. Subject to further decisions on recommendation 1.1.3 .
3.1.9	Ensure resources are allocated to provide for emergency repairs, as required, to provide at least temporary shelter, including, as needed, heating and services such as electricity, water and sewerage.	Joint MBIE/NEMA	Accept in principle, further consideration on mechanism.	MBIE and NEMA will work with relevant agencies to consider the most appropriate mechanism to implement this recommendation over 2020-21.	In progress. Most of the requirements to provide for lifeline utilities during and after emergencies are covered under the lifeline utilities obligations in the CDEM Act 2002 and NCDEM Plan. These set out the roles and responsibilities of Lifelines Utilities Organisations before, during, and after emergencies. Electricity, water and sewage services in an emergency response falls into the Lifelines part of an event response When utilities are not available, CDEM Groups, ³ with support from NEMA, are the lead agency for ensuring immediate relief is provided until services are restored. The CDEM Act and NCDEM Plan are currently under review and opportunities to strengthen these arrangements can be considered as part of this process. Subject to Ministerial and Cabinet decisions, a Bill to amend the CDEM Act and NCDEM Plan is expected to be introduced by the end of 2021.
4.1.1	In the event of a “major natural disaster”, according to the formal threshold determined by government, consider whether a managed repair programme is a suitable response to the event, coordinate the response among all responsible agencies and formally document the decision-making process for clarity.	EQC or other responsible agency TBC	Further consideration needed.	The agency that is given responsibility for the post-disaster residential insurance response and future managed repair programme through implementation of recommendations 1.1.1 and 1.1.3 will lead work on the thresholds for determining the nature of the insurance response or whether a managed repair programme is needed, and on implementing the response when necessary.	Dependent on another recommendation. Subject to further decisions on recommendation 1.1.3 .

³ CDEM groups are committees of elected councillors from each council within regional boundaries. They are established under the CDEM Act 2002 and 16 CDEM groups have been formed across New Zealand. Groups can be viewed as a consortium of the local authorities in a region working in partnership with emergency services, lifeline utilities and government departments to identify, prepare for, and respond to natural hazards and risks.

4.1.2	Work with relevant agencies to plan for and ensure adequate temporary accommodation is provided in the aftermath of a major natural disaster.	MBIE	Accept.	MBIE will implement this recommendation as part of its role as the responsible agency for temporary accommodation planning under the National Civil Defence Emergency Management Plan Order 2015.	<p>In progress.</p> <p>MBIE, with support from NEMA and CDEM Groups, will continue to implement this recommendation as part of their joint roles as the responsible agency for accommodation planning under the NCDEM Plan. As stated above, the CDEM Act and NCDEM Plan are currently under review and opportunities to strengthen these arrangements can be considered as part of this process.</p> <p>MBIE's Temporary Accommodation Service is currently funded to provide temporary accommodation services during small to medium scale disasters.</p>
4.1.3	Develop a plan for engaging a workforce that includes expertise in procurement, project management, contracting and engineering.	EQC or other responsible agency TBC	Accept.	The agency that is given responsibility for a future managed repair programme through implementation of recommendation 1.1.3 will undertake preparedness planning for that programme, including ensuring appropriate processes are in place that can be scaled up when needed, including engaging an appropriate skilled workforce.	<p>Dependent on another recommendation.</p> <p>Subject to further decisions on recommendation 1.1.3.</p>
4.1.4	Ensure there are systems developed to identify and discourage fraudulent practices by any party in any repair programme.				
4.2.1	Agree with government from the outset of any repair programme who will be responsible for quality assurance and sign-off, how this will be implemented, including how building standards will be applied and how the homeowner will be involved; and communicate this to the public.				
5.1.1	Develop policies for what related reinstatement or repair costs will be covered by cash settlements and communicate these to claimants.	EQC	Accept.	<p>EQC will commission an independent review of its communications material, policies and practices to identify any additional opportunities to improve communications about cash settlement and associated implications by March 2021.</p> <p>The implementation of the proposed insurer model would see EQC and insurers agree protocols to guide consistent decisions on cash settlements. Clear customer communications would be jointly designed, leveraging the communications channels and resources insurers already have in place.</p>	<p>Recommendation 5.1.1: In progress.</p> <p>EQC is progressing this recommendation through development of guides that will underpin the IRM: The Repair & Reinstatement Guide, Rates Policies and the Claims Manual. These will be completed for commencement of the IRM which is expected to be in Q2 of 2021.</p>
5.1.2	Make clear to claimants, wherever cash settlements are made, the implications of not using the cash for the purpose for which it is provided, including how this might affect future claims.	EQC	Accept in principle, further consideration on mechanism.		<p>Recommendation 5.1.2: In progress.</p> <p>In June and July 2020, with the support of external legal advisors, EQC updated its communications with customers relating to cash settlements, to clarify the potential insurance implications of not using cash settlements for the intended repairs.</p> <p>A further review of communications with customers on this and other matters will be carried out by EQC's new advertising agency (selection process is currently underway and is expected to be completed by Q2 2021). Together, these two reviews will address this recommendation.</p>

					Further advice on different approaches for encouraging the use of cash settlements for repairs has been provided by the Treasury to the Minister Responsible for EQC as part of work to modernise the EQC Act.
5.1.3	Conduct a detailed assessment of the impacts of cash settlement of claims in the example of the Kaikōura/Hurunui earthquake, including the longer-term impact on quality of the housing stock.	EQC	Accept.	EQC will invite bids for research to undertake an assessment of the impacts of cash settlement in Kaikōura/Hurunui, by March 2021.	In progress. EQC will commission the recommended research and is anticipating Requests for Proposals in March-April 2021.
5.1.4	Incorporate the findings of the detailed assessment of cash settlement for the Kaikōura/Hurunui earthquake into a larger and ongoing study that tests the advantages and disadvantages of cash settlement, the results of which could be drawn on when deciding the best response to future natural disaster events.	Joint Treasury/EQC/ Lead managed repair agency (EQC or other TBC)	Accept	The Treasury will use the results of the research to inform policy decisions, and EQC will use the results to inform operational decisions, regarding recovery options for future national disaster events. The research will also inform work by the agency that is given responsibility for a future managed repair programme through implementation of recommendations 1.1.1 and 1.1.3 in decision-making on when a managed repair programme is appropriate.	Dependent on another recommendation. Subject to the assessment at 5.1.3.
6.1.1	Ensure that its data and information systems are adequate to fulfil claimants' rights to readily access their full property information held by EQC, in accordance with official information and privacy legislation.	EQC	Accept.	EQC has recently invested significantly in data and information systems, with the initial stage of the project due to be complete by December 2020. EQC will then review its processes and practices to identify any additional opportunities to improve by March 2021.	Completed. EQC has reviewed its practices and processes relating to data and information. In October 2020, EQC introduced a new Data Hub which supports the IRM. EQC is now focused on connecting insurers ahead of the commencement of the IRM in Q2 of 2021, and implementing minimum data standards. Customers can access residential property information held by EQC via Official Information Act 1982 process.
6.1.2	Regularly seek advice from the Privacy Commissioner, the Office of the Ombudsman and the Human Rights Commissioner to ensure that its relationships with claimants are fair, reasonable and transparent.	EQC	Accept.	EQC will develop and maintain relationships with the Privacy Commissioner, the Office of the Ombudsman and the Human Rights Commissioner, with progress to be reviewed by December 2020.	Completed. EQC reviewed its relationships with the Privacy Commissioner, Human Rights Commission and the Ombudsman in 2020 following the release of the Public Inquiry report. Although EQC has ongoing engagement with these agencies at an officials' level, EQC considers there is merit in the chief executives also meeting regularly to keep them informed of EQC's key strategic developments. EQC has met with the Privacy Commissioner (in December) and the Ombudsman (in January) identifying areas of mutual interest and to provide stakeholders with an overview of the IRM. The Privacy Commissioner has advised he does not need to have these meetings on a regular basis. EQC will engage with the Privacy Commissioner on specific issues requiring the Commissioner's input. EQC is currently working with the Office of the Ombudsman to hold a workshop to seek insight on the dispute and official information request processes being developed under the IRM. This workshop is expected to be held in early-mid March.

					<p>A meeting has been set up for mid-March with the Human Rights Commission.</p> <p>EQC also sought the views of the Privacy Commissioner, Human Rights Commission and the Ombudsman as part of setting up the framework and scope for the National Reference Group. EQC will continue to work with these stakeholders to support regular engagement around mutual areas of interest to ensure fair, reasonable and transparent support to EQC's customers.</p>
6.1.3	Develop and roll out a nationwide online register that provides EQC information on claims specific to individual residential properties. This should be free and simple to access for users such as prospective home buyers and should provide basic information about a claim and its status.	EQC	Accept in principle, further consideration on mechanism.	<p>EQC has recently invested significantly in data and information systems, with the initial stage of the project due to be complete by December 2020.</p> <p>EQC will then review its processes and practices to identify any additional opportunities to improve by March 2021.</p>	<p>Recommendation 6.1.3: In progress.</p> <p>EQC has established a three-year Information and Analytics programme to build EQC's data capability. The key focus at this stage is supporting the commencement of the IRM. As noted above, a Data Hub has been developed as the back-end system which aggregates data from various source systems and insurers to support the operation of the IRM.</p> <p>Following the implementation of the IRM, further work will be undertaken to identify any further information and analytics requirements. EQC expects to make as much information available as possible through this work. Phase two of the Information and Analytics programme will consider options to enable prospective home buyers to access EQC information on claims for residential properties. The feasibility of this and identification of potential options will be completed by June 2022.</p>
6.2.1	Commit to constant and sufficient investment in data and information systems to guarantee that these can support efficient and reliable day-to-day operations and have sufficient capacity and capability to support processes for managing claims following a large-scale disaster.				<p>Recommendation 6.2.1: In progress.</p> <p>The Data Hub, which supports the IRM, was introduced in October 2020. It enables the integration and analysis of all data received by EQC, in particular the two-way sharing of data on claims and exposure (policies) from insurers. Work is progressing to onboard insurers to the platform. EQC is also investing in its claims management systems to ensure it retains contingency claims management capability. This upgrade is expected to go live around June 2022.</p>
6.2.2	Consider how changes made to the EQC Act in 2019 can be used to enable better information sharing between it and private insurers.	EQC/Treasury	Accept.	EQC, in consultation with Treasury, will consider how it can further utilise changes made to the EQC Act in 2019 regarding information sharing by the end of 2020. Based on this assessment, Treasury will consider whether further legislative change is required as part of implementing recommendation 6.3.1 as part of work in 2020-2021 to modernise the EQC Act.	<p>Advanced progress.</p> <p>Officials have considered the information sharing provisions in the current EQC Act. In line with Public Inquiry recommendations, as proposed the modernised EQC Act will:</p> <ul style="list-style-type: none"> enable EQC to specify a reasonable timeframe within which information requested by EQC must be furnished make explicit the obligation to provide information to EQC in a form, format, manner and medium acceptable to EQC enable the making of regulations requiring information needed for the purposes of the EQC Act to be provided in a clear and consistent form, format, manner and medium, and
6.3.1	Consider a legislative requirement for private insurers to advise EQC at least annually of their residential policyholders' location and property ownership.	Treasury/EQC	Accept in principle, further consideration on mechanism.	<p>This recommendation will be considered as part of work to modernise the EQC Act, during 2020-2021.</p> <p>The outcomes of work on recommendation 6.2.2: Consider how changes made to the EQC Act in 2019 can be used to enable better information sharing between it and private insurers will affect the extent to which further legislative change to support data sharing between EQC and private insurers is necessary.</p>	

					<ul style="list-style-type: none"> confirm EQC's ability to disclose information held by EQC to another government agency where the agency has a proper interest in receiving the information for law enforcement purposes, or for the performance of its functions or exercise of its powers.
6.4.1	Consider changes to relevant legislation to enable greater availability and use of information about land and its stability to inform land-use decision making and current and prospective property owners through appropriate public information sources.	DIA/LINZ/MfE	Accept in principle, further consideration on mechanism.	Government supports greater availability and use of land information to inform land-use decision making, though further consideration is needed on the mechanism to give effect to it. As the recommendation is broad, it spans a number of central government agency interests and existing work programmes, particularly in the Community Resilience and natural hazards space. Relevant agencies DIA, LINZ and MfE will work together with EQC and the Treasury to implement this recommendation by leveraging opportunities through work already underway over 2021.	<p>In progress</p> <p>DIA is working in partnership with Local Government New Zealand on options to enhance the role of the land information memorandum (LIM) as a mechanism for natural hazard risk disclosure. Officials will report back to Cabinet on this work in April 2021.</p>
6.4.2	Consider granting EQC standing to appear in formal land-use planning hearings.	Treasury/MfE	Accept in principle, further consideration on mechanism.	<p>The Government supports decision-making being informed by EQC knowledge, but the recommendation (as written) may not be the most efficient or effective mechanism for achieving the outcome.</p> <p>The EQC already has the ability to appear in formal land-use planning hearings, through the submission process of RMA Schedule 1 (for plan-making), for notified resource consent applications where a hearing is held.</p> <p>Treasury will work with EQC and in consultation with MfE, DIA, and local government on further policy work regarding the role of EQC in land-use planning over 2021. This will also inform work to modernise the EQC Act in 2020-2021.</p>	<p>Completed. [See also recommendation 1.1.2.]</p> <p>Treasury has considered whether any further legislative change is needed to support EQC to appear in formal land-use planning hearings. EQC is already able to do this under the Resource Management Act 1991 (RMA) through the submission process of RMA Schedule 1 (for plan-making), and for notified resource consent applications where a hearing is held. Consequently, no legislative changes are proposed.</p>
6.4.3	Proactively share up-to-date local area information about land and hazards with relevant local authorities.	EQC	Accept in principle, further consideration on mechanism.	<p>EQC has put a greater focus on its research and education function in recent years, including conducting more research to provide EQC with better modelling, and providing local councils invaluable research data around natural hazards, constructions, and land information to inform decision-making. EQC has developed a Resilience Strategy for Natural Hazard Risk Reduction to further support community resilience throughout the country.</p> <p>EQC will work with Treasury and other relevant agencies to consider further opportunities for EQC to provide local government with useful information on land and hazards through work to implement recommendation 6.4.1.</p>	<p>Completed.</p> <p>EQC has shared claims data with councils where the data has shown a hazard feature that is not necessarily represented well on hazard maps (e.g. claims from a slow-moving landslide in Northland with the Far North District Council, and historic flooding/landslip claims in Nelson with Nelson City Council).</p> <p>EQC is looking at releasing claims data to researchers helping local councils with natural hazards (such as Gisborne District Council with regard to landslide hazards).</p> <p>EQC also regularly supports councils (including financially) with hazard mapping (e.g., Tauranga City Council and Marlborough District Council with liquefaction mapping).</p> <p>Further opportunities to provide data and research-based evidence are planned through the implementation of EQC's Resilience Strategy for Natural Hazard Reduction 2019 – 2029.</p>

7.1.1	Coordinate an ongoing relationship with key partners, who will be necessary to the residential insurance response following the threshold for a “major natural disaster” being met, to establish the roles and responsibilities of each entity. These partners might include The Treasury, the Ministry of Building, Innovation and Employment, the National Emergency Management Agency, Te Puni Kōkiri, Land Information New Zealand and the Ministry of Social Development.	EQC or other responsible agency TBC	Accept.	The agency that is given responsibility for coordinating the residential insurance response and future managed repair programme through implementation of recommendations 1.1.1 and 1.1.3 will undertake preparedness planning, including working with key partners to establish roles, responsibilities, and working relationships for future events.	Dependent on another recommendation. Subject to the assessment at 1.1.3 .
7.1.2	Build significantly improved cooperative relationships with private insurers operating in New Zealand, including ensuring sharing of data that is critical for EQC’s work following a natural disaster.	EQC	Accept.	The implementation of the proposed insurer model will see EQC improving its working relationships and entering into effective data sharing agreements with insurers. See response to recommendation 1.7.2.	In progress. This recommendation is being implemented through EQC’s work with insurers on implementing the IRM. See also the response to 6.1.3 and 6.2.1 outlining the work on data being undertaken by EQC as part of the IRM and its wider Information and Analytics programme. The work under the IRM is supported by bilateral data agreements with insurers.
7.2.1	Ensure that the range of research it sponsors encompasses new opportunities in relevant fields and includes disasters other than earthquakes.	EQC	Accept.	EQC’s Resilience Strategy for Natural Hazard Risk Reduction 2019-2029 include re-platforming existing capability and expanding the hazard types that can be modelled, and developing improved volcanic and landslide hazard models. Improved working relationships and information sharing with insurers as a result of implementing proposed insurer model will mean EQC is better able to achieve cross-agency information sharing to disseminate that research among agencies and local government. EQC will work with Treasury and other relevant agencies to consider further opportunities for EQC to provide local government with useful information on land and hazards through work to implement recommendation 6.4.1, and will review its research processes and practices to identify any additional opportunities to improve its research programme by March 2021.	Recommendation 7.2.1: Completed. EQC periodically reviews the research programme underpinning its resilience work programme. This, and the other associated Inquiry recommendations, will be considered as the programme is reviewed and updated. The EQC Research Investment Priorities Statement will be released in April 2021.
7.2.2	Support social science research that will help it build a greater understanding of the impacts on communities following a major natural disaster.				Recommendation 7.2.2: In progress. EQC’s current research portfolio includes initiatives covering hazards ‘other than earthquakes’. EQC is reviewing its Research Investment Priorities Statement and the upcoming Biennial Grants contestable research round will provide the opportunity to increase the proportion of research focused on social science disciplines.
7.2.3	Cooperate with the research community in New Zealand and internationally to disseminate as widely as possible the research findings in all fields it supports.				Recommendation 7.2.3: Completed. See response to recommendation 7.2.1
7.2.4	Commit to and resource the ongoing development of scenario planning and modelling of major natural disasters and their				Recommendation 7.2.4: Completed. The National Hazard Scenario Database development programme is in place.

	consequences for buildings and land. This should focus on preparing it as far as possible for previously unanticipated disaster outcomes, locations and circumstances unique to different events.				EQC is developing a range of scenarios for 'hazards that could happen in New Zealand', and what the risks and implications of each are. In the first instance these will be used to test EQC's readiness and contingency planning. To ensure a coordinated insurance response and recovery activities, EQC will initially develop and test 2 -3 scenarios in conjunction with private insurers per year over each of the next two years. These scenarios will cover a range of natural perils that EQC covers.
7.3.1	Consult and work with relevant government and community agencies and private insurers to ensure the most engaging and effective means of educating homeowners about the risks associated with natural disasters and how to minimise damage.				Recommendation 7.3.1: Completed. See response to recommendation 7.2.1.
7.3.2	Promote awareness among homeowners of the opportunity for direct access to purchase disaster-only insurance, as provided for in the EQC Act.	EQC	Further consideration needed.	EQC will further consider the Inquiry's recommendation regarding promoting awareness among homeowners of the opportunity for direct access to purchase disaster-only insurance, as provided for in the EQC Act by March 2021. Promoting direct access may risk encouraging people to not take up standard home insurance and is related to existing Treasury work on the broader residential insurance market.	Completed. The following steps have been, or are being taken, in relation to the direct EQCover product: <ul style="list-style-type: none"> Public website information due to be reviewed - May 2021 Regular training for front line staff about the availability of direct EQCover including the criteria and where enquires can be referred to - Ongoing Direct EQCover will be included in the Householders Guide to EQCover customer brochure – Coincides with the updates related to the IRM in Q2 of 2021 Internal review of EQCover Policy – March 2021.
7.4.1	Develop further and, where necessary and appropriate, formalise relationships with key workforces such as engineers and loss adjusters.	EQC	Accept.	The implementation of the proposed insurer model will see EQC delegating its claims management to private insurers which would enable more efficient and effective use of the limited suitably skilled resources available.	Recommendation 7.4.1: Completed. This was delivered through completion of new supplier contractual arrangements in December 2020.
7.4.2	Ensure access to a suitably qualified and trained workforce to manage claims and undertake assessments, including retired personnel, in anticipation of a sudden and significant increase in workload.			EQC will commission an independent review of its capacity and capability to identify any additional opportunities to improve by March 2021.	Recommendation 7.4.2: In progress. EQC has updated surge plans for claims and assessment staff and call centres and reviewed insurer business continuity plans to ensure they have considered surge. The independent review is being deferred until implementation of the IRM (expected to be implemented in Q2 of 2021).
7.4.3	Work with its staff to review what is being done to support their wellbeing.	EQC	Accept.	EQC has recently made a number of changes to better support staff wellbeing, the results of which have been reflected in recent staff engagement surveys. EQC will commission an independent review of its human resources processes and practices to identify any additional opportunities to improve by June 2021.	Recommendation 7.4.3: Completed. EQC delivers a Wellbeing Programme as an ongoing function, with monthly reporting to the EQC Board. The annual Wellbeing work programme is reviewed regularly (including staff survey results) to ensure it continues to be fit for purpose. The EQC Wellbeing Programme is currently a finalist for the 2021 Human Resources NZ (HRNZ) Awards.

7.4.4	Build channels for its staff to provide views to management and governance so that people are heard, views and proposals are seriously considered, and, where appropriate, acted upon.				<p>Recommendation 7.4.4: In progress.</p> <p>Regular staff surveys and Speak Up Policy are EQC's primary engagement tools with staff, along with the FairCall Line (an independently run 24/7 confidential reporting service for EQC staff who wish to report concerns about serious wrongdoing).</p> <p>EQC is currently in a procurement process with a new FairCall Line provider and is scheduled to deploy the new system by 30 June 2021, before the existing supplier contract expires.</p>
7.4.5	Evaluate the skills and attributes required of a workforce to engage with claimants following a natural disaster and apply these as criteria in the recruitment process.				<p>Recommendation 7.4.5: In progress.</p> <p>EQC continues to embed its Core Competency Framework into its recruitment processes and Performance & Development Framework. A redesigned Induction Programme will be launched in early 2021.</p> <p>As part of EQC's assurance function within the IRM, insurers need to demonstrate staff are recruited who have the required base level of experience/qualification for the role.</p> <p>An audit by KPMG of Health, Safety, Security and Wellbeing is currently underway and will provide the independent review of these recommendations.</p>
8.1.1	Develop a standing dispute resolution mechanism that is robust, accessible, timely and responsive to complainants, drawing on the experience of the Canterbury earthquakes, including the experiences of EQC and claimants; this may include enacting legislation to support such a mechanism.	Treasury/MBIE	Accept in principle, further consideration on mechanism.	<p>A standing dispute resolution mechanism will ensure that Government is prepared for disputes arising from future major natural disasters.</p> <p>Treasury will lead on scoping this work with the support of MBIE as an immediate next step by the end of 2020. Any EQC-specific (as opposed to more generic) mechanisms would likely be included in the work to modernise the EQC Act.</p>	<p>In progress.</p> <p>As proposed the modernised EQC Act will require EQC to participate in a dispute resolution scheme that is: user-focused and accessible; independent and fair; efficient and effective; accountable; and cost effective.</p> <p>The Treasury, MBIE, MOJ and EQC are currently scoping work on a standing dispute resolution mechanism, including gaps and opportunities, the objectives of any future scheme, and further work required to design a standing dispute resolution mechanism that EQC and other similar entities might utilise in future. Agencies will report to Ministers on this work in March 2021.</p>
8.1.2	Support and ensure adequate resourcing of a community law service that provides free or low-cost legal advice to assist claimants in the event of dispute with EQC, while ensuring any such service is sustainable and carries forward the important knowledge gained from events such as the Canterbury earthquakes.	MOJ	Accept in principle, further consideration on mechanism.	<p>Government accepts the need for increased funding of Community Law centres, as has been provided for in successive Budgets, and commits to continuing to address this. Further consideration is required regarding the role of Community Law centres in supporting EQC claims. The role of Community Law centres in supporting EQC claims should be considered holistically, within the wider package of dispute resolution services available in these cases.</p> <p>MOJ will work with Treasury, MBIE, and other relevant agencies to undertake further policy work as outlined in response to recommendation 8.1.1 on the best mechanism for responding to a large influx of insurance-related disputes following a natural disaster. The work will include consideration of the role of Community Law centres in this response. Scoping this work will be completed by the end of 2020.</p>	<p>In progress.</p> <p>Community Law centres (CLCs) have been a key channel for providing legal support for EQC claimants following the Canterbury earthquakes. Their expertise and professionalism were noted by the Inquiry and in responses from claimants.</p>

8.1.3	Consider regulation of insurance advocates or those providing related services to claimants to provide assurance and clarity for claimants and to avoid predatory behaviour.	MBIE/Treasury	Further consideration needed.	<p>The rise of insurance advocates appears to have been driven by the unique scale of the insurance event and a gap in the availability of alternative advice and advocacy services for claimants. Ensuring access to alternative advice and advocacy services for claimants should mitigate the potential for harm in future.</p> <p>Treasury, MBIE and MOJ will lead further work on developing a robust, accessible, timely and responsive standing dispute resolution mechanism for claimants and ensuring adequate community law service resourcing as identified in Inquiry recommendations 8.1.1 and 8.1.2. Scoping this work will be completed by the end of 2020.</p> <p>Once those recommendations have been progressed, further consideration will be needed as to whether further intervention is needed to regulate insurance advocates.</p>	<p>In progress.</p> <p>In preliminary conversations with the Greater Christchurch Claims Resolution Service (GCCRS) and the Insurance Council of New Zealand (ICNZ), as well as through media reports, there is some concern about advocate conduct. Knowledge gaps need to be filled to fully understand the problem and identify adequate solutions.</p> <p>It is unclear to what extent the activities of insurance advocates might be regulated by existing legislation (e.g. the Fair Trading Act 1986). Some are currently being sued in the High Court in Christchurch with allegations they misrepresented services, costs, qualifications and the independence of their technical experts. The outcomes of the court cases may go some way towards clarifying the extent to which problematic conduct of advocates post-Christchurch is already covered by the law.</p> <p>Demand for advocates by claimants may have been exacerbated by the inadequacy of claims handling by EQC, and the lack of appropriate bodies to consider disputes arising from the mishandled claims.</p> <p>Furthermore, the creation of a standing dispute resolution mechanism (as recommended by the Inquiry) may have an impact on the demand for private advocacy services to assist with resolving disputes arising from a future natural disaster event. MBIE will undertake a policy process to identify issues and analyse options over 2021, including consultation with relevant stakeholders. A progress update, including initial advice on policy, will be provided to the Minister of Commerce and Consumer Affairs in the second half of 2021.</p>
8.1.4	Ensure that its [EQC] complaints procedures for both staff and claimants are professional and fit for purpose, with periodic independent assessment of their suitability and effectiveness.	EQC	Accept.	<p>Improvements in EQC's overall approach to dealing with claimants have already been made in response to the Canterbury earthquake sequence, such as the recent introduction of EQC's 'Customer code' to guide all interactions with customers to be measured in EQC's Statement of Performance Expectations for 2020/2021.</p> <p>EQC will commission an independent review of its complaints processes to identify any additional opportunities to improve by March 2021.</p> <p>As part of implementing the proposed insurer model, EQC will provide insurers with documented processes, policies and other guidance to facilitate a consistent dispute resolution approach across both parties and leverage the existing dispute resolution channels and resources insurers already have in place.</p> <p>EQC's approach to dealing with complaints will also be informed by work on dispute resolution mechanisms in response to 8.1.1.</p>	<p>In progress.</p> <p>EQC has updated its complaints procedures and is now working on a co-design of procedures with insurers as part of implementing the IRM to ensure they are aligned, consistent and meet EQC expectations.</p>



Briefing

CONFIRMING THE LEAD AGENCY FOR HOUSING RECOVERY

To: Acting Minister for Emergency Management (Hon Kris Faafoi)

Date	07/04/2021	Priority	Medium
Deadline	30/04/2021	Briefing Number	21/39

Purpose

Originating in the Public Inquiry into the EQC, this briefing identifies the key principles of a post-disaster housing recovery policy framework and the players within the system who have the capabilities required to deliver it. It proposes a lead agency role, sets out what work needs to be progressed by a lead agency, and explains what will happen if an event occurs before a lead agency has been appointed. The briefing seeks your agreement to progress conversations with your ministerial colleagues to confirm the level of priority for this work.

Recommendations

We recommend you:

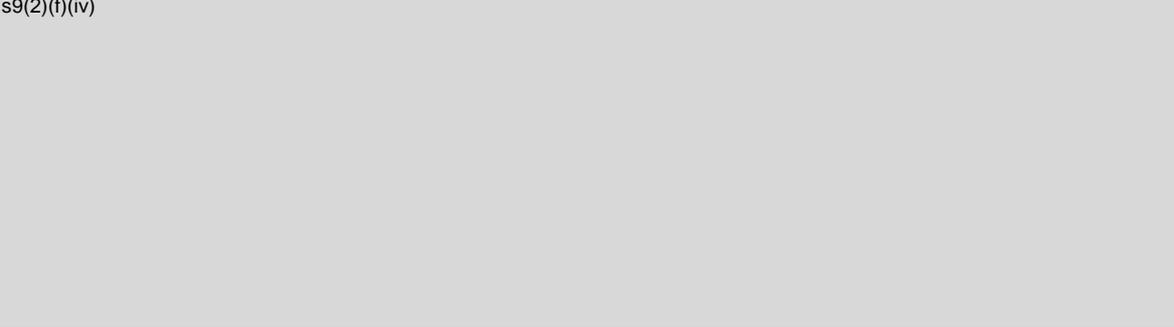
- Agree** to the key functions and principles of a post-disaster housing recovery policy framework, as set out in paragraphs 7 to 9 of this paper
Agree / disagree / discuss
- Agree** to forward a copy of this briefing to Hon Dr Woods, Minister for Housing and Hon Dr Clark, Minister responsible for the Earthquake Commission
Agree / disagree / discuss
- Agree** to meet with Hon Dr Woods, Minister for Housing and Hon Dr Clark, Minister responsible for the Earthquake Commission to confirm the level of priority for this work
Agree / disagree / discuss
- Agree** to recommend to Hon Dr Woods and Hon Dr Clark **either**:
 - s9(2)(f)(iv) – noting that further work is required on the recommended lead agency structure, but this cannot be undertaken until a lead agency has been appointed
Agree / disagree / discuss

Or

- b. maintain the status quo, that is establishing an ad hoc housing recovery agency in response to each disaster event if required, drawing on expertise from ^{s9(2)(f)(iv)} agencies, and ensuring that housing recovery is aligned with other aspects of recovery _{s9(2)(f)(iv)}

Agree / disagree / discuss

5. ^{s9(2)(f)(iv)}



Noted

<p>^{s9(2)(k)}</p> <p>Carolyn Schwalger Chief Executive, National Emergency Management Agency</p>
<p>31/03/2021</p>

<p>Hon Kris Fafoi Acting Minister for Emergency Management</p>
<p>/ /</p>

Contact for telephone discussion if required:

Name	Position	Telephone		1st contact
Carolyn Schwalger	Chief Executive, National Emergency Management Agency	Mobile	s9(2)(a)	✓
Adam Allington	Manager, Policy	Mobile	s9(2)(a)	

Minister's office comments:

- Noted
- Seen
- Approved
- Needs change
- Withdrawn
- Not seen by Minister
- Overtaken by events
- Referred to

CONFIRMING THE LEAD AGENCY FOR HOUSING RECOVERY

NEMA was asked to develop a housing recovery policy framework

Housing recovery and managed repair

1. Housing recovery is used to describe the system that enables the repair, rebuild and new build of residential housing following a disaster, and associated activities.
2. A managed repair programme covers homes with damage under the EQC cap, and which EQC has decided to repair rather than cash settle.
3. Housing recovery may include a managed repair programme should this be considered an appropriate intervention. Other responses are available in addition to managed repair. In this briefing, 'reconstruction' refers to the full range of operational responses including managed repair.

Housing recovery working group

4. The National Emergency Management Agency (NEMA) was asked to convene a working group consisting of the Treasury, EQC, HUD, MBIE and DIA to develop a principles-based housing recovery policy framework (*DEV-20-SUB-0116* refers). This work started in mid-2020 and was initially due to be reported back in December 2020. Report back was delayed due to the response demands of COVID-19 and other emergencies, with a new report back date of 31 March agreed by Ministers.
5. The Treasury, EQC, HUD and MBIE have been consulted on this briefing. The Treasury and EQC supports the work to identify a lead agency for housing recovery as it is important that an agency has the mandate and does the preparation work to be ready for the next large-scale event. This work is best led by the responsible government lead.

The working group has progressed requirements for determining a housing recovery lead agency

What are the reasons for government involvement in housing recovery?

6. Government has a key role to play in housing recovery and reconstruction programmes, in order to:
- prevent a repetition of the same problems that affected the Canterbury Home Repair Programme (CHRP), as identified by the Public Inquiry into the EQC, including:
 - an excessive focus on cost containment
 - inadequate quality control
 - inappropriate prioritisation
 - difficulties in accessing resources
 - undertake suitable preparation and planning (including urban design)
 - co-ordinate resources
 - identify and address the recovery needs of vulnerable communities following a disaster
 - use labour market supply as a lever, where appropriate, and
 - assure the quality of the activities undertaken.

What are the key principles of a housing recovery policy framework?

7. The working group identified key design principles for a policy framework, set out below in Table 1.

Table 1 Principles for a Housing Recovery Policy Framework

<p>Certainty</p> <ul style="list-style-type: none"> • Certainty of access to a supply of labour and other resources (such as project management and procurement). • Assurance that key standards can be maintained following a major event, in particular the quality and timeliness of repairs. • Price stability over time. • Future certainty relating to the building industry. 	<p>Transparency</p> <ul style="list-style-type: none"> • Clarity about who is accountable for the delivery and quality of repairs and what paths are available for remedial action if required. • Clear, coordinated communications to manage expectations around timing and delivery of repairs. • Clear regulation of building industry and outcomes (including repairs).
<p>Balance</p> <ul style="list-style-type: none"> • An approach that recognises and balances trade-offs between fairness and efficiency, the needs of local communities versus national priorities, and the role played by local government, central government and the private sector. • An approach that balances current needs with the future of the housing system. 	<p>Consistency</p> <ul style="list-style-type: none"> • Design principles must be consistent with: <ul style="list-style-type: none"> ○ National Civil Defence Emergency Management Plan Order 2015. ○ MBIE regulatory and strategic frameworks. ○ HUD regulatory and strategic frameworks.

s9(2)(f)(iv)

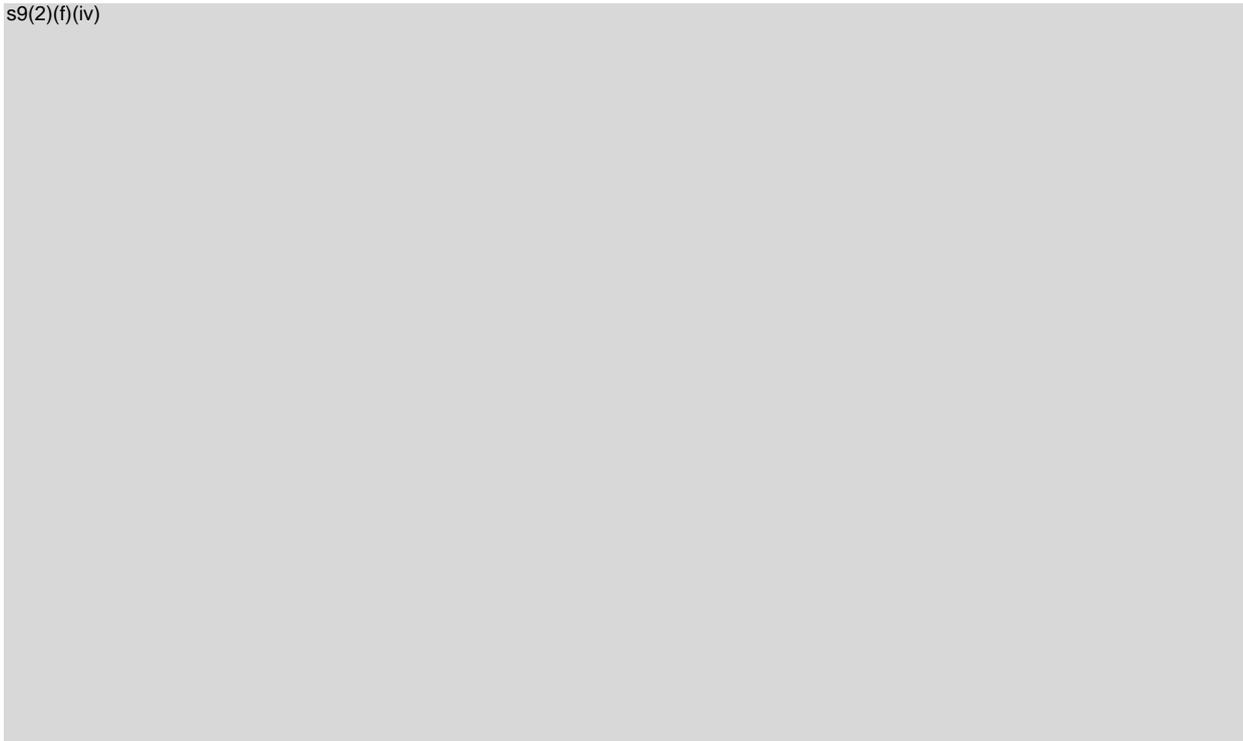
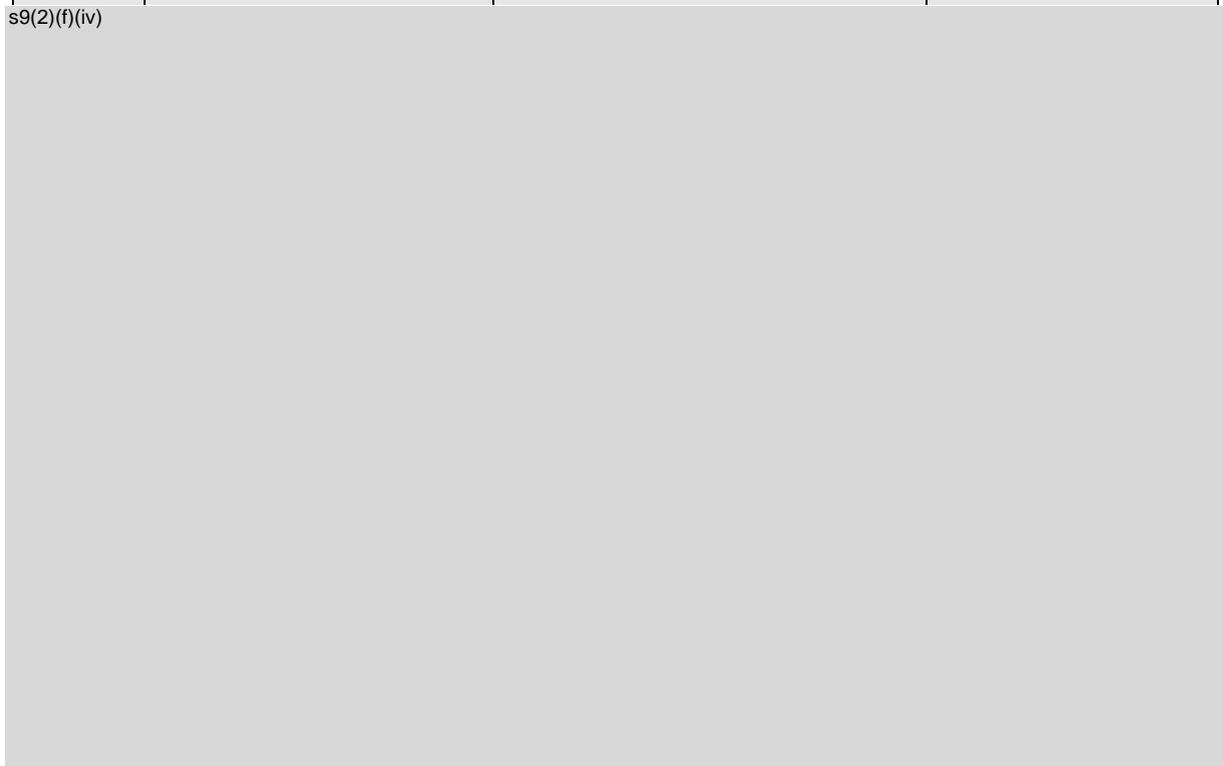


Table 2 Existing Agency Roles Relating to Housing Recovery and Reconstruction

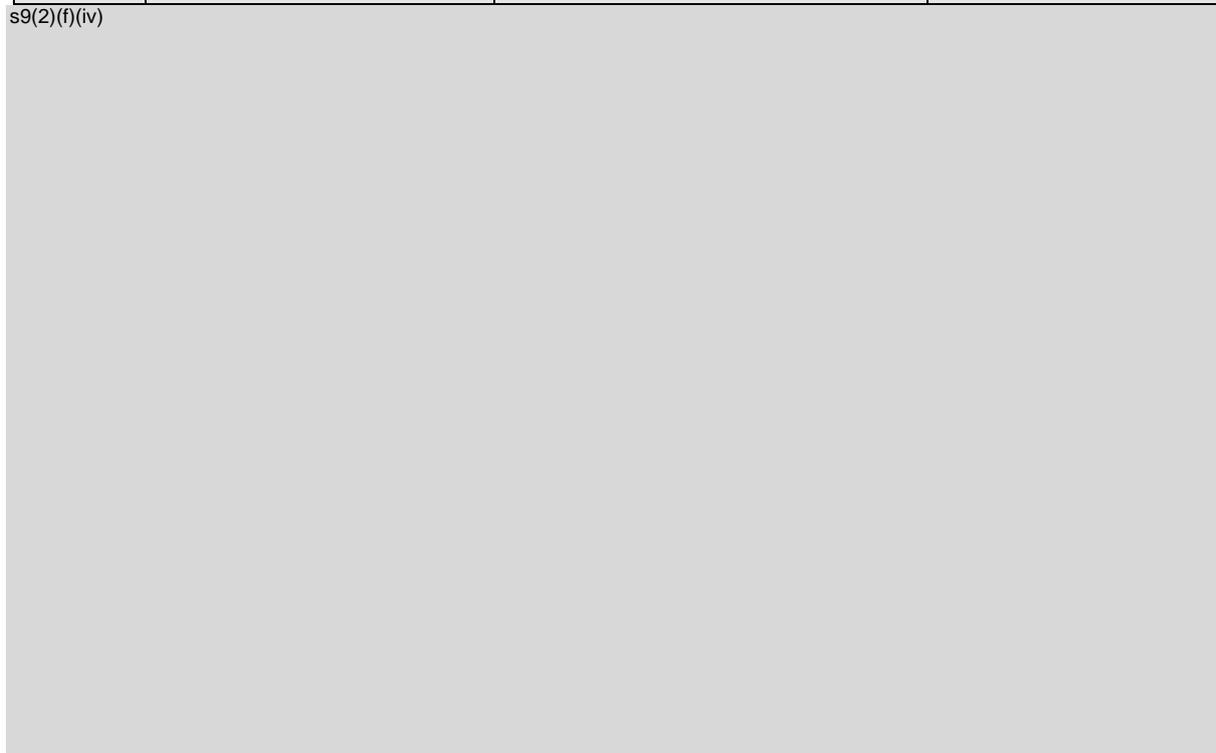
Agencies	Procurement and oversight	Relationship and customer management	Managing repairs
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s9(2)(f)(iv)



Agencies	Procurement and oversight	Relationship and customer management	Managing repairs
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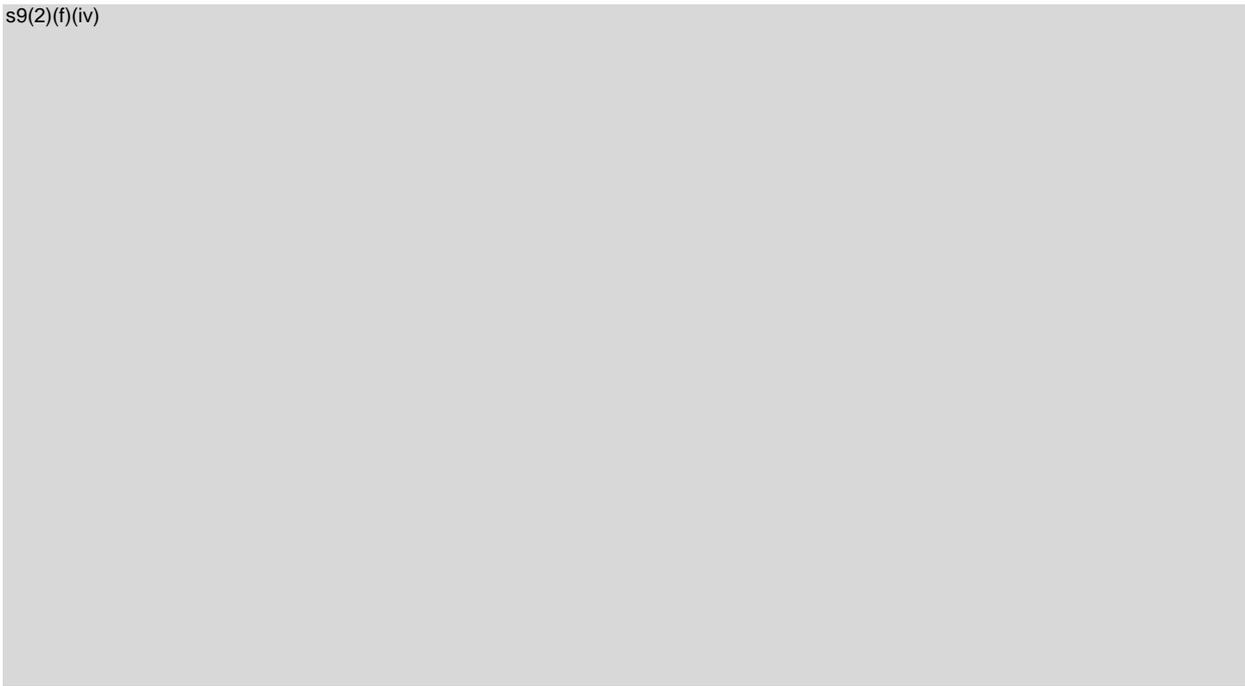
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s9(2)(f)(iv)



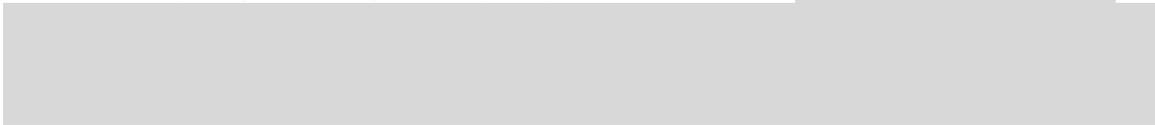
s9(2)(f)(iv)



If no lead agency is assigned in the short term, an ad hoc approach could continue to be applied

16. s9(2)(f)(iv) y would be consistent with the Canterbury Earthquake Recovery Agency (CERA) approach. This involved seconding relevant expertise from across government into a standalone agency with a dedicated function which worked across the full spectrum of recovery work needed (residential housing, commercial, education, health etc).
17. The CERA approach would effectively maintain the status quo, requiring the establishment of an ad hoc housing recovery agency in response to each disaster event if required, drawing on expertise s9(2)(f)(iv) other agencies. s9(2)(f)(iv).
18. However, taking the CERA approach would mean that no agency is permanently assigned the responsibility of planning and preparing for housing reconstruction in advance of emergencies.

Balancing a lead agency vs ad hoc approach

19. Disasters requiring a housing recovery response are rare, and s9(2)(f)(iv)

20. As discussed in paragraph 6 above, the Public Inquiry into the EQC identified a number of problems with the Canterbury Home Repair Programme. If future ad hoc housing recovery agencies directly address these problems, the ad hoc agency approach could be more effective than a permanent housing recovery agency. Ad hoc recovery agencies would not have to contend with the potential loss of institutional knowledge to the same degree as a permanent agency. Resources and responses could be tailored by an ad hoc agency to fit the nature of the disaster event in each case.

21. s9(2)(f)(iv) [redacted] would provide advice on the merits of ad hoc versus permanent agencies, including funding implications of maintaining a permanent role which is likely to only rarely be needed.
22. On balance, NEMA believes that establishing permanent housing recovery and reconstruction agencies entails less risk in the long-term. Over time, it will help shift the system from a focus on response to building readiness and reduction. The permanent agencies, along with the wider housing sector, can work together to develop a body of institutional knowledge and operational practice. The knowledge and experience gained could be maintained through regular exercises to create a high state of readiness, which ad hoc agencies cannot do.

Further work on the lead agency structures and their implications is

s9(2)(f)(iv)

23. NEMA acknowledges that further work on lead agency structures and their implications is required, especially in relation to roles in housing reconstruction. s9(2)(f)(iv) [redacted]

24. s9(2)(f)(iv) [redacted]

- EQC will always have a role in housing recovery as the Crown's first loss insurer.
- Under the National Civil Defence Emergency Management Plan Order 2015, MBIE has an oversight role for building quality, and provides advice to local and central government as required.
- Any agency assigned responsibilities for housing recovery or reconstruction will need to coordinate with private sector entities that would actually undertake reconstruction work.

25. s9(2)(f)(iv) [redacted]

Interim arrangements

26. The previous Minister Responsible for EQC requested advice on who would be responsible for any large-scale residential property reconstruction programme if a major natural disaster event were to occur in the short-term.
27. This report identifies the core agencies who would need to come together to develop the plan for standing up a reconstruction programme and procuring the resources to deliver it (see Table 2 above).
28. Across the board, agencies have advised that they have limited capability to contribute to a centralised reconstruction programme. This suggests that specialist technical skills will need to be brought in from the private sector, to support a future reconstruction initiative.

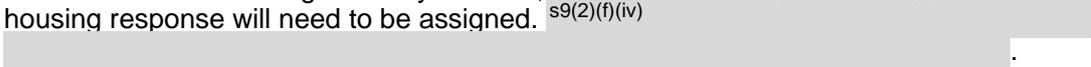
29. s9(2)(f)(iv)

s9(2)(f)(iv)

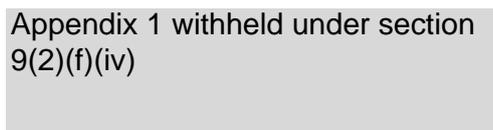
s9(2)(f)(iv)



What are the next steps?

39. Responsible Ministers will need to determine whether agencies should progress further work in defining and assigning a formalised role for housing recovery as a priority. NEMA recommends you meet with Hon Dr Woods, Minister for Housing and Hon Dr Clark, Minister responsible for the Earthquake Commission to confirm the level of priority for this work.
40. In addition to the housing recovery function, the operational aspects of any post-event housing response will need to be assigned. ^{s9(2)(f)(iv)} 

Appendix 1 withheld under section
9(2)(f)(iv)





Treasury Report: Implementing the Public Inquiry into EQC response:
Draft letters to your colleagues

Date:	4 August 2021	Report No:	T2021/1917
		File Number:	TY-2-1-17-1

Action sought

	Action sought	Deadline
Hon Grant Robertson Minister of Finance	Noting.	N/A
Hon Dr David Clark Minister Responsible for the Earthquake Commission	Sign the attached letters on implementing the Government response to the Public Inquiry into EQC, for circulation to your colleagues.	19 August 2021

Contact for telephone discussion (if required)

Name	Position	Telephone		1st Contact
Danijela Tavich	Analyst, Earthquake Commission Policy Team	s9(2)(k) (wk)	N/A (mob)	✓
Helen McDonald	Manager, Earthquake Commission Policy Team	s9(2)(k) (wk)	s9(2)(g)(ii) (mob)	

Minister's Office actions (if required)

Return the signed report to Treasury.
Send the finalised letters at Appendix 1 to the relevant Ministers.

Note any feedback on the quality of the report

Enclosure: Yes (attached)

Treasury Report: Implementing the Public Inquiry into EQC response: Draft letters to your colleagues

Executive Summary

The Government publicly released the report of the Public Inquiry into the Earthquake Commission (the Inquiry) on 9 April 2020. Cabinet agreed the Government response to the Inquiry on 6 July 2020 [CAB-20-MIN-0329 refers].

You have requested draft letters to your colleagues regarding progress in implementing the recommendations of the Inquiry that fall within their portfolios. Appendix 1 lists all the recommendations of the Inquiry that sit with other Ministers to progress. The majority of the Inquiry's recommendations are for EQC to progress. You receive progress reporting on a six-monthly basis from the Treasury on the entire suite of recommendations. Our next report will be prepared for September 2021.

We consider the key areas that would benefit from follow up at a Ministerial level are those that relate to housing recovery, and the Civil Defence and Emergency Management Act and Plan review. There is crossover between the Minister of Housing, Associate Minister of Housing (Public Housing), and Minister for Emergency Management across these recommendations. Draft letters addressed to each of the three Ministers are attached for your review in Appendix 2.

The letters to the Minister of Housing and Minister for Emergency Management also request a meeting to discuss next steps on housing recovery, which was recommended by National Emergency Management Agency (NEMA) officials in April this year [Briefing Number 21/39 refers].

There are two more recommendations that fall within other Ministerial portfolios. We consider these areas do not require Ministerial follow-up for the reasons set out below, although we will provide additional letters covering these recommendations if requested. These are:

- **Consider changes to enable greater availability of land information (recommendation 6.4.1).** The Department of Internal Affairs is progressing policy work on options for the land information memorandum (LIM) system to achieve more active disclosure of natural hazard risk. Cabinet has asked officials to report back in September 2021 with proposals for substantive changes. We consider this recommendation does not require follow up as it is already progressing through a clear work programme.
- **Ensuring resourcing of community law centres to assist claimants with free or low-cost legal advice in disputes with EQC (recommendation 8.1.2).** The Ministry of Justice (MOJ) provided the Minister of Justice with advice on this recommendation on 20 May 2021. MOJ advised that it will continue to support MBIE's work on developing a standing dispute resolution mechanism, which will include consideration of a legal advice function, in an informal capacity. We consider this recommendation does not require follow up as MOJ's recent reporting means that there is no longer a specific work programme for this particular recommendation.

Additionally, we note that you have responsibility for recommendations on developing a standing dispute resolution mechanism (recommendation 8.1.1) and regulating insurance advocates (recommendation 8.1.3) in your capacity as Minister for Commerce and Consumer Affairs. The Ministry of Business, Innovation and Employment (MBIE) officials have advised that they will provide advice on options for a standing dispute resolution mechanism, and initial advice on insurance advocates, to yourself and the Minister of Finance by the end of 2021.

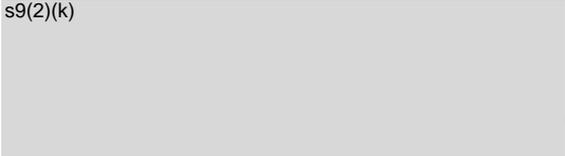
Recommended Action

We recommend that you:

- a **sign** the attached letters to the Minister of Housing, Associate Minister of Housing (Public Housing), and Minister for Emergency Management, requesting progress updates on implementing the Public Inquiry into the Earthquake Commission recommendations that sit within their Ministerial portfolios.

Agree/disagree.

s9(2)(k)

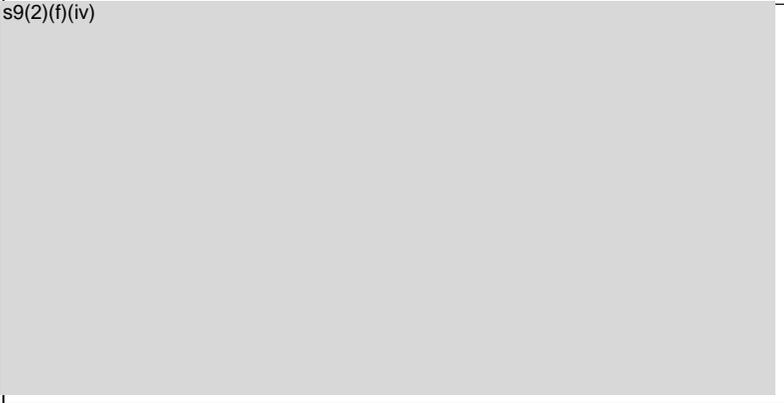


Helen McDonald
Manager, Earthquake Commission Policy Team

Hon Dr David Clark
Minister Responsible for the Earthquake Commission

Appendix 1: Public Inquiry recommendations within other Ministerial portfolios

Recommendation	Latest progress update	Ministerial portfolio
<p>1.1.1: Provide a mandate in legislation for EQC (or another appropriate agency) to coordinate the residential insurance response to ensure housing recovery following a natural disaster, including setting roles and responsibilities, monitoring performance and requiring assistance from other government agencies.</p>	<p>In progress/dependent on another recommendation.</p> <p>As proposed the modernised EQC Act will include a clear statement of purpose, functions, and objectives for the EQC. A proposed new claims management objective will note EQC should contribute to the timely replacement or reinstatement of natural disaster damaged residential buildings or land by <i>ensuring claimants receive a timely and fair settlement of any claims relating to the insurance provided by the Act</i> – which will put EQC at the centre of the Crown’s participation in any post-disaster residential insurance response. The modernised EQC Act is expected to be introduced in 2021.</p> <p>As outlined in the progress update on recommendation 1.1.3 below, work is progressing in response to recommendation 1.1.3. This relates to which agency should be responsible for setting post-disaster roles and responsibilities, monitoring performance and requiring assistance from other government agencies, for housing recovery efforts that are broader than the insurance response.</p>	<p>Housing, Emergency Management</p>
<p>1.1.2: Clarify expectations with EQC about its responsibility in land-use planning before, and for the coordination of land remediation after, a natural disaster.</p>	<p><u>Part two of recommendation 1.1.2 re: land remediation</u> <i>[Note part 1 regarding land-use planning is at advanced progress]</i></p> <p>Dependent on another recommendation.</p> <p>EQC’s role in land remediation is subject to further decisions on recommendation 1.1.3.</p>	<p>Housing, Emergency Management</p>

<p>1.1.3: Determine how a managed repair programme might be initiated and executed should it be required, and whether EQC should be the lead agency to conduct the programme. If not, then specify EQC's role in a managed repair and rebuild programme. As part of this, review the discretion in Schedule 3 of the EQC Act enabling EQC to manage the replacement or reinstatement of properties.</p>	<p>In progress.</p> <p>Ministers have received initial advice [NEMA Briefing Number 21/39 refers] and are actively considering proposed arrangements for lead agency responsibilities for housing recovery.</p>	<p>Housing, Emergency Management</p>
<p>1.1.5: Develop a mechanism that identifies the threshold for a "major natural disaster", which triggers the coordination of a residential insurance response to ensure housing recovery.</p>	<p>Dependent on another recommendation.</p> <p>Subject to further decisions on recommendation 1.1.3.</p>	<p>Housing, Emergency Management</p>
<p>2.1.7: Ensure resourcing and support for the housing recovery is available from the outset of a response to a major natural disaster to establish services such as navigators or support coordinators to assist affected communities.</p>	<p>s9(2)(f)(iv)</p> 	<p>Emergency Management, Associate Housing (Public Housing)</p>
<p>3.1.8: Work with relevant agencies and experts on engineering solutions for housing and land (both area-wide and for individual properties), including determining the need to retire land from residential use and provide monitoring to ensure that these solutions are applied appropriately.</p>	<p>Dependent on another recommendation.</p> <p>Subject to further decisions on recommendation 1.1.3.</p>	<p>Housing, Emergency Management</p>

<p>3.1.9: Ensure resources are allocated to provide for emergency repairs, as required, to provide at least temporary shelter, including, as needed, heating and services such as electricity, water and sewerage.</p>	<p>The CDEM Act and NCDEM Plan are currently under review and opportunities to strengthen these arrangements can be considered as part of this process.</p> <p>Ministers are actively considering the scope and timeframe of legislative reform of the CDEM Act.</p>	<p>Emergency Management, Associate Housing (Public Housing)</p>
<p>4.1.1: In the event of a “major natural disaster”, according to the formal threshold determined by government, consider whether a managed repair programme is a suitable response to the event, coordinate the response among all responsible agencies and formally document the decision-making process for clarity.</p>	<p>Dependent on another recommendation.</p> <p>Subject to further decisions on recommendation 1.1.3.</p>	<p>Housing, Emergency Management</p>
<p>4.1.2: Work with relevant agencies to plan for and ensure adequate temporary accommodation is provided in the aftermath of a major natural disaster.</p>	<p>MBIE, with support from NEMA and CDEM Groups, will continue to implement this recommendation as part of their joint roles as the responsible agency for accommodation planning under the NCDEM Plan. As stated above, the CDEM Act and NCDEM Plan are currently under review and opportunities to strengthen these arrangements can be considered as part of this process.</p>	<p>Emergency Management, Associate Housing (Public Housing)</p>
<p>4.1.3: Develop a plan for engaging a workforce that includes expertise in procurement, project management, contracting and engineering.</p>	<p>Dependent on another recommendation.</p> <p>Subject to further decisions on recommendation 1.1.3.</p>	<p>Housing, Emergency Management</p>
<p>4.1.4: Ensure there are systems developed to identify fraudulent practices by any party in any repair programme.</p>		
<p>4.2.1: Agree with government from the outset of any repair programme who will be responsible for quality assurance and sign-off, how this will be implemented, including how building standards will be applied and how the homeowner will be involved; and communicate this to the public.</p>		

<p>6.4.1: Consider changes to relevant legislation to enable greater availability and use of information about land and its stability to inform land-use decision making and current and prospective property owners through appropriate public information sources.</p>	<p>Policy work is progressing on options for the land information memorandum system to achieve more active disclosure of natural hazard risk. Cabinet has asked officials to report back in September 2021 with proposals for substantive changes.</p>	<p>Local Government</p>
<p>7.1.1: Coordinate an ongoing relationship with key partners, who will be necessary to the residential insurance response following the threshold for a “major natural disaster” being met, to establish the roles and responsibilities of each entity. These partners might include the Treasury, the Ministry of Building, Innovation and Employment, the National Emergency Management Agency, Te Puni Kōkiri, Land Information New Zealand and the Ministry of Social Development.</p>	<p>Dependent on another recommendation.</p> <p>Subject to the assessment at 1.1.3.</p>	<p>Housing, Emergency Management</p>
<p>8.1.2: Support and ensure adequate resourcing of a community law service that provides free or low-cost legal advice to assist claimants in the event of dispute with EQC, while ensuring any such service is sustainable and carries forward the important knowledge gained from events such as the Canterbury earthquakes.</p>	<p>The Ministry of Justice will continue to support MBIE’s work on developing a standing dispute resolution mechanism, which will include consideration of a legal advice function, in an informal capacity.</p>	<p>Justice</p>

Hon Dr David Clark

MP for Dunedin

Minister of Commerce and Consumer Affairs
Minister for the Digital Economy and Communications
Minister for State Owned Enterprises
Minister of Statistics
Minister Responsible for the Earthquake Commission



Hon Dr Megan Woods
Parliament Buildings
WELLINGTON 6160

Dear Megan

The Government publicly released the report of the Public Inquiry into the Earthquake Commission (the Inquiry) on 9 April 2020. Cabinet agreed the Government response to the Inquiry on 6 July 2020.

In my role as Minister Responsible for the Earthquake Commission (EQC), I am committed to ensuring Government implements the recommendations of the Inquiry that we accepted as part of our formal response.

A number of the recommendations are relevant to your portfolio as Minister of Housing. The recommendations suggest a range of further work is needed to address the current gaps in government readiness for post-disaster housing recovery.

National Emergency Management Agency (NEMA) officials provided advice on a lead agency for housing recovery to the Minister for Emergency Management in April this year, which the Minister forwarded to your office and mine [Briefing Number 21/39 refers]. That advice recommended that a meeting should take place between the Minister for Emergency Management, Minister of Housing, and myself as Minister Responsible for the EQC, to confirm the level of priority for further work on a lead agency to take responsibility for post-disaster housing recovery.

I am strongly supportive of proactively planning for housing recovery following major disasters. The Inquiry identified such planning as key to ensuring that the issues that arose with the Canterbury Home Repair Programme do not arise again.

I am interested in proceeding with the meeting recommended by NEMA officials and have also written to the Minister for Emergency Management suggesting this should take place. I would appreciate it if you could investigate having your office work with that of the Minister for Emergency Management, and my own, to arrange a meeting to discuss next steps in requesting further work from officials on post-disaster housing recovery.

Yours sincerely

Hon Dr David Clark
Minister Responsible for the Earthquake Commission

Hon Dr David Clark

MP for Dunedin

Minister of Commerce and Consumer Affairs
Minister for the Digital Economy and Communications
Minister for State Owned Enterprises
Minister of Statistics
Minister Responsible for the Earthquake Commission



Hon Poto Williams
Parliament Buildings
WELLINGTON 6160

Dear Poto

The Government publicly released the report of the Public Inquiry into the Earthquake Commission (the Inquiry) on 9 April 2020. Cabinet agreed the Government response to the Inquiry on 6 July 2020.

In my role as Minister Responsible for the Earthquake Commission (EQC), I am committed to ensuring Government implements the recommendations of the Inquiry that we accepted as part of our formal response.

A number of the recommendations are relevant to your portfolio as Associate Minister of Housing. The recommendations suggest further work is needed to ensure government is prepared to support temporary housing situations following a major natural disaster. The recommendations include:

- Ensure resourcing and support for the housing recovery is available from the outset of a response to a major natural disaster to establish services such as navigators or support coordinators to assist affected communities.
- Ensure resources are allocated to provide for emergency repairs, as required, to provide at least temporary shelter, including, as needed, heating and services such as electricity, water and sewerage.
- Work with relevant agencies to plan for and ensure adequate temporary accommodation is provided in the aftermath of a major natural disaster.

I understand that your officials from the Ministry of Business, Innovation and Employment are working with officials from the National Emergency Management Agency on progressing these recommendations through the Civil Defence Emergency Management Act and Plan review.

I am interested in understanding the current status and next steps on these recommendations. I would appreciate it if you could provide an update on the matter.

Yours sincerely

Hon Dr David Clark
Minister Responsible for the Earthquake Commission

Hon Dr David Clark

MP for Dunedin

Minister of Commerce and Consumer Affairs

Minister for the Digital Economy and Communications

Minister for State Owned Enterprises

Minister of Statistics

Minister Responsible for the Earthquake Commission



Hon Kris Faafoi
Parliament Buildings
WELLINGTON 6160

Dear Kris

The Government publicly released the report of the Public Inquiry into the Earthquake Commission (the Inquiry) on 9 April 2020. Cabinet agreed the Government response to the Inquiry on 6 July 2020.

In my role as Minister Responsible for the Earthquake Commission (EQC), I am committed to ensuring Government implements the recommendations of the Inquiry that we accepted as part of our formal response. A number of the recommendations are relevant to your portfolio as Acting Minister for Emergency Management.

Post-disaster housing recovery

The Inquiry recommendations suggest a range of further work is needed to address the current gaps in government readiness for post-disaster housing recovery.

National Emergency Management Agency (NEMA) officials provided you with advice on a lead agency for housing recovery in April this year, which you forwarded to the Minister of Housing and myself [Briefing Number 21/39 refers]. That advice recommended that a meeting should take place between yourself, the Minister of Housing, and myself as Minister Responsible for the EQC, to confirm the level of priority for further work on a lead agency to take responsibility for post-disaster housing recovery.

I am strongly supportive of proactively planning for housing recovery following major disasters. The Inquiry identified such planning as key to ensuring that the issues that arose with the Canterbury Home Repair Programme do not arise again.

I would appreciate it if you could investigate having your office work with that of the Minister of Housing, and my own, to arrange a meeting to discuss next steps in requesting further work from officials on post-disaster housing recovery. I have also written to the Minister of Housing suggesting this should take place.

Civil Defence Emergency Management Act and Plan review

Additionally, my officials have advised me that the below recommendations are being progressed through a review of the Civil Defence Emergency Management Act and Plan:

- Ensure resourcing and support for the housing recovery is available from the outset of a response to a major natural disaster to establish services such as navigators or support coordinators to assist affected communities.

- Ensure resources are allocated to provide for emergency repairs, as required, to provide at least temporary shelter, including, as needed, heating and services such as electricity, water and sewerage
- Work with relevant agencies to plan for and ensure adequate temporary accommodation is provided in the aftermath of a major natural disaster.

I understand that your officials from NEMA are working with the Ministry of Business, Innovation and Employment on progressing these recommendations. I have also written to the Associate Minister of Housing (Public Housing) about these recommendations given the crossover between agencies and portfolios on these matters.

I am interested in understanding the current status and next steps on these recommendations as part of the Civil Defence Emergency Management Act and Plan review. I would appreciate it if you could provide an update on the matter.

Yours sincerely

Hon Dr David Clark
Minister Responsible for the Earthquake Commission



Reference: T2021/2798 TY-2-1-17-1

Date: 9 November 2021

To: Minister of Finance (Hon Grant Robertson) Minister Responsible for the
Earthquake Commission (Hon Dr David Clark)

Deadline: 10:30am 11 November 2021

GOV talking points: Public Inquiry into EQC recommendations relating to Emergency Management System reforms

The Cabinet Government Administration and Expenditure Review Committee (GOV) is due to consider a paper from the Minister for Emergency Management entitled '*Emergency Management System Reforms*' on 11 November 2021. The paper seeks agreement to begin drafting a new Emergency Management Bill. It includes a range of policy proposals related to the Emergency Management System.

The Public Inquiry into the Earthquake Commission recommended changes to the Emergency Management System to ensure temporary accommodation, a housing recovery, and emergency repairs are adequately resourced (see Appendix 1). The Emergency Management System reforms will not specifically define roles and responsibilities for housing recovery resourcing and support, but will ensure the Civil Defence Emergency Management Act 2002 has appropriate mechanisms to set expectations in this space. For example, the new Act will enable Ministers to specify critical infrastructure sectors.

You are meeting the Minister of Housing (the Hon Dr Megan Woods) and the Minister for Emergency Management (Hon Kiritapu Allan) on 23 November to discuss a potential lead agency to take forward a housing recovery work programme.

This aide-memoire attaches talking points should you wish to raise this connection between the Emergency Management System Reforms and the Public Inquiry into EQC with your colleagues at GOV.

Danijela Tavich, Analyst, Earthquake Commission Policy Team, + s9(2)(k) [redacted]
Siobhan Duncan, Team Leader, Earthquake Commission Policy Team, s9(2)(k) [redacted]
s9(2)(k) [redacted]

Talking points

- The Government commissioned and has publicly released the report of the Public Inquiry into the Earthquake Commission (the Inquiry).
- Cabinet decided to publicly accept the recommendations of the Inquiry on 6 July 2020 and has tasked me, as Minister Responsible for the Earthquake Commission, with implementing these recommendations.
- The Inquiry recommended improvements to the Emergency Management System to ensure temporary accommodation, a housing recovery, and emergency repairs are provided for.
- I am supportive of the proposals in the Emergency Management Bill, but further work is required to provide clarity around post-disaster roles and responsibilities relating to housing recovery in particular. Role clarity will ensure agencies adequately prepare and can coordinate their efforts after a crisis.
- I am satisfied that the Bill provides sufficient levers for Government to define roles and responsibilities and I am meeting the Minister of Housing and the Minister for Emergency Management on 23 November to discuss a potential lead agency to coordinate work relating to post-disaster housing recovery. For example, should Government wish to define housing as critical infrastructure.
- I would be interested to be consulted on the continued programme of work on the Emergency Management System Reforms if opportunities arise to progress the recommendations of the Inquiry further.

Appendix 1: Public Inquiry recommendations intended to be progressed through the Civil Defence Emergency Management Act and Plan review

	Recommendation	Responsible agency	Response (Publicly available information)	Progress update as at November 2021
2.1.7	Ensure resourcing and support for the housing recovery is available from the outset of a response to a major natural disaster to establish services such as navigators or support coordinators to assist affected communities	Joint NEMA /MBIE	Navigators have been used in a number of responses effectively since the Christchurch Earthquake e.g. Edgecumbe flooding response (2017) and the Rotorua flooding response (2018). These were much smaller events but use of Navigators received positive community engagement and supports social and housing recovery. NEMA is reviewing the National Civil Defence Emergency Management Plan over 2020-21, and will work with MBIE to consider how to incorporate housing recovery into this work. The Ministry of Social Development, Ministry of Housing and Urban Development, Ministry of Health and Te Puni Kōkiri (with Whanau Ora experience) could also provide input regarding navigators.	<p>In progress.</p> <p>NEMA's policy unit is undertaking work on Emergency Management System reforms. One objective of this work is to ensure agencies can be determined and systemically assigned to lead a range of disaster response functions across critical infrastructure including water, energy, transport, telecommunications and media. The proposals include introducing obligations for sector-specific response plans, to be updated at three-year intervals, which would enable effective and efficient response if services were to be majorly disrupted. The proposals are being considered by Cabinet on 15 November 2021. It is expected the Emergency Management Bill to amend the Civil Defence Emergency Management Act 2002 (CDEM Act) will be introduced by mid-2022.</p> <p>While this work will not specifically define roles and responsibilities for housing recovery resourcing and support, it will ensure the CDEM Act has appropriate mechanisms in future to set expectations in this space.</p>
3.1.9	Ensure resources are allocated to provide for emergency repairs, as required, to provide at least temporary shelter, including, as needed, heating and services such as electricity, water and sewerage.	Joint NEMA /MBIE	MBIE and NEMA will work with relevant agencies to consider the most appropriate mechanism to implement this recommendation over 2020-21.	<p>In progress/dependent on another recommendation.</p> <p>MBIE, with support from NEMA and CDEM Groups, will continue to work together to ensure adequate post-disaster temporary accommodation is provided as part of their joint roles as the responsible agency for accommodation planning under the National CDEM Plan.</p> <p>A decision on responsibility to lead housing recovery would be required to progress further work on whether additional resourcing is required over and above the status quo for emergency repairs and temporary shelter following a disaster. NEMA have prepared a briefing for Ministers indicating that a meeting between lead Ministers is required to determine the priority of this work and which agency should lead it as a next step.</p> <p>Proposals as part of NEMA's Emergency Management System Reforms to modernise the treatment of lifeline utilities, including renaming them as 'critical infrastructure' and clearly setting out the roles and responsibilities of critical infrastructure sectors and entities will address the aspects of this recommendation across water, energy, transport, telecommunications and media. The proposals include introducing obligations for sector-specific response plans, to be updated at three-year intervals, which would enable an effective and efficient response if services were to be majorly disrupted. The proposals are being considered by Cabinet on 15 November 2021. It is expected the Emergency Management Bill will be introduced by mid-2022.</p>

				While this work will not specifically define roles and responsibilities for housing recovery resourcing and support, it will ensure the CDEM Act has appropriate mechanisms in future to set expectations in this space.
4.1.2	Work with relevant agencies to plan for and ensure adequate temporary accommodation is provided in the aftermath of a major natural disaster.	MBIE	MBIE will implement this recommendation as part of its role as the responsible agency for temporary accommodation planning under the National Civil Defence Emergency Management Plan Order 2015.	<p>In progress/dependent on another recommendation.</p> <p>MBIE, with support from NEMA and CDEM Groups, will continue to implement this recommendation as part of their joint roles as the responsible agency for accommodation planning under the National CDEM Plan.</p> <p>A decision on responsibility to lead housing recovery would be required to progress further work on whether additional resourcing is required over and above the status quo for emergency repairs and temporary shelter following a disaster. NEMA have prepared a briefing for Ministers indicating that a meeting between lead Ministers is required to determine the priority of this work and which agency should lead it as a next step.</p>



Treasury Report: Update on implementation of the response to the Public Inquiry into the Earthquake Commission – November 2021

Date:	10 November 2021	Report No:	T2021/2744
		File Number:	TY-2-1-17-1

Action sought

	Action sought	Deadline
Hon Grant Robertson Minister of Finance	For information.	N/A
Hon Dr David Clark Minister Responsible for the Earthquake Commission	Note the update on implementation of the Government response to the Public Inquiry into EQC. Indicate a preference for publicly releasing the information. Refer the report to your colleagues.	N/A

Contact for telephone discussion (if required)

Name	Position	Telephone	1st Contact	
Danijela Tavich	Analyst, Earthquake Commission Policy Team	s9(2)(k) (wk)	N/A (mob)	✓
Siobhan Duncan	Team Leader, Earthquake Commission Policy Team	s9(2)(k) (wk)	(mob)	

Minister's Office actions (if required)

Return the signed report to Treasury. If agreed, **refer** copies of the report to relevant Ministers.

Note any feedback on the quality of the report

Enclosure: Yes (attached)

Treasury Report: Update on implementation of the response to the Public Inquiry into the Earthquake Commission – November 2021

The Government publicly released the report of the Public Inquiry into the Earthquake Commission (the Inquiry) on 9 April 2020. Cabinet agreed the Government response to the Inquiry on 6 July 2020.

The Government response to the Inquiry stated that the Treasury would coordinate six-monthly report-backs of progress on all recommendations to a group of relevant portfolio Ministers, including the Minister Responsible for the Earthquake Commission, Minister for Greater Christchurch Regeneration, Minister of Housing, Minister for the Environment, Minister for Building and Construction, Minister of Local Government, and Minister for Emergency Management (then Minister of Civil Defence). We provided the first six-monthly report back in March 2021 [T2021/19 refers]. This report provides the second of these report-backs to Ministers for noting. An updated table of progress on each recommendation is attached.

Over half of the Inquiry's 70 recommendations are now complete

Each recommendation in the attached table of progress has been allocated a progress rating. The table below shows the difference in progress since our March 2021 update.

Status	March 2021	October 2021
Completed	14	39
Advanced progress	8.5	10.5
In progress	38	7
Dependent on another recommendation	9.5	13.5
		70

Over half of the Inquiry's 70 recommendations have now been completed. This is largely due to the implementation of the Earthquake Commission (EQC) Natural Disaster Response Model which is expected to deliver a better customer experience through a single point of contact for customers lodging EQC claims via their private insurer. This model will strengthen the working relationship between EQC and private insurers and increase claims management capacity for natural disaster events.

EQC has engaged KPMG and Simon Mount QC (who worked closely with the Public Inquiry) to provide an independent view on whether the recommendations it is responsible for implementing have been implemented effectively at an operational level. The first review conducted by KPMG and provided to the EQC Board in November 2020 was about EQC's intended implementation programme. The review confirmed the programme will address the recommendations in the Public Inquiry report. An assurance review is currently underway of EQC's progress in implementing the recommendations it is responsible for. The report will be considered by the EQC Board on 19 November 2021. A copy of the report will be provided to the Treasury once it has been considered by the Board and an update on the review and its key findings will be provided to the Minister Responsible for EQC. KPMG will conduct a third and final review in mid-2022, by which time most of the recommendations EQC is responsible for will have been implemented.

The majority of the recommendations marked as 'advanced progress' relate to work to modernise the Earthquake Commission Act 1993 (EQC Act). The Bill will need to be passed into law, to officially complete these recommendations. The Bill is currently expected to be introduced in early 2022.

There are several key areas of work still progressing

Other recommendations still in progress relate to:

- **Post-disaster housing recovery:** Ministers have received advice and are actively considering proposed arrangements for lead agency responsibilities for post-disaster housing recovery [NEMA briefing number 21/39 refers]. Responsible Ministers¹ are meeting on 23 November 2021 to discuss the priority of this work and which agency should take forward next steps. Some of the housing recovery recommendations will be progressed through a review of the Civil Defence Emergency Management (CDEM) Act and Plan, though scope and timing of that work is still being decided.
- **Reviewing the name of EQC Act:** EQC has developed potential name change options, and advice was provided on 28 October 2021 [BNC 21-22 014 refers].
- **Clarifying EQC policies and communications around use of cash settlements, and commissioning research on the use of cash settlements:** EQC is finalising its Reinstatement & Replacement Guide with insurers, and is also refining the scope of commissioned research on the use of cash settlements following the 2016 Kaikōura earthquake.
- **Enabling better provision of information to the public both around EQC claims and land information:** The Department of Internal Affairs is progressing recommendations in the medium-term to develop improved claims and land information for the public. EQC has completed this work by creating guidance for claimants that is available on EQC's website and insurers' websites.
- **Dispute resolution:** The Ministry of Business, Innovation and Employment (MBIE) is undertaking targeted consultation on dispute resolution and will advise Ministers on a recommended approach before the end of 2021. We note also that Treasury will provide advice on options for further conduct requirements for EQC in November 2021. This work is separate but related to recommendations 8.1.1 – 8.1.4 which cover dispute resolution and complaints management. Recommendation 8.1.4, regarding EQC's operational management of complaints, has been marked as 'complete' based on the steps EQC has taken internally to improve these processes.

We have provided a Gantt chart of the outstanding recommendations at Appendix 2 to show when the next milestones are currently expected to be completed – though timings are not currently known for the recommendations relating to housing recovery and the CDEM Act and Plan review. This report seeks your feedback on whether you would like to release a version of either Appendices 1 or 2 to update the public on our progress.

¹ Responsible Ministers being the Minister of Housing, Minister for Emergency Management, and Minister Responsible for EQC.

Recommended Action

We recommend that you:

- a **note** the attached progress report on implementing the Government response to the Public Inquiry into EQC
- b **indicate** whether you would like to publish any of the updated progress material on the Treasury's website

Yes/no.

If you would like to publish the updated progress material in line with **recommendation b**:

- c **agree** the detailed progress table at Appendix 1 should be published, subject to removing content that would be withheld under the Official Information Act 1982

Agree/disagree.

And/or:

- d **agree** the Gantt chart at Appendix 2 should be published, subject to removing content that would be withheld under the Official Information Act 1982

Agree/disagree.

- e **note** that, if you agree to publish the progress documents, we will work with your office to finalise the content and timing of the publication.

- f **refer** this report to the Minister of Housing, Minister for the Environment, Minister for Building and Construction, Minister of Local Government, and Minister for Emergency Management.

Refer/not referred.

s9(2)(k)



Siobhan Duncan
Team Leader, Earthquake Commission Policy Team

Hon Dr David Clark
Minister Responsible for the Earthquake Commission

KEY	
	Completed
	Advanced progress
	In progress
	Dependent on another recommendation

Appendix 1: Progress update: Implementation of the response to the Public Inquiry into the Earthquake Commission

#	Recommendation	Lead ²	Response	Status as at March 2021 [T2021/19 refers]	Status as at October 2021
1.1.1	Provide a mandate in legislation for EQC (or another appropriate agency) to coordinate the residential insurance response to ensure housing recovery following a natural disaster, including setting roles and responsibilities, monitoring performance and requiring assistance from other government agencies.	Joint NEMA/Treasury/EQC	Accept.	<p>Advanced progress.</p> <p>As proposed the modernised EQC Act will include a clear statement of purpose, functions, and objectives for the EQC. A proposed new claims management objective will note EQC should contribute to the timely replacement or reinstatement of natural disaster damaged residential buildings or land by ensuring claimants receive a timely and fair settlement of any claims relating to the insurance provided by the Act – which will put EQC at the centre of the Crown’s participation in any post-disaster residential insurance response. The modernised EQC Act is expected to be introduced in 2021.</p> <p>Work is progressing in response to recommendation 1.1.3 regarding which agency should be responsible for setting post-disaster roles and responsibilities, monitoring performance and requiring assistance from other government agencies, for housing recovery efforts that are broader than the insurance response.</p>	<p>Regarding EQC’s role</p> <p>Advanced progress.</p> <p>See March 2021 update – the modernised EQC Act is expected to be introduced in February 2022.</p> <p>Regarding post-disaster housing recovery (recommendation 1.1.3 connection)</p> <p>In progress.</p> <p>Ministers have received advice and are actively considering proposed arrangements for lead agency responsibilities for post-disaster housing recovery [NEMA briefing Number 21/39 refers]. A meeting between the Minister of Housing, Minister for Emergency Management, and Minister Responsible for EQC is scheduled for 23 November 2021 to discuss the priority of this work and which agency should lead it as a next step.</p>
1.1.2	Clarify expectations with EQC about its responsibility in land-use planning before, and for the coordination of land remediation after, a natural disaster.	Treasury/MfE/ DIA/EQC	Accept.	<p>Part one of recommendation 1.1.2 re: land-use planning</p> <p>Advanced progress.</p> <p>Work to modernise the EQC Act has considered EQC’s role in land-use planning. It is proposed that the new Act will broaden EQC’s research and education function to better support community resilience and cross-government initiatives. It will also introduce the option to provide public funding to EQC where EQC is directed to support cross-government activities that are broader than the insurance function funded by EQC premiums, such as in the land-use planning and broader community resilience space. The modernised EQC Act is expected to be introduced in 2021.</p> <p>EQC’s role in land remediation is subject to further decisions on recommendation 1.1.3.</p>	<p>Part one of recommendation 1.1.2 re: land-use planning</p> <p>Advanced progress.</p> <p>See March 2021 update – the modernised EQC Act is expected to be introduced in February 2022.</p>
				<p>Part two of recommendation 1.1.2 re: land remediation</p> <p>Dependent on another recommendation.</p> <p>EQC’s role in land remediation is subject to further decisions on recommendation 1.1.3.</p>	<p>Part two of recommendation 1.1.2 re: land remediation</p> <p>Dependent on another recommendation.</p> <p>See March 2021 update.</p>

² Note the lead agency has been **bolded**.

1.1.3	Determine how a managed repair programme might be initiated and executed should it be required and whether EQC should be the lead agency to conduct the programme. If not, then specify EQC's role in a managed repair and rebuild programme. As part of this, review the discretion in Schedule 3 of the EQC Act enabling EQC to manage the replacement or reinstatement of properties.	Joint Treasury/EQC/NEMA/MBIE	Accept.	<p>In progress.</p> <p>Treasury and EQC have been working closely with the National Emergency Management Agency (NEMA) on this issue as it aligns with a project to update the National Civil Defence Emergency Management Plan Order 2015 (NCDEM Plan), which details roles and responsibilities for agencies working in the emergency management system. NEMA has also established an inter-agency working group including Treasury, EQC, the Ministry of Business, Innovation and Employment (MBIE), the Ministry of Housing and Urban Development (MHUD) and the Department of Internal Affairs (DIA).</p> <p>Agencies are developing a decision-making framework for housing recovery, to support greater clarity on roles and responsibilities following future disasters. It is proposed the modernised EQC Act will be permissive to support the future durability and flexibility of the EQC Act. This will also avoid pre-empting the outcomes of NEMA's process. As the lead for phase one of this work, NEMA plans to report back (in partnership with EQC and Treasury) to Ministers by the end of March 2021 with an update on work so far on housing recovery and expected next steps.</p>	<p>In progress.</p> <p>Ministers have received advice and are actively considering proposed arrangements for lead agency responsibilities for post-disaster housing recovery [NEMA briefing number 21/39 refers].</p> <p>s9(2)(f)(iv)</p> <p>A meeting between the Minister of Housing, Minister for Emergency Management, and Minister Responsible for EQC is scheduled for 23 November 2021 to discuss the priority of this work and which agency should lead it as a next step.</p> <p>EQC is bringing together all previous work and experience from the managed repair programme in Canterbury and the implementation of the Natural Disaster Response Model into a 'handover pack' that considers lessons, capabilities, construct and operating model options, and high level implementation, to be shared once a lead agency has been confirmed.</p>
1.1.4	Review the appropriateness of the title of the EQC Act to make clear its scope is not limited to earthquakes but to a range of natural disasters.	Treasury	Accept.	<p>In progress.</p> <p>The Treasury is working with EQC to consider a potential new name to better reflect the breadth of EQC's work. Advice has been provided to the Minister Responsible for EQC in on possible approaches to this work. Any changes are likely to be implemented through the modernised EQC Act.</p>	<p>In progress.</p> <p>See March 2021 update. EQC has developed potential name change options, and advice was provided to the Minister Responsible for EQC on 28 October November 2021 [BNC 21-22 014 refers].</p>
1.1.5	Develop a mechanism that identifies the threshold for a "major natural disaster", which triggers the coordination of a residential insurance response to ensure housing recovery.	EQC or other responsible agency TBC	Further consideration needed.	<p>Dependent on another recommendation.</p> <p>Subject to further decisions on recommendation 1.1.3.</p>	<p>Dependent on another recommendation.</p> <p>See March 2021 update.</p>
1.2.1	Consider inclusion of a purpose statement and set of principles in the EQC Act that will guide the discharge of EQC's responsibilities as an insurer with a social responsibility to claimants.	Treasury	Accept.	<p>Recommendation 1.2.1: Advanced progress.</p> <p>As proposed the modernised EQC Act will introduce a clear statement of purpose for EQC, to make clear EQC exists to reduce the impact of natural disaster damage by encouraging resilience and by contributing to the timely replacement or reinstatement of residential land and buildings.</p>	<p>Recommendation 1.2.1: Advanced progress.</p> <p>See March 2021 update.</p>
1.3.1	Review the legislative framework so that there is a greater clarity of key provisions and definitions, including definitions of the phrases	Treasury	Accept.	<p>Recommendation 1.3.1: Advanced progress.</p> <p>As proposed the modernised EQC Act will introduce definitions for currently undefined terms including:</p>	<p>Recommendation 1.3.1: Advanced progress.</p> <p>See March 2021 update.</p>

	in the legislation such as “when new”, and “reinstatement”.			appurtenant structures; temporary accommodation; and each natural hazard covered by the EQC Act. A clear statement of EQC’s repair standard for land and buildings is also proposed.	
1.3.2	Review the EQC Act in light of the High Court ruling on reinstatement of cover following each natural disaster event and other judicial determinations that have had a significant impact on EQC’s work.	Treasury	Accept.	Recommendation 1.3.2: Advanced progress. Work to modernise the EQC Act has included a review of relevant case law and considered the High Court ruling on reinstatement.	Recommendation 1.3.2: Advanced progress. See March 2021 update.
1.4.1	Ensure that when ministerial directions or reviews are initiated these are clearly signalled, discussed with EQC to ensure that they will advance rather than hinder its response to a major natural disaster, and recorded.	Treasury	Accept.	Recommendation 1.4.1: Advanced progress. The development of a clear purpose statement for inclusion in the EQC legislation in response to recommendation 1.2.1 will serve to address concerns raised in recommendation 1.4.1 by reducing the need for Ministerial directions in future.	Recommendation 1.4.1: Advanced progress. See March 2021 update.
1.5.1	Review the EQC cap on residential building cover to establish whether it should reflect at least the current building costs and provide a mechanism for regular adjustment thereafter, as required.	Treasury	Accept.	In progress. The Minister Responsible for EQC is currently considering options to support affordable and available residential property insurance across New Zealand, including changes to the EQC cap, as part of modernising the EQC Act.	Completed. An increase to the EQC cap has been publicly announced. Work is underway within EQC and with private insurer partners under the Natural Disaster Response Model to implement the agreed changes, which take effect from 1 October 2022.
1.6.1	Identify changes to provisions in relevant legislation that will require: <ul style="list-style-type: none"> • greater certainty of the completion of works; • assurance of quality; and • future resilience of housing following repairs after a natural disaster. 	MBIE/MHUD	Accept in principle, further consideration on mechanism.	Completed (no further action needed following the Government response).	Completed.
1.6.2	Consider a provision in legislation that allows EQC to work with the homeowner to enable necessary structural but non-natural disaster repairs to be dealt with at the same time as natural disaster repairs (at the homeowner’s cost).	Treasury/EQC	Further consideration needed.	Completed. Work to modernise the EQC Act has considered whether changes are necessary to enable homeowners to undertake other repairs at the same time as EQC repairs. There is nothing preventing this in the Act currently, and the Minister Responsible for the EQC considers EQC should continue to exercise its discretion on this matter on a case by case basis. As a result, no changes are proposed to implement this recommendation.	Completed. Operationally, EQC allows a customer to do their own repairs in conjunction with EQC repairs.
1.7.1	Consider the need for legislative change to provide greater clarity on EQC’s responsibilities to property owners in multi-unit and mixed-use buildings.	Treasury	Accept.	Advanced progress. As proposed the modernised EQC Act will introduce more equitable cover for homeowners of mixed-use buildings, compared with the treatment of standalone houses, in line with decisions made by Cabinet in March 2020 [CAB-20-MIN-0210 refers].	Advanced progress. See March 2021 update.
1.7.2	Provide property owners in multi-unit and mixed-use buildings with certainty, as far as is possible,	EQC	Accept in principle, further consideration	Dependent on another recommendation. EQC will provide more information targeting multi-unit and	Dependent on another recommendation. See March 2021 update.

	about their building's status as it relates to EQC cover.		on mechanism.	mixed-use building owners as part of broader communications efforts once proposed changes to the EQC Act are in force in response to recommendation 1.7.1, expected late 2022-2023.	
2.1.1	Embed into its operational practices a commitment to treating claimants with respect, fairness, dignity and a sensitivity to post-disaster pressures they might be facing and clearly demonstrate how improvements are being made in claimants' experiences.	EQC	Accept.	<p>Recommendation 2.1.1: In progress.</p> <p>Recommendation 2.1.1 is being delivered through the implementation of the Insurer Response Model (IRM) which is a partnership between EQC and private insurers. Customers will have one point of lodgement, assessment, and resolution for their insurance claims. EQC is ensuring all of its agents take a consistent approach to treating customers fairly, respectfully, and sensitively by developing an EQC Insurer Manual (as a core operational document for all parties performing claims management under the IRM). EQC is also developing a comprehensive assurance programme to support the IRM. This includes tracking insurer performance of Statement of Performance Expectation measures and customer feedback).</p> <p>The independent review mentioned in the Government response and originally intended for late 2020 will be deferred until the IRM has been fully implemented and operational for a suitable period of time (the IRM is expected to commence in quarter two (Q2) of 2021). The review will then consider the various issues as they arise in the context of the new model.</p> <p>Customer experience will continue to be monitored through key performance measures in EQC's Statement of Performance Expectations.</p>	<p>Completed.</p> <p>Recommendation 2.1.1 is being delivered through the implementation of the Natural Disaster Response Model (NDRM) which is now operational. EQC is ensuring all of its agents take a consistent approach to treating customers fairly, respectfully, and sensitively. These service expectations are supported by the EQC Insurer Manual, as a core operational document for all parties performing claims management under the NDRM. EQC has also developed a comprehensive assurance programme to support the NDRM and ongoing monitoring is now underway. This includes tracking insurer performance against EQC's Statement of Performance Expectation measures and customer feedback.</p> <p>Customer experience will continue to be monitored through key performance measures in EQC's Statement of Performance Expectations.</p>
2.1.2	Make claimants aware of their entitlements under the EQC Act and clearly demonstrate how it is working with claimants to deliver on these entitlements.			<p>Recommendation 2.1.2: In progress.</p> <p>Recommendation 2.1.2 will be delivered through updates to customer information on the EQC website. These will be available once the IRM is implemented (expected Q2 of 2021). EQC is also supporting insurers in developing letters and key messages for customers.</p> <p>EQC is establishing a National Reference Group (NRG) to maintain networks with a broad range of community groups to create a constructive environment for members to share ideas, questions and opportunities from their communities. The NRG will support and provide advice on EQC's focus on providing customer-centric services.</p> <p>EQC monitors the extent to which it is successfully working with claimants to deliver on their entitlements through independent customer satisfaction surveys as outlined in the annual Statement of Performance Expectations. It measures the quality of its response based on whether customers feel they were treated in a fair and timely manner, that EQC was responsive, recognised a customer's individual needs and communicated well, and that EQC managed claims within Board-approved budgets. These measures will continue</p>	<p>Completed.</p> <p>Recommendation 2.1.2 has been delivered through updated customer information about the NDRM and how to make a claim, which has been delivered to insurers and customer information on the EQC website. Insurer understanding was checked via an assessment, which all trainees have passed. EQC also supported insurers in developing letters and key messages for customers that explain the new NDRM and what it means for customers.</p>

				under the IRM. The results are published in EQC's annual report.	
2.1.3	Ensure, as far as practicable, that claimants have continuity of staff in dealing with their claims and a process that minimises interaction with multiple parties, whether EQC or a third-party is managing the claim, adopting a "case management" approach wherever possible.			<p>Recommendation 2.1.3: In progress.</p> <p>The IRM responds to recommendation 2.1.3 by ensuring continuity of staff and consistency of process by providing one pathway for customers in lodging claims. This recommendation will be completed once the IRM is fully operational (expected to be Q2 2021).</p>	<p>Recommendation 2.1.3: Completed.</p> <p>The Natural Disaster Response Model (NDRM) responds to recommendation 2.1.3 by ensuring continuity of staff and consistency of process by providing one pathway for customers in lodging claims. Commitment to a claims management approach was agreed with insurers as part of the NDRM, which is now operational. EQC has staff located in each insurer's offices to gather real-time feedback and observations of the process to enable agile process improvement.</p>
2.1.4	Seek advice from agencies with experience in trauma and psychosocial services and support, develop clear guidance for its staff on dealing with people affected by disasters and loss and ensure its staff are properly trained and refreshed on the guidance that is developed.			<p>Recommendation 2.1.4: In progress.</p> <p>EQC is developing resilience training for EQC staff in response to recommendation 2.1.4. Design is progressing well and the training will be delivered to EQC People Leaders in March 2021 and then to all staff during July and August 2021. This extends the completion date for this Recommendation to 31 August 2021.</p> <p>The additional time is required to allow training for People Leaders first. This supports People Leaders to have a dual focus: supporting and leading others in psychological resilience, as well as maintaining their own.</p> <p>Work is underway (e.g., developing processes and monitoring arrangements) to support insurers to identify and support customers experiencing vulnerability, as part of EQC's wider work programme establishing the IRM.</p>	<p>Recommendation 2.1.4: Completed.</p> <p>EQC's Customer Code has been developed and published on EQC website. EQC has developed guidelines for front-line staff who deal with vulnerable customers (including references to other support and services).</p> <p>Psychological Resilience Training has been provided to EQC's people leaders and an online training module is available, which includes training on 'Supporting our customers in challenging times'. Staff training on 'Better Customer Relationships' and 'Improving written communication to customers' has also been delivered to EQC staff.</p> <p>EQC has evaluated private insurers' compliance with the Customer Expectations and its expectations of insurers under the NDRM. EQC has ensured insurers have relevant policies, provide relevant staff training, and have reporting mechanisms regarding vulnerable customers. An independent KPMG review in August 2021 has also assessed these initiatives as appropriate.</p>
2.1.5	Develop a policy for how it classifies claimants as vulnerable and how this is applied to ensure the process is made easier for those claimants. This should be based on advice obtained from appropriate agencies on best practice in this area and should be adapted to recognise the unique nature of each event.	EQC	Accept in principle, further consideration on mechanism.	<p>In progress.</p> <p>There are two components to this work: development of an EQC policy (underway), and development of supporting guidance for EQC staff and private insurers working with EQC through the IRM.</p> <p>Guidance for supporting vulnerable customers is being developed alongside the work on the Insurer Manual under the IRM – this component is more advanced (to be completed Q2 of 2021) and EQC will ensure alignment between these two pieces of work.</p>	<p>Completed.</p> <p>EQC has reviewed all the insurers' vulnerable customer policies that will be used through the NDRM and processes to ensure they meet the requirements of the Human Rights Commission and ICNZ/EQC Customer Code.</p> <p>Further work has now commenced on an EQC policy with a final draft expected in February 2022. An internal EQC subject matter expert stakeholder group has been established and is contributing to the policy's development. This will also be informed by external consultation including discussion with EQC's National Reference Group in November/December</p>
2.1.6	Provide training for its staff in dealing appropriately with people with a range of needs, which	EQC	Accept.	<p>In progress.</p> <p>Unconscious bias training was delivered to all EQC People</p>	<p>Completed.</p> <p>In addition to training on Psychological Resilience described</p>

	<p>respects cultural or language differences.</p>			<p>Leaders in 2020. This training will be delivered to other EQC staff by 30 June 2021.</p> <p>EQC is now in year two of implementing a Diversity and Inclusion Strategy. The scope of the Strategy is internally and externally focused.</p> <p>As with recommendation 2.1.4, it is proposed the independent review signalled in the Government response to the Inquiry is carried out after the implementation of the IRM.</p>	<p>in response to recommendation 2.1.4 above, training has been provided in 'unconscious bias' (for people leaders), and relevant staff are trained to deliver ongoing training as required. This training specifically targets the building of staff capability in identifying and addressing unconscious bias, including as relates to language and culture.</p> <p>Training has been provided in 'Tone of Voice' workshops with a focus on how to better communicate with customers.</p> <p>EQC has established a National Reference Group to assist EQC in dealing with people with a range of needs, cultures and languages. This group is made up of senior people from a range of customer groups, iwi and ethnic communities, and emergency management, and provides EQC with valuable perspectives and expertise across a range of sectors.</p> <p>As part of year two of implementing the Diversity & Inclusion Strategy, Te Reo Māori lessons for staff are underway, Tikanga training planned, and preparations are underway for EQC to adopt the PSC Accessibility Charter in 2021.</p> <p>An independent KPMG review in August 2021 has assessed these initiatives as appropriate, and scheduled initiatives will complete the actions to address the recommendation.</p>
<p>2.1.7</p>	<p>Ensure resourcing and support for the housing recovery is available from the outset of a response to a major natural disaster to establish services such as navigators or support coordinators to assist affected communities.</p>	<p>Joint NEMA /MBIE</p>	<p>Accept in principle, further consideration on mechanism.</p>	<p>In progress.</p> <p>s9(2)(f)(iv)</p>	<p>In progress.</p> <p>NEMA's policy unit is undertaking work on Emergency Management System reforms. One objective of this work is to ensure agencies can be determined and systemically assigned to lead a range of disaster response functions across critical infrastructure including water, energy, transport, telecommunications and media. The proposals include introducing obligations for sector-specific response plans, to be updated at three-year intervals, which would enable effective and efficient response if services were to be majorly disrupted. The proposals are being considered by Cabinet on 15 November 2021. The Emergency Management Bill that will amend the Civil Defence Emergency Management Act 2002 (CDEM Act) will likely be introduced by mid-2022.</p> <p>While this work will not specifically define roles and responsibilities for housing recovery resourcing and support, it will ensure the CDEM Act has appropriate mechanisms in future to set expectations in this space.</p> <p>s9(2)(f)(iv)</p>

				s9(2)(f)(iv)	s9(2)(f)(iv)
2.2.1	Commit to sharing information that provides an honest assessment of the post-disaster challenges and shortcomings of its response, including providing regular updates on realistic timeframes and obligations that reflect the best information available.	EQC	Accept.	<p>In progress.</p> <p>This is being delivered through co-design of the Customer Outcomes guide as part of the IRM. This guide will be completed for the commencement of the IRM, which is expected in Q2 of 2021.</p>	<p>Completed.</p> <p>EQC developed an approach to segmenting customers based on damage and/or level of vulnerability so that they can be appropriately prioritised and to enable more accurate communication of timeframes and expectations at the beginning of their claim journey.</p> <p>An Event Response Plan and Event Response Communications Plan have been developed that provide guidelines for communicating with the public and customers more broadly after an event. This will clarify expectations around timeframes given any post-disaster challenges specific to that event. The plans are live documents that will be updated periodically to ensure they remain fit for purpose.</p> <p>EQC customer satisfaction surveys now ask customers for feedback on how they were treated, including the level of communication and how well the process was described to them. Processes have been established to act on this feedback.³ Effectiveness of delivery will be measured through customer and community feedback loops,⁴ and Statement of Performance Expectation measures.</p>
2.2.2	Ensure information is presented in a clear and simple form so that it can be easily understood by audiences who might already be grappling with multiple and complex problems post-disaster.	EQC	Accept.	<p>Recommendation 2.2.2: In progress.</p> <p>This is being delivered through co-design of the EQC Insurer Manual and EQC's assurance programme for the IRM (which tracks insurer performance of Statement of Performance Expectation measures and customer feedback) and through EQC's Event Communications Plan.</p> <p>The Insurer Manual and assessment framework will be completed for the commencement of the IRM, which is expected in Q2 of 2021.</p>	<p>Completed.</p> <p>See response to recommendation 2.1.2.</p>
2.2.3	Develop a plan for how it will reach large and diverse audiences in a post-disaster environment where			<p>Recommendation 2.2.3: Completed.</p> <p>EQC has developed an Event Communications Plan</p>	<p>Recommendation 2.2.3: Completed.</p> <p>See March 2021 update.</p>

³ EQC has agreed co-design frameworks in place with insurers so that EQC can look at all feedback and insights that are coming through (from customer surveys, the team on the ground, quality assurance checks, audit processes etc.) and adapt processes and guidance around applying the EQC Act and supporting customers.

⁴ This includes surveys of customers at key points in their claims journey, feedback from the National Reference Group, and an established customer reference group which will be established specific to the impacted communities after an event occurs. EQC is also looking into other mechanisms for obtaining customer feedback like scanning of sentiments on social media.

	normal channels for communication are restricted or unavailable.			with input from the Insurance Council of New Zealand (ICNZ) and individual insurers. This plan outlines a coordinated approach to distributing key messages to the public in a future disaster event.	
2.2.4	Build stronger relationships with media outlets so that they understand more clearly EQC's mandate and disaster response, including encouraging the media to access and use EQC's research.			<p>Recommendation 2.2.4: In progress.</p> <p>Relationships between EQC and various media outlets strengthened as a result of recent media announcements profiling EQC's resilience work and will be ongoing.</p> <p>An external communications company has been engaged to carry out an independent review of engagement practices with media. It is anticipated that the review will be complete by March 2021.</p>	<p>Recommendation 2.2.4: Completed.</p> <p>Proactive media engagement has led to strengthened relationships with primarily positive media coverage of EQC throughout 2021. EQC provide the media with access to all research and are proactively approaching media outlets to pitch potential stories.</p> <p>EQC is finalising plans for an independent review of its response to this recommendation. This review will be completed in early 2022.</p>
2.3.1	Ensure a suitable advisory group or body is in place to provide representative community input into its work and associated responsibilities. EQC must consider the advice and act upon it appropriately. Following a major natural disaster, a specific group or body should be established that reflects communities affected by that event.	EQC/Treasury	Accept.	<p>In progress.</p> <p>As noted in recommendation 2.1.2, EQC is establishing a National Reference Group (NRG) to provide representative community input from a range of sectors to support EQC in dealing with future national hazard events. There are two components to the work EQC is progressing to achieve this: 1) Establishing the NRG which is 90% complete, and; 2) planning for post-disaster groups which is 10% complete (EQC will seek input from the NRG on this once it is established).</p> <p>Treasury has considered whether any legislative change is needed to support the establishment of an EQC advisory group and found that none is required.</p>	<p>Completed.</p> <p>EQC has established a National Reference Group (NRG) to provide representative community input from a range of sectors to support EQC in dealing with future national hazard events. The NRG was set up following consultation in September-November 2020 with a range of government and community agencies. EQC sought nominations for group membership and the membership was confirmed for a two year period in June 2021.</p> <p>The NRG is made up of 10 senior people representing a range of customer groups, iwi and ethnic communities, and emergency management. It is a direct link between EQC and the community, and provides EQC with valuable perspectives and expertise across a range of sectors. It will mean EQC can receive community input into its work to make New Zealand communities more resilient and to help people to recover more quickly when damage does occur.</p> <p>Details on the NRG members, biographies, terms of reference and meeting agendas and minutes are available on EQC's website.</p> <p>The NRG is now meeting quarterly and is working with EQC to develop the process and form for establishing the local community groups after an event.</p>
3.1.1	Develop clear guidelines about what an assessment entails and the respective roles of EQC, its staff and contractors, and claimants in the assessment process and ensure this information is widely available.	EQC/Treasury	Accept in principle, further consideration on mechanism.	<p>In progress.</p> <p>Recommendations 3.1.1 – 3.1.7 are being progressed by EQC in consultation with private insurers as part of developing a suite of shared guides and working documents to support implementation of the IRM.</p> <p>Guides, which set out agreed processes and policies relating to each relevant matter, include a Claims Manual, an Assessment Manual, and a Repair and Reinstatement Guide.</p>	<p>Completed.</p> <p>At the beginning of the assessment process claimants receive an information pack including details on who their case manager is, what the process will be and the timing expectations. Information on the claims process and the respective roles and responsibilities of the agencies involved is set out for claimants on EQC's website.</p>
3.1.2	Provide clarity for homeowners as early as possible after a major natural disaster about who will be				<p>EQC has co-designed the Assessment Manual with insurers, and training is now complete.</p>

	managing claims and conducting assessments—whether it is led by EQC, third-party contractors, or private insurers—and its responsibilities to cover the cost of expert reports and professional services.			Event Response Strategies are also being developed as part of EQC's readiness workstreams. The independent review signalled in the Government response to the Inquiry has been deferred until the IRM has been operational for a suitable period of time (the model is expected to commence in Q2 of 2021).	This recommendation is also being delivered through the Reinstatement and Replacement Guide which is undergoing another round of co-design with insurers. EQC has also completed training with the insurers and assessed their competency against a base criterion. Ongoing training is scheduled to occur quarterly. Ongoing activity will be monitored through assurance activities, including customer and community feedback loops and performance measures. Survey questions have been updated to improve EQC's identification of and response to assessment issues.
3.1.3	After a major natural disaster, provide for suitable initial assessment of damage to land and housing in order to develop a comprehensive plan for full assessment that includes a clear process and realistic timeframes for homeowners.				
3.1.4	In the initial assessment of damage, identify any need for emergency repairs to ensure temporary shelter and essential services, and share this information with other relevant agencies to act on.				
3.1.5	Take the time to complete thorough, consistent and accurate assessment of properties from the outset, carefully documenting progress and involving the homeowner through the process as much as is practical to avoid confusion and minimise disputes.				
3.1.6	Clearly define the expectations of workers involved in the assessment process from the outset of a disaster response and share this information with homeowners.				
3.1.7	Ensure the assessment process is transparent so that claimants have a clear understanding of the process, including how invasive an assessment will be, and access to all relevant information and documentation.				
3.1.8	Work with relevant agencies and experts on engineering solutions	EQC or other responsible agency TBC	Further consideration	Dependent on another recommendation.	Dependent on another recommendation.

	for housing and land (both area-wide and for individual properties), including determining the need to retire land from residential use and provide monitoring to ensure that these solutions are applied appropriately.		needed.	Subject to further decisions on recommendation 1.1.3.	See March 2021 update.
3.1.9	Ensure resources are allocated to provide for emergency repairs, as required, to provide at least temporary shelter, including, as needed, heating and services such as electricity, water and sewerage.	Joint MBIE/NEMA	Accept in principle, further consideration on mechanism.	<p>In progress.</p> <p>Most of the requirements to provide for lifeline utilities during and after emergencies are covered under the lifeline utilities obligations in the CDEM Act 2002 and NCDEM Plan. These set out the roles and responsibilities of Lifelines Utilities Organisations before, during, and after emergencies. Electricity, water and sewage services in an emergency response falls into the Lifelines part of an event response</p> <p>When utilities are not available, CDEM Groups,⁵ with support from NEMA, are the lead agency for ensuring immediate relief is provided until services are restored. The CDEM Act and NCDEM Plan are currently under review and opportunities to strengthen these arrangements can be considered as part of this process.</p> <p>Subject to Ministerial and Cabinet decisions, a Bill to amend the CDEM Act and NCDEM Plan is expected to be introduced by the end of 2021.</p>	<p>In progress/dependent on another recommendation.</p> <p>MBIE, with support from NEMA and CDEM Groups, will continue to work together to ensure adequate post-disaster temporary accommodation is provided as part of their joint roles as the responsible agency for accommodation planning under the National CDEM Plan.</p> <p>A decision on responsibility to lead housing recovery (see recommendation 1.1.3) would be required to progress further work on whether additional resourcing is required over and above the status quo for emergency repairs and temporary shelter following a disaster. A meeting between the Minister of Housing, Minister for Emergency Management, and Minister Responsible for EQC is scheduled for 23 November 2021 to discuss the priority of this work and which agency should lead it as a next step.</p> <p>Proposals as part of NEMA's Emergency Management System Reforms to modernise the treatment of lifeline utilities, including renaming them as 'critical infrastructure' and clearly setting out the roles and responsibilities of critical infrastructure sectors and entities will address the aspects of this recommendation across water, energy, transport, telecommunications and media. The proposals include introducing obligations for sector-specific response plans, to be updated at three-year intervals, which would enable an effective and efficient response if services were to be majorly disrupted. The proposals are being considered by Cabinet on 15 November 2021. It is expected the Emergency Management Bill will be introduced by mid-2022.</p> <p>While this work will not specifically define roles and responsibilities for housing recovery resourcing and support, it will ensure the CDEM Act has appropriate mechanisms in future to set expectations in this space.</p>
4.1.1	In the event of a "major natural disaster", according to the formal threshold determined by government, consider whether a managed repair programme is a suitable response to the event, coordinate the response among all responsible agencies and formally document the decision-making process for clarity.	EQC or other responsible agency TBC	Further consideration needed.	<p>Dependent on another recommendation.</p> <p>Subject to further decisions on recommendation 1.1.3.</p>	<p>Dependent on another recommendation.</p> <p>See March 2021 update.</p>

⁵ CDEM groups are committees of elected councillors from each council within regional boundaries. They are established under the CDEM Act 2002 and 16 CDEM groups have been formed across New Zealand. Groups can be viewed as a consortium of the local authorities in a region working in partnership with emergency services, lifeline utilities and government departments to identify, prepare for, and respond to natural hazards and risks.

4.1.2	Work with relevant agencies to plan for and ensure adequate temporary accommodation is provided in the aftermath of a major natural disaster.	MBIE	Accept.	<p>In progress.</p> <p>MBIE, with support from NEMA and CDEM Groups, will continue to implement this recommendation as part of their joint roles as the responsible agency for accommodation planning under the NCDEM Plan. As stated above, the CDEM Act and NCDEM Plan are currently under review and opportunities to strengthen these arrangements can be considered as part of this process.</p> <p>MBIE's Temporary Accommodation Service is currently funded to provide temporary accommodation services during small to medium scale disasters.</p>	<p>In progress/dependent on another recommendation.</p> <p>MBIE, with support from NEMA and CDEM Groups, will continue to implement this recommendation as part of their joint roles as the responsible agency for accommodation planning under the National CDEM Plan.</p> <p>A decision on responsibility to lead housing recovery (recommendation 1.1.3) would be required to progress further work on whether additional resourcing is required over and above the status quo for emergency repairs and temporary shelter following a disaster. A meeting between the Minister for Housing, Minister for Emergency Management, and Minister Responsible for EQC is scheduled for 23 November 2021 to discuss the priority of this work and which agency should lead it as a next step.</p>
4.1.3	Develop a plan for engaging a workforce that includes expertise in procurement, project management, contracting and engineering.	EQC or other responsible agency TBC	Accept.	<p>Dependent on another recommendation.</p> <p>Subject to further decisions on recommendation 1.1.3.</p>	<p>Dependent on another recommendation.</p> <p>See March 2021 update.</p>
4.1.4	Ensure there are systems developed to identify and discourage fraudulent practices by any party in any repair programme.				
4.2.1	Agree with government from the outset of any repair programme who will be responsible for quality assurance and sign-off, how this will be implemented, including how building standards will be applied and how the homeowner will be involved; and communicate this to the public.				
5.1.1	Develop policies for what related reinstatement or repair costs will be covered by cash settlements and communicate these to claimants.	EQC	Accept.	<p>Recommendation 5.1.1: In progress.</p> <p>EQC is progressing this recommendation through development of guides that will underpin the IRM: The Repair & Reinstatement Guide, Rates Policies and the Claims Manual. These will be completed for commencement of the IRM which is expected to be in Q2 of 2021.</p>	<p>Recommendation 5.1.1: Advanced progress.</p> <p>EQC is delivering this through a Reinstatement and Replacement Guide, Rates Policies and a Claims Manual that are shared with insurers. All are completed except the Reinstatement & Replacement Guide, which is undergoing another round of co-design with insurers and is expected to be completed in November 2021. In the interim, there is an agreed process to follow.</p> <p>Copies of the Assessment Manual and Claims Manual are available on the EQC website.</p>
5.1.2	Make clear to claimants, wherever cash settlements are made, the implications of not using the cash	EQC	Accept in principle, further consideration	<p>Recommendation 5.1.2: In progress.</p> <p>In June and July 2020, with the support of external legal</p>	<p>Recommendation 5.1.2: Advanced progress.</p> <p>EQC letters to claimants now state: "It is important that the</p>

	for the purpose for which it is provided, including how this might affect future claims.		on mechanism.	<p>advisors, EQC updated its communications with customers relating to cash settlements, to clarify the potential insurance implications of not using cash settlements for the intended repairs.</p> <p>A further review of communications with customers on this and other matters will be carried out by EQC's new advertising agency (selection process is currently underway and is expected to be completed by Q2 2021). Together, these two reviews will address this recommendation. Further advice on different approaches for encouraging the use of cash settlements for repairs has been provided by the Treasury to the Minister Responsible for EQC as part of work to modernise the EQC Act.</p>	<p>payment is used for the purpose of repair or replacement of damaged property. In some circumstances, your future entitlement to EQC cover may be affected if your payment is not used for this purpose.”</p> <p>This messaging will also be delivered by insurance partners. This recommendation will be independently reviewed in March/April 2022.</p>
5.1.3	Conduct a detailed assessment of the impacts of cash settlement of claims in the example of the Kaikōura/Hurunui earthquake, including the longer-term impact on quality of the housing stock.	EQC	Accept.	<p>In progress.</p> <p>EQC will commission the recommended research and is anticipating Requests for Proposals in March-April 2021.</p>	<p>In progress.</p> <p>EQC has commissioned the recommended research. A proposal from the selected research team has been received and is being finalised. EQC is working with the researchers to refine the scope of the research and the approach required. Once the contract is completed, research will be commencing in early December 2021. The report from the research is expected to be completed by December 2022.</p>
5.1.4	Incorporate the findings of the detailed assessment of cash settlement for the Kaikōura/Hurunui earthquake into a larger and ongoing study that tests the advantages and disadvantages of cash settlement, the results of which could be drawn on when deciding the best response to future natural disaster events.	Joint Treasury/EQC/ Lead managed repair agency (EQC or other TBC)	Accept	<p>Dependent on another recommendation.</p> <p>Subject to the assessment at 5.1.3.</p>	<p>Dependent on another recommendation.</p> <p>See March 2021 update.</p>
6.1.1	Ensure that its data and information systems are adequate to fulfil claimants' rights to readily access their full property information held by EQC, in accordance with official information and privacy legislation.	EQC	Accept.	<p>Completed.</p> <p>EQC has reviewed its practices and processes relating to data and information. In October 2020, EQC introduced a new Data Hub which supports the IRM. EQC is now focused on connecting insurers ahead of the commencement of the IRM in Q2 of 2021 and implementing minimum data standards.</p> <p>Customers can access residential property information held by EQC via Official Information Act 1982 process.</p>	<p>Completed.</p>
6.1.2	Regularly seek advice from the Privacy Commissioner, the Office of the Ombudsman and the Human Rights Commissioner to ensure that its relationships with claimants are fair, reasonable and transparent.	EQC	Accept.	<p>Completed.</p> <p>EQC reviewed its relationships with the Privacy Commissioner, Human Rights Commission and the Ombudsman in 2020 following the release of the Public Inquiry report. Although EQC has ongoing engagement with these agencies at an officials' level, EQC considers there is merit in the chief executives also meeting regularly to keep</p>	<p>Completed.</p>

				<p>them informed of EQC's key strategic developments.</p> <p>EQC has met with the Privacy Commissioner (in December) and the Ombudsman (in January) identifying areas of mutual interest and to provide stakeholders with an overview of the IRM. The Privacy Commissioner has advised he does not need to have these meetings on a regular basis. EQC will engage with the Privacy Commissioner on specific issues requiring the Commissioner's input.</p> <p>EQC is currently working with the Office of the Ombudsman to hold a workshop to seek insight on the dispute and official information request processes being developed under the IRM. This workshop is expected to be held in early-mid March. A meeting has been set up for mid-March with the Human Rights Commission.</p> <p>EQC also sought the views of the Privacy Commissioner, Human Rights Commission and the Ombudsman as part of setting up the framework and scope for the National Reference Group. EQC will continue to work with these stakeholders to support regular engagement around mutual areas of interest to ensure fair, reasonable and transparent support to EQC's customers.</p>	
6.1.3	Develop and roll out a nationwide online register that provides EQC information on claims specific to individual residential properties. This should be free and simple to access for users such as prospective home buyers and should provide basic information about a claim and its status.	EQC	Accept in principle, further consideration on mechanism.	<p>Recommendation 6.1.3: In progress.</p> <p>EQC has established a three-year Information and Analytics programme to build EQC's data capability. The key focus at this stage is supporting the commencement of the IRM. As noted above, a Data Hub has been developed as the back-end system which aggregates data from various source systems and insurers to support the operation of the IRM.</p> <p>Following the implementation of the IRM, further work will be undertaken to identify any further information and analytics requirements. EQC expects to make as much information available as possible through this work. Phase two of the Information and Analytics programme will consider options to enable prospective home buyers to access EQC information on claims for residential properties. The feasibility of this and identification of potential options will be completed by June 2022.</p>	<p>Recommendation 6.1.3: In progress.</p> <p>With the NDRM now live, EQC is reviewing data received from insurers and conducting proactive analysis to validate the data quality, as part of continuous improvement. EQC will then use this analysis to improve the data sets that are uploaded on the EQC data hub.</p> <p>Discussions are underway for making this information available via the Resilience portal that EQC plans to design/build by December 2022. The portal is currently at a conceptual stage with the development of a business case underway. EQC's intention is that the portal will provide coordinated, centralised risk information that can inform advice and practice related to the hazards we face.</p> <p>This portal is intended to enable prospective home buyers to access information about previous EQC claims on that property.</p>
6.2.1	Commit to constant and sufficient investment in data and information systems to guarantee that these can support efficient and reliable day-to-day operations and have sufficient capacity and capability to support processes for managing claims following a large-scale disaster.			<p>Recommendation 6.2.1: In progress.</p> <p>The Data Hub, which supports the IRM, was introduced in October 2020. It enables the integration and analysis of all data received by EQC, in particular the two-way sharing of data on claims and exposure (policies) from insurers. Work is progressing to onboard insurers to the platform. EQC is also investing in its claims management systems to ensure it retains contingency claims management capability. This upgrade is expected to go live around June 2022.</p>	<p>Recommendation 6.2.1: Complete.</p> <p>The Data Hub, which supports the Natural Disaster Response Model, was introduced in October 2020. It enables the integration and analysis of all data received by EQC. Of particular note is the two-way sharing of data on claims and exposure (policies) from insurers. Insurers have been successfully onboarded to the platform.</p> <p>EQC is also investing in its claims management systems to ensure it retains contingency claims management capability.</p>

					<p>This upgrade is expected to go live around June 2022.</p> <p>EQC's continued investment in data and information systems will occur through to 2024/25.</p>
6.2.2	Consider how changes made to the EQC Act in 2019 can be used to enable better information sharing between it and private insurers.	EQC/Treasury	Accept.	<p>Advanced progress.</p> <p>Officials have considered the information sharing provisions in the current EQC Act. In line with Public Inquiry recommendations, as proposed the modernised EQC Act will:</p> <ul style="list-style-type: none"> • enable EQC to specify a reasonable timeframe within which information requested by EQC must be furnished • make explicit the obligation to provide information to EQC in a form, format, manner and medium acceptable to EQC • enable the making of regulations requiring information needed for the purposes of the EQC Act to be provided in a clear and consistent form, format, manner and medium, and • confirm EQC's ability to disclose information held by EQC to another government agency where the agency has a proper interest in receiving the information for law enforcement purposes, or for the performance of its functions or exercise of its powers. 	<p>Advanced progress.</p> <p>See March 2021 update – the Bill to modernise the EQC Act will be introduced in February 2022.</p>
6.3.1	Consider a legislative requirement for private insurers to advise EQC at least annually of their residential policyholders' location and property ownership.	Treasury/EQC	Accept in principle, further consideration on mechanism.		
6.4.1	Consider changes to relevant legislation to enable greater availability and use of information about land and its stability to inform land-use decision making and current and prospective property owners through appropriate public information sources.	DIA/LINZ/MfE	Accept in principle, further consideration on mechanism.	<p>In progress.</p> <p>DIA is working in partnership with Local Government New Zealand on options to enhance the role of the land information memorandum (LIM) as a mechanism for natural hazard risk disclosure. Officials will report back to Cabinet on this work in April 2021.</p>	<p>In progress.</p> <p>The Minister of Local Government is scheduled to report back in November 2021 to Cabinet on proposals for changes to the LIM system to improve natural hazard information disclosure.</p> <p>The Community Resilience Ministers met in August 2021 and agreed to a package of changes for the November report back. The package includes:</p> <ul style="list-style-type: none"> • amendments to the Local Government Official Information and Meetings Act 1987 to introduce a requirement for regional councils to provide natural hazard information and support to territorial authorities; • an empowering provision to set national direction for requirements for the format and content of natural hazard information; and • changes to reduce the negative impact of potential legal actions on councils sharing natural hazard information in the LIM.
6.4.2	Consider granting EQC standing to appear in formal land-use planning hearings.	Treasury/MfE	Accept in principle, further consideration on mechanism.	<p>Completed. [See also recommendation 1.1.2.]</p> <p>Treasury has considered whether any further legislative change is needed to support EQC to appear in formal land-use planning hearings. EQC is already able to do this under the Resource Management Act 1991 (RMA) through the submission process of RMA Schedule 1 (for plan-making),</p>	<p>Completed.</p>

				and for notified resource consent applications where a hearing is held. Consequently, no legislative changes are proposed.	
6.4.3	Proactively share up-to-date local area information about land and hazards with relevant local authorities.	EQC	Accept in principle, further consideration on mechanism.	<p>Completed.</p> <p>EQC has shared claims data with councils where the data has shown a hazard feature that is not necessarily represented well on hazard maps (e.g. claims from a slow-moving landslide in Northland with the Far North District Council, and historic flooding/landslip claims in Nelson with Nelson City Council).</p> <p>EQC is looking at releasing claims data to researchers helping local councils with natural hazards (such as Gisborne District Council with regard to landslide hazards).</p> <p>EQC also regularly supports councils (including financially) with hazard mapping (e.g., Tauranga City Council and Marlborough District Council with liquefaction mapping).</p> <p>Further opportunities to provide data and research-based evidence are planned through the implementation of EQC's Resilience Strategy for Natural Hazard Reduction 2019 – 2029.</p>	Completed.
7.1.1	Coordinate an ongoing relationship with key partners, who will be necessary to the residential insurance response following the threshold for a “major natural disaster” being met, to establish the roles and responsibilities of each entity. These partners might include the Treasury, the Ministry of Building, Innovation and Employment, the National Emergency Management Agency, Te Puni Kōkiri, Land Information New Zealand and the Ministry of Social Development.	EQC or other responsible agency TBC	Accept.	<p>Dependent on another recommendation.</p> <p>Subject to the assessment at 1.1.3.</p>	Dependent on another recommendation. See March 2021 update.
7.1.2	Build significantly improved cooperative relationships with private insurers operating in New Zealand, including ensuring sharing of data that is critical for EQC's work following a natural disaster.	EQC	Accept.	<p>In progress.</p> <p>This recommendation is being implemented through EQC's work with insurers on implementing the IRM.</p> <p>See also the response to 6.1.3 and 6.2.1 outlining the work on data being undertaken by EQC as part of the IRM and its wider Information and Analytics programme. The work under the IRM is supported by bilateral data agreements with insurers.</p>	Completed. EQC has entered into multilateral disaster response and data agreements with insurers. These agreements underpin the NDRM. Enduring relationships will be maintained through an integrated partnership approach to ensure the benefits of the partnership are realised across both parties. The governance structure and engagement model are now in place as well as all contractual arrangements with insurers.

					The strength and value placed in the relationships will be assessed via staff surveys.
7.2.1	Ensure that the range of research it sponsors encompasses new opportunities in relevant fields and includes disasters other than earthquakes.	EQC	Accept.	Recommendation 7.2.1: Completed. EQC periodically reviews the research programme underpinning its resilience work programme. This, and the other associated Inquiry recommendations, will be considered as the programme is reviewed and updated. The EQC Research Investment Priorities Statement will be released in April 2021.	Completed.
7.2.2	Support social science research that will help it build a greater understanding of the impacts on communities following a major natural disaster.			Recommendation 7.2.2: In progress. EQC's current research portfolio includes initiatives covering hazards 'other than earthquakes'. EQC is reviewing its Research Investment Priorities Statement and the upcoming Biennial Grants contestable research round will provide the opportunity to increase the proportion of research focused on social science disciplines.	Completed. EQC's Statement of Research Investment Priorities has been updated for 2021 to 2023 and released publicly. The updated Priorities include 'empowering people' as a priority area for EQC research going forward. This resulted in 25% of the biennial grant applications and 50% of the shortlisted application for this year's application round being focused on this theme.
7.2.3	Cooperate with the research community in New Zealand and internationally to disseminate as widely as possible the research findings in all fields it supports.			Recommendation 7.2.3: Completed. See response to recommendation 7.2.1	Completed.
7.2.4	Commit to and resource the ongoing development of scenario planning and modelling of major natural disasters and their consequences for buildings and land. This should focus on preparing it as far as possible for previously unanticipated disaster outcomes, locations and circumstances unique to different events.			Recommendation 7.2.4: Completed. The National Hazard Scenario Database development programme is in place. EQC is developing a range of scenarios for 'hazards that could happen in New Zealand', and what the risks and implications of each are. In the first instance these will be used to test EQC's readiness and contingency planning. To ensure a coordinated insurance response and recovery activities, EQC will initially develop and test 2 -3 scenarios in conjunction with private insurers per year over each of the next two years. These scenarios will cover a range of natural perils that EQC covers.	
7.3.1	Consult and work with relevant government and community agencies and private insurers to ensure the most engaging and effective means of educating homeowners about the risks associated with natural disasters and how to minimise damage.			Recommendation 7.3.1: Completed. See response to recommendation 7.2.1.	
7.3.2	Promote awareness among homeowners of the opportunity for direct access to purchase disaster-only insurance, as provided for in	EQC	Further consideration needed.	Completed. The following steps have been, or are being taken, in relation to the direct EQCover product:	

	the EQC Act.			<ul style="list-style-type: none"> Public website information due to be reviewed - May 2021 Regular training for front line staff about the availability of direct EQCover including the criteria and where enquires can be referred to - Ongoing Direct EQCover will be included in the Householders Guide to EQCover customer brochure – Coincides with the updates related to the IRM in Q2 of 2021 Internal review of EQCover Policy – March 2021. 	
7.4.1	Develop further and, where necessary and appropriate, formalise relationships with key workforces such as engineers and loss adjusters.	EQC	Accept.	<p>Recommendation 7.4.1: Completed.</p> <p>This was delivered through completion of new supplier contractual arrangements in December 2020.</p>	
7.4.2	Ensure access to a suitably qualified and trained workforce to manage claims and undertake assessments, including retired personnel, in anticipation of a sudden and significant increase in workload.			<p>Recommendation 7.4.2: In progress.</p> <p>EQC has updated surge plans for claims and assessment staff and call centres and reviewed insurer business continuity plans to ensure they have considered surge.</p> <p>The independent review is being deferred until implementation of the IRM (expected to be implemented in Q2 of 2021).</p>	<p>Completed.</p> <p>EQC has updated surge plans for claims and assessment staff, and call centres, and reviewed insurer business continuity plans to ensure they have considered surge.</p> <p>An audit has been completed on insurers' capacity, and an independent review of EQC's capacity and capability has been conducted. Quarterly audits of insurers' capability are scheduled over the next year, and the first of these occurred in September 2021. These activities are part of the assurance framework for the NDRM.</p>
7.4.3	Work with its staff to review what is being done to support their wellbeing.	EQC	Accept.	<p>Recommendation 7.4.3: Completed.</p> <p>EQC delivers a Wellbeing Programme as an ongoing function, with monthly reporting to the EQC Board. The annual Wellbeing work programme is reviewed regularly (including staff survey results) to ensure it continues to be fit for purpose. The EQC Wellbeing Programme is currently a finalist for the 2021 Human Resources NZ (HRNZ) Awards.</p>	Completed.
7.4.4	Build channels for its staff to provide views to management and governance so that people are heard, views and proposals are seriously considered, and, where appropriate, acted upon.			<p>Recommendation 7.4.4: In progress.</p> <p>Regular staff surveys and Speak Up Policy are EQC's primary engagement tools with staff, along with the FairCall Line (an independently run 24/7 confidential reporting service for EQC staff who wish to report concerns about serious wrongdoing).</p> <p>EQC is currently in a procurement process with a new FairCall Line provider and is scheduled to deploy the new system by 30 June 2021, before the existing supplier contract expires.</p>	<p>Completed.</p> <p>Regular staff surveys and Speak Up Policy are EQC's primary engagement tools with staff, along with the FairCall Line (an independently run 24/7 confidential reporting service for EQC staff who wish to report concerns about serious wrongdoing).</p>
7.4.5	Evaluate the skills and attributes required of a workforce to engage with claimants following a natural disaster and apply these as criteria in the recruitment process.			<p>Recommendation 7.4.5: In progress.</p> <p>EQC continues to embed its Core Competency Framework into its recruitment processes and Performance & Development Framework. A redesigned Induction Programme will be launched in early 2021.</p>	<p>Recommendation 7.4.5: Completed.</p> <p>EQC has defined the skills required of staff dealing with claimants and this has been articulated through a set of Skills Matrices. The skills include: customer service and communications, manage and process claims, and</p>

				<p>As part of EQC's assurance function within the IRM, insurers need to demonstrate staff are recruited who have the required base level of experience/qualification for the role.</p> <p>An audit by KPMG of Health, Safety, Security and Wellbeing is currently underway and will provide the independent review of these recommendations.</p>	<p>relationship and stakeholder management. The skills matrices form a basis for competency assessment of candidates during the recruitment process and have now been launched.</p> <p>The 12-month high level NDRM Roadmap, which will shape how insurers acting on EQC's behalf will interact with claimants, has been finalised with a focus on insurer capability across a range of relevant capabilities including compliance with EQC's 'People Capability' and 'Customer Experience' requirements as part of the NDRM.</p> <p>EQC has developed a formal ongoing process to evaluate the level of insurers' compliance with NRDM requirements through an Assurance Framework (e.g. as part of EQC's assurance function within the Natural Disaster Response Model, insurers will need to demonstrate that staff are recruited with a base required level of experience/qualification for the role as outlined by EQC). An independent KPMG review in August 2021 has assessed these initiatives as appropriate.</p>
8.1.1	Develop a standing dispute resolution mechanism that is robust, accessible, timely and responsive to complainants, drawing on the experience of the Canterbury earthquakes, including the experiences of EQC and claimants; this may include enacting legislation to support such a mechanism.	Treasury/MBIE	Accept in principle, further consideration on mechanism.	<p>In progress.</p> <p>As proposed the modernised EQC Act will require EQC to participate in a dispute resolution scheme that is: user-focused and accessible; independent and fair; efficient and effective; accountable; and cost effective.</p> <p>The Treasury, MBIE, MOJ and EQC are currently scoping work on a standing dispute resolution mechanism, including gaps and opportunities, the objectives of any future scheme, and further work required to design a standing dispute resolution mechanism that EQC and other similar entities might utilise in future. Agencies will report to Ministers on this work in March 2021.</p>	<p>Advanced progress.</p> <p>Following the report to Ministers on the scoping work, MBIE has taken the lead on the development of advice on options for a standing dispute resolution mechanism to the Ministers of Finance and the Earthquake Commission.</p> <p>An environmental stocktake and evaluation of current services has been completed and a range of options have been identified. MBIE prepared a discussion document on the options for targeted consultation with stakeholders during October. The submissions will be analysed and will inform advice to the Ministers on a recommended approach before the end of 2021.</p>
8.1.2	Support and ensure adequate resourcing of a community law service that provides free or low-cost legal advice to assist claimants in the event of dispute with EQC, while ensuring any such service is sustainable and carries forward the important knowledge gained from events such as the Canterbury earthquakes.	MOJ	Accept in principle, further consideration on mechanism.	<p>In progress.</p> <p>Community Law centres (CLCs) have been a key channel for providing legal support for EQC claimants following the Canterbury earthquakes. Their expertise and professionalism were noted by the Inquiry and in responses from claimants.</p>	<p>Dependent on another recommendation. (now being progressed as part of recommendation 8.1.1).</p> <p>The Ministry of Justice (MOJ) provided the Minister of Justice with advice on this recommendation on 20 May 2021. MOJ advised that it will continue to support MBIE's work on developing a standing dispute resolution mechanism, which will include consideration of a legal advice function.</p>
8.1.3	Consider regulation of insurance advocates or those providing related services to claimants to provide assurance and clarity for claimants and to avoid predatory behaviour.	MBIE/Treasury	Further consideration needed.	<p>In progress.</p> <p>In preliminary conversations with the Greater Christchurch Claims Resolution Service (GCCRS) and the Insurance Council of New Zealand (ICNZ), as well as through media reports, there is some concern about advocate</p>	<p>Dependent on another recommendation (see recommendation 8.1.1).</p> <p>Policy work on the insurance advocates has been put on hold pending decisions from Ministers on the standing dispute resolution mechanism. If a comprehensive mechanism is</p>

				<p>conduct. Knowledge gaps need to be filled to fully understand the problem and identify adequate solutions.</p> <p>It is unclear to what extent the activities of insurance advocates might be regulated by existing legislation (e.g. the Fair Trading Act 1986). Some are currently being sued in the High Court in Christchurch with allegations they misrepresented services, costs, qualifications and the independence of their technical experts. The outcomes of the court cases may go some way towards clarifying the extent to which problematic conduct of advocates post-Christchurch is already covered by the law.</p> <p>Demand for advocates by claimants may have been exacerbated by the inadequacy of claims handling by EQC, and the lack of appropriate bodies to consider disputes arising from the mishandled claims.</p> <p>Furthermore, the creation of a standing dispute resolution mechanism (as recommended by the Inquiry) may have an impact on the demand for private advocacy services to assist with resolving disputes arising from a future natural disaster event. MBIE will undertake a policy process to identify issues and analyse options over 2021, including consultation with relevant stakeholders. A progress update, including initial advice on policy, will be provided to the Minister of Commerce and Consumer Affairs in the second half of 2021.</p>	<p>approved, including advisory support processes, this may mitigate many of the drivers for regulating advocates. The planned progress update and initial advice will now be provided in the first half of 2022 so it can account for these decisions.</p>
8.1.4	Ensure that its [EQC] complaints procedures for both staff and claimants are professional and fit for purpose, with periodic independent assessment of their suitability and effectiveness.	EQC	Accept.	<p>In progress.</p> <p>EQC has updated its complaints procedures and is now working on a co-design of procedures with insurers as part of implementing the IRM to ensure they are aligned, consistent and meet EQC expectations.</p>	<p>Completed.</p> <p>EQC has updated its internal standard operating procedures and processes for prioritising complaints based on risk and clear escalation criteria.</p> <p>Complaints/disputes policies and processes are in place under the NDRM. Customers are encouraged to direct any complaints to their insurer in the first instance although they can also contact EQC if they prefer.</p>

Appendix 2: Gantt chart for next milestone of in progress recommendations [see attached PDF].

Next milestones for in progress recommendations of the Public Inquiry into EQC

Advanced progress	10.5
In progress	7
Dependent on another recommendation	13.5
Total	31

	Recommendation	Lead	Next milestone	Status	Oct/Nov 21	Dec 21/Jan 22	Feb 22/Mar 22
1.1.1	Provide a mandate in legislation for EQC (or another appropriate agency) to coordinate the residential insurance response to ensure housing recovery following a natural disaster, including setting roles and responsibilities, monitoring performance and requiring assistance from other government agencies.	Joint NEMA/Treasury/EQC	<i>The Bill to modernise the EQC Act will be introduced in February 2022.</i> <i>A meeting between the Minister of Housing, Minister for Emergency Management, and Minister Responsible for EQC is scheduled for 23 November 2021 to discuss the priority of a work programme on post-disaster housing recovery and which agency should lead it as a next step.</i>				
1.1.2	Clarify expectations with EQC about its responsibility in land-use planning before, and for the coordination of land remediation after, a natural disaster.	Treasury/MfE/DIA/EQC	<i>EQC's role in land remediation is subject to further decisions on recommendation 1.1.3: A meeting between the Minister of Housing, Minister for Emergency Management, and Minister Responsible for EQC is scheduled for 23 November 2021 to discuss the priority of a work programme on post-disaster housing recovery and which agency should lead it as a next step.</i>				
1.1.3	Determine how a managed repair programme might be initiated and executed should it be required and whether EQC should be the lead agency to conduct the programme. If not, then specify EQC's role in a managed repair and rebuild programme. As part of this, review the discretion in Schedule 3 of the EQC Act enabling EQC to manage the replacement or reinstatement of properties.	Joint Treasury/EQC/NEMA/MBIE	<i>Ministers have received advice and are actively considering proposed arrangements for lead agency responsibilities for post-disaster housing recovery [NEMA briefing Number 21/39 refers]. A meeting between the Minister of Housing, Minister for Emergency Management, and Minister Responsible for EQC is scheduled for 23 November 2021 to discuss the priority of a work programme on post-disaster housing recovery and which agency should lead it as a next step.</i>				
1.1.4	Review the appropriateness of the title of the EQC Act to make clear its scope is not limited to earthquakes but to a range of natural disasters.	Treasury	<i>EQC has developed potential name change options and advice was provided on 28 October 2021.</i>				
1.1.5	Develop a mechanism that identifies the threshold for a "major natural disaster", which triggers the coordination of a residential insurance response to ensure housing recovery.	EQC or other responsible agency TBC	<i>Ministers have received advice and are actively considering proposed arrangements for lead agency responsibilities for post-disaster housing recovery [NEMA briefing Number 21/39 refers]. A meeting between the Minister of Housing, Minister for Emergency Management, and Minister Responsible for EQC is scheduled for 23 November 2021 to discuss the priority of a work programme on post-disaster housing recovery and which agency should lead it as a next step.</i>				
1.2.1	Consider inclusion of a purpose statement and set of principles in the EQC Act that will guide the discharge of EQC's responsibilities as an insurer with a social responsibility to claimants.	Treasury	<i>The Bill to modernise the EQC Act will be introduced in February 2022. As proposed the modernised EQC Act will include a clear statement of purpose, functions, and objectives for the EQC.</i>				
1.3.1	Review the legislative framework so that there is a greater clarity of key provisions and definitions, including definitions of the phrases in the legislation such as "when new", and "reinstatement".	Treasury	<i>The Bill to modernise the EQC Act will be introduced in February 2022.</i>				
1.4.1	Ensure that when ministerial directions or reviews are initiated these are clearly signalled, discussed with EQC to ensure that they will advance rather than hinder its response to a major natural disaster, and recorded.	Treasury	<i>The development of a clear purpose statement for inclusion in the EQC legislation in response to recommendation 1.2.1 will serve to address concerns raised in recommendation 1.4.1 by reducing the need for Ministerial directions in future.</i>				
1.7.1	Consider the need for legislative change to provide greater clarity on EQC's responsibilities to property owners in multi-unit and mixed-use buildings.	Treasury	<i>As proposed the modernised EQC Act will introduce more equitable cover for homeowners of mixed-use buildings, compared with the treatment of standalone houses, in line with decisions made by Cabinet in March 2020 [CAB-20-MIN-0210 refers, which is available online: https://www.treasury.govt.nz/publications/cabinet-minute/dev-20-min-0039-mixed-use-buildings-under-earthquake-commission-act-1993].</i>				
1.7.2	Provide property owners in multi-unit and mixed-use buildings with certainty, as far as is possible, about their building's status as it relates to EQC cover.	EQC	<i>EQC will implement this through developing communications/guidance material to support the modernised EQC Act implementation over 2022/23. Dependent on recommendation 1.7.1.</i>				

	Recommendation	Lead	Next milestone	Status	Oct/Nov 21	Dec 21/Jan 22	Feb 22/Mar 22
2.1.7	Ensure resourcing and support for the housing recovery is available from the outset of a response to a major natural disaster to establish services such as navigators or support coordinators to assist affected communities.	Joint NEMA/MBIE	NEMA's policy unit is undertaking work on Emergency Management System reforms. It is expected the Emergency Management Bill to amend the Civil Defence Emergency Management Act 2002 (CDEM Act) will be introduced by mid-2022. s9(2)(f)(iv)				 mid-2022
3.1.8	Work with relevant agencies and experts on engineering solutions for housing and land (both area-wide and for individual properties), including determining the need to retire land from residential use and provide monitoring to ensure that these solutions are applied appropriately.	EQC or other responsible agency TBC	Ministers have received advice and are actively considering proposed arrangements for lead agency responsibilities for post-disaster housing recovery [NEMA briefing Number 21/39 refers]. A meeting between the Minister of Housing, Minister for Emergency Management, and Minister Responsible for EQC is scheduled for 23 November 2021 to discuss the priority of a work programme on post-disaster housing recovery and which agency should lead it as a next step.				
3.1.9	Ensure resources are allocated to provide for emergency repairs, as required, to provide at least temporary shelter, including, as needed, heating and services such as electricity, water and sewerage.	Joint MBIE/NEMA	A decision on responsibility to lead housing recovery (recommendation 1.1.3) would be required to progress further work on whether additional resourcing is required over and above the status quo for emergency repairs and temporary shelter following a disaster. Proposals as part of NEMA's Emergency Management System Reforms to modernise the treatment of critical infrastructure will ensure the Civil Defence Emergency Management (CDEM) Act has appropriate mechanisms in future to set expectations for housing recovery.				
4.1.1	In the event of a "major natural disaster", according to the formal threshold determined by government, consider whether a managed repair programme is a suitable response to the event, coordinate the response among all responsible agencies and formally document the decision-making process for clarity.	EQC or other responsible agency TBC	Ministers have received advice and are actively considering proposed arrangements for lead agency responsibilities for post-disaster housing recovery [NEMA briefing Number 21/39 refers]. A meeting between the Minister of Housing, Minister for Emergency Management, and Minister Responsible for EQC is scheduled for 23 November 2021 to discuss the priority of a work programme on post-disaster housing recovery and which agency should lead it as a next step.				
4.1.2	Work with relevant agencies to plan for and ensure adequate temporary accommodation is provided in the aftermath of a major natural disaster.	MBIE	MBIE, with support from NEMA and CDEM Groups, will continue to implement this recommendation as part of their joint roles as the responsible agency for accommodation planning under the National CDEM Plan. A decision on responsibility to lead housing recovery (recommendation 1.1.3) would be required to progress further work on whether additional resourcing is required over and above the status quo for emergency repairs and temporary shelter following a disaster.				
4.1.3	Develop a plan for engaging a workforce that includes expertise in procurement, project management, contracting and engineering.	EQC or other responsible agency TBC	Ministers have received advice and are actively considering proposed arrangements for lead agency responsibilities for post-disaster housing recovery [NEMA briefing Number 21/39 refers]. A meeting between the Minister of Housing, Minister for Emergency Management, and Minister Responsible for EQC is scheduled for 23 November 2021 to discuss the priority of a work programme on post-disaster housing recovery and which agency should lead it as a next step.				
4.1.4	Ensure there are systems developed to identify and discourage fraudulent practices by any party in any repair programme.	EQC or other responsible agency TBC	Ministers have received advice and are actively considering proposed arrangements for lead agency responsibilities for post-disaster housing recovery [NEMA briefing Number 21/39 refers]. A meeting between the Minister of Housing, Minister for Emergency Management, and Minister Responsible for EQC is scheduled for 23 November 2021 to discuss the priority of a work programme on post-disaster housing recovery and which agency should lead it as a next step.				
4.2.1	Agree with government from the outset of any repair programme who will be responsible for quality assurance and sign-off, how this will be implemented, including how building standards will be applied and how the homeowner will be involved; and communicate this to the public.	EQC or other responsible agency TBC	Ministers have received advice and are actively considering proposed arrangements for lead agency responsibilities for post-disaster housing recovery [NEMA briefing Number 21/39 refers]. A meeting between the Minister of Housing, Minister for Emergency Management, and Minister Responsible for EQC is scheduled for 23 November 2021 to discuss the priority of a work programme on post-disaster housing recovery and which agency should lead it as a next step.				
5.1.1	Develop policies for what related reinstatement or repair costs will be covered by cash settlements and communicate these to claimants.	EQC	EQC is progressing this recommendation through development of guides that will underpin the Insurer Response Model: The Repair & Reinstatement Guide, Rates Policies and the Claims Manual. This is expected to be completed in November 2021.				

	Recommendation	Lead	Next milestone	Status	Oct/Nov 21	Dec 21/Jan 22	Feb 22/Mar 22
5.1.2	Make clear to claimants, wherever cash settlements are made, the implications of not using the cash for the purpose for which it is provided, including how this might affect future claims.	EQC	EQC letters to claimants now state: "It is important that the payment is used for the purpose of repair or replacement of damaged property. In some circumstances, your future entitlement to EQC cover may be affected if your payment is not used for this purpose." This recommendation will be independently reviewed in March/April 2022.				
5.1.3	Conduct a detailed assessment of the impacts of cash settlement of claims in the example of the Kaikōura/Hurunui earthquake, including the longer-term impact on quality of the housing stock.	EQC	EQC has commissioned the recommended research, the scope of which is currently being finalised. Research will commence in December 2021.				
5.1.4	Incorporate the findings of the detailed assessment of cash settlement for the Kaikōura/Hurunui earthquake into a larger and ongoing study that tests the advantages and disadvantages of cash settlement, the results of which could be drawn on when deciding the best response to future natural disaster events.	Joint Treasury/EQC/Lead managed repair agency (EQC or other TBC)	EQC has commissioned the recommended research, the scope of which is currently being finalised. Research will commence in December 2021.				
6.1.3	Develop and roll out a nationwide online register that provides EQC information on claims specific to individual residential properties. This should be free and simple to access for users such as prospective home buyers and should provide basic information about a claim and its status.	EQC	Discussions are underway for making this information available via the Resilience portal that EQC plans to design/build around Dec 2022.				
6.2.2	Consider how changes made to the EQC Act in 2019 can be used to enable better information sharing between it and private insurers.	EQC/Treasury	The Bill to modernise the EQC Act will be introduced in February 2022.				
6.3.1	Consider a legislative requirement for private insurers to advise EQC at least annually of their residential policyholders' location and property ownership.	Treasury/EQC	The Bill to modernise the EQC Act will be introduced in February 2022.				
6.4.1	Consider changes to relevant legislation to enable greater availability and use of information about land and its stability to inform land-use decision making and current and prospective property owners through appropriate public information sources.	DIA/LINZ/MfE	The Minister of Local Government is scheduled to report back in November 2021 to Cabinet on proposals for changes to the LIM system to improve natural hazard information disclosure.				
7.1.1	Coordinate an ongoing relationship with key partners, who will be necessary to the residential insurance response following the threshold for a "major natural disaster" being met, to establish the roles and responsibilities of each entity. These partners might include The Treasury, the Ministry of Building, Innovation and Employment, the National Emergency Management Agency, Te Puni Kōkiri, Land Information New Zealand and the Ministry of Social Development.	EQC or other responsible agency TBC	The implementation of the Insurer Response Model will strengthen EQC's relationships with private insurers. Ministers have received advice and are actively considering proposed arrangements for lead agency responsibilities for post-disaster housing recovery [NEMA briefing Number 21/39 refers]. A meeting between the Minister of Housing, Minister for Emergency Management, and Minister Responsible for EQC is scheduled for 23 November 2021 to discuss the priority of a work programme on post-disaster housing recovery and which agency should lead it as a next step.				
8.1.1	Develop a standing dispute resolution mechanism that is robust, accessible, timely and responsive to complainants, drawing on the experience of the Canterbury earthquakes, including the experiences of EQC and claimants; this may include enacting legislation to support such a mechanism.	MBIE	MBIE will provide advice on options for a standing dispute resolution mechanism to the Ministers of Finance and the Earthquake Commission before the end of 2021.				
8.1.2	Support and ensure adequate resourcing of a community law service that provides free or low-cost legal advice to assist claimants in the event of dispute with EQC, while ensuring any such service is sustainable and carries forward the important knowledge gained from events such as the Canterbury earthquakes.	MOJ	MOJ advised that it will continue to support MBIE's work on developing a standing dispute resolution mechanism, which will include consideration of a legal advice function.				
8.1.3	Consider regulation of insurance advocates or those providing related services to claimants to provide assurance and clarity for claimants and to avoid predatory behaviour.	MBIE/Treasury	Policy work on the insurance advocates has been put on hold pending decisions from Ministers on the standing dispute resolution mechanism.				

Reference: T2021/1163 TY-2-1-17-1

Date: 18 November 2021

To: Minister Responsible for the Earthquake Commission (Hon Dr David Clark)

Cc: Minister of Finance (Hon Grant Robertson)

Deadline: 23 November 2021

Ministerial meeting on post-disaster housing recovery

You are meeting the Minister of Housing (Hon Dr Megan Woods) and Minister for Emergency Management (Hon Kiri Allan) to talk about post-disaster housing recovery on 23 November 2021.

You were forwarded a briefing '*Confirming the lead agency for housing recovery*' from the National Emergency Management Agency (NEMA), via the then-Acting Minister for Emergency Management, Hon Kris Faafoi's office. That briefing recommended this meeting take place between the three Ministers [NEMA briefing 21/39 refers].

The purpose of the meeting is to address two key questions:

- **Question 1:** Should work be undertaken on preparedness planning for housing recovery, or should Government continue to take an ad hoc approach? If the former is agreed, what is the level of priority for this work?

s9(2)(f)(iv)

The NEMA briefing '*Confirming the lead agency for housing recovery*' contains the bulk of the necessary background information to support this discussion.

This aide-memoire provides:

- supplementary information on the Treasury's and EQC's view on housing recovery, including why we think further planning should be undertaken, and
- suggested talking points to support your discussion (Appendix 1 refers).

Danijela Tavich, Analyst, Earthquake Commission Policy Team, +s9(2)(k)

Siobhan Duncan, Team Leader, Earthquake Commission Policy Team, +s9(2)(k)

s9(2)(k)

Background

Public Inquiry

- NEMA's report was prepared to fulfil a commitment to undertake further work on who should lead a future managed repair programme. This was recommended by the Public Inquiry into EQC, and the Government accepted the recommendation in its response to the Public Inquiry [DEV-20-MIN-0116 refers].
- The Public Inquiry report made several recommendations concerning any future managed repair programme. Collectively these form a helpful basis for understanding the gaps in disaster preparedness and what further work is needed. The relevant recommendations are attached as Appendix 3.
- The Public Inquiry found that assigning overall responsibility for the Canterbury Home Repair Programme to EQC "was a mistake" due to its lack of preparedness and a system-wide lack of clarity on roles and responsibilities. However, it also found that there is every prospect that following a future major event or series of events, it will again be necessary to coordinate repair of land and residential buildings and a similar managed repair process will be adopted.
- The Public Inquiry noted that "It is rational to undertake a managed repair programme; this fulfils many requirements to provide adequate housing for a traumatised population and ensures that the inevitable costs and rationing of resources can be managed fairly and efficiently. EQC cannot, however, be the sole body to manage the process".¹
- The Public Inquiry emphasised the importance of preparedness planning, noting that "I have been left with a clear impression that there was a climate of urgency that led to decisions being made without adequate time for reflection or planning. Poorly thought through decisions were frequently reversed and added greatly to confusion for both EQC staff and claimants... Relationships with other affected entities, such as private insurers and Fletcher, suffered from EQC's lack of prior planning for a managed repair programme."²

Housing recovery and managed repair

- While the Public Inquiry report refers to further work needed on "managed repair", agencies have opted to use the term "housing recovery". Framing the issue as housing recovery provides an opportunity for the lead agency to consider a range of relevant issues, not just repairs to damaged properties. For example, housing recovery could include impacts of the event on the building supply pipeline and on the housing market (rents and house prices). Managed repair is one intervention that may be needed among many to achieve the Government's objectives for a post-disaster housing recovery.

¹ Public Inquiry into the Earthquake Commission. (2020, March). *Report of the Public Inquiry into the Earthquake Commission*. Pp. 14, 139. Retrieved from <https://eqcinquiry.govt.nz/assets/Inquiry-Reports/Report-of-the-Public-Inquiry-into-EQC.pdf>.

² *Ibid.*, p. 14.

- There are a range of options for what being prepared for undertaking a housing recovery might look like – being prepared might just be having a plan in place to support responsiveness should an event occur (e.g., with clear roles and responsibilities for each agency), rather than standing up any permanent agency functions (e.g., establishing a permanent operational arm in an existing agency for housing recovery).

Meeting Discussion

Question 1: Should housing recovery preparedness planning be undertaken?

Treasury and EQC support NEMA's recommendation for preparedness planning to be undertaken proactively, rather than waiting until a disaster occurs.

- The Treasury (both the EQC Policy and Housing teams) and EQC contributed to NEMA's report.
- Adequate preparedness planning would help avoid the problems caused by lack of preparedness identified by the Public Inquiry into EQC in the Canterbury Home Repair Programme by enabling a more coordinated and effective disaster response. A key benefit would be ensuring people are well looked after, and have their housing reinstated as quickly and easily as possible after a disaster.

s9(2)(f)(iv)



- EQC's strong view, stated in BNC 20-21 008, is that the role of managing a repair or reconstruction programme is best suited to an agency that manages building activities as part of its core activity, while EQC focusses its efforts on

the insurance response. EQC supports the insurance response by providing cash settlement for the majority of claims, with reinstatement limited to a small number of vulnerable customers who are unable to organise repairs themselves.

- EQC does not currently have the capability to deliver a large-scale managed repair programme. No agency currently owns these roles. As the Public Inquiry into EQC made clear, consideration should be given to which entity would be responsible should a managed repair become necessary. EQC is happy to support the appointed lead agency/agencies based on EQC's experience with the Canterbury Home Repair Programme.
- Regardless of who leads a reconstruction programme, in a post-disaster scenario, there would be a role for each of the agencies mentioned in the report, MBIE, NEMA, EQC, and the Treasury, in supporting housing recovery.

Next Steps

Policy work is needed on options for housing recovery

- Should the meeting agree that preparedness work be undertaken, the lead agency's housing recovery policy work could include:
 - A 'gaps analysis', which maps the existing roles and responsibilities that sit across central government, local government, and the wider community in respect to housing system recovery (e.g. land zoning and infrastructure considerations, homelessness, rental market availability, temporary accommodation and construction materials supply).
 - Evaluating whether an existing government agency should be assigned as the ^{s9(2)(f)(iv)} lead for reconstruction activity that may take place as part of housing recovery (like a managed repair programme), or whether Government should continue to take an "ad hoc" approach and assign the role after the disaster occurs. The work would also consider:
 - The funding implications of both options. For instance, maintaining a permanent role may not be necessary as it is likely to only rarely be needed.
 - If it is determined that ^{s9(2)(f)(iv)} lead should be assigned, which agency should be assigned the role, and what activities they should undertake to prepare for and maintain the role during 'peacetime'.
 - Lessons learnt from EQC's experience in Canterbury. EQC is documenting detailed aspects of the Canterbury Home Repair Programme to provide to the lead agency for housing recovery. This information includes governance, assurance, the financial model and roles and responsibilities of different parties. EQC's information will include high-level implementation guidance. EQC will have this information ready for handover by the end of 2021. Based on this exercise, EQC's view on the necessary

capabilities s9(2)(f)(iv)
s9(2)(f)(iv) is outlined at Appendix 2.

- s9(2)(f)(iv)
s9(2)(f)(iv), the Treasury does not have a view at this stage on which agency is most appropriate to carry out that role, including whether it should be EQC. s9(2)(f)(iv)
s9(2)(f)(iv)

How EQC's role as the Crown's first loss insurer would interact with the different options for housing recovery will need to be worked through

- EQC will always have a role in supporting reinstatement where appropriate for individual claims as the Crown's first-loss insurer for natural disasters that are covered under the EQC scheme. As first-loss insurer, EQC is responsible for the under-cap³ insurance claims following certain natural disaster events.
- If a large-scale managed repair is part of the Government's chosen housing recovery strategy for a specific natural disaster, there will be options for its design. For example, EQC could cash settle claims and another agency could offer homeowners the option of having their repairs managed by that agency, following pre-prepared plans and contracts. EQC's Canterbury handover information for the lead housing agency includes the interaction of managed repair with the EQC Act and insurers' policies.
- How a managed repair programme would interact with EQC's role would need to be considered and advice provided to Ministers.

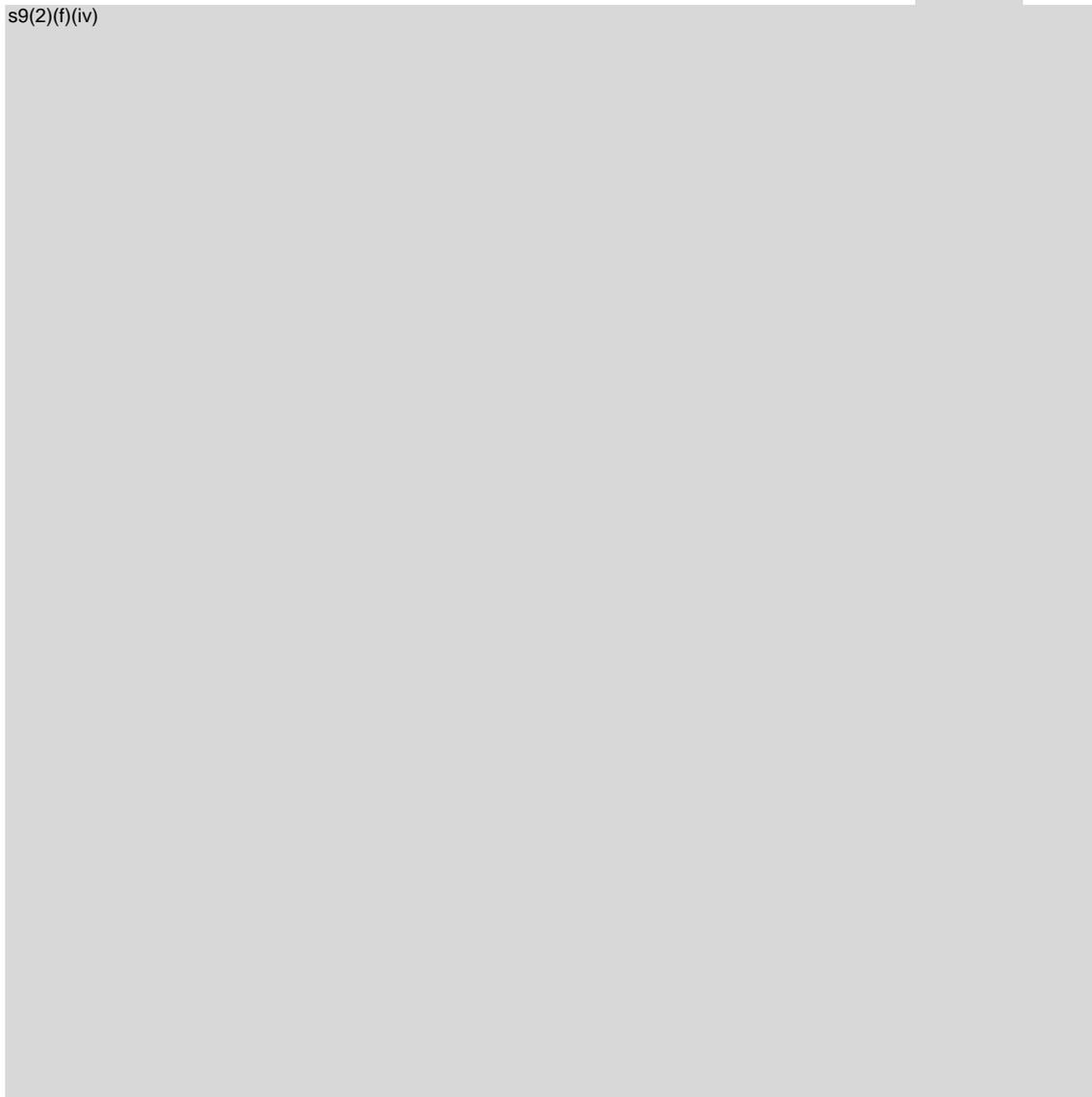
³ Under the \$150,000 cap on EQC building cover.

Appendix 1: Talking points

- I am strongly supportive of an agency(-ies) proactively planning for housing recovery following major disasters. The Public Inquiry into EQC identified such planning as key to ensuring that the issues that arose with the Canterbury Home Repair Programme do not arise again.
- Recommendations in the Public Inquiry report suggest a range of further work needed to address the current gaps in government readiness for housing recovery. For example, one recommendation suggests agencies and experts work together on the need to retire land from residential use.
- I support the need for further policy analysis on a range of issues involved in housing recovery including options for managed repair. s9(2)(f)(iv)
s9(2)(f)(iv)
- EQC will always have a role in reinstatement where appropriate for individual claims as the Crown's first-loss insurer for natural disasters that it covers. If a large-scale Government managed repair programme were to take place in future for EQC-covered disasters, there are options on how it could be designed and delivered, including how roles are shared across relevant agencies.
s9(2)(f)(iv)
- s9(2)(f)(iv) I note EQC's position is its role concerns the insurance response and that an agency with building as a core activity is better placed to undertake any reconstruction programme.
- EQC is preparing information on lessons learnt from the Canterbury Home Repair Programme. This information will help the lead agency for housing recovery to undertake further preparedness planning and policy work.

Appendix 2 – EQC view on capabilities required for housing recovery

s9(2)(f)(iv)





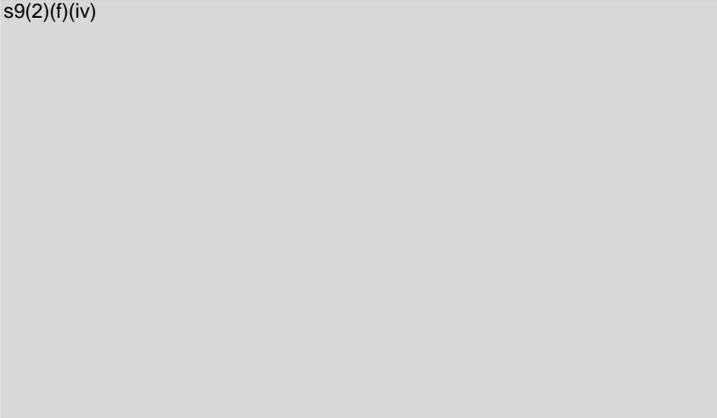
Appendix 3 – Recommendations of the Public Inquiry into EQC relating to managed repair

The Public Inquiry into EQC made a number of recommendations relating to managed repair. This appendix sets out each recommendation and the latest progress update, drawn from Treasury's latest monitoring report on implementation of the Government response to the Public Inquiry [T2021/19 refers]. Note the bulk of the recommendations cannot be progressed until there is greater clarity about which agency is responsible for progressing the housing recovery work programme.

The recommendations can be split into three categories, as indicated in the below table:

- Preparedness – should be progressed by s9(2)(f)(iv) before an event. These could be progressed as part of further work s9(2)(f)(iv) on housing recovery.
- Response – should be progressed s9(2)(f)(iv) following an event.
- Operational – should be progressed by s9(2)(f)(iv) agency as part of implementing a managed repair programme following a disaster.

Recommendation	Latest progress update	Stewardship vs operational
<p>1.1.1: Provide a mandate in legislation for EQC (or another appropriate agency) to coordinate the residential insurance response to ensure housing recovery following a natural disaster, including setting roles and responsibilities, monitoring performance and requiring assistance from other government agencies.</p>	<p><u>Regarding post-disaster housing recovery (recommendation 1.1.3 connection)</u></p> <p>In progress.</p> <p>Ministers have received advice and are actively considering proposed arrangements for lead agency responsibilities for post-disaster housing recovery [NEMA briefing Number 21/39 refers]. A meeting between the Minister of Housing, Minister for Emergency Management, and Minister Responsible for EQC is scheduled for 23 November 2021 to discuss the priority of this work and which agency should lead it as a next step.</p>	<p>Preparedness</p>

<p>1.1.2: Clarify expectations with EQC about its responsibility in land-use planning before, and for the coordination of land remediation after, a natural disaster.</p>	<p><u>Part two of recommendation 1.1.2 re: land remediation</u> [Note part 1 regarding land-use planning is at advanced progress]</p> <p>Dependent on another recommendation.</p> <p>EQC’s role in land remediation is subject to further decisions on recommendation 1.1.3.</p>	<p>Preparedness</p>
<p>1.1.3: Determine how a managed repair programme might be initiated and executed should it be required, and whether EQC should be the lead agency to conduct the programme. If not, then specify EQC’s role in a managed repair and rebuild programme. As part of this, review the discretion in Schedule 3 of the EQC Act enabling EQC to manage the replacement or reinstatement of properties.</p>	<p>In progress.</p> <p>Ministers have received advice and are actively considering proposed arrangements for lead agency responsibilities for post-disaster housing recovery [NEMA briefing number 21/39 refers].</p> <p>s9(2)(f)(iv)</p>  <p>A meeting between the Minister of Housing, Minister for Emergency Management, and Minister Responsible for</p>	<p>Preparedness</p>

	<p>EQC is scheduled for 23 November 2021 to discuss the priority of this work and which agency should lead it as a next step.</p> <p>EQC is bringing together all previous work and experience from the managed repair programme in Canterbury and the implementation of the Natural Disaster Response Model into a 'handover pack' that considers lessons, capabilities, construct and operating model options, and high level implementation, to be shared once a lead agency has been confirmed.</p>	
<p>1.1.5: Develop a mechanism that identifies the threshold for a "major natural disaster", which triggers the coordination of a residential insurance response to ensure housing recovery.</p>	<p>Dependent on another recommendation.</p> <p>Subject to further decisions on recommendation 1.1.3.</p>	Preparedness
<p>2.1.7: Ensure resourcing and support for the housing recovery is available from the outset of a response to a major natural disaster to establish services such as navigators or support coordinators to assist affected communities.</p>	<p>In progress.</p> <p>NEMA's policy unit is undertaking work on Emergency Management System reforms. One objective of this work is to ensure agencies can be determined and systemically assigned to lead a range of disaster response functions across critical infrastructure including water, energy, transport, telecommunications and media. The proposals include introducing obligations for sector-specific response plans, to be updated at three-year intervals, which would enable effective and efficient response if services were to be majorly disrupted. The proposals are being considered by Cabinet on 15</p>	Preparedness

	<p>November 2021. The Emergency Management Bill that will amend the Civil Defence Emergency Management Act 2002 (CDEM Act) will likely be introduced by mid-2022.</p> <p>While this work will not specifically define roles and responsibilities for housing recovery resourcing and support, it will ensure the CDEM Act has appropriate mechanisms in future to set expectations in this space.</p> <p>s9(2)(f)(iv)</p>	
<p>3.1.8: Work with relevant agencies and experts on engineering solutions for housing and land (both area-wide and for individual properties), including determining the need to retire land from residential use and provide monitoring to ensure that these solutions are applied appropriately.</p>	<p>Dependent on another recommendation.</p> <p>Subject to further decisions on recommendation 1.1.3.</p>	<p>Operational</p>

<p>3.1.9: Ensure resources are allocated to provide for emergency repairs, as required, to provide at least temporary shelter, including, as needed, heating and services such as electricity, water and sewerage.</p>	<p>In progress/dependent on another recommendation.</p> <p>MBIE, with support from NEMA and CDEM Groups, will continue to work together to ensure adequate post-disaster temporary accommodation is provided as part of their joint roles as the responsible agency for accommodation planning under the National CDEM Plan.</p> <p>A decision on responsibility to lead housing recovery (see recommendation 1.1.3) would be required to progress further work on whether additional resourcing is required over and above the status quo for emergency repairs and temporary shelter following a disaster. A meeting between the Minister of Housing, Minister for Emergency Management, and Minister Responsible for EQC is scheduled for 23 November 2021 to discuss the priority of this work and which agency should lead it as a next step.</p> <p>Proposals as part of NEMA's Emergency Management System Reforms to modernise the treatment of lifeline utilities, including renaming them as 'critical infrastructure' and clearly setting out the roles and responsibilities of critical infrastructure sectors and entities will address the aspects of this recommendation across water, energy, transport, telecommunications and media. The proposals include introducing obligations for sector-specific response plans, to be updated at three-year intervals, which would enable an effective and</p>	<p>Preparedness</p>
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	<p>efficient response if services were to be majorly disrupted. The proposals are being considered by Cabinet on 15 November 2021. It is expected the Emergency Management Bill will be introduced by mid-2022.</p> <p>While this work will not specifically define roles and responsibilities for housing recovery resourcing and support, it will ensure the CDEM Act has appropriate mechanisms in future to set expectations in this space.</p>	
<p>4.1.1: In the event of a “major natural disaster”, according to the formal threshold determined by government, consider whether a managed repair programme is a suitable response to the event, coordinate the response among all responsible agencies and formally document the decision-making process for clarity.</p>	<p>Dependent on another recommendation.</p> <p>Subject to further decisions on recommendation 1.1.3.</p>	Response
<p>4.1.2: Work with relevant agencies to plan for and ensure adequate temporary accommodation is provided in the aftermath of a major natural disaster.</p>	<p>In progress/dependent on another recommendation.</p> <p>MBIE, with support from NEMA and CDEM Groups, will continue to implement this recommendation as part of their joint roles as the responsible agency for accommodation planning under the National CDEM Plan.</p> <p>A decision on responsibility to lead housing recovery (recommendation 1.1.3) would be required to progress further work on whether additional resourcing is required over and above the status quo for emergency repairs and</p>	Preparedness/response

	temporary shelter following a disaster. A meeting between the Minister of Housing, Minister for Emergency Management, and Minister Responsible for EQC is scheduled for 23 November 2021 to discuss the priority of this work and which agency should lead it as a next step.	
4.1.3: Develop a plan for engaging a workforce that includes expertise in procurement, project management, contracting and engineering.	Dependent on another recommendation. Subject to further decisions on recommendation 1.1.3.	Preparedness
4.1.4: Ensure there are systems developed to identify fraudulent practices by any party in any repair programme.		Preparedness
4.2.1: Agree with government from the outset of any repair programme who will be responsible for quality assurance and sign-off, how this will be implemented, including how building standards will be applied and how the homeowner will be involved; and communicate this to the public.		Preparedness + response
7.1.1: Coordinate an ongoing relationship with key partners, who will be necessary to the residential insurance response following the threshold for a “major natural disaster” being met, to establish the roles and responsibilities of each entity. These partners might	Dependent on another recommendation. Subject to the assessment at 1.1.3.	Preparedness

<p>include the Treasury, the Ministry of Building, Innovation and Employment, the National Emergency Management Agency, Te Puni Kōkiri, Land Information New Zealand and the Ministry of Social Development.</p>		
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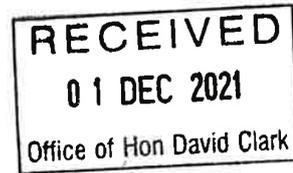
Hon Poto Williams

MP for Christchurch East

Minister for Building and Construction
Minister of Police

Associate Minister for Children

Associate Minister of Housing (Public Housing)



30 NOV 2021

Hon Dr David Clark
Parliament Buildings
WELLINGTON 6160

Tēnā koe David

Thank you for your letter dated 27 October 2021 regarding progress to implement three recommendations of the Public Inquiry into the Earthquake Commission (the Inquiry):

Inquiry recommendation 2.1.7

Ensure resourcing and support for the housing recovery is available from the outset of a response to a major natural disaster to establish services such as navigators or support coordinators to assist affected communities.

Inquiry recommendation 3.1.9

Ensure resources are allocated to provide for emergency repairs, as required, to provide at least temporary shelter, including, as needed, heating and services such as electricity, water and sewerage.

Inquiry recommendation 4.1.2

Work with relevant agencies to plan for and ensure adequate temporary accommodation is provided in the aftermath of a major natural disaster.

I can confirm that recommendation 4.1.2 falls within my Associate Housing (Public Housing) portfolio, in relation to my responsibility for the Ministry of Business, Innovation and Employment's (MBIE's) Temporary Accommodation Service (TAS) business unit.

This recommendation is already being implemented through TAS' statutory duty under the National Civil Defence Emergency Management Plan Order 2015 to coordinate the provision of temporary accommodation for displaced people following an emergency.

TAS is currently managing six active responses of varying sizes; supporting displaced households in Napier (November 2020 flooding), Canterbury (May 2021 flooding), Papatoetoe (June 2021 tornado), Tokomaru Bay (June 2021 flooding), the West Coast (July 2021 flooding), and West Auckland (August 2021 flooding).

You highlight TAS' West Coast response in your letter; it is currently TAS' largest active response (276 households have been registered to date) with demand for temporary accommodation likely to remain for around two years. As a result, TAS has increased its strategic reserve of porta-cabins, leased commercial accommodation options until 2022, and a proposal to develop a temporary accommodation village is due to be considered by Cabinet shortly.

My only concern for the continued implementation of recommendation 4.1.2 is TAS' ability to respond to a *major* natural disaster within current baselines. TAS is currently only in a position to respond to smaller scale events. Demand for TAS has increased significantly over the past year due to an increase in weather events but TAS' baseline funding has remained the same. This has caused TAS to experience cost pressures in managing its strategic reserve of porta-cabins, its IT systems, and in planning for future responses.

TAS received a Budget 22 invitation and will be seeking an increase in baseline funding to ensure adequate temporary accommodation can be planned for and provided in the aftermath of future events. This funding will ensure TAS is in a better position to identify future risks and what future investment is needed to ensure TAS' ability to provide adequate temporary accommodation in the aftermath of a major natural disaster.

The work for recommendations 2.1.7 and 3.1.9 is being led by the National Emergency Management Agency (NEMA). I understand you will shortly receive a detailed progress update from the Treasury outlining NEMA's work on the Emergency Management Systems reforms.

TAS supports this work through the planning and provision of temporary accommodation for displaced people during the recovery phase that follows an emergency event. Temporary accommodation is distinct from the shelter and emergency accommodation provided by regional CEDM groups for short periods in the immediate aftermath of an emergency event in schools, marae and other community facilities.

I am interested to hear the outcome of your engagement with the Housing and Emergency Management Ministers regarding post-disaster housing recovery. Identifying a lead agency will enable the necessary steps to be taken to prepare a housing recovery programme in readiness for a significant event.

My hope is that additional funding received through Budget 22 will increase TAS' ability to work with other agencies to ensure adequate post-disaster temporary accommodation is properly planned for.

I trust you have found this information useful. I am happy to discuss any matters with you further.

Nāku noa, nā

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke extending to the right.

Hon Poto Williams

Associate Minister of Housing (Public Housing)

Cross-agency meeting on post-disaster housing recovery – Annotated agenda

27 May 2022 – 1.30-2.30pm

Attendees:	Stephanie Rowe, Adam Brown (MHUD) Paul Stocks (MBIE) Lars Piepke, Michala Beacham (EQC) Jenna Rogers, Adam Allington (NEMA) Bryan Dunne (DPMC) James Beard, Steve Cantwell, Danijela Tavich (Treasury)
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Agenda:	<ol style="list-style-type: none"> 1. Background/context to the work (5 min) 2. What roles and responsibilities for housing recovery may comprise (5 min) 3. Should government seek to pre-assign roles and responsibilities for housing recovery? (20 min) 4. Next steps and approach to s9(2)(f)(iv) (30 min)
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Key discussion points:	<ol style="list-style-type: none"> 1. Should roles and responsibilities for post-disaster housing recovery be assigned to allow for preparedness planning? 2. Do agencies agree with the approach to s9(2)(f)(iv) s9(2)(f)(iv) 3. s9(2)(f)(iv) 4. Should any of the discussion points/decisions made during today's discussion be reflected in s9(2)(f)(iv) s9(2)(f)(iv)
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Annotated agenda:

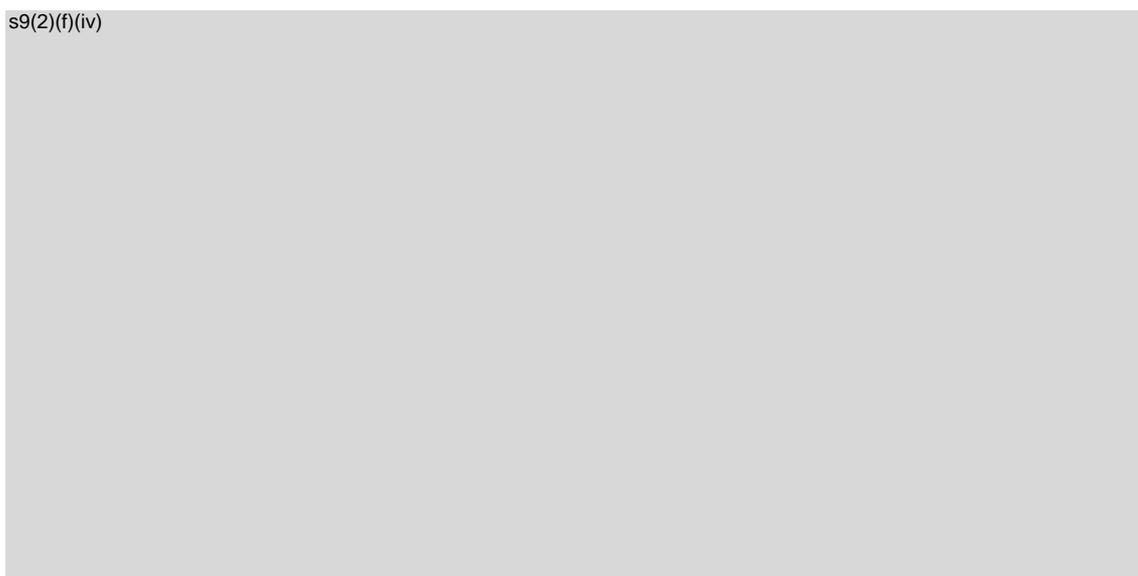
1. Background/context to the work

1. Following a major disaster, the Government will need to consider whether and how to best respond to support housing recovery, for example a managed repair programme was undertaken following the Canterbury Earthquake Sequence. There is currently no plan for, or agency with the capacity or capability to lead, a housing recovery response.
2. In November 2018, the Government appointed Dame Silvia Cartwright to undertake a Public Inquiry into the Earthquake Commission (EQC). Recommendation 1.1.3 of the Public Inquiry stated that to improve future preparedness Government should: *“Determine how a managed repair programme might be initiated and executed should it be required and whether EQC should be the lead agency to conduct the programme. If not, then specify EQC’s role in a managed repair or rebuild programme. As part of this, review the discretion in Schedule 3 of the EQC Act enabling EQC to manage the replacement or reinstatement of properties.”*
3. While the Inquiry’s report refers to further work needed on “managed repair”, this paper and proposed next steps refer to housing recovery. Housing recovery is much broader than managed repair. Managed repair, which involves actively coordinating the residential rebuild process, is one intervention that may be needed among many to achieve the Government’s objectives for a post-disaster housing recovery. For example, addressing housing recovery could include impacts of the event on the building supply pipeline and on the housing market (rents and house prices).

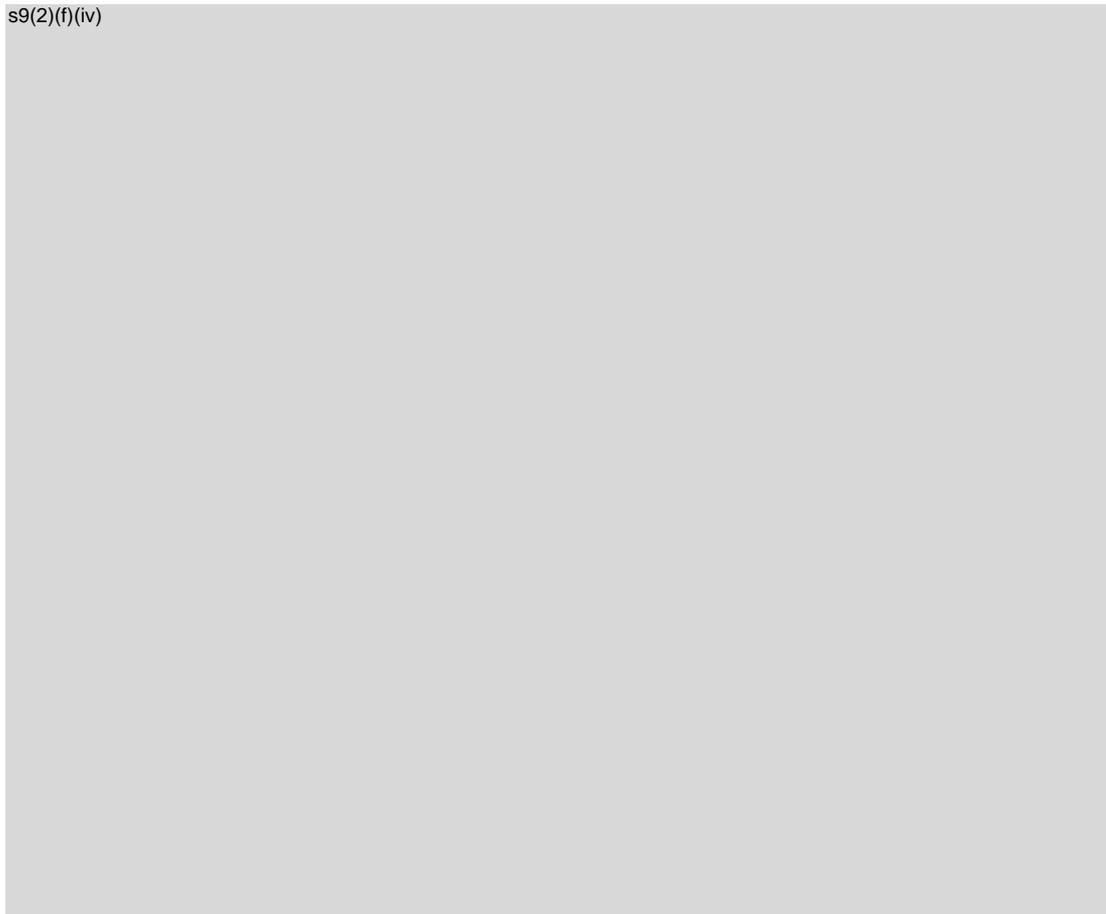
2. What roles and responsibilities for housing recovery may comprise

Capabilities needed for a lead housing recovery agency

s9(2)(f)(iv)



s9(2)(f)(iv)



3. *Should government seek to assign roles and responsibilities for housing recovery prior to a disaster event?*

7. If roles and responsibilities for housing recovery are not assigned, the status quo would be maintained, which is that no specific agency is responsible for post-disaster housing recovery, including planning in advance for such an occurrence. Following the Canterbury earthquake sequence, the Canterbury Earthquake Recovery Agency (CERA) was established, which involved seconding relevant expertise from across government into a standalone agency with a dedicated function which worked across the full spectrum of recovery work needed (health, utilities, education, housing, etc). An ad hoc recovery agency would need to draw on expertise across government per the roles in Appendix 1.
8. It is likely that assigning a lead agency for housing recovery would not entirely remove the need for an ad-hoc CERA type of body, given the breadth of its work across matters broader than housing recovery. Relying on a CERA approach to also coordinate the entirety of the housing recovery response is a legitimate option. But, as the Inquiry found that relying on this sort of model led to poor outcomes in Canterbury, it is not recommended.
9. Many of the shortfalls of the Canterbury Home Repair Programme can be attributed to a lack of planning and experience. For example, EQC did not begin actively monitoring and managing the CHRP until 2013, when the programme was established in 2010. A future lead agency will be able to avoid pitfalls such as this

by undertaking preparedness planning ahead of time, for example, planning for what might be needed, agreeing who would operationally lead various aspects of the recovery under different scenarios, how resources would be reprioritised, and how this would be managed and fed into the wider recovery.

4. Next steps and approach to s9(2)(f)(iv)

- 10. s9(2)(f)(iv)
- 11.
- 12.

Appendix 1: Key agencies to advise on a post-disaster housing recovery intervention

- **NEMA:** Under the NCDEM Plan, NEMA is responsible for coordinating the national-level management of emergencies resulting from meteorological and geological hazards, which are most likely to result in impacts to buildings that require a large-scale post-disaster managed repair programme. The NCDEM Plan notes that the Government may establish an agency to manage and co-ordinate the Government's interest in large-scale recovery. NEMA is also responsible for coordinating Civil Defence Emergency Management Group response and recovery activities at local and regional levels.
- **EQC:** Private insurers will be the first point of call for those suffering residential property damage. EQC's relationships and ability to access data held by private insurers will support a deeper understanding of the scale and nature of the building/repair task, the ability to contact those affected and prioritise repair work. EQC will also fund land and under-cap building claims costs (under \$150,000, though noting the cap will increase to \$300,000 from October 2022).
- **The Ministry of Business, Innovation and Employment (MBIE):** MBIE is a steward of building management in an emergency and will play a significant coordination role at a national level when an emergency occurs. Under the NCDEM Plan, MBIE is responsible for:
 - Leading rapid building assessment functions in a state of national emergency. MBIE has an oversight role for building quality, and is also responsible for working with territorial authorities on the initial rapid building assessment process in a state of national emergency, though this focus tends to be on high risk commercial buildings in the CBD.
 - Providing building management policy advice to the Government as requested, including advising the Government on the requirements for facilitating the efficient and effective recovery of building stock and functions.

MBIE is also responsible for the Government's Temporary Accommodation Service, which provides accommodation to households displaced from their homes for longer than two weeks, in the wake of a natural disaster.

- **MHUD:** MHUD has a range of interests in the housing recovery space including:
 - MHUD holds specific housing sector expertise that would inform judgements about whether and how to restore an area. For example, MHUD has good information at a spatial level about different regions and is best placed to advise on large-scale repair strategies.
 - MHUD administers the Urban Development Act, which would be one legislative option (potentially with some amendments required) for setting up a rebuild authority. Any significant housing repair programme following a major natural disaster would need to be undertaken in the context of a broader rebuild which considered roads, schools, health facilities, business etc. MHUD also has a role in the fast track consent process under the Resource Management Act (alongside Ministry for the Environment).
 - MHUD is the department responsible for Kāinga Ora as a Crown agent. In the event of a major natural disaster, MHUD would need to provide urgent advice to the Minister of Housing on the role of Kāinga Ora, and implications.

- MHUD has responsibility for the Unit Titles Act and the repair implications for body corporates following a natural disaster.
- MHUD has responsibility for public housing/transitional housing tenants whose houses are damaged through a natural disaster, and to others who become homeless following a natural disaster and need emergency housing support (shared responsibility with MSD and MBIE – Temporary Accommodation Services).
- **Te Puni Kōkiri (TPK):** TPK has a role in supporting and funding urgent housing repairs in Māori communities for 200 to 500 houses per year. The approach is to fund competent Māori organisations within each community (usually Whānau Ora providers) to coordinate and manage the repair programmes. Additionally, TPK has a regional presence across the country connected to Māori communities. In the event that a natural disaster occurred in a predominantly Māori community, TPK would be required to act in a ‘government first responder’ role and would engage its local networks.
- **The Ministry of Social Development (MSD):** MSD is best placed to advise on identifying and supporting vulnerable people and communities, and has a complementary role in providing income and employment support to communities impacted by a disaster.
- **The Treasury:** As EQC monitor, Treasury would be best placed to advise on managing the volume of residential property insurance claims, and if relevant, expected impacts for the Crown Guarantee.
- **Te Kawa Mataaho (the Public Services Commission):** Te Kawa Mataaho would be involved due to their responsibility for the Public Sector Act and expertise in cross-agency governance arrangements generally.

Summary of cross-agency DCEs meeting on post-disaster housing recovery

Meeting: 27 May 2022

Attendees:	Stephanie Rowe, Adam Brown (MHUD) Paul Stocks (MBIE) Lars Piepke, Michala Beacham (EQC) Jenna Rogers, Adam Allington (NEMA) Bryan Dunne (DPMC) James Beard, Steve Cantwell, Danijela Tavich (Treasury)
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Meeting summary/key points:

- Agencies will work together to undertake further work to make recommendations as to which agency will lead housing recovery.
- This work should provide context about what is already going on in the system including related workstreams.
- Governance arrangements at the Ministerial and agency level should be established to oversee this work.

Minutes:

- The analysis should provide a wider view of all the things that happen in a disaster. It should also unpick the connections with the Temporary Accommodation Service. Further, now that the Earthquake Commission uses insurers as an agent, there is an even closer relationship with the insurance industry.
- Any recommendations will be subject to Ministerial agreement.
- Agencies will consider governance arrangements across agencies and Ministers to support the work.
- Any future housing recovery programme would need to consider:
 - Whether to deploy a response to non-emergency situations
 - How to take into account the Building Code
 - Prioritisation of repairs
 - Labour and materials.
- Based on the above, the lead will have broader roles than managed repair (considering labour supply, etc). Further analysis will need to tell an integrated story about social need and the short-term response following a disaster and making it clear there are different sorts of focus areas for an agency for housing recovery to consider.

- Government will have significant decisions to make about placemaking following a large-scale event, there will be houses to repair but it will also require a meta view of the issue not just the managed repair aspect.
- Further work is required to bring these issues to the fore, test through Ministerial consultation, and establish some process, governance arrangements in place, deadlines, etc. There is also a resourcing implications point.
- The National Emergency Management Agency (NEMA) has parallel expertise that they can align with the work in terms of emergency preparedness, a lot of modelling goes on that underpins their planning. NEMA has done some early work on a large-scale recovery framework – it was a recommendation of the Office of the Auditor General for governments to have tools available for any future large recovery. This work can be resumed and finalised as an input to this process – it's about whether to stand up a big agency like the Canterbury Earthquake Recovery Agency again and what the tools are for Government.
- Where we have got to is we will develop further analysis to:
 - lay out the issues, and put these into context in terms of the issue being broader than managed repair,
 - set out what would happen in the case of an event,
 - set out the linkages including other policy areas and pieces of work (talking about the NEMA large scale recovery framework and so forth),
 - identify the skill sets required for the agency.
- There is a question as to whether to focus on generic planning vs specific situations - question about how far we go in terms of a detailed plan.
- There is a cycle with misplaced people - emergency/temporary accommodation and then managed repair. There's a whole workstream on the emergency accommodation space which is NEMA's responsibility. The Ministry of Business, Innovation and Employment (MBIE) is responsible for temporary accommodation. Painting the picture is important but we cannot wait for each piece to be done, it has to be done concurrently.
- This suggests we are looking at a suite of workstreams. The analysis might say there are 3 workstreams underway, who is responsible, and when they will report back.
- There is currently a focus in the EQC Policy team on the Natural Hazards Insurance Bill process which may cause some delay. But given where we are and gains made it will be good to get work underway sooner rather than later.