

9(2)(a)

From: 9(2)(a)
Sent: Friday, 4 March 2011 12:04 p.m.
To: 9(2)(a)@treasury.govt.nz 9(2)(a)@workingwise.co.nz
Subject: OSH in Brisbane

Just to keep you in the loop.

At this morning's briefing I asked about OSH activities in Brisbane. Have just had a call to say that Verifact have engaged counsellors etc for their staff and that after each tour of duty, assessors are contacted for a debrief. I understand about 4 people are being monitored as they were witness to dead people/helped recover people from rubble etc.

Regards

9(2)(a)
Risk & Assurance Manager, Earthquake Commission
Level 20, Majestic Centre, 100 Willis Street, Wellington 6140
Mob 9(2)(a) 5
Fax
Email 9(2)(a)@eqc.govt.nz



Please consider the environment before printing this email

9(2)(a)

From: EQC Info
Sent: Friday, 4 March 2011 3:38 p.m.
To: 9(2)(a)@treasury.govt.nz; 9(2)(a)
Subject: FW: Message from the Chief Executive

Dear All,

I would like to thank you for the great work you have undertaken over the last eleven days. I know that a number of you will have been personally impacted by the events and I've seen first-hand the great achievements that have been made on the ground so far, including the re-opening of our Deans Avenue office.

From this Wednesday (9 March), our assessment process will get underway in Canterbury. The next few days and weeks will continue to be turbulent and I am sure that you will continue to rise to the challenge. I'd also like to remind you of the Employee Assistance Programme, which is a 24 hour support service on 0800 327 669.

The Executive team has been working on ways to effectively communicate with you all – it is not straightforward, but I'm hoping that communication will now take place more smoothly and frequently.

Kindest regards,

Ian Simpson.

Chief Executive.

This email message (along with any attachments) is intended only for the addressee(s) named above. The information contained in this email is confidential to the New Zealand Earthquake Commission (EQC) and must not be used, reproduced or passed on without consent. If you have received this email in error, informing EQC by return email or by calling (04)978 6400 should ensure the error is not repeated.

Please delete this email if you are not the intended addressee.

9(2)(a)

From: 9(2)(a)
Sent: Friday, 4 March 2011 3:54 p.m.
To: 9(2)(a); Ian Simpson; Lance Dixon; Bryan Dunne; 9(2)(a);
9(2)(a)@prodirections.com; 9(2)(a)@treasury.govt.nz; 9(2)(a);
9(2)(a)@ridgehill.co.nz; 9(2)(a)
Cc: Phillip Jacques
Subject: RE: Risk Workshop (Jane) - pre reading

Hi everyone,
Attached is the material for next week's risk workshop, including a one page (A3) summary of the risk assessment criteria which will be an easier reference document in the workshop (I will bring some copies with me).

The objectives of the workshop are to:

- Confirm EQC's criteria to be used for evaluating a risk
- Identify and assess EQC's high level risks
- Agree next steps

The presentation includes 10 key risk areas that I have identified over the last few weeks. These are not definitive and can be revised as seen fit.

The intended output of the workshop is a completed risk map which can be validated prior to reporting to the Audit, Risk & Compliance Committee.

Regards

9(2)(a)



Attachment: 1
Attachment: 2
Attachment: 3
Attachment: 4

-----Original Appointment-----

From: 9(2)(a)
Sent: Friday, 4 March 2011 11:32 a.m.
To: 9(2)(a); Ian Simpson; Lance Dixon; Bryan Dunne; 9(2)(a); 9(2)(a)@prodirections.com; 9(2)(a)@treasury.govt.nz; 9(2)(a); 9(2)(a)@ridgehill.co.nz; 9(2)(a); 9(2)(a)
Subject: Risk Workshop 9(2)(a)
When: Thursday, 10 March 2011 2:00 p.m.-4:00 p.m. (UTC+12:00) Auckland, Wellington.
Where: Board room

9(2)(a)

From: 9(2)(a)
Sent: Friday, 4 March 2011 12:16 p.m.
To: 9(2)(a); Ian Simpson; Lance Dixon; Bryan Dunne; 9(2)(a);
9(2)(a)@prodirections.com; 9(2)(a)@treasury.govt.nz; 9(2)(a)
9(2)(a)@ridgehill.co.nz; 9(2)(a)
Cc: Phillip Jacques
Subject: RE: Risk Workshop 9(2)(a)

Hi everyone,

The purpose of this risk workshop is to get a complete a high level risk assessment of our key risks, so that we can develop a more focussed approach to risk management. I hope to have more information to you by the end of the day, failing that Monday morning.

Regards

9(2)(a)

-----Original Appointment-----

From: 9(2)(a)
Sent: Friday, 4 March 2011 11:32 a.m.
To: 9(2)(a); Ian Simpson; Lance Dixon; Bryan Dunne; 9(2)(a); 9(2)(a)@prodirections.com; 9(2)(a)
9(2)(a)@treasury.govt.nz; 9(2)(a)@ridgehill.co.nz; 9(2)(a); 9(2)(a)
Subject: Risk Workshop 9(2)(a)
When: Thursday, 10 March 2011 2:00 p.m.-4:00 p.m. (UTC+12:00) Auckland, Wellington.
Where: Board room

9(2)(a)

From: 9(2)(a)@clear.net.nz
Sent: Saturday, 5 March 2011 4:53 p.m.
To: 9(2)(a)@treasury.govt.nz
Cc: Reid Stiven
Subject: SOME BACKGROUND PAPERS FOR HEATHER
Attachments: INFORMATION FOR NEW CONTRACTORS - Version 2 (2).docx; Appointment Process Description - Draft 2.docx; Non-Performance Guidelines.doc; Loss Adjustor Pay Rates and Criteria #2.doc; Personnel Manager.doc; Why Not NZ LAs.pdf; Naive Query on Contracts.pdf

Hi Jo

I am sending this to you because I don't know 9(2)(a)'s email address yet. I am presuming you will be briefing her and can pass this on.

You asked me to let you have a copy of any key issues papers I might have raised. There are surprisingly few I guess we have not been too formal or perhaps focussed mainly on the operational issues relating to individuals.

But I have attached copies of a few things that I think might be of interest.

- From my point of view the most important issue at the moment is management of the provider organisations (agents and companies) who are so blatantly taking the contractors for a ride. You have had emails about this already so I won't burden you further with it at the moment. As you will appreciate, there is more to this than meets the eye.
- I think I have sent you a copy of the paper I wrote about managing field staff pay rates; that too is an important issue I believe, and one that will bite us in the bum if we don't get on top of it. A further copy of my paper on this is attached (just in case).
- You expressed interest in my early note backgrounding the need for the Personnel Manager role here so I have tossed that in too.
- I have included the exchange of emails following my questioning the use of Australian rather than NZ loss adjustors (last October). While things have evolved since, I think the points are still valid.
- Despite all the work that has gone into the contracts that all the field staff use, I think there is some scope to rethink the approach? I briefly raised this with 9(2)(a) (email attached) but I don't recall seeing a reply.

As I think you understand, our focus here is on facilitating the work of the fundamental work of the Commission, but we are also quietly building systems and processes as we go. Given that in the past EQC really divorced itself as much as it could from the personnel aspects of the work I don't think things are going too badly.

Just incidentally though, as I expect you know, the one HR-related thing that has caused the most angst here and in the lives of the contractors is the problems the Commission has had in paying them the right amount and on time. Things have moved forward a long way in recent times, but I still feel we are at risk of tripping over again despite all the good work in both Wellington and Christchurch. Anyway 9(2)(a) will have a solid perspective on that so I will leave it to her for now.

There are lots of other things we could discuss but not now I guess. No doubt you and 9(2)(a) will be talking with lots of EQC Wellington staff and there will be a lot to digest. I mustn't forget too, that Christchurch is not the only operational EQC site.

Jo, I don't know when you are going to toss the ball to 9(2)(a) but when you do please give her my best wishes. I am looking forward to helping with whatever might be appropriate. And thank you Jo, our brief contact has been great.

Best regards

9(2)(a)

9(2)(a)
Personnel Manager (Christchurch)

p.s. 9(2)(a) undoubtedly have some more thoughts to add in due course.

DESCRIPTIVE OUTLINE OF PROPOSED PROCESS FOR ENGAGEMENT OF LOSS ADJUSTERS

1. **REQUIREMENT** The Senior Claims Coordinator (Reid) advises Workforce Planning (9(2)(a)) / (9(2)(a)) his expectation of the workforce strength required.
2. **WORKFORCE CALCULATION** (9(2)(a)) and A (9(2)(a)) calculate the strength required and any shortfall to be made up with new contractors for future Pods.
3. **SPECIFICATION** Workforce Planning advises Personnel ((9(2)(a))) of the numbers and types required and when they are required.
4. **INITIAL APPROACHES** Personnel approach suitable candidates, explore availability, and take them through a shortlisting process and, as appropriate, an interview process (by telephone or in person). Personnel carry-out reference and other checks if time allows and as considered necessary.
5. **ADDITIONAL CANDIDATES** Where Personnel do not have an available pool of candidates they seek additional CVs through existing contractual arrangements with suppliers and through local contacts.
6. **ACKNOWLEDGEMENTS** All applications are acknowledged by Personnel, as soon as possible after receipt.
7. **CRITERIA FOR SELECTION** All candidates CVs are considered on the basis of merit, defined as relevant experience, demonstrated competence, relevant personal attributes, availability and qualifications.
8. **LOCAL PREFERENCES** For reasons of costs, and empathy with claimants, where they are available and meet the requirements for selection, priority is also given to (1) Canterbury-based candidates, and (2) NZ candidates, before any overseas suppliers are asked to provide suitable returning contractors, or the CVs of potential contractors.
9. **NON SELECTION** Personnel send a letter to all unsuitable applicants after their candidacy has been considered on the basis of their CVs, interviews and/or reference checks.
10. **COMPULSORY REQUIREMENTS** Irrespective of whether they are returning contractors or new contractors, whether they are provided through a company, an agency or by themselves, all contractors are required to confirm that they agree to Police checks, and confirm that they have a right to work in NZ, have no criminal record (or declare the record they do have), and that they are in good health and do not have any existing health condition that would prevent them carrying out the work required.
11. **RECOMMENDATIONS** Personnel ((9(2)(a))) summarise their conclusions and recommend names to Reid for engagement, subject to any provisos regarding background checks, agreements and confirmations.
12. **APPROVALS** Reid approves (or declines) all recommended engagements.

13. **APPROVAL ADVICE** Personnel telephone and email approved potential contractors, advise them of the decision, and arrange for the provision of any documentation still required from the prospective contractor.
14. **DOCUMENTATION** On receipt of appropriate responses, Personnel email to contractors any documentation that they can prepare or read before coming to induction, including a readable copy of the relevant contract.
15. **CARS AND HOTELS** Personnel provide Administration (9(2)(a)) with the information they need to arrange hotel and rental car bookings. Administration do this and provide the details to the incoming contractors by email and telephone (if necessary).
16. **ADVICE TO WELLINGTON** Personnel (9(2)(a)) copies the original approval for engagement, files the copy, and (as requested) emails a copy to EQC Accounts in Wellington, and sends them the original.
17. **INDUCTEE LISTING** Personnel (9(2)(a)) prepares a summary schedule of the names (as well as employer details and origins) of expected attendees at the next Induction and Training session and provides that to Accounts (9(2)(a)) andwho?... (Training).
18. **INDUCTION & CONTRACTS** Personnel and Accounts attend the Induction session to provide information and advice to attendees on working with EQC, conditions of work and practical administrative issue including information on how independent contractors should invoice the Commission for their work. The Personnel/Accounts team also oversees the completion of contracts and all other required documentation by contractors.
19. **CRIMINAL CONVICTIONS** Any issues relating to criminal convictions and similar issues are dealt with by the Personnel Manager in consultation with the Senior Claims Coordinator.
20. **COMPANY CONTRACTS** Where necessary, Personnel send contracts to the owners/directors of companies which have provided their employees or have acted as an agent and provided contractors to EQC, and Personnel manage the completion and return of those contracts.
21. **CONTRACT COPIES** Personnel provide a copy of the appropriate contract to each contractor, either as a blank contract marked EXAMPLE or if necessary as a photocopy of the contract they signed.



INFORMATION FOR NEW LOSS ADJUSTORS & ESTIMATORS

This Version dated: 24 January 2011

INTRODUCTION

This summary of information is intended to help new Loss Adjustor and Estimator contractors working with the Earthquake Commission by summarising the essential things contractors need to know. It does not cover everything and it tries to avoid too much unnecessary detail.

This information is as up to date as possible at the date of printing but it is subject to amendment, correction and updates.

Please email any suggestions for amendment to [9\(2\)\(a\)](#), [9\(2\)\(a\)](#)

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ACCOMMODATION

1. ACCOMMODATION

a. Commission Arranged

Most people are accommodated in hotel rooms arranged and paid for directly by the Commission. The standard of accommodation varies between hotels and is of a “Good” or better standard. It is logistically impractical for the Commission to allow individuals to make their own bookings, and the Commission can make savings by accessing special rates.

Some individuals may prefer to be accommodated in motel accommodation and this can be requested and arranged through EQC suppliers as long as it does not cost more than an average hotel room. Not all motels are available to the Commission this way.

Some contractors bring family members with them. They may stay in the Commission-arranged accommodation but any additional charges must be borne by the contractor.

b. Privately Arranged

The Commission does allow contractors to make their own accommodation arrangements if this is approved in advance by the Commission. Approval MUST be sought in writing (email) addressed to personnel_mgr_chch@clear.net.nz and should not be confirmed until approval is given.

If privately arranged accommodation is approved, the Commission will pay an all-encompassing allowance of \$130 per day (plus GST) without receipts, when claimed at the end of each tour. This allowance will not be available to anyone who normally lives within 30 kilometres of their field office or who returns home each night.

NB – This allowance is in lieu of the daily meals and incidentals allowance, and recipients will be responsible for costs associated their own laundry and telephone calls. A condition of approval is that contractors assume responsibility for ensuring that they get to their field office no later than 8am each day.

2. LAUNDRY

Your hotel will provide a laundry service at special rates to the Commission. There are some limits. The norm is that your hotel will handle two bags of laundry a week, with each bag containing up to four items of clothing per day. In addition two items of dry cleaning may be processed each week. The Commission is billed directly for your laundry. You are likely to be charged for additional items. Many hotels provide more detailed information about the timing of laundry collection.

3. TELEPHONE CALLS HOME

You are entitled to make a telephone call home, of up to 15 minutes per day, from your hotel room or EQC mobile phone if you have one. The Commission prefers that you use the mobile phone if you have access to one, because it is cheaper than calls from hotel rooms.

4. MEALS AND INCIDENTALS ALLOWANCE

Contractors who do not normally live in Christchurch may claim a meals and incidentals allowance of \$70 (plus GST) for each night away from home, and \$70 plus GST for the day of their return to home. This can be claimed (without receipts) at the end of each tour. The allowance may be claimed for Sundays as well as worked days.

Contractors who are not entitled to the normal meal and incidentals allowance and who normally live in Christchurch may claim a meal allowance of \$15 plus GST per day for each 10 hour day worked. (This allowance is NOT payable while the Contractor is being given lunch at Induction and Training).

TRAVEL

1. TRAVEL TO AND FROM CHRISTCHURCH (OR OTHER LOCATIONS)

The Commission pays for your travel to and from Christchurch at the beginning and end of each tour. This should be by the most economical means and route, bearing in mind costs and time.

You are asked to make your own travel arrangements to and from Christchurch. The Commission reimburses all reasonable costs when you submit your claims. Costs can include taxis/shuttle or other transport expenses (e.g. mileage allowance at the rate of \$0.85 / kilometre) in going to and from airports. You may also claim for the time spent in travelling. You will need to provide receipts.

If you drive to and from Christchurch rather than flying, you may claim the mileage allowance (without receipts) but the total costs to the Commission must not exceed the total costs of travel time and transport if you had travelled by air. (Reimbursement for driving is limited to the cheaper of the total cost of driving and associated time, or of flying (Air NZ Flexifare rate) and associated time.

2. TRAVEL ACROSS CHRISTCHURCH - RESIDENTS

Some Christchurch-resident contractors have considerable distances to travel each day to get to their field offices. The cost of public transport and /or mileage allowance may be claimed. Public transport is expected to be used where practicable. A combination of public transport and mileage allowance may be paid.

3. PRIVATE VEHICLES AND PARKING

If you travel to and from Christchurch in your own vehicle, you will be expected to be responsible for any costs associated with parking it. (Some hotels charge an overnight fee of about \$10 per night).

However, if the total costs of your travel to and from Christchurch, including time and mileage allowance, do not exceed the total costs that would have been incurred if you had travelled by air, the Commission will consider reimbursing the costs of parking. A case for this may be submitted with the rest of your claim, at the end of each tour. The case will need to include sufficient information to justify approval.

4. RENTAL VEHICLES

The Commission provides Budget rental cars for the use of each Loss Adjustor / Estimator team. The car is the responsibility of the Loss Adjustor but may be driven by both the Loss Adjustor and the Estimator as long as they have both provided copies of valid and current licences at Induction.

Each driver is responsible for the care of the vehicle, for abiding by all traffic and safety rules, and for the payment of any fines incurred.

Any accidents or damage must be reported to the Administration team immediately.

Cars are arranged for each Loss Adjuster to pick up from the airport on arrival, once details of flight arrivals are advised to the Administration staff. Cars are to be returned to the hire company at the airport at the end of each tour.

5. FUEL

Fuel cards may be borrowed when required from administrative staff in each Field Office. The requirements for the use of the card are explained when the card is borrowed.



1. EMPLOYEE ASSISTANCE PROGRAMME

The Employee Assistance Programme (EAP) provides assistance and support to EQC contractors whose personal or work problems could significantly affect their work performance. (But please note – EQC contractors are not ‘Employees’).

Personal problems can be related to any number of issues, including:

- Mental and Physical Health
- Personal and Work Stress
- Personal and Work Relationships
- Anger Management
- Trauma
- Drugs and Alcohol
- Grief
- Budgeting or Finance
-

EAP support is arranged through EAP Services Limited, an independent external organisation contracted by us.

The main features of our programme are:

- All EAP Services professionals are qualified and registered practitioners.
- All professional support normally takes place away from our worksite at the offices of EAP Services Limited or their affiliates.
- The programme is totally confidential.
- All contractors can use our Employee Assistance Programme.
- In urgent situations EAP Services can be contacted 24 hours, 7 days per week.
- You are encouraged to refer yourself to the programme.
- Managers can refer contractors when assisting a contractor to deal with a performance or work issue.
- The EAP Programme cost is met by us for the first three (3) hours of assistance. Should on-going treatment be required, this may be the contractor’s responsibility.
- To use the EAP Programme please call EAP Services stating you wish to make an appointment through the Earthquake Commission Employee Assistance Programme. If you are a contractor in a field office, when asked for your business group please advise you are in the Canterbury Response Team.

Telephone: (0800) 327-669 or (03) 348 0854. Email: ch@eapservices.co.nz

2. MEDICAL CARE

The Commission has arranged for EQC contractors to be able to use the services of the Pegasus 24/7 Medical Clinic in Christchurch.

Contact Details are: Pegasus Health Accident and Acute Medical Services, Corner Bealey Avenue and Colombo Street, Christchurch City - Phone: 03 365 7777

If your injury or illness is life threatening, call for an ambulance for access to Christchurch Hospital, or the nearest tertiary care facility available. The number for an ambulance throughout New Zealand is "111".

The Commission is NOT responsible for the payment of any costs incurred.

3. INSURANCE

The Commission does not provide cover for any personal items damaged or lost in the course of working with the Commission. Contractors are expected to have their own insurance cover for this.

4. EQUIPMENT

Equipment and stationery appropriate to each role is provided as part of the Induction and Training programme. Non-disposable items must be signed for, and these items need to be returned at the end of each tour. Equipment includes High visibility vests and hardhats.

Mobile telephones are normally provided to Loss Adjustors. If a contractor is required to use their own mobile phone to undertake his or her duties for EQC outgoing phone calls will be paid for at the rate of \$1.00 per minute plus GST. Invoices will be requested.

5. TRAINING AND SUPERVISION

New contractors undergo an initial Induction and Training programme, usually over three days, at the Copthorne Commodore Hotel close to the airport. The address is 449 Memorial Avenue Christchurch 8053 - (03) 358 8129. Details of the timing of each Induction and Training programme are provided separately.

6. ACC

While EQC Contractors have Accident Compensation Commission coverage, it is important to note that contractors are NOT employees of the Earthquake Commission and should not indicate employee status on any ACC forms.

7. IN THE EVENT OF AN EARTHQUAKE

For safety reasons (as well as others) no Estimator or Loss Adjustor is to visit claimant's houses alone. Loss Adjustors are expected to help ensure the safety of Estimators who are under floors or in roof spaces at all times, but especially during and immediately following earthquakes.

8. SMOKING

Smoking is not permitted in any Government premises, including all EQC buildings, or in any rental cars. This is a legislative requirement and is of course Government, EQC and rental company policy. In addition, smoking is not permitted anywhere in the property, including gardens, of any claimants. Contractors are not permitted to smoke when wearing EQC vests.

CONDITIONS, STANDARDS & REQUIREMENTS

1. PERFORMANCE AND BEHAVIOUR STANDARDS

The Commission expects high standards of performance and behaviour from its contractors, both during working hours and afterwards. Contractors are the face of the Commission to the public and are expected to behave accordingly.

Your behaviour must adhere to the New Zealand State Service Conduct and Integrity standards.

We are all required to be Fair, Impartial, Responsible and Trustworthy.

Fair

- Treat everyone fairly and with respect
- Be professional and responsive
- Work to make government services accessible and effective
- Strive to make a difference to the well-being of Canterbury people.

Impartial

- Maintain the political neutrality required to enable us to work with current policy.
- Carry out the functions of our organisation, unaffected by our personal beliefs.
- Respect the authority and direction of the government of the day.

Responsible

- Act lawfully and objectively.
- Use EQC resources carefully and only for their intended purpose.
- Treat information with care and use it only for its proper purpose.
- Work to improve the performance and efficiency of the EQC.

Trustworthy

- Be honest.
- Work to the best of your abilities.
- Ensure your actions are not influenced by personal interest or relationships.
- Never misuse your position for personal gain.
- Decline gifts or benefits that place you under any obligation or perceived influence.
- Avoid any activities, work or non-work, that may harm the reputation of the EQC.

2. ALCOHOL

Contractors are expected to moderate their intake of alcohol throughout the week, being mindful of the long working hours and the fact that the required behaviour standards apply equally on the job and off the job. Never arrive at work smelling of the night before.

3. PRODUCTIVITY

The productivity (quality and quantity) of each contractor is monitored and discussed.

In the event that a Contractor's productivity or behavioural standards fall below the expectations of the Commission (after due assistance and advice) the Commission will not invite the Contractor to return for a further tour. If problems are acute, a Contractor may be asked to leave mid-tour.

The Commission has approved processes for performance monitoring and for managing any disciplinary matters.

4. IDENTIFICATION

All contractors are required to wear their EQC identification badges (photo IDs) and their EQC vests when working. When taking a break or when not working, the vest and IDs should be removed to avoid approaches by members of the public and to avoid any negative interpretation.

The vests and badges must be returned to the Commission at the end of each tour.

5. DRESS

When working, Loss Adjustors are expected to wear smart, casual clothes, preferably including a shirt.

Estimators are expected to wear clean and tidy clothes that reflect the nature of the work expected of them. 'Polo'-style shirts and clean jeans are acceptable. Solid shoes are necessary.

Neither Estimators nor Loss Adjustors may wear shorts, or any clothing that includes logos, labels or writing especially if it refers to the names of building or related companies: i.e. no 'advertising'.

6. WORKING HOURS

Working hours are from 8 am to 6pm Monday to Saturday inclusive. This includes time for a lunch break and two tea breaks. Sundays are non-work days.

Contractors are not permitted to take work back to their hotel (or home) for reasons of confidentiality and security, but also because the Commission does not want Contractors working more than a 60 hour week.

7. MEDIA CONTACT

Contractors are NOT permitted to speak to the media. Any approach from the media should be referred politely to authorised EQC spokespeople (the Chief Executive or one of his authorised spokespeople).

8. NO "POACHING" POLICY

The Commission has a strict 'no poaching' policy whereby it will not engage contractors directly when they have previously been contracted by the Commission through a company or agency.

FORMS

1. CONTRACTS

There are different contracts for Loss Adjusters and Estimators, and different contracts or agreements for contractors who are working for the Commission directly, or through a company or agent. Contracts should be signed during Induction. The Accounts team in Wellington will not pay any contractor unless they hold a current contract.

2. PERSONNEL FORMS

Every Contractor is asked to complete the following forms at Induction:

Personal Information This form provides contact details, including those of next of kin, and it is a place to record any allergies or conditions that the Commission should know about if contacted in an emergency

Personal Statement This form provides a statement from each Contractor confirming that they agree to the Commission seeking a Police check on their background, it provides for a statement about any criminal convictions, it allows the Contractor to confirm that they do not have any health condition that would prevent them carrying out the work required, and it confirms that the Contractor has a legal right to work in New Zealand.

Arrival "Card" This form is used to record details of drivers' licences (they are photocopied onto it) and it includes a checklist and signatures for equipment allocated to each individual.

3. BCTI (BUYER CREATED TAX INVOICES)

At Induction, Contractors who are not paid through an agency or company are advised about the Commission's system for payment of invoices. It is an aid to streamlining payments. A form for independent Contractors to elect to use the system is distributed at Induction.

STRUCTURE AND CONTACT

1. FIELD STAFF LEADERSHIP

The key people responsible for the leadership and management of the Canterbury Event in Christchurch are:

Reid Stiven	Management (Senior Claims Coordinator)
9(2)(a)	Management (Assistant Claims Coordinator)
Pat Moynihan	Management (Senior Estimator Supervisor)
9(2)(a)	Field Office Manager (Regional)
9(2)(a)	Field Office Manager (Regional)
Various	Field Office Supervisors (at field offices)
Various	Pod Leaders and Senior Estimators (at field offices)

2. KEY CONTACTS FOR ADMINISTRATIVE QUERIES

The following people may be contacted as necessary. But please check with your Pod Leader or Field Office Supervisor first.

People issues

Personnel Manager	9(2)(a) } 9(2)(a) }	9(2)(a)
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Assistant Personnel Manager	9(2)(a)	9(2)(a)
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Accommodation and Cars

Accommodation	9(2)(a)	9(2)(a)
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Rental Cars	9(2)(a)	9(2)(a)
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Accounts Issues

Accounts Manager	9(2)(a)	9(2)(a)
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3. ADDRESSES

Christchurch base	Hagley	Tower 2, 3 Deans Avenue
Field Offices	Hazeldean	6 Hazeldean Road (sometimes called 'Addington')
	Barrington	334 Lincoln Road
	Show Place	3 Show Place
	Northwood	1 Redcliffe Street
	Lincoln	Hudson Hall, Lincoln University
	Timaru	339 Stafford Street

11 October 2010

To: 9(2)(a)
CC: Stewart Crookston

From: 9(2)(a)

Thoughts on the Need for a Personnel Manager

You asked for some initial thoughts on the need for a Personnel Manager on site in Christchurch.

I believe that there is such a need. My view is based on the following:

1. **Raison D'être** The reasons EQC has a presence in and around Christchurch at the moment is to assess property and provide compensation for loss in keeping with its statutory obligations. As you know, it carries out these functions very largely through the loss adjusters and estimators who make up the significant majority of staff here. (In this memo when I refer to 'staff' I mean all contractors and others engaged by EQC and working in the South Island in response to the recent Canterbury earthquakes)
2. **Individual Stress** Apart from the locally sourced individuals, all staff are living away from home and family and are remote from their businesses and other obligations. They are all dealing with these ongoing pressures as well as the stress that can be associated with the earthquake work.

Many manage this very well, but not all do and as time passes it is likely that stresses will increase. Someone who can act as a point of referral for staff with personal concerns, and someone who can assume a watching brief on this issue should be of advantage to both the individuals (and their families) and to EQC (reduce and manage drop-out rates and criticisms).
3. **Workforce Planning** The political and humanitarian reasons for covering as many houses as quickly as possible generates significant pressures on not only the personnel doing the work but also on their deployment and management.

The staff working out the rosters and allocation of personnel resources have worked very hard under very difficult circumstances and appear to have done well. However, I think there real potential benefit to be had in managing the two aspects of this separately, and of course cooperatively.

Obviously there is a need for Managers responsible for the activities of Pod Leaders to identify the need for LAs and Estimators, to manage them on a professional/technical basis, and to assess their strengths and weaknesses in respect to performance and further use. (Aspect 1.)

But I believe that there are aspects of managing the recruitment, contracting and rostering that need not tie-up the time of professional/technical staff who would undoubtedly be better assigned to doing what they do best and what is needed most. I believe that the personnel functions can be dealt with well by management and administrative and management staff familiar with activities. (Aspect 2.)

4. Clarity / Consistency An underlying issue for many staff is the need for clarity and certainty about their contracts, deployment, and the requirements of them on the job. The 'emergency response' nature of the Commission's engagement and use of staff has meant that some of these concerns (which may have rightly been regarded as 'niceties' at the time) are yet to be fully dealt with.

For practical and legal reasons, in my view there is a need to coordinate and complete reliable personnel records, to ensure consistency of contracts, and to communicate clearly, consistently and effectively with all staff. This is essential if the Commission is to avoid or minimise future problems with staff disaffection and the Commission's reputation as an employer.

Although staff clearly understand the fact that things have been cobbled together quickly and that some systems and processes are being developed retrospectively, this latitude can only be expected to last for a limited time. I am not really familiar with the communications that have been used to date, and I offer no criticism of them, but I do believe that there is a need to establish simple and quick means of written communications with staff covering the things that are important to them, and to the Commission.

5. Competency / Discipline I am aware of some contractors who have been 'sent home' for what I understand to be lack of adequate performance or suitability. While EQC contracts may well have this possibility well covered (and I assume that legal experts have looked at the contracts) the question arises about how these issues are handled locally.

In my experience there is a need for issues such as these to be managed carefully and consistently, and I suggest

that this might be best (fairest, safest) achieved through an experienced 'central' point.

6. Payment

Although staff have been asked not to talk about their remuneration and allowances etc, they will inevitably compare notes. If there is any inconsistency, or even perceived inconsistency, this needs to be managed, preferably before there is any negative fallout. (Incidentally, I am sure that the Commission is already planning for queries from opposition politicians and the media about the costs of its operations and the what is being paid to contractors, and obviously the better prepared it is with reliable facts the better).

7. Logistics

One of the issues of prime concern to the staff staying here is their accommodation (primarily the bookings, but also the quality). The only way to give the staff the assurances they need, is to ensure that arrangements we make with hotels is accurate, up to date and assured. This needs a central point of control and it should be directly associated with the rostering.

There is also considerable sense in linking the rostering with vehicle allocation and bookings. For these reasons these functions could logically be associated with a personnel manager, although they could also be part of the responsibilities of a facilities manager.

8. OSH / Accidents

As a Government agency it is essential that the Commission ensure that all OSH requirements are met in its workplaces. There are a number of approaches that could be taken to this but the bottom line is that it needs to be the responsibility of one person in Christchurch, and this should be a personnel manager. Any accidents should also be managed through this position.

I could develop these, and other, thoughts further if required.

9(2)(a)

Office Manager, Addington

9(2)(a)

From: Bryan Dunne
Sent: Monday, 7 March 2011 8:59 a.m.
To: Mike Nutsford (9(2)(a))@treasury.govt.nz
Subject: FW: Overseas contract loss assessors - taxation
Attachments: SKMBT_C550_11030515260.pdf

Hi Mike

Thanks for following this up. Here's the details from our CFO. Phillip is away this week 9(2)(a) but I'm happy to progress this with you or to arrange a discussion with us and KPMG etc.

Let me know

Cheers
Bryan

Bryan Dunne | Strategy & Policy | The Earthquake Commission (EQC)
Tel: 9(2)(a) bryandunne@eqc.govt.nz

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From: Phillip Jacques
Sent: Saturday, 5 March 2011 4:50 p.m.
To: Bryan Dunne
Subject: RE: Overseas contract loss assessors - taxation

Bryan

Sorry for the delay.

At this stage no offshore loss adjustors have exceeded the 183 day limit for tax residence. Based on the work rotations (3 weeks on and one week off) and assuming that they started on 5 September the first Australian Loss Adjustor has now completed 136 days in NZ (there may be a few days variation around this due to the actual day and time that he arrived in or left NZ). In theory he could complete 2 more 3 week tours – therefore the problem starts from somewhere in the last 2 weeks of April.

This is one of the drivers of the target to complete assessments at the end of March – we could then let all the off-shore adjustors go home and finish off with NZ residents.

The firm providing most of the Australian adjustors is Verifact who have been managing their staff resource to avoid the residency issue. One challenge from this is that they tended to use their best adjustors early and it is possible that as these adjustors get close to the residency limit they will rotate in less experienced personnel. I have received very clear indications from Verifact (see attached correspondence from the Chief Operating Officer of Verifact) that they will ensure that their adjustors do not get exposed to NZ tax residency. From that I understand that adjustors will be withdrawn from NZ as each one of them approaches the 183 day limit.

We have had extensive advice from KPMG on this matter and raised it with the IRD and Treasury very early after the September earthquake the response from IRD was not helpful.

The issue did not result in loss adjustors refusing to come to NZ to complete the work as they could obtain 183 days on the ground before the issue arose and we planned to complete the work involving off-shore loss adjustors before that time limit.

My concern is although we have recruited a large number of locals to fill adjustor roles we will still require a significant number of overseas adjustors in order to complete this work within the expected timeframes. Most of the easy to source ones will not be willing to come back due to the additional taxation complications.

If the contracts can be grossed up that would involve significant additional work for our over-stretched team – perhaps IRD and The Treasury can provide the resources to manage this additional and unnecessary burden.

9(2)(a) all from KPMG have provided extensive assistance on this subject. Please feel free to contact them if that helps.

9(2)(a)@kpmg.co.nz

9(2)(a)@kpmg.co.nz

9(2)(a)@kpmg.co.nz

Phillip Jacques
Chief Financial Officer
Earthquake Commission, PO Box 790, Wellington
New Zealand

Level 20, Majestic Centre, 100 Willis Street, Wellington

Telephone (DD) 9(2)(a)

From: Bryan Dunne
Sent: Tuesday, 1 March 2011 12:19 p.m.
To: Phillip Jacques
Subject: FW: Overseas contract loss assessors - taxation

Phillip

Can you provide any detail here, but also some background (eg why we've had to bring in from offshore).

Thanks
Bryan

From: Mike Nutsford [mailto:9(2)(a)@treasury.govt.nz]
Sent: Tuesday, 1 March 2011 12:13 p.m.
To: Bryan Dunne; David Hermans
Cc: 9(2)(a) 9(2)(a)@ird.govt.nz
Subject: Overseas contract loss assessors - taxation .

Hi Bryan and David

To enable us to provide some advice to Ministers on this issue, would it be possible to provide the following information:

The number of assessors that have left NZ and the number that intend to leave NZ due to this tax issue – that is will become a tax resident for NZ tax purposes due to being present in NZ for more than 6 months.

Whether their contracts allow for the grossing-up of remuneration to reflect the NZ tax? This could be less cost option to the government as it does not create a precedent in terms of providing a tax exemption.

Whether this tax issue resulted in loss adjusters refusing to come to NZ in response to the 4 September earthquake.

Happy to meet and discuss if you think that would be more suitable.

regards

Mike

Mike Nutsford | Principal Advisor | The Treasury

Tel: 9(2)(a) | 9(2)(a)@treasury.govt.nz

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9(2)(a)

From: Bryan Dunne
Sent: Monday, 7 March 2011 9:03 a.m.
To: Mike Nutsford (9(2)(a))@treasury.govt.nz
Subject: FW: Urgent request
Attachments: Verifact 090910.pdf; 100910EQCExemptionL.pdf

Mike – FYI another option that we were looking at.

Cheers
Bryan

Bryan Dunne | Strategy & Policy | The Earthquake Commission (EQC)
Tel: 9(2)(a) | bryandunne@eqc.govt.nz

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From: 9(2)(a) [mailto:9(2)(a)@kpmg.co.nz]
Sent: Friday, 10 September 2010 4:26 p.m.
To: 9(2)(a)@ird.govt.nz; 9(2)(a)@treasury.govt.nz; 9(2)(a)@ird.govt.nz
Cc: 9(2)(a); Phillip Jacques
Subject: FW: Urgent request

9(2)(a)

Following our discussions earlier this week, please find attached our letter detailing the EQC position and our requests in relation to this matter.

In addition to discussing this matter with you, we will be seeking to arrange a meeting with the Minister of Finance at his earliest convenience.

Kind regards

9(2)(a)

<<Verifact 090910.pdf>> <<100910EQCExemptionL.pdf>>

From: 9(2)(a)
Sent: Monday, 6 September 2010 11:37 a.m.
To: 9(2)(a) (9(2)(a))@ird.govt.nz
Cc: 9(2)(a); 9(2)(a)
Subject: Urgent request

9(2)(a)

As background for the meeting on Wednesday, we act for EQC.

With Saturday's unfortunate events they will have to manage a significant and important process to rebuild. To do this, they need to engage with non-residents with specialist skills not available in NZ. This raises the need to address tax so as to smooth the process of engagement as much as possible.

We think this is likely to require an exemption (along the lines of the drilling rigs and the America's Cup) as the non-residents are likely to have to be in NZ for longer than 183 days.

At this stage I have not spoken to either Service Delivery or Treasury but I expect that both should be interested. If you agree, let me know if you want me to approach them or whether you want to do so.

I am happy to provide further background prior to the meeting.

Kind regards

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9(2)(a)



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Fax +64 (4) 816 4600
Internet www.kpmg.co.nz

Private and confidential

Our ref 100910EQCExemptionL.doc

9(2)(a)
Acting Deputy Commissioner
Inland Revenue
[transmitted by email]

10 September 2010

Dear 9(2)(a)

**Earthquake Commission
Exemption from New Zealand tax obligations for foreign loss adjusters**

As a result of the recent devastating earthquake in Canterbury, EQC identified the crucial necessity of loss adjusters to ensure the recovery of the region as soon as possible. Due to a lack of resources in New Zealand, EQC must contract with Australian loss adjusters¹ to ensure all claims are processed and paid in a timely manner. However, serious concerns have been raised that an exposure to New Zealand tax may be a significant impediment to the involvement of the Australian loss adjusters.

This submission provides a detailed analysis of the reasons that the exposure to New Zealand tax impedes the success of the earthquake recovery programme and provides direct evidence from a major Australian loss adjuster in a relation to the same. As a result, we request an exemption from New Zealand tax for the Australian loss adjusters and their employees.

1 Summary

As a result of the recent Canterbury earthquake, the EQC's current objectives are to ensure all claims are registered promptly, the claims are quantified and the insured parties are paid within 12 months.

Due to a lack of available expertise in New Zealand, EQC are required to contract loss adjusters from Australia which are, prima facie, subject to tax in New Zealand for the 12 months they are expected to be in New Zealand.

However, an exposure to New Zealand tax for the Australian loss adjusters will cause either the loss adjusters not to come to New Zealand or to come for a short time (i.e. less than 183 days).

¹ Some loss adjusters may be required to be sourced from foreign jurisdictions outside Australia. However, as the majority of the loss adjusters will be sourced from Australia we have referred to the foreign loss adjusters as the "Australian loss adjusters" for the remainder of this letter.



This will mean there will be insufficient resources to process the claims in a timely manner and, consequently, assist in the recovery of the devastated region.

Alternatively, it is foreseeable that the Australian loss adjusters may insist on a “gross up” clause if New Zealand tax obligations are imposed. This will increase EQC’s costs which in turn may lead to increased Government subsidy requirements and/or increased asset realisations.

Accordingly, in the interests of the expedient and cost effective recovery from the Canterbury earthquake, we request confirmation of an exemption for the Australian loss adjusters from New Zealand tax (detailed in section 4 of this letter).

2 Background

The relevant facts are as follows:

- On 4 September 2010, Canterbury suffered an earthquake that caused widespread damage to a significant amount of residential and commercial buildings and other assets;
- The EQC is expecting to receive in excess of 100,000 claims in relation to the disaster and has already received 27,000 claims as at 9am on 8 September 2010 – making it the largest disaster that EQC has had to address since its establishment in 1945;
- The EQC aims to assess all claims within 12 months from the current date; and
- A critical part of this process requires EQC to contract the services of loss adjusters. These loss adjusters assess the damage and quantify the claim and as such are an essential part of the process. There are currently 250 loss adjusters with the requisite expertise in New Zealand. This will be insufficient to undertake the exercise and, therefore, EQC will require access to the 400 loss adjusters available from Australia [REDACTED] §(2)(i) [REDACTED] to ensure a swift and efficient resolution to all claims.

3 The proposed exemption

As discussed in our meeting of 8 September 2010, we consider the Australian loss adjusters should be exempt from all New Zealand tax obligations (detailed in section 4 of this letter).

We address the following matters further below:

- The reasons the imposition of New Zealand tax obligations on the Australian loss adjusters would inhibit the timely and cost efficient processing of claims; and
- Whether the exemption of the Australian loss adjusters from New Zealand income tax obligations will give rise to a precedent that other taxpayers may rely on to argue an exemption of their own.



3.1 Inhibition of timely and cost efficient cost processing

The imposition of New Zealand tax obligations on the Australian loss adjusters would inhibit the timely and cost efficient processing of the claims arising from the Canterbury earthquake for the reasons outlined below.

3.1.1 Reduction of resources

As the Australian loss adjusters have not historically maintained a presence in New Zealand exceeding 183 days a “permanent establishment” in New Zealand has not arisen. This has resulted in no New Zealand tax obligations to date. However, due to the magnitude of the damage in Canterbury, the only way to resolve this matter effectively is for the Australian loss adjusters to be on the ground in New Zealand for at least 12 months.

Prima facie, this will give rise to a “permanent establishment” in New Zealand for the Australian loss adjusters and EQC would be required to withhold Non-Resident Contractor’s Tax (“NRCT”). Australian loss adjusters have told us that this is a significant disincentive to them doing business in New Zealand and will mean that they either do not assist with the claim assessment process (as they have significant other Australian opportunities) or structure their activities to ensure they do not have a presence in New Zealand for more than 183 days. For example, an Australian loss adjuster may ensure maximum staff are in New Zealand for 182 days and then withdraw from further claim assessments immediately.

9(2)(i)

We attach a letter from Verifact Pty Limited to EQC that provides a summary of their major concerns in relation to their exposure to New Zealand tax and the potential effect on the extent of the services they will provide (refer Appendix One).

This will mean that the EQC will not have sufficient resources to ensure its three key objectives are met; ensuring all claims are registered promptly, the claims are quantified and the insured parties are paid within 12 months.

In addition to company obligations, employees of the Australian loss adjusters will be subject to PAYE if they are present in New Zealand in excess of 183 days. Again, this will provide an incentive for these employees to ensure they do not breach this threshold, thus giving rise to the risk that the claims process will be delayed further.

3.1.2 Increase in costs

The Australian loss adjusters may insist on the inclusion of “gross up” clauses in their agreements with EQC to ensure they are not disadvantaged by the imposition of New Zealand tax arising from the maintenance of a “permanent establishment”.

This will increase the costs placed on the EQC which will be required to be passed on to either the Crown (due to increased funding provided) and/or increased asset realisation resulting in reduced funds available for future events. This gives rise to a circular flow of funds that is both inefficient and unnecessary.



This issue will also arise in relation to the increased costs borne by the employees of the Australian loss adjusters due to an exposure to PAYE, as the employees' may be required to be tax equalised. Although tax equalisation is available, this would be a complex exercise and will further reduce the expediency of the claims process.

For an event of this size New Zealand simply does not have sufficient resources to undertake this exercise. Therefore, EQC has no option but to source from overseas the loss adjusters that are crucial to the claim assessment process being performed in a timely manner.

The loss adjusters' timely completion of the assessments will lead to the economic recovery of the region as soon as possible. This will facilitate the injection of approximately \$2b into the Canterbury economy from EQC by way of the payment of claims. This benefit can be contrasted to the relatively meagre \$6m of estimated tax revenue that will be sacrificed from providing this exemption to the Australian loss adjusters and their employees.

Further, the flow-on effects of the \$2b injection of funds from the payment of claims will benefit the economy (and increased tax revenues over time) and will substantially outweigh the tax revenue that could be gained from the Australian loss adjusters. Budget 2010 emphasised that the economic flow-on effects (i.e. the multiplier effect) are crucial factors that must be taken into account when determining the imposition of tax.

3.1.3 Compliance

We consider the compliance burden placed on the small EQC team in managing the tax implications arising from contracting with Australian loss adjusters will be an unnecessary distraction on the team. The imposition of tax would require the team to manage application for IRD numbers for the Australian loss adjusters and, following this, deduct, account for, and return NRCT on all payments made to the Australian loss adjusters.

This will significantly increase the time required to assess the claims and will increase costs, resulting in a reduced focus on the crucial priorities.

The establishment of a central processing unit by Inland Revenue to manage the non-residents' tax obligations will not alleviate the problems outlined above. This is on the basis a considerable amount of EQC's time and focus will be spent on ensuring its tax obligations are met, rather than the processing of claims.

3.2 Setting a precedent

An exemption from New Zealand income tax obligations for the Australian loss adjusters will not create a precedent that other taxpayers may rely on to argue an exemption of their own.

As the event that gives rise to the proposed exemption is a natural disaster of significant magnitude – a very rare event – it seems that an exemption of this nature could be confined to this specific factual scenario. Accordingly, we do not consider there is a risk of the “floodgates” opening in relation to exemptions of this nature.



4 Confirmation

On the basis of the above, we request confirmation of the following:

- The Australian loss adjusters' presence in New Zealand for a period in excess of 183 days will not give rise to a "permanent establishment" in New Zealand;
- An exemption will be granted from NRCT for all payments made by EQC to the Australian loss adjusters; and
- An exemption will be granted from New Zealand PAYE (i.e. New Zealand income tax) to all employees of the Australian loss adjusters.

5 General

We look forward to your confirmation in relation to the above as soon as possible. In the meantime, if you have any queries, please do not hesitate to contact me on (09) 367 5919 or Gwenan Riley on (04) 04 816 4755.

Yours sincerely

Paul McPadden
Partner

Gwenan Riley
Director

Private and confidential
Phillip Jacques
Earthquake Commission
[transmitted by email]

9 September 2010

Dear Phillip

New Zealand tax implications on provision of services

We write to you regarding Verifact Pty Ltd's ("Verifact") proposed provision of services to the Earthquake Commission in relation to the assessment of claims arising from the recent earthquake in Canterbury.

As you aware, loss adjusters maintain a rare and specialised skill set. As such, there is no shortage of demand for our services both locally and internationally.

We understand that Verifact's presence in New Zealand for a period in excess of 6 months will lead to New Zealand tax obligations for both Verifact and its employees.

9(2)(i)

We hope that this is not the case, but would like to discuss this in further detail. Accordingly, please do not hesitate to contact me on +61 7 3808 2651 once you have had a chance to digest the content of this letter.

Yours sincerely



Shane Griffiths
Chief Operating Officer

9(2)(a)

From: 9(2)(a)
Sent: Monday, 7 March 2011 10:39 a.m.
To: 9(2)(a)@treasury.govt.nz
Subject: Thank you

Hi Jo,

Sorry we didn't catch up before you left on Friday. Would just like to thank you for all your help in the short time you were here. It was an invaluable kick start, and I appreciate the help you gave me.

Regards

9(2)(a)
Risk & Assurance Manager, Earthquake Commission
Level 20, Majestic Centre, 100 Willis Street, Wellington 6140
Mo 9(2)(a)
Fax
Email 9(2)(a)@eqc.govt.nz



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9(2)(a)

From: 9(2)(a)@clear.net.nz
Sent: Monday, 7 March 2011 1:31 p.m.
To: 9(2)(a)@treasury.govt.nz
Subject: FW: Information for Personnel - Max Hours

FYI.

Does 9(2)(a) have an email address yet?

Regards

9(2)(a)

From: 9(2)(a) [mailto:9(2)(a)@EQC.govt.nz]
Sent: Monday, 7 March 2011 11:49 a.m.
To: Personnel Manager Canterbury
Subject: RE: Information for Personnel - Max Hours

Sorry 9(2)(a)

Hard and fast rule. If someone works for 10 hours then fly home there is no more. We have an obligation under health and safety. If we pay for their additional time then we could be seen to endorsing a person working more than 10 hours. This could leave us in a difficult position under health and safety.

If a person elects to fly home after 10 hours work and has an accident on the drive home we can always advise our recommendation is a maximum of 10 hours per day. This way we are not encouraging anyone to work additional time and confirming rest breaks are essential.

Regards

9(2)(a)

Claims Manager

Direct Dia 9(2)(a)

Mobile 9(2)(a)

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From: 9(2)(a)@clear.net.nz [mailto:9(2)(a)@clear.net.nz]
Sent: Saturday, 5 March 2011 11:38 a.m.
To: [redacted]
Cc: 9(2)(a)@treasury.govt.nz
Subject: RE: Information for Personnel - Max Hours

9(2)(a) I agree with you on this. 10 hours has always been stated as the maximum number of working hours per day. But common-sense has to prevail doesn't it. So if a contractor does his 10 hours 'on the job' and wants to fly home on the evening after that (thus saving accommodation costs for EQC and increasing his hours with his family) he should not be penalised for it, and should be paid for the travel time just as if he waited until the next day. I presume you concur?

9(2)(a)

9(2)(a)
Personnel Manager

From: 9(2)(a) [mailto:9(2)(a)@EQC.govt.nz]
Sent: Thursday, 3 March 2011 10:17 a.m.
To: 9(2)(a)@clear.net.nz
Subject: FW: Information for Personnel - Max Hours

Please note the following.

10 hours per day is the maximum for everyone.

Regards

9(2)(a)
Claims Manager
Direct D 9(2)(a)
Mobile 9(2)(a)

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From: 9(2)(a)
Sent: Thursday, 3 March 2011 10:16 a.m.
To: 9(2)(a)
Subject: Information for Personnel - Max Hours

H 9(2)(a)

Can you please confirm the following to the Personnel Manager in Canterbury (9(2)(a)) by forwarding this e-mail with your approval noted above:

The maximum time that will be paid to any loss adjuster or estimator for any day is 10 hours.

9(2)(a)

Can you please pass this on to 9(2)(a) who has requested confirmation.

Thanks

9(2)(a)

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9(2)(a)

From: 9(2)(a)
Sent: Tuesday, 8 March 2011 9:35 a.m.
To: Ashley Owers (9(2)(a))@treasury.govt.nz
Subject: OIA question

Hi Ashley

I have a question about how to approach a response to an OIA request. The requestor has asked 4 questions, 3 of which are relatively straightforward to answer.

The outstanding question is this:

"When someone insures a dwelling for total replacement with a limited excess (\$250) why they are then expected to cover personally the levy imposed by EQC on payment for damage. I require an explanation for the rationale relating to this and all official papers covering the matter"

Basically, part of the reason for the request concerns some administrative breakdown on EQC's part in handling the person's claim. But they are also unhappy about paying an EQC excess. I'd just like to know how we should approach the part *"I require an explanation for the rationale relating to this and all official papers covering the matter"*. Whilst the rationale could be provided, this is obviously an issue that was determined some time ago. I'm not even sure how far back (let alone if we have the information on file) we'd have to go provide *"the official papers covering the matter"*.

Any help you can provide would be much appreciated.

9(2)(a)
Advisor
Earthquake Commission

9(2)(a)

From: 9(2)(a) <9(2)(a)@mcmac.co.nz>
Sent: Tuesday, 8 March 2011 12:26 p.m.
To: 9(2)(a)
Subject: Social media analysis: 7 March
Attachments: 7 March.pdf

9(2)(a)

MC McNAMARA | RESEARCH LIMITED

T: 9(2)(a)

Level 3 78 Victoria Street PO Box 11 - 651 Wellington New Zealand

www.mcmcnamara.co.nz

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Thank you.

The volume of coverage was up by 41% in the last 24-hour period with forums driving most of the postings and EQC's own forum on Trade Me starting to regain its momentum.

Forum replies attracted all the eleven negative postings and placed strong emphasis on EQC's inefficiencies, for example, noting the organisation's system as 'seriously flawed'. Forum members expressed frustration over feedback and inspection delays:

Cc7 on EQC-Will our houses ever get fixed?

People are understandably frustrated, especially considering the slow process pre this quake, the months of lies and useless assessments by EQC.

Mighty South

I've had no contact from EQC since my inspection, no paper work nothing, after the half arsed inspection i was told they would send me copies, nothings come, they couldn't even get my name correct:({

Hdmovies on Contact fax number or email for EQC

Email claim details to claims@eqc.govt.nz (don't expect a reply for several months).

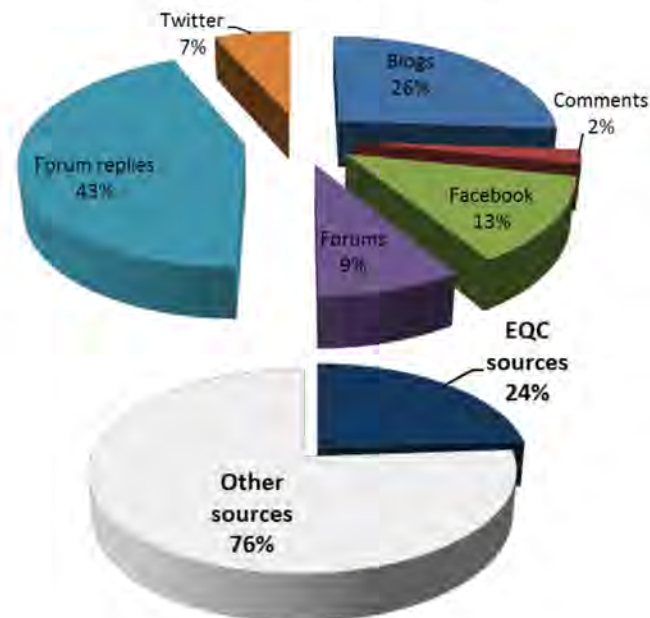
Reports on the possible demolition of as many as 10,000 homes and EQC's role in assessing and trying to get a full picture of the quake damage this week was picked up by most blogs. These pieces usually comprised of copied news from mainstream sources, and tone remained neutral towards EQC.

Payout, claims and finance topics were mostly queries that appeared on Twitter and EQC's Facebook page.

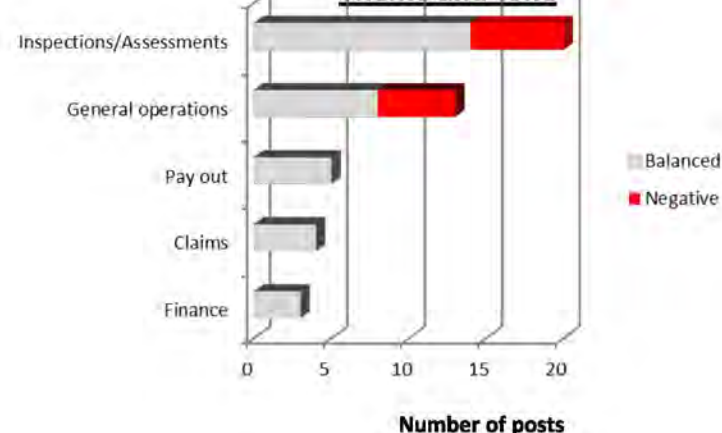
No positive postings appeared for this reporting period.

Coverage by media type

Total number of posts: 46



Theme and tone



9(2)(a)

From: Bryan Dunne
Sent: Tuesday, 8 March 2011 7:31 p.m.
To: Kirsty Hutchison (9(2)(a))@treasury.govt.nz
Subject: 9(2)(a) BECA

I spoke with 9(2)(a) on Friday – he’s expecting your call. (quiet busy so grab his time if/when you get it)

Bryan Dunne | Strategy & Policy | The Earthquake Commission (EQC)

Tel: 9(2)(a) bryandunne@eqc.govt.nz

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a. please immediately delete this email and notify the EQC by return email or telephone (64 4 978 6400);
b. any use, dissemination or copying of this email is strictly prohibited and may be unlawful.

9(2)(a)

From: Bryan Dunne
Sent: Tuesday, 8 March 2011 7:46 p.m.
To: 9(2)(a)@treasury.govt.nz
Subject: meeting tomorrow

Hi got your message (I have a new wk phone so might pay to try that in future). Happy to cancel the meeting if you have what you need. I also spoke with someone from 9(2)(a) team at RBNZ this afternoon and suggested that they gatecrash our meeting (again assuming they hadn't got what they need from me).

Can I see 9(2)(a) email summary – just so I can correct (or not) any of my waffle?

Thanks
Bryan

Bryan Dunne | Strategy & Policy | The Earthquake Commission (EQC)

Tel: 9(2)(a) bryandunne@eqc.govt.nz

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9(2)(a)

From: Bryan Dunne
Sent: Wednesday, 9 March 2011 12:16 p.m.
To: 9(2)(a)@treasury.govt.nz
Subject: FW: Minimum Site Values

----- Original Message -----

Subject: Minimum Site Values

From: 9(2)(a)
To: Lance Dixon
CC:

Lance

Values as requested. On the generous side though in a number of cases there are pockets of superior sections/houses fronting say a golf course. The ranges don't fully allow for those. Minimum sized site is generally 450sqm.

Bexley \$145,000 - \$155,000

Horseshoe Lake \$160,000 - \$180,000++

Aranui \$145,000 - \$155,000

Bromley \$145,000 - \$145,000 - \$155,000

Avondale \$150,000 - \$160,000

Dallington \$150,000 - \$160,000

Wainoni \$145,000 - \$155,000

Avonside \$150,000 - \$185,000+++

Regards 9(2)(a)

9(2)(a)

From: 9(2)(a)
Sent: Wednesday, 9 March 2011 7:39 p.m.
To: 9(2)(a); 9(2)(a)@ssc.govt.nz; 9(2)(a)@treasury.govt.nz;
9(2)(a)@linz.govt.nz; 9(2)(a)@parliament.govt.nz
Cc: 9(2)(a)@xtra.co.nz
Subject: RE: EQC communications update

Hello all

Wednesday 9 March update on EQC communications.

The planned announcement of a rapid assessment plan by EQC in Christchurch has been delayed by a day or two while refinements are made to the plan. We will have an update on that situation tomorrow.

The Close Up story last night on a frustrated EQC claimant has not generated further media enquiries; however more people have contacted Close Up which plans a follow-up story tomorrow, Thursday. We intend to front EQC CEO Ian Simpson on that.

Fair Go has "adopted" a Christchurch street to follow the response to the earthquake. The initial EQC-related issue appears to relate more to a private insurer, but we are anticipating focus to shift to EQC.

We have put out a call for a further communications person to back up the contractor we have in Christchurch – any nominations or suggestions very welcome.

From tomorrow we are taking on an additional person in Wellington to assist with internal comms, writing of fliers, advertising copy etc.

Regards

9(2)(a)

9(2)(a)

From: Bryan Dunne
Sent: Wednesday, 9 March 2011 9:39 a.m.
To: 9(2)(a)@treasury.govt.nz
Subject: FW: Cover letter for Ministerial Direction
Attachments: WGNDOC01-#1227908-v1-Direction_from_Minister.DOC; WGNDOC01-#1229645-v1-Letter_to_the_Chairman.DOC

This is all prior to 22 Feb

From: 9(2)(a) [mailto:9(2)(a)@chapmantripp.com]
Sent: Thursday, 17 February 2011 1:06 p.m.
To: Bryan Dunne
Subject: FW: Cover letter for Ministerial Direction

As discussed.

From: 9(2)(a)
Sent: Wednesday, 9 February 2011 9:22 p.m.
To: '9(2)(a)'; Peter Mellor
Subject: Cover letter for Ministerial Direction

9(2)(h)

[ON EQC LETTERHEAD]

[Date]

Hon. Bill English
Minister of Finance
Parliament Buildings
WELLINGTON

Hon. Gerry Brownlee
Minister for Canterbury Earthquake Recovery
Parliament Buildings
WELLINGTON

Dear Ministers

MEMORANDUM: INDICATIVE PROPERTY DAMAGE FIGURES

Summary

1. At a meeting with EQC and our geotechnical engineers Tonkin & Taylor on Friday 4 March 2011, the Minister for Canterbury Earthquake Recovery requested more detailed information on the extent and potential cost of residential land and property damage in a number of Christchurch suburbs. The request included the number of properties that comprise new "Zone B" and "Zone C" following the 22 February 2011 earthquake. This memo, based on data and calculations supplied by Tonkin & Taylor, responds to that request.
2. The figures outlined in this memo are based on assumptions that still need to be tested and verified, and so should be used cautiously and with a clear caveat that the figures are necessarily preliminary and indicative. A more robust assessment may be some weeks away.
3. Following the 22 February 2011 earthquake, it is estimated that there are (within the Zone B & C areas outlined on the attached map):
 - more than 60,000 properties suffering from the effects of liquefaction;
 - between 12,000 and 25,000 properties where building damage will exceed the \$100,000 EQC cap; and,
 - between 6,000 and 12,500 properties that will require rebuilding, based on previous land damage patterns.
4. Using a rough calculation based on information on the land value of minimum site sizes in the affected suburbs, we can provide some estimates about the cost to

the Crown (including the Natural Disaster Fund) of 'clearing' affected suburbs. In order to 'clear' and payout on all of the properties in Zone C, the total cost to the Crown, including EQC's portion of the house value, would be approximately \$2.6 billion. For a suburb like Bexley, with approximately 760 potentially affected properties, the total cost would be between \$190 million and \$200 million.

5. These estimates should be used only to provide better understanding of the scale of possible costs, and we would advise strongly against using them in any public communications.

Assumptions

6. Following the 4 September 2010 earthquake approximately:
 - 70 to 90 per cent of properties in Zone C (severe land damage) exceeded the EQC insurance cap of \$100,000 (GST excl), and approximately 50 per cent of those were considered to be beyond economic repair, thus requiring re-build; and,
 - 10 to 30 per cent of properties in Zone B (some land damage) exceeded the EQC insurance cap of \$100,000 (GST excl), and approximately 50 per cent of those were considered to be beyond economic repair, thus requiring re-build.
7. For the purposes of the estimate provided in this memo we have assumed similar property damage patterns in the new or enlarged Zone B and C areas following the 22 February earthquake.
8. The figures are based on aerial assessment of land damage in areas where significant liquefaction occurred during the 22 February earthquake. These areas are outlined in the attached map. This map should be treated as preliminary and indicative.
9. For clarification, existing building damage in Kaiapoi, Pines Beach, Kairaki, Brooklands, Spencerville, and Halswell has not been included in this assessment, and neither has property that experienced shaking damage in the Port Hills, nor other non land-damaged areas.

Calculations and estimates

10. There are approximately:
 - 9,780 properties in the existing and newly-defined Zone C areas and,
 - 52,600 properties in the existing and newly-defined Zone B areas.
11. Based on the above estimates of more than 60,000 affected properties, and on correlations with the house and land damage patterns following the 4 September 2010 earthquake, we calculate that there are approximately:
 - For Zone C:
 - 6,850 to 8,800 houses with damage exceeding \$100,000; and,

- 3,430 to 4,400 houses with damage requiring re-building.
 - For Zone B:
 - 5,260 to 15,800 houses with damage exceeding \$100,000; and,
 - 2,630 to 7,900 houses with damage requiring re-building.
12. In total, there may be:
- between 12,000 and 25,000 properties (within the zone B & C areas outlined on the attached map) where the building damage will exceed the \$100,000 EQC cap; and,
 - between 6,000 and 12,500 properties that will require re-building.
13. By comparison, after the 4 September earthquake there were (for Zones B & C):
- 2,970 claims exceeding \$100,000; and,
 - 1,010 claims requiring re-build.

Indicative costs

14. Using a rough calculation based on the hand-drawn map provided by Tonkin & Taylor, and on information the land value of minimum site sizes in the affected suburbs, we can provide some estimates about the cost to the Crown (including the Natural Disaster Fund) of 'clearing' affected suburbs, should be a policy decision resulting from the further geotechnical investigations, costs and options. The estimates provided below are *very* approximate, and should be used only to aid better understanding of the (upper) scale of possible costs. We would strongly advise against using them in any public communication.
15. In Bexley, for example, there are approximately 760 properties classified as Zone C (on severely damaged land). The value range of the minimum site size (generally 450 square metres) for this suburb is between \$145,000 and \$155,000. According to the assumptions, not all of these properties will require a re-build, though most will have damage over \$100,000. Nevertheless, if a decision were to be made not to re-build in this suburb due to improved land remediation being economically unviable, and if the Crown were to pay out the value of the affected land (as it has done for 16 properties following the 4 September earthquake), then the cost of land for this suburb alone could be between \$110 and \$120 million. This is in addition to the cost to the EQC for meeting its portion of the house insurance, of around \$86.5 million for that suburb. Total Crown cost would therefore be between \$190 million and \$200 million for the 760 homes in Bexley.
16. Using similar calculations, the same cost for Horseshoe Lake would be between \$186 million and \$200 million, and for Avonside, between \$169 million and \$191 million.
17. Based on the estimate provided by Tonkin & Taylor of a total of 9,780 properties in Zone C, and based on an average minimum site size value range across all the affected suburbs of between \$148,000 and \$163,000, then the potential cost to the Crown for clearing *all* of these affected suburbs could be around \$1.5 billion.

This is in addition to the cost to the EQC of approximately \$1.1 billion, resulting in a total cost to the Crown of approximately \$2.6 billion.

18. Obviously these estimates reflect worst-case scenarios, and not all properties in all of the Zone C suburbs will be irreparable. In addition, there may be properties amongst the 56,200 in Zone B that also require the full-value payout, should that be the Government's policy decision.

Ian Simpson

Chief Executive

9(2)(a)

From: Bryan Dunne
Sent: Wednesday, 9 March 2011 2:32 p.m.
To: 9(2)(a)@treasury.govt.nz
Subject: Memo to MCER Liquefaction Map Explanation 9 March 2011
Attachments: Memo to MCER Liquefaction Map Explanation 9 March 2011.docx

David

Can you QA this please

Thanks

Bryan



9 March 2011

Hon. Gerry Brownlee
Minister for Canterbury Earthquake Recovery
Parliament Buildings
WELLINGTON

Dear Minister

MAPPING OF LIQUEFACTION FOR 22 FEBRUARY 2011 EARTHQUAKE

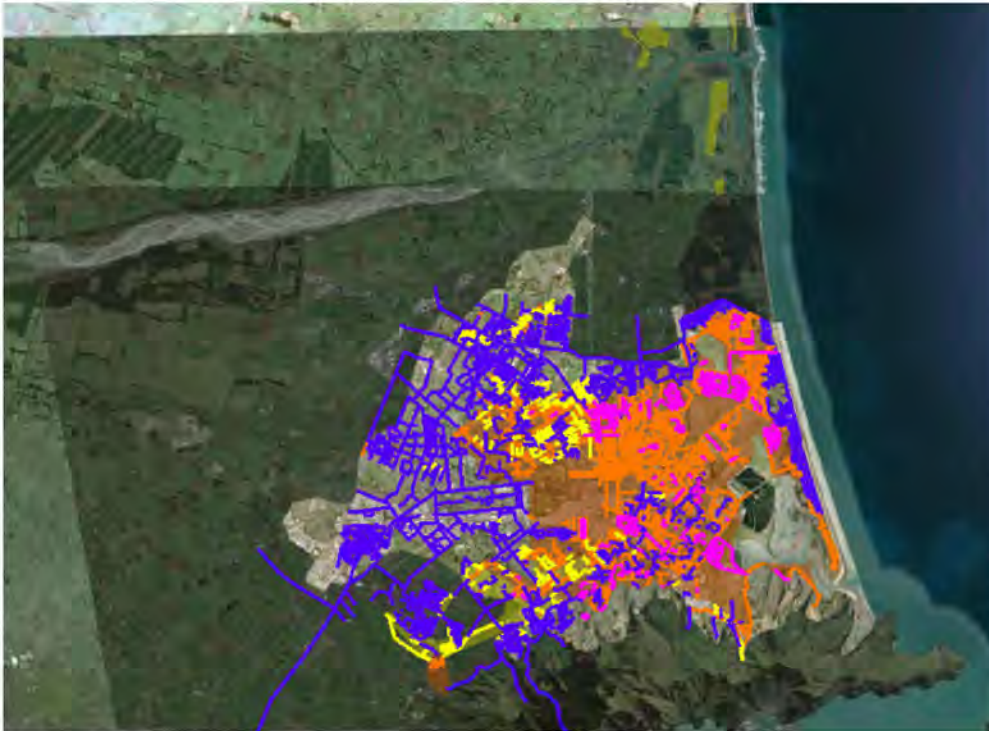
- 1 Following our meeting on Friday 4 March your office sought a brief explanation of the liquefaction mapping conducted by EQC's geotechnical engineers, Tonkin & Taylor. This note responds to that request.
- 2 As you are aware, Tonkin & Taylor have, to date, provided two maps outlining the extent of liquefaction resulting from the 22 February 2011 earthquake:
 - An initial map was provided to EQC on 24 February 2011. This was based on an aerial survey.
 - An updated map was provided to EQC on 1 March 2011. This was based on street by street observations from the ground.
- 3 The maps have been forwarded to Ministers and officials (CERSOG, ODESC), and were also highlighted in EQC's Ministerial Weekly Progress Reports for the weeks ending 25 February 2011 and 4 March 2011 respectively.
- 4 This note explains how these maps were developed, and the next steps to mapping liquefaction in Christchurch and surrounding areas.

24 February Preliminary Indicative Liquefaction Map



- 5 Tonkin & Taylor's indicative assessment of land damage provided on 24 February 2011 was based on an aerial survey undertaken on 23 February 2011.
- 6 The aerial survey was conducted by dividing the area between Kaiapoi and Lyttleton into one kilometre square grids. A flyover of each grid was undertaken to observe the extent of any liquefaction.
- 7 Based on this initial assessment, the liquefaction damage was divided into two zones. Major liquefaction was orange in the map, and minor liquefaction coloured yellow. Tonkin & Taylor noted at the time that future maps would further break the orange zone into different levels of severity.

1 March Liquefaction Map



- 8 The aerial map provided on 24 February 2011 showed the entire area where liquefaction was observed, irrespective of whether there was a trace amount of ejected sand or very severe liquefaction.
- 9 Tonkin & Taylor undertook rapid street-by-street observations from the ground to assess the extent of liquefaction damage. Not all streets were mapped at the time. These ground observations began on 25 February 2011 and are continuing.
- 10 Based on these observations, the orange zone in the 24 February 2011 map was broken down to provide different levels of severity noted earlier:
 - Severe amounts of observed liquefaction were represented by magenta lines.
 - Moderate amounts of observed liquefaction were represented by orange lines.
 - Trace amounts of observed liquefaction were represented by yellow lines.
 - No observed liquefaction was represented by blue lines.
- 11 Examples (photographs) of severe, moderate and trace liquefaction were presented by the Tonkin & Taylor engineers the 4 March 2011 meeting.

Next Steps

- 12 Tonkin & Taylor are continuing their street by street observations. It is expected that this work will be completed by the end of this week (13 March). They are also undertaking a detailed land mapping exercise, mapping for example areas of severe and moderate lateral spreading; severe and moderate liquefaction; areas of ground cracking damage; and areas where there is no damage.
- 13 Tonkin & Taylor has also been working with Canterbury University to use aerial photographs to produce a further detailed liquefaction map. Once completed, the liquefaction map will be combined with Tonkin & Taylor's detailed land damage mapping exercise to produce a single land damage map.
- 14 The maps provided by Tonkin & Taylor are also being used as part of Project Orbit. Project Orbit is a password protected web-based platform which allows all the data collected by relevant Canterbury earthquake agencies to be collated into a single GIS database. It provides a quick way of accessing land damage information and allows different levels or combinations of information to be displayed.

Yours sincerely

Bryan Dunne
for Chief Executive

9(2)(a)

From: 9(2)(a)
Sent: Thursday, 10 March 2011 9:07 a.m.
To: 9(2)(a)@treasury.govt.nz
Subject: Discussion

Steve

I am in the EQC office now and am OK for a catch-up between now and 11-ish. You are probably less flexible this morning than me so give me a call when you can.

9(2)(a)

Regards

Michael W