

## NEW ZEALAND BLOOD SERVICE

### Minutes – NZBS Board Meeting

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Minutes of the NZBS Board

<u>Meeting held:</u>	By Video Conference
<u>In attendance:</u>	Mr David Chamberlain (Chair) Dr Jackie Blue (Deputy Chair) Dr Bart Baker Ms Edie Moke Dr Paula Martin Ms Fiona Pimm Mr Ray Lind
<u>Apologies:</u>	Mr John Harrison (Director Finance & Corporate Services)
<u>Management:</u>	Ms Sam Cliffe (Chief Executive)
<u>Board Secretariat:</u>	Vanessa Siddins (Board Secretary)
<u>Date:</u>	28 May 2020

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9.00am **BOARD ONLY TIME**

Board only time commenced at 9.05am with D Chamberlain noting J Harrison's apologies due to the death of his mother. The Chair then welcomed Edie Moke to her first NZBS Board meeting.

D Chamberlain advised that a key part of the Board meeting was the financials and that the organisation had been unsuccessful in the budget round for Covid-19 related losses. He further noted that S Cliffe had written to Minister Henare's office and that they were in dialogue. There was concern raised around the morale of the Executive team over the lack of success in the budget round as the Ministry were adamant there was no more money. D Chamberlain responded that S Cliffe and her team were professional and although they were surprised with the decision, the mood has remained positive.

D Chamberlain noted that there had been a phishing incident whereby an email was sent to payroll and the instruction was actioned. This meant that a staff member's bank account was updated in the payroll system to a fraudulent account. The BNZ recognised that the account was suspicious and blocked the payment before contacting J Harrison. D Chamberlain advised that this was more a risk around the process and had asked J Harrison to report back to the Board on how the controls around establishing a new bank account for payroll had been strengthened.

D Chamberlain highlighted that a property had been identified in Hamilton that the organisation would potentially like to take a long term lease on and that S Cliffe would provide further information on this.

Further discussion followed on the lack of understanding of the organisation's financials by the Ministry and if any further communication was needed with the Minister of Health.

S Cliffe joined the meeting at 9.20am.

#### **ITEM 1.0 APOLOGIES**

J Harrison gave his apologies for this meeting.

## **ITEM 2.0 INTERESTS REGISTER**

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

E Moke undertook to provide updates to her interest register for West Coast DHB and Ngā Taonga Sound & Vision. P Martin had provided details of her new role with the Auditor General before the meeting. R Lind advised that he is no longer a board member of Health Workforce.

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

As a DHB Board member, E Moke will abstain for voting on item 6.6 DHB Price Rebate.

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

### **3.1 Confirmation of Minutes – 28 March 2019**

**Motion:** The presented minutes of the 26 March 2020 NZBS Board meeting were accepted as a true and correct record of that meeting.

**Motion by:** F Pimm

**Seconded by:** P Martin

**Carried:** All present in favour

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

The status of all action items as outlined in agenda item 3.3 were noted.

The following action item was discussed:

Item 2.6 S Cliffe noted it was worth re-thinking about horizon scanning post Covid.

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

No matters arising.

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

D Chamberlain advised there was nothing to report.

## **ITEM 5.0 CEO's REPORT**

S Cliffe presented the CEO's report and during discussion the following matters were specifically highlighted:

After a video meeting with Minister Henare on 20 April, he had asked to be kept informed with regard to our budget bid for Covid financial recovery monies and had expressed surprise and disappointment with the results. The Covid related exposure is \$8.2m. The second issue is the \$15m infrastructure need via an equity injection. It's hard to get the Ministry to understand if we can't invest we will end up moving away from self-reliance of Ig product to a high dependence on commercial Ig product. S Cliffe is optimistic around the funding and will keep pursuing this as the alternative is undesirable. She noted that the Ministry had offered the organisation a letter of comfort to our bank and our potential new landlord in Hamilton. If we had to recoup the earnings impact ourselves, the price increase to DHBs would be 9-10% range for 2020/21.

There was further discussion around the escalation process and communications with Minister Henare and the Minister of Health. She is comfortable that Minister Henare will be able to put our case forward clearly to Minister Clark.

P Martin queried if there had been any clarification around funding for the organ donation national agency? S Cliffe responded that the Ministry haven't been able to provide this information to date and she is hoping they will have answers in the near future.

The DHBs won't like a 10% price increase but we would need to do this if it's our only option to maintain financial stability. The issue is the demand for Ig, we know our utilisation is trending upwards and we would put the country's self-reliance into a steady decline if we can't meet ongoing demand from NZ sourced plasma.

S Cliffe advised that she will be looking at efficiencies within the organisation, however is not proposing any layoffs at this time. For example, travel costs should be significantly reduced for the foreseeable future. Only managers with large dispersed teams will be approved to travel.

There was further discussion around the organ donation agency funding cut of \$250k but it was not clear what it was cut from. The question was raised of how long the Board will let this lack of clarity around funding go on for? D Chamberlain advised that if the time comes that S Cliffe doesn't feel like she's making progress, he will take this up with the Minister. S Cliffe noted that there are short, medium and long term implications around this but she is more concerned about the long term implications. It erodes the Blood Service's ability to supply products for New Zealand. With no additional funding, by late 2022 we will be obligated to be out of the Tauranga site and would have to close the donor site with the same implications in our Palmerston North site. By the end of September, we would potentially be breaching two banking covenants and would not be able to build additional centres in Auckland. We will need to make a decision how to frame the budget over next four years.

71 GSR is under a major refurbishment and is an aging 20 year old facility. We have completed stage 2 upstairs and stage 3 is all our manufacturing, laboratory and logistics space. S Cliffe felt that the saving grace is the organisation was in great shape and her role is to ensure the organisation's sustainability. The Ministry don't understand that we absorb a lot of costs especially for our softer services such as clinical oversight and therapeutic services. We would have to re-cost and it won't be well received by the DHBs. It was noted that Sarah Turner, Deputy Director-General. Office of the Director-General has been attending the meetings with the Ministry and was reporting back to Ashley Bloomfield. S Cliffe will contact Ashley directly if we don't get a good response.

E Moke noted that sometimes organisations aren't considered as important as they aren't seen as front facing. How does the organisation rate in terms of visibility and was it a strategic approach to fly below radar? S Cliffe responded that the profile is much higher than it had been and that we are not under the radar for people that want to donate. It's not easy to get free publicity as good news stories don't always sell. If we raise the profile too high, we can end up with a queue at the door for a fortnight then it goes away. We have World Blood Donor Day next month which will give us some good publicity.

There was further discussion around the need to get this resolved before the election lockdown.

S Cliffe recalled that in the first week of lock down there were some anxieties with front line staff before the organisation made the decision to buy its own PPE. We also made the decision to buy more Privigen which should give us another 12-18 months before we run out of stock. S Cliffe is proud of the organisation and felt it had performed really well. She is having Skype meetings with team leaders and the teams have fed back that they feel safe and that communication has been good with the EOC team doing a great job. We have not failed to supply and in an environment where there are very few flights it was amazing. Collections are good and staff appear to be feeling ok. There will be issues around pay restraint which will cause some angst. Staff have been kept informed about the State Services Commission guidelines and the organisation is aware that S Cliffe had taken a pay cut. Our nurses have similar pay to NZNO and we match DHB settlements. We had already settled with ASMS and Apex this year.

R Lind offered to reduce his Board fees by 20%. D Chamberlain felt it was for individual Board members to decide if they wanted to reduce their fees and highlighted that Board fees haven't changed since 2009 and didn't want to encourage the Board one way or another. E Moke felt it appropriate to agree to a 20% cut which would be a signal of support to staff.

S Cliffe noted that she had been clear with staff that they were not going to take a pay cut and the organisation would honour all commitments.

## 71 Great South Road – Governance Report

S Cliffe noted that the site had been closed during shut down with a modest level of activity during level 3 to prepare work for starting again during level 2. Currently the new passenger lifts are being installed and once finished we can officially open the donor floor on level 1. The new donor floor has already been used for mobiles where the original venues had to cancel due to Covid. We will have an event to open the new donor centre when we can.

We have to think quite carefully about how we stage the borrowing for stage 3 and if we have limited funding as we need to be careful about optics. If we have an amazing hub site, then how can we tell other sites they will have a sub-optimal site.

Plasma collects went well over Covid with our plasma collect last week being the best ever and our collections staff are in a good place.

P Martin queried if there was anything that needed updating before EY's Stephen McKernan and Luke Williams join the meeting? What they had presented to the working group a few weeks ago was a large and complex document. P Martin felt the content was good but the working group struggled to understand it as the methodology was not easy to understand. S Cliffe and P Martin had done some further work to simplify and refine it to tell a clearer story on what we are trying to achieve, however it needs more work. Today EY can get the Board's feedback, then they can take it away and refine it and answer some of the questions. There needs to be a discussion on what the next steps are. Originally there was going to be focus groups and workshops, but now they need to get to key individuals in different ways. While we will be the agency on 1 July, ODNZ won't be here then and we don't want to stall, but take the time to get it right. It needs to be clear what EY are going to continue to do. P Martin will work with S Morley and EY on the next steps. We want EY to work on the next phase around what the implementation plan and costings look like. We should be aiming for the second half of this year so we can go to the Minister with what the national agency will look like and how much it will cost. S Cliffe noted that she told L Williams that the final strawman needs to be completed by the end of June. It is aspirational and we can't do all from day 1. S Cliffe was clear that there are some things we can do straight away, but not everything.

**Motion:** The Board received and noted the CEO Report.

**Motion by:** R Lind

**Seconded by:** B Baker

**Carried:** All present in favour

## ITEM 6.0 DECISION PAPERS


### 6.1 Behavioural Criteria Review Proposal

Sarah Morley, CMO and Peter Flanagan, Transfusion Medicine Specialist joined the meeting at 11.00am.

S Morley thanked the Board for reviewing the paper and noted that the world had changed a lot recently for MSM deferrals. The Board also needed to be aware that a number of individuals are raising concerns with the organisation around deferrals. Internationally in Brazil and Hungary their blood services had been taken to the high court and behavior deferrals had been overturned. People are now aware that the UK, Canada and soon Australia and US, have reduced their deferrals down to three months. In addition, our organisation has had two human rights complaints in the last year. Concerns have also been raised via our website and there is a petition circulating asking Government to intervene in this area. Given the scientific evidence, it is time to ask Medsafe to review this matter based on the scientific information we have. P Flanagan put this paper together and has been involved in the current and previous review groups.

P Flanagan explained that when this third review (and the independent panel) was initiated, there was always a question as to if it was necessary as the evidence was generally available and appears persuasive. Patricia Priest, proposed Chair of the review panel felt it was appropriate to go direct to Medsafe.

S.9 (2) (ba) (i)



D Chamberlain opened the meeting for questions and there was discussion around if the process could change for gay men in monogamous relationships. P Flanagan commented that we need to put together a series of questions to better define a low risk monogamous relationship. S Morley added that the direction we are seeking is about how we translate this into something more acceptable and inclusive. If we ask risk groups about their sexual behaviours then we need to ask all donors about their sexual behavior. How to ask these extra questions and keep the questions appropriate in this complex pathway is the subject of a lot of research internationally. This is why the next review could be very important to us.

There was further discussion around testing for syphilis and hepatitis B and if either of these were an issue for us. It was noted that this is not restricted to the MSM community as young people are not necessarily following safe sex practices.

P Martin asked for clarification if the Board was being asked to change the process and support that? The question being, who is the ultimate decision maker, do Medsafe make a decision or do they make a recommendation? P Flanagan responded that the decision by Medsafe will give permission to the Blood Service to implement changes recommended by the Blood Service. Medsafe could ask more questions or say no, they also could take a view that there are wider public health decisions and seek input from the Ministry of Health. The process is that this organisation makes a decision, this is documented and the proposal is then made to Medsafe.

D Chamberlain had thought that the paper would go to the Board before Medsafe then it would be ratified by the Board after Medsafe approval. S Cliffe advised that the submission to Medsafe would be similar to the one in today's papers. P Flanagan added that there are two parts to the submission, firstly the justification and then the process of implementing it safely. There will be 2-3 inches of paper that will go to Medsafe which would not be valuable for the Board to go through, although the justification would be made available.

P Flanagan would like to think they'd be in the position to pull all documentation for Medsafe together by the middle of July at the latest. The aim is to begin to look at planning to go live in the first quarter of 2021. P Martin clarified that she doesn't want to read the documents, she wants to understand the process as this is a high profile topic. S Morley added that this is a change that we want to make in a careful way with the right consultation and discussion. There also needs to be discussion with patient and donor groups and interested parties which needs a careful rollout discussion with the Ministry and wider stakeholders. D Chamberlain noted that he would like to see the justification as this is one of the most important decisions that the Board will make. S Morley suggested that as a first step that they circulate to the Board the detailed paper that was going to go to the independent review, that will give the Board a sense of the information available to us.

P Flanagan noted that the public have high regard for NZBS decisions. We have not had a case of transmission since we started testing blood and there hadn't been any feedback from the last reviews that said people are not comfortable.

S Morley explained that it is a trust issue, if donors think the questions are reasonable they are more likely to tell the truth if we move to three month deferral. We need to make change at the right time that seems fair and equitable.

D Chamberlain noted that the Board were in favour of a direct to Medsafe approach although personally, he would like to read the justification first.

D Chamberlain thanked P Flanagan and S Morley and highlighted that this was an important decision. **S.9 (2) (ba) (i)**

**Motion:** The Board endorsed this revised approach and so enabled the clinical team to progress development of an appropriate Medsafe submission.

**Motion by:** B Baker

**Seconded by:** F Pimm

**Carried:** All present in favour

## 6.2 Deed of variation – Dilworth – 71GSR Seismic Strengthening

S Cliffe advised that the building at 71 Great South road had a poor seismic rating. NZBS had been consistently clear with our landlord Dilworth that the seismic rating needs to be raised to 100% IL3 standard as part of the redevelopment outcomes. J Harrison had worked hard to get this over the line as a Dilworth capital spend. It was noted that there is a typo on page 32 and needs a date change.

D Chamberlain highlighted section 2.1 and noted that cost over runs are our problem and make the timing a risk. S Cliffe advised that we feel confident in GHD who are our and Dilworth's architects. D Chamberlain reiterated that we are taking

a risk in cost over runs if we sign. There was further discussion around who would be liable if the standards were elevated in the future and there are further requirements. D Chamberlain noted that it takes a long time to bring in any changes so can't see it changing in the next three years. It was further noted the issue with hollow core flooring which is also being strengthened separately to the planned seismic strengthening works.

B Baker noted there is quite a generous contingency, which perhaps would allay concerns? D Chamberlain responded that he had wanted to raise the concerns, but feels comfortable that the risks have been accurately assessed. S Cliffe added that J Harrison is not present today, but would be happy to put a call into Buddle Findlay if the Board wanted clarification or had other questions. D Chamberlain felt the Board should run with J Harrison's assessment as he has done a great job getting Dilworth to finance this while maintaining good relationship.

F Pimm thanked D Chamberlain for identifying this and noted that it was important it was minuted that the Board accepted the situation.

It was noted that the Board were happy to have the Chair and Deputy Chair use electronic signatures for any signing required for this meeting.

**Motion:** The NZBS Board reviewed the *Deed recording Agreement regarding the Seismic Strengthening Works* (the Deed) and approved the execution of the Deed with the Chair and Deputy Chair to execute the Deed on behalf of the New Zealand Blood Service.

**Motion by:** R Lind

**Seconded by:** B Baker

**Carried:** All present in favour

### 6.3 Wellington Donor Centre Lease Renewal

S Cliffe noted that the Board were already aware the Wellington site was not an ideal building. The Executive had just approved updates to the air-conditioning system to improve it. The site is not ideal, but for now it will be renewed for a further period. This is a DHB site on the hospital campus.

**Motion:** The Board approved the rent review associated with the premises at 7 Hospital Road, Newtown, Wellington wherein the parties agree a new annual rental of **S.9 (2) (b) (ii)** with effect from 1 March 2020 and nominated the Chair and Deputy Chair to sign the Agreement Fixing Rent on Review and Acknowledgement of Lease Renewal document on behalf of the New Zealand Blood Service.

**Motion by:** P Martin

**Seconded by:** F Pimm

**Carried:** All present in favour

### 6.4 Manukau Donor Centre Lease Extension

S Cliffe noted this is another site that is not ideal and we are extending the lease year by year. However, we do need to put some money in to improve it with plans to increase the plasma collection capability. It was clarified that there was no additional rent increase. The landlord is doing the improvements work and this will be incorporated in the next lease agreement. Current arrangements are rolling over on the same terms and conditions.

**Motion:** The Board approved the Letter of Term Extension offer from the landlord, Investments of Hope, and authorise the Chief Executive Officer to sign the letter on behalf of the New Zealand Blood Service.

**Motion by:** B Baker

**Seconded by:** F Pimm

**Carried:** All present in favour

## 6.5 Westpac Banking Facilities Rollover

S Cliffe advised that this paper is asking to extend the MOCL from 30 June 2021 to 30 June to 2023. D Chamberlain explained that this is essentially extending the timeframes.

**Motion:** The Board approved the increase in MOCL facility arrangements as offered by Westpac in its 5 May 2020 Offer letter and authorised the Chairman to formally execute the acceptance of the Offer letter on behalf of the New Zealand Blood Service.

**Motion by:** J Blue

**Seconded by:** E Moke

**Carried:** All present in favour

## 6.6 2019/20 Price Rebate to DHBs recommendation

**Motion:** The NZBS Board formally:

Noted; in accordance with the requirements of the Financial Guidelines policy a DHB price rebate assessment for the 2019/20 financial year has been undertaken,

Endorsed; the assessment recommendation that no DHB price rebate be declared for the financial year ended 30 June 2020,

and Requested; the Chief Executive Officer communicate the Board's decision to the Lead DHB CEO as the nominated representative of the DHB sector on matters NZBS.

**Motion by:** R Lind

**Seconded by:** F Pimm

**Carried:** All present in favour (E Moke abstained from voting)

## 6.7 Deed of Indemnity – Legal refresh and Issue to new Board Member

S Cliffe advised that the Deed of Indemnity had been refreshed and updated to more recent and current thinking. The track changes in the document had been made by Buddle Findlay. If this updated Deed of Indemnity is approved, it will be issued to all Board members.

D Chamberlain highlighted that item 1.1 on page 2 refers to acting in good faith with reasonable care. He had looked at the legislation and it looked to be a reasonable addition.

**Motion:** The Board reviewed the updated Deed of Indemnity stemming from the review as per the Buddle Findlay marked- up template. The Board approved the adoption of the updated Deed of Indemnity and authorised the issue of the new Deed to;

1. New Board member Edie Moke and to;
2. Upgrade the Deed of Indemnity for the other six Board members so that all Board members are provided equal protection under the refreshed Deed of Indemnity.

**Motion by:** B Baker

**Seconded by:** P Martin

**Carried:** All present in favour

## 6.8 Hamilton Donor Centre

S Cliffe reminded the Board that we are vacating our Hamilton site by the end of 2022 and that after a complex review process it had been decided that we would no longer be manufacturing in the Waikato. The team have been out and had a look at sites and found an ideal space, five minutes' walk from town. It does require extending, however the property owner **S.9 (2) (b) (ii)** are keen to do this underpinned by a reasonably long term rental agreement. The rent would be a considerable increase on what we are paying now. Today the request is for agreement to enter into a non-binding

agreement to progress a business case with a more detailed planning phase, which would come back to the Board for final sign off. The document has been reviewed by D Chamberlain and our lawyers.

**Motion:** The Board approved completion of the due diligence process to enable a full business case to be prepared for Board consideration. The Board delegated authority to the CEO to enter into a non-binding agreement with **S.9 (2) (b) (ii)** Limited to progress more detailed planning for this site. A further paper will be brought back to the board with a final design and lease for approval at a later date.

**Motion by:** R Lind

**Seconded by:** J Blue

**Carried:** All present in favour

*The meeting broke for lunch between 12.30-1.00pm.*

## **ITEM 7.0 DISCUSSION PAPERS**

### **7.1 PRESENTATION: Ernst & Young national agency for organ donation**

D Chamberlain welcomed Stephen McKernan, Luke Williams and Dominique Squires-Newby from Ernst & Young who joined the meeting at 1.00pm by video conference.

S Cliffe had good discussions with L Williams and D Squires-Newby yesterday and whilst we haven't ended up exactly where we thought we might, a good deal of progress had been made. There will be some more refining by the end of June, then a costing piece of work will be done.

L Williams recapped that back at the last session in February, the Board saw the project plan and key milestones. Since that time Covid-19 had disrupted the timing, but they had been working with P Martin, S Cliffe and the working group. There was a good session on 23 April with the working group including possible next steps.

S Cliffe noted that it was important for P Martin, J Blue and B Baker to hear back from the rest of the Board members on how they think it's looking and if it starting to make sense. P Martin commented that the Board needed to understand how the work that EY has done came about.

F Pimm commented that the presentation in the Board papers made sense. It was unclear what the Ministry's expectations were, how the national agency would be resourced and could we be enabled to do it. D Chamberlain added that putting the money aside, the objectives on page 79 were the first aspect that need to be agreed. P Martin reminded the Board that we were handed this with no clarity on roles and objectives, essentially finishing the policy work that the Ministry never did. S Cliffe felt it should be more of a discussion rather than agree details today. More broadly, is the rationale explained enough around what the agency is for and what kind of agency it will be for the sector. If this is better, how will it be different? It's an aspirational list at the moment and we will need to refine it down at some stage. Is this something we feel that we can take out to key stakeholders over the next month or two?

R Lind thought it was a stunning piece of work and agreed with objectives that have been set and highlighted at this time there was an appetite for improved population outcomes. This could be an investment opportunity for the Government. Should we produce a half page paper for the Minister on how to improve population outcomes with return on financial investment?

S McKernan noted that this is a key priority for the Minister of Health and decisions had been made at the highest level with a desire to enhance the service. Gaps in the current system need to be identified, with those that NZBOS can fill made clear. He agreed that there is a very strong theme in the sector on leading a national response. We are at an important junction with both organ donation and where the sector is at with this activity. D Chamberlain asked what improving access to organ donation and transplantation services means? Minimising waiting times for potential organ recipients? B Baker highlighted that the interaction with other services is the difficult bit, it's the interaction, monitoring etc, getting feedback from the sector.



S Cliffe wondered whether this is being aspirational enough, just describing what the agency can do rather than what the agency can influence or do over time. If we want to be the agency that pulls everything together, we have to state that in our objectives up front. We've had this debate a lot in the working group, the agency would be the thing that breathes life into what we want to do rather than what the system wants.

R Lind highlighted that there had been a consensus that organ donation should come to the Blood Service because Ministers admired the Blood Service's ability to work across the DHBs. It ought to look like the Blood Service, a national provider with operational and clinical governance. B Baker said we need to be part of a joined up system, there is no point in getting organs if there is nowhere to put them. S Cliffe added that good robust clinical governance would give us a good foundation.

The objectives are pretty much lifted from the National Strategy. R Lind gave the example that when Whangarei Hospital had issues, NZBS were seen as the authority and we should aspire to be the same in the organ area. P Martin agreed that the agency should produce information on how the system is performing. S McKernan highlighted the need for informing DHBs around capacity planning, forecasting and providing some level of growth. There is no reason why NZBOS couldn't do that in a more informed manner. B Baker noted a national view and future planning was critical and agreed that the organisation should be aspirational.

P Martin was thinking this is an agency about leadership and driving change. The agency would not take over surgery, however we can work with DHBs on data and analytics.

D Chamberlain queried the aspect of developing a register? If we have a register, someone is going to have to work out a business case. P Martin saw that as policy function and that there needs to be discussion around the effectiveness of registers as it was only included because it was in the National Strategy.

S McKernan noted that from his perspective the Minister had made a decision and the Ministry will prioritise funding where compelling cases are made. Providing information to the Ministers/Ministry is key to strengthen national prevention initiatives. The organisation would need to have discussions with the Ministry sooner rather than later.

E Moke commented that if the organisation's aspiration is to have a world class organ donation service, is the current system broken and how do we know that, so that we know when we have done something about it? P Martin responded that it is not broken but far from ideal. This work started in 2015 with a review of organ donation, transplantation and a strategy then legislation. Part of strategy national agency recommended a national agency for organ donation. Therefore, we are trying to work out now what the national agency will be doing.

D Chamberlain asked if the Board should draw a document together and start a consultation with the Ministry? S Cliffe felt that we are at the stage before that and the recommendation is to now hand back to EY as they have now heard feedback from the Board and had some more questions answered. S Cliffe would like to see this document at a draft stage that we can share with the Ministry and stakeholders. S Cliffe felt we need to start with good governance, bed ODNZ in place and make sure that service levels do not drop.

L Williams found the conversation today really helpful. There had been a compelling case made for the establishment of a national agency and now the need is for a compelling case of what that agency can do. There should be an element of fantastic ideas, a prioritised list and how the agency would make the money work best. EY will continue to collaborate on this with the working group and P Martin. There was further discussion around making budget bids, how much the agency would cost to run and how much the enhancements might cost as not everything can be done from day one.

S McKernan left the meeting at 2.08pm.

S Cliffe noted that there was no full board meeting until the end of August. She will pick this up with L Williams early next week to talk in more detail including working out who is doing what and timeframes. It was proposed to keep the working group going with another session with L Williams and D Squires-Newby in 3-4 week's time.

D Chamberlain thanked L Williams and Dominique for all the work done to date and look forward to seeing it progress.

The Chair noted that the Board had received and reviewed the report.

## **ITEM 8 MONTHLY/REGULAR REPORTS**

### **8.1 Director Finance Report – Financial Performance – 10 months to 30 April 2020**

E Moke noted that she will arrange to spend some time with J Harrison to fill in some of her knowledge gaps. S Cliffe confirmed that J Harrison would be happy to explain the cost model to E Moke.

D Chamberlain highlighted that for clarity, the Australian/New Zealand exchange rate made our result look better than it was. S Cliffe noted that nearly \$3m had been spent on Privigen, PPE gear, intensive cleaning of sites and donor hosts.

**Motion:** The Board received and noted the Directors Finance report  
**Motion by:** B baker  
**Seconded by:** J Blue  
**Carried:** All present in favour

## 8.2 Q3 Organisation Health & Safety Report

F Pimm congratulated management on achieving 83% take up for flu vaccinations. S Cliffe added that this was nearly 20% higher than last year and would like to maintain that level in the future.

It was noted that the accident where a staff member made a u-turn was not one of our drivers, it was a member of the collections team.

**Motion:** The Q3 Organisation Health & Safety Report was received and noted  
**Motion by:** F Pimm  
**Seconded by:** J Blue  
**Carried:** All present in favour

## 8.3 Q3 Contracts & Leases Register

The Contracts & Leases Register was received and noted by the Chair.

## 8.4 Q3 Statement of Performance Monitoring Report

D Chamberlain noted that the dates were awry on page 4 of the report (pg 114). B Baker highlighted that we hadn't "Achieved" on 2.4 Haemovigilance reporting timeframe and S Cliffe noted that the new Clinical Surveillance Manager will manage this report going forward. It was further noted that there had been concerns over failure to supply during lockdown with a lack of flights, particularly from Wellington to Christchurch. We were also having difficulties getting plasma to Melbourne.

S Cliffe explained that we will send 80 tonnes of plasma to CSL this year and 110 tonnes next year. It is sent twice a week from Auckland and Christchurch with Christchurch being the issue.

The Statement of Performance Monitoring Report was received and noted by the Chair.

## 8.5 Q3 Board Expenditure Overview

The Q3 Board Expenditure Overview was received and noted by the Chair.

## 8.6 Q3 Cybersecurity Report

S Cliffe advised that she had met with the Head of Security at Datacom yesterday. The number of cyber-attacks worldwide has increased in light of COVID-19. Within this organisation there had been a fraudulent email sent to the NZBS HR Director just before the pay run. Unfortunately, S.9 (2) (a) bank account was then changed to a fraudulent account. However, the bank had a watch on that account and the monies were not transferred. Audit NZ had been advised of this incident. The organisation needs to up its alertness levels as it had the potential to be a serious incident if the monies had not been quickly recovered. This matter was discussed in Board Only time before the meeting.

**Motion:** The Q3 cybersecurity report was received and noted by Board

**Motion by:** E Moke

**Seconded by:** J Blue

**Carried:** All present in favour

## **ITEM 9 INFORMATION PAPER**

### **9.1 2018/19 Year in Review**

S Cliffe presented the foreword to the 2019/20 Annual Report which will be published in September. D Chamberlain advised that if any of the Board wanted to suggest changes, email S Cliffe with track changes in the first instance. V Siddins sent the Word version to the Board during the break.

### **9.2 Procurement Policy**

D Chamberlain noted that this paper was useful for Board to read, but it didn't need to be discussed.

## **ITEM 10 Correspondence**

### **10.1 Letter from SSC – Pay Restraint in the Public Sector – 28 April 2020**

The letter received from the SSC dated 28 April 2020 was noted by the Board.

### **10.2 MoH letter – Cathryn Lancaster end of Board Tenure - 27 April 2020**

The letter from MoH dated 27 April 2020 was noted by the Board.

### **10.3 MoH letter – Edie Moke Board appointment - 28 April 2020**

The letter from MoH dated 27 April 2020 was noted by the Board.

### **10.4 Letter of Expectation 2020/21**

S Cliffe noted it was the same document as the draft earlier this year. It was going to be difficult to meet given the budgets.

## **ITEM 11 General Business**

S Cliffe advised that the organisation had been offered an extension until September for the Statement of Intent and Statement of Expectation. They had been completed and ready to go, but now may need a fairly serious re-write.

S Cliffe has been involved in conversations around the Health Sector review. It has been delivered to the Minister and received by Cabinet. Details have not been shared yet, however we have been kept in the loop around process. The Director General is establishing a timeframe of a number of years. If the timeframe is going to be a number of years, we may not see changes in the very near term.

F Pimm queried if there had been any response around the Ministry's process of Catherine Lancaster's tenure ending. D Chamberlain advised that there had been an apology email that went from the Minister's Office to Catherine. There had been a lack of communication between the Minister's office and the Ministry.

S Cliffe noted that she would update the Board after her video conference with the Ministry on 29 May 2020.

## **ITEM 12 Board Matters**

### **12.1 Board Work Programme and Calendar**

The NZBS Board Work Programme was noted by the Board.

### **12.2 Board Member Tenure Timetable**

The Board Member Tenure Timetable was noted by the Board.

**ITEM 13 Next Meeting**

- 13.1 The next Board meeting is a video conference on the 2019/20 financial results scheduled for Thursday, 30 July, commencing at 9.30am

**Close of Meeting:** The meeting closed at 2.50pm.

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

A handwritten signature in black ink, appearing to read 'D Chamberlain', written over a horizontal line.

**David Chamberlain** – Board Chair