

## NEW ZEALAND BLOOD SERVICE

### Minutes – NZBS Board Meeting

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Minutes of the NZBS Board

Meeting held at: New Zealand Blood Service & Zoom  
71 Great South Road  
Epsom  
Auckland

In attendance: Mr David Chamberlain (Chair)  
Dr Jackie Blue (Deputy Chair)  
Ms Fiona Pimm  
Dr Bart Baker  
Mr Raymond Lind  
Dr Paula Martin  
Ms Edie Moke

Apologies: None

Management: Ms Sam Cliffe (CEO)  
Mr John Harrison (CFO)

Board Secretariat: Vanessa Siddins (Board Secretary)

Date: 3 December 2020

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The meeting commenced at 9.30am.

#### **ITEM 1.0 APOLOGIES**

There were no apologies for this meeting.

#### **ITEM 2.0 INTERESTS REGISTER**

##### **2.1 Updates to the Interest Register**

P Martin advised that her husband is no longer a Board member of Kidney Health New Zealand.

##### **2.2 Declarations of Conflicts of Interest for this Agenda**

P Martin declared that she is now an employee of the Office of the Auditor General

E Moke declared that for item 6.5 pricing policy she is also a DHB Board member.

#### **ITEM 3.0 MINUTES OF PREVIOUS MEETING/ACTIONS REPORT**

##### **3.1 Confirmation of Minutes – 29 October 2020**

P Martin requested that an action be added to the action register for J Harrison to contact the ADHB CFO regarding operational costs for ODNZ.

**Motion:** The presented minutes of the 29 October 2020 NZBS Board meeting be accepted as a true and correct record of that meeting with the above amendment.

**Motion by:** P Martin

**Seconded by:** E Moke

**Carried:** All present in favour

### **3.2 Schedule of Outstanding Action Items from Previous Meetings**

The status of all action items as outlined in agenda item 3.2 were noted.

The following action items were discussed:

Item 5.2 S Cliffe noted that the updated Adverse Events Policy was in today's Board papers.

D Chamberlain suggested that the Board Health and Safety visits could recommence in 2021.

### **3.3 Matters Arising (Not Covered Elsewhere)**

B Baker asked if there were any updates on Whangarei Hospital laboratory accreditation? S Cliffe advised that IANZ were comfortable with the hospital's plans but wanted to see some tangible action in the next few weeks.

## **ITEM 4.0 CHAIRMAN'S REPORT**

The Chairman had nothing to report that wasn't covered elsewhere.

## **ITEM 5.0 CEO REPORT**

S Cliffe noted that although it had been a challenging year, the organisation was in good shape operationally with business processes working well and a new Executive member starting in the new year who will be a huge asset to the organisation. The unknowns around the funding for infrastructure are challenging and tactics for best approach and response are needed in the knowledge that there is great potential for growth and development.

On Monday, 30 November this organisation became the national agency for organ donation. The ODNZ team transitioned and everything went as smoothly as expected. The next step is to put a robust framework in place, noting it will take some time to change behaviours.

### **Waikato Blood Bank**

Waikato Hospital have agreed to build a temporary blood bank to be ready in nine months' time. The team have looked at moving the blood bank to the donor centre but clinically it was not appropriate as it is too far away. F Pimm didn't feel comfortable with nine months as this was too long and she had concerns around the Board's liability if something goes wrong. D Chamberlain commented that the Board need to put plans in place to mitigate the potential risks. It was agreed that a legal opinion was needed on this matter to be sure the Board have taken all steps possible and that affected staff are kept informed.

F Pimm highlighted that although the likelihood is very low there is still a risk. B Baker agreed with F Pimm's statement and pointed out that we can't just stop using the current building as it would be a risk for patients and the hospital. We have obligations to our staff along with obligations to the people of the Waikato region. F Pimm added that the Board need to have explored all the options.

There was discussion around whether the Board should ask the Minister/Ministry to indemnify NZBS for this situation? S Cliffe shared the Board's concerns and noted that staff would have had to vacate the building anyway due to external scaffolding that is being erected as part of the initial remediation works to strengthen the plant on the roof and the blood bank wouldn't be able to operate when they do the internal bracing. Our current plan to is to maintain blood bank operations and to get staff out as soon and safely as practical. S Cliffe agreed that we do need to seek a liability view from Buddle Finlay and ask them about what we could ask of the Ministry/Minister. D Chamberlain suggested that we also ask them to

suggest the best mitigations and who to write to re asking for indemnity. Is there a letter we should send to the Waikato DHB to formally ask what the council's plans are?

S Cliffe advised that the Ministry have already received a briefing from Waikato DHB. We have formally asked Waikato DHB for assessments on the two building either side, which is the escape route and used as a thoroughfare for patients and families. Discussion followed around the Board's unease at the lack of concern and urgency that the DHB and council have shown around this. It needs to be clear to the DHB that the NZBS Board are taking this seriously and the organisation needs to be sure that we have explored all options for the safety of our staff. It was suggested that the Board Chair could write to the Minister and copy Waikato DHB. S Cliffe confirmed that we have explored multiple solutions with the landlord.

S Cliffe to get advice from Buddle Findlay around liability and mitigations at Waikato. Letter to Karen Poutasi and Kevin Snee seeking clarity re Hamilton City Council and DHB actions to cover liability. **ACTION 12.1**

### **Christchurch Blood Bank**

S Cliffe advised that there are issues with the new site for the Christchurch Blood Bank. In particular, the Lamson pneumatic tube system as it is a 15 minute walk from the blood bank to the acute services. There has been a lot of correspondence between S Cliffe, S Morley and their acting CEO Andrew Brant. The situation is concerning and staff are worried it will affect patient outcomes therefore it is being raised with the Board as a concern. The DHB hasn't thought about how to get product to the new block. S Cliffe will keep the Board informed if there is any further deterioration to the service. We are monitoring this as much as we can and have outlined to the DHB exactly what needs to happen to fix this.

E Moke suggested that we could perhaps explore again the request to share the acute building. S Cliffe responded that she is happy to have the conversation with the DHB again and that we don't need a lot of space, it's location that is important for access to the acute services.

### **Organ donation**

S Cliffe noted that the proposed roles and functions of the national agency for organ donation had been sent to the Ministry and we had formally written back to the Ministry outlining the organ donation funding shortfall. P Martin had been doing some investigation of public documents to try and understand what the appropriations were, for the national agency. The Board needs to have a discussion today how/if/when we will respond. A Briefing to the incoming Minister (BIM) was written along with supplementary papers to Minister Little. We received a heavily redacted version of the BIM back from the Ministry (for public release) around underfunding which the Ministry refute. Other statements were also redacted around self-reliance in plasma, however we hope that these statements will be unredacted.

There are multiple concerns, including the lack of clarity on the purpose of the funding. S Cliffe advised that the shortfall for the current service is \$200-300k per annum. It had become clear through the process that the extra \$250k was intended to top up \$1.7m to the \$1.9m needed to break-even. D Chamberlain added that the feedback from the Ministry had been that money is tight. We need to be careful that the Ministry don't conflate organ donation funding with the Blood Service funding.

The organisation needs to prioritise equity for its core business activities such as the Waikato donor centre as we don't want to end up being funded for organ donation and not our core collections network. S Cliffe has been discussing scenario planning with J Harrison and D Chamberlain. Waikato is urgent, then the Auckland satellite site then Tauranga but all can be viewed as urgent. ISBT 128 was due to start next year and would not be able to go ahead without funding matters resolved, as it can't be prioritised over blood collection needs. The development of 71 Great South Road would need to pause and we would need to increase prices to at least 10+% for the next few years, however this does not feel like the appropriate course of action. We could ask the landlord to fund all of the satellite site and repay over the term of the lease. D Chamberlain suggested a paper from management to the Board outlining the alternative funding models if there was no capital injection. J Harrison advised he would do this as part of the budgeting process to be discussed at the end of January. S Cliffe added that she didn't feel these options would be palatable.

There was further discussion around funding for the organ donation national agency noting it may have not been apparent to the Ministry how much it cost to run the ODNZ service. The \$250K agreed by cabinet in 2018 had been in the budget since 2019 with \$250k ongoing to establish the service, this was under the heading of policy initiatives. There was another initiative of \$700k ongoing, which the Ministry says is no longer available. S Cliffe added that the Ministry have advised us that they are trying to find some one-off funding to assist NZBS. The Board felt that they needed to take a strong position on why the funding was no longer available but also note it is entirely possible it's a legitimate decision by the Government not to give us the money. The budget bid process is not clear and the Minister needs to be made aware what the outcomes will be if the budget bid is not successful.

S Cliffe advised that management have a letter ready to go and can strengthen the approach as per the views of the Board and get it to the Ministry as it's important the Board's view is documented.

S Cliffe to write to MoH around lack of funding for national agency for organ donation. Once a response has been received, write to the Minister with briefing paper. **ACTION 12.1**

**Motion:** The Board received and noted the Chief Executive's report.

**Motion by:** J Blue

**Seconded by:** B Baker

**Carried:** All present in favour

## **ITEM 6.0 DECISION PAPERS**

### **6.1 Year End Financial Statements and Statement of Performance – Pre-Board sign-off Review**

J Harrison advised the figures differ from those tabled earlier in the year due to the Holidays Act work that Ernst & Young (EY) undertook moving the estimated remediation shortfall in the 2019/20 year to \$1.2m, thus taking the remediation accrual to \$2.9m. Another issue arising was that this breached the interest cover ratio which pushed us into a potential breach position. Technically at 30 June if our banking covenant was breached NZBS would need to treat term debt as current debt. Consequently, NZBS entered discussions with Westpac on the matter. Westpac had formally confirmed NZBS hadn't breached interest rate cover and Audit NZ were happy with this resolution meaning the status quo was maintained for all debt classification.

The Chair noted he had received on behalf of the Board the Letter of Representation from Management and noted the CFIS letter had been filed on 12 August 2021.

#### **6.1.1 2019/20 Management Letter to the Board from Audit NZ**

**Motion:** The Board confirmed the receipt of the 2019/20 Management Report to the Board from Audit NZ and in so doing, noted;

1. the ESCO assessment grades for NZBS control environments in the 2019/20 financial year were maintained at the top grading of 'very good' for all three control environments and,
2. there were no substantive issues arising from the 2019/20 year-end audit work.

**Motion by:** B Baker

**Seconded by:** F Pimm

**Carried:** All present in favour

#### **6.1.2 Variation to Westpac MOCL Terms – Revised Definition of Interest Cover Ratio**

**Motion:** The Board having reviewed the Westpac *Letter of MOCL Facility Variation* incorporating a change in the basis of interest cover ratio calculation approved the execution of the Acceptance of the changes document and in so doing authorised the digital signatures of the Chair and deputy Chair be added to confirm acceptance of the MOCL change on behalf of the New Zealand Blood Service.

**Motion by:** F Pimm

**Seconded by:** R Lind

**Carried:** All present in favour

**6.2 AUDIT NZ Attendance – Financial Statements Adoption Considerations, 2019/20 Audit Outcomes and Management Report, issue of Audit Opinion** (*Audit NZ Attendees: Lauren Clark, Associate Audit Director and Penica Cortez, Audit Manager*)

The Chair welcomed Lauren Clarke, Audit Director and Penica Cortz, Audit Manager from Audit NZ to the meeting at 11.30am. The Board then invited Francois Steyl, Financial Controller to join the meeting with the auditors. Thanks were given for all the work and effort that had been put into what was a challenging year for everyone. J Harrison noted he was very proud of how the finance team had delivered early in the audit process and hoped it had been a good process in the circumstances for Audit NZ.

L Clarke commented that they had started the year expecting to be finished the NZBS audit by mid-August, then Covid-19 came along. She was impressed at how ready the finance team were. A big issue this year had been Holiday Act remediation liability. Also of importance was the clarification around the potential breach with the bank. In terms of inventory, as the largest NZBS asset Audit NZ had put a lot of effort into their inventory work. Management have been presented with the audit management report which is in the papers and noted NZBS control environments had been assessed as very good with only some minor matters raised.

D Chamberlain noted the assessment of very good was in three categories and gave his congratulations to J Harrison and F Steyl. He then commented that the non-material misstatement based around EY and Holidays Act. L Clarke added that it was fortunate for NZBS that all three of the DHBs also used EY, therefore the EY methodology used here enabled Audit NZ to assess the reasonableness of the estimate for Holidays Act remediation. J Harrison advised that we have now commenced the second stage of the engagement focused on payroll system rectification and remediation initially for existing employees followed by past employees. We are following the formal process which includes MBIE and the unions. J Harrison has planned the first payments in the 2022/23 financial year and was anticipating this will be completely remediated by the end of 2023/24 financial year.

Management left the meeting room at 11.48am to enable the Board to have a discussion with Audit NZ.

L Clarke advised the Board that it was a clean audit opinion apart from the required reference to Covid. There were no concerns to raise and it was noted that the finance team had worked closely with auditors. The Chair noted that the Board have a lot of faith in J Harrison, S Cliffe and the team. L Clarke added that she had been wary of the changeover in key roles, however everything was managed well.

Management returned to the meeting room at 11.50am

D Chamberlain extended his thanks to F Steyl for all his work, especially coming in so late in the piece and again extended his thanks to the Finance team.

**Letter of Representation to Audit New Zealand**

**Motion:** The NZBS Board, noted the receipt of the supporting management Letter of Representation, **approved** the providing of a Letter of Representation to Audit NZ and **authorised** the digital signatures of the NZBS Chair and Deputy Chair be affixed to the Letter of Representation on behalf of NZBS.

**Motion by:** F Pimm

**Seconded by:** R Lind

**Carried:** All present in favour

**Approving the Financial Statements** for the 2019/20 Financial Year

**Motion:** The NZBS Board **approved** the tabled *Financial Statements* reporting a deficit result of **\$4,848k** for the year ended 30 June 2020 and authorised the digital signatures of the NZBS Chair and Deputy Chair be affixed to the 2019/20 financial statements on behalf of the Board.

This approval was provided after having confirmed:

- Audit New Zealand was issuing an unmodified Audit Opinion,
- there had been no substantive changes to the previously circulated financial statements other than had already been advised,
- there were no material misstatements within the financial statements,
- the going concern convention underpinning the financial statements remained a valid assumption for the foreseeable future, defined as the next 12 months from the date of signing the 2019/20 financial statements on 3 December 2020.

and in so approving also noted;

- such approval also covered the *2019/20 Annual Statement of Performance*,
- the reported result included a nil price rebate declaration to DHBs,
- the Financial Statements will be made available publicly on the NZBS website, once the NZBS Annual Report has been presented to the House of Representatives via the Office of the Clerk (Bills Office).

**Motion by:** B Baker

**Seconded by:** R Lind

**Carried:** All present in favour

**Statement of Responsibility – 2019/20 Financial Year**

**Motion:** The NZBS Board **approved** the 2019/20 Statement of Responsibility as required by the Crown Entities Act 2004 (the Act) and authorised the digital signatures of the NZBS Chair and Deputy Chair be affixed on behalf of NZBS to the *2019/20 Statement of Responsibility* therein acknowledging the responsibilities NZBS has under the Act and NZBS compliance with those responsibilities over the 12 months to 30 June 2020.

**Motion by:** R Lind

**Seconded by:** E Moke

**Carried:** All present in favour

**Statutory Disclosures**

The Chair noted that P Martin was employed at the office of the Auditor General.

J Harrison thanked the Board for their support along with the auditors. The Board noted their appreciation for Audit NZ and the Finance team for getting us through to this stage.

**Motion:** that the NZBS Board **approved** the 2019/20 Statutory Disclosure document as presented within the Annual Report and authorised the digital signatures of the NZBS Chair and Deputy Chair be affixed to the Statutory Disclosure document on behalf of the Board of New Zealand Blood Service.

**Motion by:** R Lind

**Seconded by:** E Moke

**Carried:** All present in favour

E Moke extended her thanks to the management team and particular the Director Finance for achieving three 'very good' ratings for a number of years in a row. As a new board member she was proud of the work that has been done. The Chair agreed it was a good outcome.

*Lunch 12.00-12.45pm*

### **6.3 Annual Policy Reviews**

S Cliffe advised that management weren't suggesting any changes.

#### **6.3.1 NZBS Board Expenses Policy**

After a brief discussion the Chair felt that the policy remained fit for purpose and highlighted that no alcohol costs were to be paid for.

E Moke noted that there is a typo in item 5.2.4 of the policy 'Alcohol costs will be not be met by NZBS'.

The NZBS Board acknowledge the policy with the one change noted.

**Motion by:** B Baker

**Seconded by:** E Moke

**Carried:** All present in favour

#### **6.3.2 NZBS Board Code of Conduct**

D Chamberlain reminded the Board that the customary method of communications is from the Board to the Chair then to the Chief Executive. If it is something formal or serious it is always important to revert back to that structure. This keeps matters simple and transparent. If the Board members communicate with the Chief Executive in less formal circumstances, they should just copy the Chair in.

The NZBS Board reviewed and noted the NZBS Board Code of Conduct and no changes were made.

**Motion by:** F Pimm

**Seconded by:** R Lind

**Carried:** All present in favour

#### **6.3.3 NZBS Board Conflicts of Interest Policy**

D Chamberlain noted it was important to always keep the register of interests up to date.

The NZBS Board reviewed and noted the Board Conflicts of Interest Policy and no changes were made.

**Motion by:** E Moke

**Seconded by:** J Blue

**Carried:** All present in favour

### **6.4 Conflicts of Interest Policy – NZBS Employees**

The NZBS Board received and noted the Conflicts of Interest Policy for NZBS Employees.

#### **6.4.1 Executive Team Conflicts of Interest Register**

The Board could not see any issues within the Executive Conflicts of Interest Register.

The NZBS Board received and noted the Executive Team Conflicts of Interest.

### **6.5 Pricing Guidelines Policy annual review**

J Harrison noted the current Pricing Policy is working well for the organisation with a clearly defined process. It was highlighted that Fusion 5 bought out Mindful who provide the support for the Cognos and Valumax software.

P Martin queried the section in the Policy on the legislative environment as this has changed as of 30 November with ODNZ now part of NZBS. There is now a new function in section 5 and we have noted an outstanding issue around the funding model in relation to that section. A fee for service is not relevant in all our functions now. J Harrison commented

that this was a good point and hadn't seen the national agency for organ donation sitting under this policy framework therefore will add a sentence / paragraph about that up front in the policy. **ACTION 12.3**

J Harrison agreed the policy did not take into account funding mechanisms. B Baker queried if this policy would need a complete re-write if we have to increase our prices? J Harrison responded that we could use the policy as a framework and accept in the Policy an element of capital recovery in excess of the annual depreciation charge. If we try to fund significant spend ie three projects, this will have a significant impost on pricing but still applying the same methodology. S Cliffe suggested that this issue could be best resolved at the end of January Board meeting.

Discussion followed on the outstanding funding model for organ donation. An option would be a 10% price levy for a year acknowledging that this will likely be unpalatable to the DHBs.

J Harrison to come back with adjustments for discussion at the January Board meeting. **ACTION 12.3**

## **6.6 Dead of Lease Renewal – Dunedin Blood Bank**

J Harrison advised this was a straight forward renewal. B Baker noted there was no increase in rental.

**Motion:** The NZBS Board approved the new Deed of Renewal of Lease for the Dunedin blood bank on the terms outlined and in so approving nominated the Chair and Deputy Chair to sign the lease documents on behalf of New Zealand Blood Service.

**Motion by:** B Baker

**Seconded by:** E Moke

**Carried:** All present in favour

## **6.7 Revised Adverse Financial Event Policy**

J Harrison had endeavoured to reflect the discussion at the last Board meeting in the refreshed policy around making an assessment of the reserve. Currently it is sitting at \$4m and the Policy has been amended to reflect that fact. It was noted that reserve adequacy will be reviewed annually as part of the Policy review.

There was discussion around the implications of process migration from CSL Behring and the cost of a loss of a larger pool size. J Harrison noted that the reserve is a first line of defence, not the complete management of a situation. D Chamberlain highlighted that receiving the cost of the pool does not actually replace the plasma.

D Chamberlain requested that the phrase self-insurance should not be used and J Harrison agreed to change it to capital reserve where referenced in the policy document.

**Motion:** The NZBS Board formally reviewed the refreshed Adverse Financial Event policy post Board feedback and following discussion and above suggested changes approved the reviewed Adverse Financial Events policy.

**Motion by:** B Baker

**Seconded by:** F Pimm

**Carried:** All present in favour

## **6.8 Auckland Satellite Site Business Case - Agreement in Principle to Progress**

S Cliffe noted that this document was for discussion, seeking any refinements to secure an agreement in principle to progress a satellite site. Initially there were questions about necessity, but after doing the analysis management are now certain this is needed. S Cliffe believes we need to be the national tissue agency for the country and that there are real opportunities for us to be self-reliant in some of these things. As we progress with the redevelopment of the building it is clear that there are underlying issues which mean it is not capable of doing what we need to. Now we have been able to project the amount of plasma that would go through the facility as well as the volume and weight, it is apparent that it would compromise health and safety by not having enough logistics space and the necessary floor loading for these increased volumes.



The downside of a satellite site is how far away it might be. A site close to here has been identified, but there are hurdles with zoning and potentially its size. Some of the costs incurred by having a satellite site will be balanced by developing 71GSR differently. S Cliffe and J Harrison are both committed to this change and think that the business case is compelling. It was also noted that the team have done the homework and know that what we need can't be achieved in Christchurch.

F Pimm suggested a partnership with an investor such as Ngāi Tahu for a building development in Auckland. S Cliffe agreed we need a strong partnership with a landlord and a long term lease, similar to our 30-year lease with Dilworth Trust.

B Baker felt this was a good paper and the issues with the floor loading in logistics were compelling. There was also good clarity around the issues with clean rooms and potential for future developments in CarT cell therapy for improving patient outcomes and services.

D Chamberlain asked if initially there would be building empty space? S Cliffe responded that we might decide to build four clean rooms but only commission one in the first year. It was highlighted that we are not going to be able to continue with our current clean rooms in Auckland as Medsafe have informed us that they are no longer compliant under their new rating system.

There was discussion around where the satellite site would sit if we prioritised properties within our capital bid? S Cliffe advised that it would sit second with Waikato at the top along and Tauranga in the top three. P Martin commented that this needs to be clear in the Board papers at the end of January.

S Cliffe added that a number of factors had changed since the initial plan was agreed to redevelop 71 Great South Road in 2018. For instance, CSL Behring have moved the goal posts with regards to pooling sizes. Tissue has arrived sooner than anticipated eg the heart valve bank. We are two years away from having to be out of Tauranga. S Cliffe summarised that today the Board was being asked to support an agreement in principle to continue work on this business case, in parallel with bids for funding.

**Motion:** The NZBS Board having considered the business case for an Auckland Satellite site;

1. Approved in principle the establishment of a satellite site, enabling ongoing scoping and concept planning to proceed as outlined in this initial business case;
2. Requested that a suitable clinical survey be undertaken in the relevant sectors to gain further understanding of the clinical requirements and provide a measure of validation to the potential growth opportunities a satellite site could address;
3. Planned to seek Ministerial approval to maintain the current Multi-Option Credit Line (MOCL) funding arrangements on an ongoing basis. The Ministerial approval to be informed off the 2021/22 Budget and 3-year financial projections currently under preparation.

**Motion by:** R Lind

**Seconded by:** J Blue

**Carried:** All present in favour

## 6.9 RFP for Supply of Next Generation Sequencing (NGS) kits

S Cliffe noted that this RFP had come to the Board due to the quantum of spend over the life of the kits. The total cost is S.9 (2) (b) (ii) over the life of this critical product, noting it is in the budget.

**Motion:** The NZBS Board having considered the recommendation from the NZBS evaluation panel;

1. Noted that a formal RFP process was operated by NZBS for the purchase of Next Generation Sequencing (NGS) Kit for Human Leucocyte Antigen (HLA) Typing.
2. Approved NZBS to finalise all contract and related matters with S.9 (2) (b) (ii) in the knowledge the planned spend will be in the order of S.9 (2) (b) (ii) over 5 years, and
3. Authorised and delegated to the Chief Executive Officer the authority to execute the finalised contract with S.9 (2) (b) (ii) on behalf of the New Zealand Blood Service

**Motion by:** B Baker

**Seconded by:** F Pimm

**Carried:** All present in favour

## **ITEM 7.0 DISCUSSION PAPERS**

### **7.1 Organisational Risk Register**

S Cliffe advised that a new risk has been added around the Waikato blood bank site noting this will be updated with an action plan. Another new risk will be added around the Christchurch Blood Bank site.

P Martin commented that the Transition of ODNZ by 30 November (item 9) needs to be updated and perhaps move it to a higher risk with regards to issues with staffing levels.

**Motion:** The NZBS Board received and noted the organisational risk register.

**Motion by:** J Blue

**Seconded by:** P Martin

**Carried:** All present in favour

## **ITEM 8.0 MONTHLY / REGULAR REPORTS**

### **8.1 Director Finance's Report – 4 Months to 31 October 2020 with Full Year Forecast**

J Harrison took the paper as read noting he was happy with how the organisation was travelling albeit being underpinned by Covid recoveries money. Reporting earnings saw a surplus of just over \$2m with favourable manufacturing variances. Revenue was just over \$13m in line with budget. The CMO is confident Ig will increase in the second half of the year. The term deposits rolled over at 1%. There has been a positive recent surge of the \$NZ against the \$AUS hitting 0.95c on the cross rate. The early full year forecast is for a surplus, bearing in mind we are greatly assisted this year the by Covid recovery monies. Overall there is a lot happening in the business with the ongoing drive for source plasma and the restoration of the plasma buffer. November was a steady month and J Harrison is happy with how we are managing the multitude of projects including ODNZ integration.

E Moke queried if we are separating ODNZ costs? J Harrison advised that they have a separate cost centre and we can show them separately and in the consolidated position. There is an element of overhead costs being incurred and we are capturing those additional costs, noting that there will be inevitable transition costs. To date there have been many additional costs including, privacy, legal, time recording, a business analyst and moving costs, which the Blood Service was absorbing. J Harrison added Finance had established granularity around direct and indirect costs for ODNZ. The Holidays Act compensation for ODNZ remains with ADHB for employees prior to 30 November 2020.

**Motion:** The Board received and noted the Director Finance's report.

**Motion by:** E Moke

**Seconded by:** F Pimm

**Carried:** All present in favour

## **ITEM 9.0 INFORMATION PAPERS**

### **9.1 Quarter 1 Ministry Monitoring Report**

S Cliffe noted the Ministry is moving to a different reporting format. J Harrison has been sitting in on Ministry meetings with other Crown entities around the new format noting, however a standard form is proving challenging for MOH as the agencies all have different sets of drivers.

The Board Chair received and noted the Quarter 1 Monitoring Report provided to the Ministry of Health.

## **ITEM 10.0 CORRESPONDENCE**

### **10.1 Response letter from Director General re Roles & Functions for Organ Donation**

The response letter from Director General re Roles & Functions for Organ Donation dated 11 November 2020 was noted by the Board.

**ITEM 12.0 GENERAL BUSINESS**

J Blue noted that she has had message from Andy Tookey around organ donation rates.

**ITEM 13.0 BOARD MATTERS**

**13.1 Board Work Programme and Calendar 2020**

The NZBS Board Work Programme and Calendar 2020 was taken as read.

**13.2 NZBS Board Member Tenure Timetable**

The NZBS Board Member Tenure Timetable was taken as read.

**13.3 Confirmed Board meeting dates 2021**

The NZBS Board meeting dates for 2021 were taken as confirmed.

**ITEM 14.0 NEXT MEETING**

The next Board meeting will be a Video Conference on Thursday 28 January 2021 where the first version of the 2021/22 Budget will be presented.

**Close of Meeting:** The meeting closed 2.20pm

**Certified as a true and correct record:**



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**David Chamberlain** – Board Chairman