

# Boardroom

QUARTERLY MAGAZINE OF THE INSTITUTE OF DIRECTORS

AUTUMN 2021



 Institute of  
**DIRECTORS**  
NEW ZEALAND

View from the chair | Resilience is your best friend  
Revival in the NFP sector | Recovery lessons | Focus closely  
Shared responsibilities | Hard knocks | Vaccine pioneer

**INSTITUTE OF DIRECTORS  
IN NEW ZEALAND (INC)**  
Mezzanine Floor,  
50 Customhouse Quay  
PO Box 25253, Wellington 6146  
New Zealand  
Tel: 04 499 0076  
Fax: 04 499 9488  
**mail@iod.org.nz**  
**iod.org.nz**

**COUNCIL**  
Ted van Arkel – Auckland  
Geoff Dangerfield – Wellington  
Vacant – Bay of Plenty  
Craig Hattle – Taranaki  
Julia Hoare – Vice President  
Alan Isaac – President  
Jackie Lloyd – Wellington  
Simon Lockwood – Waikato  
Lloyd Mander – Canterbury  
Jonathan Mason – Auckland  
Trish Oakley – Otago Southland  
Sarah-Jane Weir – Nelson  
Marlborough

Connect with the IoD on  
LinkedIn, Twitter and Facebook

*Boardroom* is published four times  
a year by the Institute of Directors  
in New Zealand (IoD). Opinions  
expressed do not reflect IoD policy  
unless explicitly stated.

Read it, log it - earn up to 10 CPD  
points for reading *Boardroom*.

**EDITOR**  
Aaron Watson  
+64 4 470 2647  
**aaron.watson@iod.org.nz**


Please contact the editor  
for any advertising or  
subscription queries.

Cover photography:  
Jim Tannock, Marlborough

#### **PRODUCTION NOTES**

Every effort has been made to  
guarantee the pages of this  
magazine are sustainably sourced  
and produced using paper that  
meets the environmental standards  
shown below.



 When you have finished with  
this magazine, please recycle.

How selfish soever man may be supposed, there are evidently some principles in his nature which interest him in the fortune of others and render their happiness necessary to him, though he derives nothing from it, except the pleasure of seeing it.

– Adam Smith, 18th century economist

Businesses are reinventing themselves, workplace habits are changing and the imminent arrival of mass vaccination puts herd immunity within reach.

What have we learned from the pandemic so far?

Many of those interviewed herein will tell you that good people and strong relationships are the bedrock of crisis management and recovery.

This issue of *Boardroom* explores how directors navigated the onset of the global COVID-19 crisis, and the lessons learned that now inform their strategic discussions.

It also explores the role of people in securing business viability and some of the pressing questions around wellbeing, safety and governance.

Ngā mihi

Aaron Watson, editor

# In this issue

AUTUMN 2021

6

## A job well done

From 20 February New Zealanders began receiving a coronavirus vaccine. The roll out aims to protect the most vulnerable people first – the quarantine and border workforce, then health services staff and workers in essential industries.

FEATURES

8

## View from the chair

COVID-19 has put many boards to the test. Here, two of New Zealand's top chairs discuss the challenges faced and insights gained from steering their organisations through this crisis.

14

## Resilience is your best friend

Dog Point Vineyard exports to 47 countries that are all in a state of flux due to COVID-19, but the family business is nimble and resilient enough to thrive, says director Matt Sutherland.

20

## Revival in the NFP sector

Financial stability of NFPs can mask the real impact of COVID-19 on the sector.

22

## Recovery lessons

How has New Zealand responded to previous economic shocks, and are there lessons from history for our recovery from the pandemic?

26

## Working harder and smarter | MARSH

A global survey on how directors responded to the COVID-19 crisis has found most worked harder, and smarter.

TOGETHER WE  
TOGETHER WE  
TOGETHER WE  
TOGETHER WE

8

View from the chair



14

Resilience is your best friend

20

Revival in the NFP sector



## 28

### Focus closely

WorkSafe CEO Phil Parkes wants directors to focus closely on wellbeing and productivity in their organisations rather than trying to second guess health and safety law that is deliberately vague in order to be flexible.

## 32

### Shared responsibilities

Overlapping health and safety duties between organisations will be a focus for directors as the complex web of responsibility and liability is tested in our courts this year.



## 28

Focus closely



## 66

Lessons from the DDoS attack on the NZX



## 34

Hard knocks



## 38

Vaccine pioneer

## 34

### Hard knocks

Concussion in rugby is now understood to provide short-term and long-term health risks to players – professional and amateur alike.

## 38

### Vaccine pioneer

One of the first in the world to receive a COVID-19 vaccine, Yorkshire paramedic Chris Harvey says there are cautious signs for optimism that the worst of the pandemic may be over.

## 40

### People power | KPMG

Harnessing human potential to navigate through 2021 and beyond.

42

**Politics and pandemics |**

**Ayesha Verrall**

One of New Zealand's newest MPs is an IoD member who is also an infectious diseases expert who has worked on our contact tracing system.

46

**Digital ninja | Chris Harris**

COVID-19 has put a renewed focus on the strengths of the digital economy, says Chris Harris MInstD.

50

**Coffee with Aaron Hape**

Meet a young member who has met the Queen, monitored an election in Trinidad and Tobago, and is learning the governance ropes in order to... become an executive.

53

**Work:Space**

What does IoD CEO Kirsten Patterson's desk say about her working style?

OPINION

54

**What a Biden White House might mean for boards**

Joe Biden's tenure could provide a diversity and compensation culture shock to US boards accustomed to the deregulatory bent of the Trump presidency.

58

**Reflections on a plague year**

The pandemic is likely to leave a legacy of improved vaccine development, increased government spending and accelerated digitalisation.

62

**Are cities finished?**

The re-integration of work and home threatens one of the last remaining vestiges of the Industrial Age.

66

**Lessons from the DDoS attack on the NZX | AURA**

Boards, do not let your guard down.



46

**Digital ninja | Chris Harris**



54

**What a Biden White House might mean for boards**



62

**Are cities finished?**

**BOARDROOM IS PLEASED  
TO ACKNOWLEDGE THE  
SUPPORT OF**

**NATIONAL PARTNERS**



ASB Bank is a leading provider of financial services in New Zealand including retail, business and rural banking, funds management and insurance. A member of the Commonwealth Bank of Australia (CBA) Group, ASB is committed to looking after the financial wellbeing of more than 1.5 million customers to help them get one step ahead.

**asb.co.nz**  
0800 803 804



Marsh is a global leader in insurance broking and innovative risk management solutions. We help clients quantify and manage risk - and help them unlock new opportunities for growth. Marsh has been working with New Zealand businesses since 1958 and has 10 offices around New Zealand with over 250 experienced professionals.

**marsh.co.nz**  
0800 627 744

**NATIONAL SPONSORS**



Aura Information Security is a leading provider of information security consulting services to corporates and governments in Australia and New Zealand. Our focus is to provide the very best independent security advice and support to businesses, so that their digital world is more secure, reliable and resilient.

Aura was awarded “Best Security Company” at the Information Security (iSANZ) awards two consecutive years in a row, 2017 and 2018.

**aurainfosec.com**  
04 894 3755



Diligent helps organisations thrive and endure in today’s complex, global landscape. Our trusted, cloud-based applications streamline the day-to-day work of board management and committees. We support collaboration and secure information sharing throughout the organisation, manage subsidiary and entity data, and deliver the insights and information leaders need to mitigate governance deficits and outperform the competition. Diligent Boards expedites and simplifies how board materials are produced and delivered.

**diligent.com**  
0800 345 443



MinterEllisonRuddWatts is a top tier New Zealand law firm known for providing clients with technically excellent legal solutions and innovative commercial advice. We are trusted advisors and work alongside our clients to ensure success. Our offices in Auckland and Wellington are able to access an international network through the MinterEllison Legal Group, a leading firm in the Asia-Pacific region.

**minterellison.co.nz**  
09 353 9700



Locally owned, KPMG New Zealand provides audit, tax and business advisory services for a range of clients - from privately owned businesses through to corporates, public sector and not-for-profits. We work shoulder-to-shoulder with our clients, providing deep expertise that delivers real results. We’re passionate about helping New Zealand’s businesses succeed, the public sector to achieve more, and our communities to grow. Our alignment with the IoD’s drive to add value to both the business community and society means we’re working together to fuel the prosperity of New Zealand, for the benefit of all New Zealanders.

**kpmg.co.nz**  
09 367 5800



## A job well done

From 20 February New Zealanders began receiving a coronavirus vaccine. The roll out aims to protect the most vulnerable people first – the quarantine and border workforce, then health services staff and workers in essential industries. As more vaccines become available throughout 2021, the public will be able to receive vaccinations through their local DHBs. Vaccinations will be free and voluntary. By the end of the year the government expects to have received enough vaccine to immunise the entire population. It is estimated that 70% or more of people would need to receive the vaccination to achieve herd immunity, the point at which the virus struggles to find new vulnerable people to infect.

Residents look on as an artist gives finishing touches to a mural depicting frontline workers carrying a coronavirus vaccine in Kolkata, India. (Photo by DIBYANGSHU SARKAR/AFP via Getty Images)









# View from the chair

AUTHOR:  
**ZILLA EFRAT,**  
FREELANCE  
BUSINESS  
JOURNALIST

Photo by:  
Bekky Bekks  
on Unsplash

**COVID-19 has put many boards to the test. Here, two of New Zealand's top chairs discuss the challenges faced and insights gained from steering their organisations through this crisis.**







Compared to many countries, New Zealand has escaped the worst of COVID-19, but that doesn't mean its boards haven't had their fair share of hard discussions and evolving risks to overcome.

For Liz Coutts, a former President of IoD and last year's Deloitte Top 200 Business Chairperson of the Year, safety was a major concern during the pandemic.

Take Ports of Auckland, for example. "At the beginning of COVID-19, it was all about protecting the border, keeping COVID-19 out and ensuring we had all the controls in place," says Coutts, its former chair.

"So far, no port staff have been affected, but keeping COVID-19 out has been immense, intense, costly and all consuming. It's the major import port of New Zealand and I don't think that people understand how tough it's been, especially for staff. The everyday stress has been huge and ongoing."

At Oceania Healthcare, the aged care and retirement village group Coutts chairs, she says the hardest part was telling family members they could not visit.

But the hurdles kept coming for Coutts, who is also chair of EBOS Group and Skellerup Holdings.

"In the first three or four months, we had blank sailings at Ports of Auckland. That's when ships and vessels are expected to arrive but don't. Volumes and cargo plummeted," she says. "When

**"We had to have the ability to pivot and adapt on the fly, something New Zealand businesses are typically good at."**

lockdown ended, demand for goods that hadn't arrived went through the roof."

The early days of COVID-19 were just as worrying for John Loughlin, chair of the Meat Industry Association, Powerco, EastPack, Rokit Global, Hop Revolution and Coda.

"For most of my boards, the first lockdown happened in the harvest peak season," he says.

Some boards segmented their risks into five categories. These revolved around whether they could pick the crop, pack it, store it, get it to market and whether there would be a reduced market for it.

"We worked our way through them. The first three were onshore risks," says Loughlin.

"In terms of the big picture, we very quickly gained confidence that the demand for food around the world wasn't going to fall. Highly nutritious food from trusted places was in great demand. We also discovered that the price premium that usually attaches to New Zealand-branded food could be maintained.

"There had been worries that people's earnings would be reduced and therefore they would spend less. But the trust feature overcame any of those sorts of concerns."

## STEPPING UP

According to Loughlin, relationships were critical during this time. "In several cases, we stepped up for our partners in the business, be they growers or customers, and people stepped up for us.

Where the relationship was strong and there was trust, people were of a mind to work with each other and come through for each other.”

Elsewhere, Hop Revolution, which owns New Zealand’s largest single site hop garden, suffered when bars and taverns closed during lockdown. But then home brewing took off as people got creative at home.

“We had to have the ability to pivot and adapt on the fly, something New Zealand businesses are typically good at,” says Loughlin.

He says the organisations he chairs were “incredibly successful” in keeping the essential industries going and adhering to new safety measures.

“In New Zealand, our people are used to precisely following instructions and meeting high standards impeccably. These were simply new requirements for them. They just took them on board and followed them,” he says.

“During the lockdown, there was only one case, that I am aware of, of COVID-19 transmission in an essential workplace whereas in other countries, places like abattoirs and meat plants become centres of infection.”

### LESSONS FOR TODAY

Loughlin says his biggest lesson from COVID-19 is that businesses need to have high standards, good relationships and solid risk management and contingency plans. They must have also built up trust with stakeholders and be well run.

“If they have all these, their ability to adjust quickly when they need to is enhanced by the things that they do well in every day operations. And the things

“As cyber attackers become more sophisticated, we will have to become more sophisticated too.”

that they don’t do well in an everyday sense are their weak points when they are put under pressure by something like COVID-19.”

Coutts says a key risk to emerge during COVID-19 is supply chain risk. “Globally, companies had become very spoilt. We had been able to run with reasonably low inventories because we had relatively smooth logistics with the shipping and ports sector always operating 24/7,” she says.

“But since COVID-19, there’s been disruption around the world, whether it’s in manufacturing or logistics with factory closures or changes in shipping movements. I think that companies will have to look at increasing their inventory levels and some of our companies have already done that.

“That adds to the cost base, especially for New Zealand, because we are a long way from the world. We have to expect that our inventory costs will go up because of proximity. We are the last port of call and we don’t have the size or scale to insist that they put us first.”

Loughlin agrees. “The old just-in-time inventory system was highly cost effective but not particularly resilient when put under stress. I think we will want to have more resilience and will be prepared to pay for the cost of that,” he says.

### ONGOING CHANGE

Like Coutts, Loughlin believes that COVID-19 has accelerated some of the trends that existed before COVID-19.

For example, he says: “A lot of primary sector businesses have been exposed to reduced labour supply through a reduction of Recognised Seasonal Employer (RSE) numbers from the islands and an absence



of backpackers. Because of that, I think there's been an acceleration of automation strategies to do with less people, typically in the processing areas, pack houses and so forth."

Coutts, however, believes we haven't yet seen the full use of technology that will result from COVID-19.

"Governments have been printing money and that's provided a lot of stimulus which is inflationary. The way we can respond is by using more and more technology. Otherwise, our costs or prices for goods or services will become prohibitive," she says.

"We are going to have to look at new technology, such as artificial intelligence (AI), automation and bitcoin, but we are a long way off from using any of those in this part of the world. We will have to consider how to speed that up."

Coutts says cyber risk has also become a heightened concern in the boardroom during COVID-19.

"As cyber attackers become more sophisticated, we will have to become more sophisticated too," she says. "At the moment, we still rely on a number of soft controls. We need more staff training. People don't get everything right every day and it's too much to expect them to. That's just the world we live in. We are going to have to do a lot more work on data protection."

In terms of governance during COVID-19, Loughlin says there has been more interaction between chairs and CEOs on how things are going and how to respond to the challenges.

"Around the boardroom table, the focus was very much around the risks that

**"We don't know if the vaccines will work or whether the virus will mutate and stay ahead of the vaccine. For the next six months, we will still be in the old world of COVID-19."**

specifically flowed from COVID-19. And, there continues to be a lot of discussion around that," he says.

Coutts cautions that while we are learning how to better manage COVID-19, it's not over yet.

"Over the next six months, we will still be dealing with the short-term uncertainty and that requires us to have strong communications with our staff, customers and, in the case of Oceania Healthcare, residents on what we expect in relation to just keeping COVID-19 out," she says.

"The next part is understanding the impact of the vaccine rollout and how and when that will occur. We are trying to work out what that means while living in a world where there is still risk, quarantining and a border system."

Likewise, Loughlin says: "We don't know if the vaccines will work or whether the virus will mutate and stay ahead of the vaccine. For the next six months, we will still be in the old world of COVID-19."

Once it's over, Coutts doesn't believe things will go back to how they were before, especially as we increasingly embrace new technologies such as automation, AI and bitcoin to help us protect our data and reduce costs.

"Some sectors such as hospitality, where people will still need contact, won't change," she says.

"But some of the changes to manufacturing will be permanent. Companies will hold more inventory to avoid shortages. And, we will definitely maintain some of the health controls we've put into our businesses during COVID-19." **BQ**

# **R** **esilience** **is your** **best friend**

Photos by:  
Jim Tannock, Marlborough

Dog Point Vineyard exports to 47 countries that are all in a state of flux due to COVID-19, but the family business is nimble and resilient enough to thrive, says director Matt Sutherland.

**I**OD Associate Matt Sutherland used his experience on the Company Directors Course (CDC) to inform Dog Point winery's crisis plan for the pandemic.

"I don't like using the word 'crisis' because it seems like there is no turning back. But for lack of a better term... I sat down with a few of my colleagues and said we need to have a crisis plan," Sutherland recalls.

"It was something I learnt off the CDC. What's the worst case scenario? There was a serious amount of anxiety in the days around the announcement of lockdown and it was quite vague in terms of what was deemed essential and what wasn't. Are we allowed to keep operating or are we not? Where is the line in the sand in terms of essential operators?"

For the winery, the key priorities were quickly identified as harvesting the grapes that needed to be picked early and then working out who in our team was essential in order to complete vintage. March to May is a key time in the industry when crops are harvested and winemaking gets underway. It cannot be delayed.

"Low and behold, two weeks later we were in lockdown."

### **WORKING FROM HOMES**

The family-run business has accommodation on site. It was decided that a vintage crew would have to live there for as long as lockdown lasted, in its own bubble.

"I describe it as kind of a posh Gloriavale –though we are much more progressive," he laughs.

"There was a great commitment from the team. In times of adversity, it is amazing how people step up. One guy had previously only had one night away from his wife in 44 years of marriage and he was with us for the duration."

**"The culture we have here is very impressive. It was one of the most efficient vintages we have ever had. We had great weather and the fruit was amazing."**

With the winery locked down completely and safety processes put in place to ensure any breach by the virus could be contained, it was still a frightening time given knowledge of COVID-19 and its prevalence was very limited.

Tractor and forklift operators used one vehicle only, and they were not allowed to swap. Cleaning was ramped up where tools needed to be shared. Delivery drivers were not allowed out of their cabs and there was no contact between them and people in the winery. There was a COVID-19 plan review each day.

"Within the winery we were staying two metres apart, even around the coffee table," Sutherland says.

"There were some nerves there around whether or not we could continue. Once we knew we could, we found ourselves in a privileged position, as a lot of business could not continue to operate. We wanted to make sure we adhered to the essential operating rules and more. NZ Winegrowers were excellent at providing up-to-date information and we wanted to make sure we did the right thing by everyone else in New Zealand.

"We were lucky. A lot of people were doing it very, very hard, particularly in tourism, and continue to. Marlborough has the largest plantings in NZ by some way. If we could not operate as an industry, and pick, the knock-on effects could have been catastrophic. Crops come once a year, costs come every day."

### **PEOPLE ARE YOUR STRENGTH**

The weather gods smiled and vintage was successful. Sutherland pays particular tribute to his team for their willingness to tackle adversity and make a success of it.

"The culture we have here is very impressive. It was one of the most efficient vintages we have ever had. We had great weather and the fruit was amazing."









DOG POINT  
VINEYARD

DOG POINT  
VINEYARD

STIS WENZ BC

VINEYARD

VINEYARD

DOG POINT  
VINEYARD



But there were new and untested pressures on everyone due to changed workloads, separation from family and the anxiety associated with the pandemic. Sutherland found it affected people in different ways.

“For us, we had to be quite wary of how people react differently to different situations. We needed to protect people’s health – be that physical or mental health. We were conscious to provide resources to people if they wanted to chat or needed help for any reason.”

There were some “pretty tough” moments, he says.

“We could only keep a small ‘essential’ team. We said farewell to the bulk of our team, people had to go home and that was tough because they all wanted to help. Some people had family considerations; some people were more at risk than others from a health perspective.” Everyone’s situation was different.

**“As a director it has been eye opening. It just shows the camaraderie that exists in New Zealand. The worst thing to see is someone you have worked with closely go under, but you are protecting your own interests as well...”**

Sutherland says management tried to be fully transparent and ensure staff understood what was going on and why, particularly around the performance of the business.

“We are very much a hospitality-driven business and that shut overnight. Thankfully we had a little bit of retail as well, but things looked different to what we were used to. Every day, something new happened or the situation changed.

“I stopped making plans, basically. It is so hard to forecast in those circumstances. As a director of this business I was sitting there wondering how to plan for something when we didn’t have a clue what was going to happen.”

#### **KEEP IT SIMPLE**

The answer was to simplify his thinking and the operation.

The priorities became protecting the workforce - “keeping everyone in their job



was top of the list” – and ensuring distributors across the world remained interested in the Dog Point brand.

“Reaching out to everybody was important. I was on the phone for hours and hours a day trying to understand what was happening. Every market was different. Hong Kong shut down but bounced back more quickly than we thought. Sweden, with a more relaxed approach, just ticked over. The UK was up and down and up and down.

“We did so much travel before this happened. One year I was on the road for four months of the year. But over lockdown I could pick up the phone to those people and they knew who they were dealing with, so we could start problem solving straight away. You’ve got trust. You know they are not having you on if they tell you it’s tough, and vice versa.”

They knew we could not control sales, so focussed on controlling costs. They opened dialogue with suppliers on payment terms. Staff were updated regularly as plans could change from day to day.

“We were hoping for the best, but planning for the worst.”

### GIVE AND TAKE

Sutherland says the willingness of people to work in difficult conditions and modify contractual arrangements in light of changed circumstances helped limit the impact of the crisis.

“As a director it has been eye opening. It just shows the camaraderie that exists in New Zealand. The worst thing to see is someone you have worked with closely go under, but you are protecting your own interests as well. It’s no good if your bottle supplier can’t supply you bottles anymore.”

“I’m proud of the whole team, to be honest. You really realise who you have working for you at times like this. They really stood up.”

**“I’m proud of the whole team, to be honest. You really realise who you have working for you at times like this. They really stood up.”**

There were even a few positives from the experience. The team worked more efficiently than ever before. There were some cost savings found. Relationships with suppliers and distributors were cemented.

“As a board, and as a management team, we identified people’s strengths and weaknesses even more and that helps us as a business. The supply chain side of it highlighted areas we needed to improve in, and areas we were really strong in. We have introduced a bit more of a corporate structure into this family business, and I think that has really helped us – even just having a crisis plan.”

### WHERE TO NOW?

Things have definitely improved but the economy – locally and globally – is not out of the pandemic woods yet, Sutherland says.

“People are eating lunch next to each other and you can give people a hug or a high five. But that can change at any time,” he notes.

“For me, it’s about managing costs and there is a bit of day-to-day planning still. Our biggest problem is getting stuff from A to B. Containers are backed up. If there is a COVID-19 outbreak, a port can shut down. Then you throw Brexit into the mix. When you have demand but you just can’t get wine there, it is frustrating.”

That said, the important thing is to not “blow a gasket” and try to keep things in perspective.

“We will have a new crisis plan in 2021 and vintage will be crucial. We export to 47 countries and every one of them is working differently than in the past, so that’s a real challenge. But we are able to get wine out and there is demand out there. We are incredibly fortunate and go forward with cautious optimism.” **BQ**

# Revival in the NFP sector

AUTHOR:  
**CRAIG FISHER**  
CMINSTD,  
CONSULTANT WITH  
RSM HAYES AUDIT

## Financial stability at NFPs can mask the real impact of COVID-19 on the sector.

**T**he Fred Hollows Foundation finished 2020 in a good financial position. But the news was not so rosy for the people it exists to help, says Foundation Chair Craig Fisher.

The Foundation trains doctors and nurses and provides medical technology to eye doctors throughout the Pacific to enable them to treat preventable blindness. While it was able to navigate COVID-19 funding challenges of 2020, in part due to two large and unexpected bequests, it also reduced expenditure and shrunk the programmes it runs.

“Due to very strict lockdowns in the Pacific Island nations where we operate we were unable to carry out some of our normal operations and, hence, there was an additional expenditure ‘saving’,” Fisher says.

“There was also no travel between countries (we normally fly experienced

doctors and nurses and teams for training and workforce support purposes, for example) and that resulted in an additional cost saving.”

But this meant the Foundation did less work and had a lesser positive impact on eliminating avoidable blindness, he says.

“To me, this is a very real example of why just looking at financial metrics in charities is often a false indicator of positive impact. We can easily ‘save’ money by cutting activity. But this means we achieve less of our charitable purpose. By my measure that is a negative outcome. We exist for the positive outcome. Not for a financial result.”

Fisher co-authored with Darren Ward of Direct Impact Group the study *Health of the New Zealand International NGO Sector*, released in September 2020. It found a majority of Kiwi NGOs had experienced difficulties delivering their



programmes and securing funding due to COVID-19. Worryingly for the sector, 47% of aid charities said COVID-19 was a threat to their very survival.

He says the impact of the pandemic was “highly varied” with some charities – those associated with mental health and wellbeing, for example – experiencing a lift in public awareness. However, the pandemic had clearly “put a blowtorch” under pre-existing issues being faced by NFPs.

“One runs a significant risk when trying to generalise and throw a blanket over the sector. There are 115,000 NFP entities in NZ, including a subset of 27,000+ registered charities and an extraordinary variety within that in terms of size, type, area of operation, operating model etc. So, yes, some in the sector have definitely

“We exist for the positive outcome. Not for a financial result.”

had a positive year for a range of reasons, just like some in the commercial sector have had best-ever results. Others remain under extreme pressure.”

The *Health of the New Zealand International NGO Sector* study concluded the traditional operating model for charities was no longer sustainable and noted that organisations will need to adapt quickly to the uncertain operating environment. But while funding will always be a key priority, Fisher urges the boards that govern NFPs to remain focussed on the positive impact they can achieve.

“Impact is the lens to use. Sadly, financial result has been used as a proxy for success in the charities and NFP sector for far too long and it is generally quite inappropriate.” BQ



1918

---

1929

---

1939

---

1973

# Recovery lessons

PROFESSOR OF HISTORY  
JIM MCALOON,  
VICTORIA UNIVERSITY  
OF WELLINGTON

## How has New Zealand responded to previous economic shocks, and are there lessons from history for our recovery from the pandemic?

**T**he COVID-19 pandemic has brought extreme economic and social disruption to many countries across the globe.

If an economic shock is defined as an unexpected event which has a major impact, COVID-19 certainly qualifies.

The government has adopted a range of measures to address the consequences from wage subsidies to providing many billions of dollars for construction and infrastructure projects. How, though, has New Zealand responded to previous economic shocks?

### AFTER THE 1918-19 PANDEMIC

A century ago, the end of the First World War and the 1918-19 influenza pandemic saw a short economic boom as wartime restraints eased.

There was a speculative dimension to the boom, especially in land prices: farmers had done well out of the British purchase of New Zealand's available exports. Export prices slumped in 1921-22 and New Zealand entered a short, nasty recession.

The government response, in tune with the orthodoxies of the day, was to reduce public spending to match the decline in revenue. Unemployment rose.

Bankruptcies doubled in 1921 and doubled again in 1922. Some ministers expressed the view that this was wholesome: a sort of survival of the fittest, whereby failure was proof that the victim should never have been engaged in business in the first place.

### GREAT DEPRESSION

New Zealand's economy was fragile throughout the 1920s but the Great Depression was a major shock. Export earnings dropped by more than a third between 1929 and 1931, and per capita income is reckoned to have fallen by nearly a fifth between 1929 and 1935.

Again, the orthodox response was to sharply reduce public spending and although relief work was made available it was notoriously arduous and badly paid.

The impact of the shocks that bookended the 1920s was, unsurprisingly, uneven. Reduced wages were unpalatable enough but prices fell too. While some people remained almost unaffected, predictably, the unskilled, those without secure and permanent jobs, especially labourers, experienced great hardship, often compounded by substandard housing.

In popular memory, the Depression was resolved by the election of MJ Savage's first Labour government at the end of 1935. This is far too simplistic. The Coalition

of the Reform and United Parties, which would in 1936 become the National Party, took some decisive steps in 1932-33 around monetary policy. Gordon Coates, the Reform leader, was the architect of the Reserve Bank, which was established in 1934. Prior to that, monetary policy was effectively run by the trading banks, most of which were domiciled in London or Australia.

The banks had severely restricted credit, restrictions exacerbated by the fact that Australia's Depression was even worse than ours.

Coates intended to ensure that an independent New Zealand central bank could adjust monetary policy in line with New Zealand conditions. In 1933, Coates pushed the banks to devalue; where they had kept their New Zealand funds at parity with British sterling, there was an effective devaluation of 14%. Additionally, Coates used a mixture of persuasion and coercion to bring down interest rates on existing loans and mortgage securities – a measure of some benefit to farmers as well as to urban business.

Coates' approach was to facilitate a business-led, and particularly a farming-led, recovery. Farmers, especially, would benefit from lower costs and higher export earnings, and dearer imports would be expected to stimulate domestic manufacturing.

The first Labour government's approach to recovery went well beyond Coates, emphasising the spending power of wage and salary earners (and their families). Since the early 1920s Labour politicians had been reading and debating new economic thinking along those lines. Most commonly described as Keynesian economics, this approach held that a generally high level of demand created a virtuous circle.

Labour's chosen instruments were significantly expanded public

**“At the end of 1938, the recovery had become something like a boom, and import spending was tracking well above export earnings”**

infrastructure programmes (famously in state housing) and a significant increase in transfer payments and in publicly funded social services.

At the end of 1938, the recovery had become something like a boom, and import spending was tracking well above export earnings. This amounted to a limited kind of shock, but the government's response of tight import and exchange controls became entrenched, not least as they proved essential to managing the economy under the constraints of war and reconstruction.

## WORLD WAR II

Whether the Second World War and its aftermath can be described as a shock may be debated – it was prolonged and it was not unexpected, but it caused massive disruption.

Labour, which governed until 1949, managed by strict priorities in public and private investment, tight price and wage controls, rationing of goods and maintaining and even expanding the architecture of social services and transfer payments.

The three decades after 1945 were a time of unprecedented economic growth across the world, often described as a long boom. New Zealand shared that prosperity, with occasional interruptions. The boom ended for New Zealand, according to the economist Brian Easton, on 14 December 1966 when the wool sales opened and the price crashed.

Keith Holyoake's National government, in office since 1960, sought to trim public spending and to dampen domestic demand in the interests of prioritising export growth. A currency devaluation was discussed for some months. While this would have advantaged exporters, Holyoake and his new minister of finance, Robert Muldoon, prevaricated. The British government put considerable



“The three decades after 1945 were a time of unprecedented economic growth across the world, often described as a long boom.”

pressure on New Zealand not to devalue, for fear that devaluation would undermine sterling. When sterling was devalued in November 1967, New Zealand followed suit. It may have been better if Holyoake had gone early, taking the initiative rather than appearing to react to events.

Limiting wage growth was a key part of the government’s hopes for an export-led recovery. For decades, wage-fixing had been centralised in the Court of Arbitration, which from time to time issued General Wage Orders covering all workers subject to the Court’s jurisdiction. In June 1968, after hearing a union claim for a 7.6% order, the Court issued its infamous “nil order”. There were widespread protests. Subsequently the employers’ and workers’ representatives joined to agree to a rehearing and a 5% order.

The damage had been done. Wage bargaining moved increasingly outside the Court and was frequently accompanied by industrial action. Hindsight suggests that the government should have indicated to the Court that it could have lived with something less than 5% in the first place.

### **OIL SHOCK**

Apparently, New Zealand’s economy had recovered by the end of the decade and moved into the 1970s profiting from an international surge in natural resource prices. That last fling of the post-war boom came to a crashing halt late in 1973. In the wake of the October 1973 Arab-Israeli war, Arab oil producers placed embargoes on Western powers and the price of oil trebled as a result. Recession ensued. New Zealand was affected both by a sharp increase in energy costs and by falling demand for its exports.

The 1972-75 Labour government tried to manage the shock by borrowing in order to maintain public spending and domestic demand while encouraging exports. Unfortunately, the recession

was longer and deeper than anyone had anticipated or experienced and the government’s credibility was terminally damaged.

Robert Muldoon led National to victory at the end of 1975 and initially his approach to managing the shock, as in 1967, was to severely constrain domestic demand in favour of exports. Spending cuts were so severe that they intensified the recession, as Muldoon implicitly admitted at the end of 1977. Industrial unrest also intensified, not least because of Muldoon’s frequent recourse to confrontational language. To the extent that wage restraint might have been helpful, there was no attempt to build consensus.

More positively, Muldoon’s government sought to encourage export diversification in areas such as horticulture and fishing while also increasingly subsidising traditional pastoral farming to increase production. This last eventually became counterproductive, not to say expensive.

### **AND NOW?**

It’s always risky to suggest that history has clear lessons for the present but looking at some past shocks suggests a few things.

One important element in a successful response to a shock is shaping a consensus. It’s helpful if responses don’t appear to unduly privilege some while ignoring others.

Decisive action with a clear idea of what is intended is another important element, although it can be very hard to avoid unintended consequences.

Sometimes, shocks arrive in the context of a deeper transition, and it can be helpful if the response also addresses that transition. It’s not always wise to try to preserve a status quo.

All that said, hindsight is a wonderful thing. **■**



# Working harder and smarter

**A global survey on how directors responded to the COVID-19 crisis has found most worked harder, and smarter.**

THE GLOBAL NETWORK OF DIRECTOR INSTITUTES AND MARSH & MACLENNAN

Photo by: Andrej Lišakov on Unsplash

**I**n the months after the COVID-19 crisis broke, board governance has become more intense and more frequent. In the early stages of the crisis, many boards met weekly, next moving to every other week as the crisis continued, and then moving to monthly meetings. Two-thirds of directors report that over the past year their time commitment increased by 50% or more; about one in five report that their time dedicated to board service doubled or tripled.

The findings come from the Global Network of Director Institutes (GNDI) 2020-2021 Survey Report, produced in association with Marsh & McLennan. Between August and November 2020, nearly 2,000 directors across the globe participated in the survey, representing 17 director institutes spanning North and South America, Africa-Middle East, Asia-Pacific, Russia, Europe and the United Kingdom.

Around 120 New Zealand directors took part, comprising 6% of the total responses.

Much of this increased time was spent working with management to recalibrate strategy in response to short- and longer-term changes in the COVID-19 operating environment (56%) — the highest-ranked issue when directors were asked to rate their top three challenges in responding to the crisis.

Some of the other challenges highlighted were COVID-19 specific, such as ensuring the success of virtual meetings (39%) and responding to new regulations (39%). Other concerns, such as ensuring board decisions on many fast-moving issues (23%) and supporting management without being overwhelming (37%) align to more traditional governance responsibilities.

The vast majority of directors (89%) report that their boards have been able to effectively govern during the crisis. Directors serving on multiple boards are nearly unanimous (96%) in their belief that they have been able to meet their board commitments, despite spending significantly more time in the (now virtual) boardroom.

This effectiveness suggests some, at least self-perceived, agility in how boards and management teams learned to operate in the crisis.

Virtual board engagement is a powerful new tool for directors across the globe to wield in 2021, and most boards plan some type of virtual meeting experience going forward. Seventy-one percent of directors expect more than one in five of their full-board meetings to be virtual following the crisis. Seventy-eight percent of directors report that at least one in five committee meetings will be virtual.

For many, the next in-person board meeting remains some distance in the future.

As boards adapt to virtual meetings and virtual meetings become a regular part of the board's activities, it is easy to imagine changing the board agenda — and potentially changing operating models — to take advantage of the unique benefits that virtual meetings may offer. This may mean meeting more often with management teams for shorter and more-frequent real-time updates, reserving in-person meetings for specific board activities, such as onboarding or tabletop exercises, and distributing full-board and committee meetings across more, but shorter, meetings.

## KEY FINDINGS

### Directors give high marks to themselves and to their management teams

Although only 14% of boards had “pandemic risk” listed as a top risk before the crisis, 72% of directors were pleased with the performance of their crisis response plans and their own ability to provide oversight during the crisis. Many credit prior scenario planning with providing a good foundation for an effective response to the COVID-19 crisis. Clear majorities of directors believe that

they were able to effectively govern during the crisis and that their organisations adapted well.

### There will be an increased emphasis on risk in 2021 and beyond

Directors anticipate expanding their risk dashboards to incorporate new kinds of risks next year and plan to consult with more outside experts to gain a broader perspective on future risks. The crisis will likely have the most significant long-term impact on how boards engage their companies on strategy and risk and assess employee health and safety. However, just 26% of directors across the globe think that they will need to improve their crisis management plans in the new risk landscape ahead.

### Virtual board meetings work, but they are second best

A minority of directors view virtual board meetings as just as effective as in-person meetings. The lack of nonverbal communication is the highest-ranked challenge of virtual meetings. However, even in this second-best environment, most directors believe that they have been able to perform their work effectively.

### Virtual board meetings are here to stay

Based on their experiences over the last year, strong majorities of directors expect to see virtual board and committee meetings in the future. They also view virtual board engagement as a useful tool to enhance board effectiveness. Although many boards in Asia and Oceania have already met in person, most boards across the globe do not anticipate meeting in person until the first or second quarter of 2021.

## DIRECTORS GIVE HIGH RATINGS TO THEIR OWN TIME MANAGEMENT

Nearly 7 in 10 directors report spending more time on board work this year than last year; most report increasing their time commitment by 50%. Directors serving on more than one board were nearly unanimous (96%) in saying that they were able to manage their commitments across their multiple responsibilities. Just 8% reported that they had either left or desired to leave a board due to lack of time. **BQ**

## ABOUT GNDI

The Global Network of Director Institutes (GNDI) is a network of leading director institutes from around the world. A global programme of reciprocity helps directors, and their boards, to unlock access to director resources around the world. GNDI comprises 22 institutes representing more than 150,000 directors and other governance professionals around the globe. The Institute of Directors in New Zealand is a founding member.

Read the full report at [mmc.com](http://mmc.com) or [iod.org.nz](http://iod.org.nz)



# Focus closely

**WorkSafe CEO Phil Parkes wants directors to focus closely on wellbeing and productivity in their organisations rather than trying to second guess health and safety law that is not prescriptive in order to be flexible.**

**D**irectors will be watching the Whakaari/White Island court proceedings closely to see how the court interprets their responsibilities – and liabilities – under the *Health and Safety at Work Act 2015*.

The Act places a positive duty on directors - as “officers” under the legislation – to exercise due diligence to ensure that workers are protected as far as “reasonably practicable”. But what this means has yet to be widely tested in court.

In the Whakaari/White Island case, 13 organisations or individuals are facing prosecution including tour operators, helicopter companies, government agencies and the directors of the trust that owns the land.

The duties these organisations have under the Act overlap, making it difficult to predict how the court will judge individual cases.

WorkSafe CEO Phil Parkes says the Act is deliberately not prescriptive on what “due

“I acknowledge that the way the legislation is framed doesn’t provide clear boundaries. So my guidance to directors is to apply that ‘reasonableness’ test.”

Facing page:  
This strange creature is a boy looking through a double-lens telescope located near the Statue of Liberty in New York. (Photo by © Hulton-Deutsch Collection/CORBIS/Corbis via Getty Images)

diligence” and “reasonably practicable” should look like. This gives courts the flexibility to take unique circumstances into account.

For the regulator, the bottom line is that directors and managers need to be able to show they exercised good judgement in any health and safety environments and ensured all reasonable precautions were taken to protect their staff.

“I acknowledge that the way the legislation is framed doesn’t provide clear boundaries. So my guidance to directors is to apply that ‘reasonableness’ test,” Parkes says.

And when health and safety duties overlap, directors need to take extra care.

“Understanding overlapping duties is about understanding that the modern workplace is not linear. A good example is in construction where you could have a plumber, electrician, main contractor, subcontractor and concrete deliveries all operating in the same footprint.



“It is not enough for a director to say ‘well, I’m only looking after my concrete truck’. It is not reasonable to say ‘it’s not my site so I am not responsible’ because you are putting your employees into that environment.”

Instead of trying to second guess deliberately vague law, directors should ask themselves what they need to do to make sure their people are looked after, he says. If they do that, they can improve health and safety outcomes in their organisations and reduce the risk of prosecution by WorkSafe in the event of an accident.

### WORK AS IMAGINED VS WORK AS DONE

Parkes says the obligation for directors to undertake due diligence is key to understanding how health and safety legislation should work in practice. The regulator expects directors to take positive actions to understand risks and develop mitigation strategies.

For Parkes, positive action means more than simply having policies in place and receiving regular reports. The way work is represented in company policy documents, health and safety procedures and board reports does not always match what WorkSafe sees on the ground, he says, and this gap between intention and reality can lead to harm.

“The expectation from WorkSafe is that directors are checking for that gap. And if there is a gap, they will ask management to fix it.”

This requires a shift from thinking about health and safety as a compliance issue – and rigidly defining obligations as boxes to be ticked off – to applying a health and safety lens to all business activity, he says.

### WORKSAFE’S APPROACH IN 2021

One of his priorities for this year will be shifting WorkSafe’s focus from “what’s happening on a particular site when we visit” to getting directors and senior

“The expectation from WorkSafe is that directors are checking for that gap. And if there is a gap, they will ask management to fix it.”

managers to think about how they plan work, Parkes says.

“One of the biggest challenges for New Zealand is we tend to treat health and safety as if it is something separate from everyday work. We talk about productivity, culture, business models... and then have a separate conversation about health and safety.

“Health and safety should be integral to every work conversation. This means thinking about it when we develop strategy, when we do business planning and when we develop new business models. At the moment I don’t think that is where the country is at.”

This will require a mindset change for some leaders, he says, from viewing health and safety obligations as compliance to seeing them as an opportunity to create positive cultural change and improve business operations.

“I’m confident that by changing their mindset to a value proposition rather than a liability not only will directors reduce the risk of action by WorkSafe, they will also improve the productivity of their organisations.”

Parkes stresses that this is not just an issue for boards. Management and workers also need to think about health and safety in a positive way.

“We don’t want the worker to put his hard hat on because a director is coming to do a safety walk. They should because they don’t want to get injured at work, because they have family responsibilities, because it is the right thing to do.”

### WORKING FROM HOME

As the Health and Safety at Work Act applies to work activity rather than to a workplace, the shift to more working from home (WFH) raises new challenges around ensuring the wellbeing of staff.

One of the potential pitfalls is not being able to stop at 5pm. People work late



into the evenings because the laptop is there on the dining table. Another is maintaining connectivity to the workplace and not feeling isolated.

“COVID-19 has changed the landscape forever,” Parkes says. “People are coming back into offices but it happens less often and on a more flexible basis. Practically, the types of issues we have seen come through from COVID-19 and working from home are with things like isolation and fatigue.”

The challenge for directors in this new environment is to lock in the productivity gains and benefits to staff, such as ease of childcare or reduced commuting time, that WFH can deliver while exercising control to manage workloads and ensure people are connected to their teams when working remotely.

Daily check-ins for remote workers, ensuring staff have appropriate equipment and furniture, or that the organisation has sufficient technological resources might all be things for boards to enquire about.

“COVID-19 has given us the chance to rethink how we work. A health and safety lens should be about organisations thriving and workers prospering. Start by asking how you can get benefits for both individuals and the organisation?”

Through this approach, directors can signal a cultural shift that health and safety on WFH is about caring about their people and wanting them to be healthy and productive – rather than being about compliance and ensuring directors are not prosecuted.

“My preference is strongly that directors use the opportunity to signal a social purpose and benefit rather than compliance requirement.”

## **WELLBEING FOCUS**

The historical focus of a health and safety policy has been on preventing physical injury or death, but these are only part of

**“The work pressure issue is at the core of health and safety. We can’t deal with health and safety separately to day-to-day work.”**

the total burden of harm, Parkes says. The majority of the impact is in occupational health harm such as hearing loss, respiratory illness and musculoskeletal disorders.

“What we now know is that more than 80% of the total burden of harm for New Zealanders is in occupational health – and that 17% is in mental health impact.”

As a consequence, WorkSafe is evolving its priorities – and its capability – to deal with wellbeing issues.

“Our ability to deal with builders on a construction site or forestry workers will remain important but we are going to have to be much more sophisticated and focussed on creating a work environment where organisations prosper and workers thrive. That’s about culture. That’s about leadership. That’s about diversity and inclusion. And that’s not traditionally core work for a regulator.”

Political and public expectation are for WorkSafe to do more in that area, he says.

“The work pressure issue is at the core of health and safety. We can’t deal with health and safety separately to day-to-day work,” Parkes says.

“For directors, that may mean they need to do more than receive a report once a month that includes health and safety KPIs. That’s too passive. My expectation is that directors are asking questions about resourcing and about how work is being undertaken on the front line.

“That might mean getting out of the boardroom and talking to staff about how they do their work. I would expect them to go beyond health and safety questions – have you got PPE? are you following correct procedures? – to ask productivity questions – are you under pressure? have you got the tools you need to do the job? This will give them richer insights into health and safety in their organisations.” **BQ**

# Shared responsibilities

**Overlapping health and safety duties between organisations will be a focus for directors as the complex web of responsibility and liability is tested in our courts this year.**

Understanding and maintaining oversight of the management of overlapping duties will come into the spotlight for directors as part of the Whakaari/White Island prosecutions, says health and safety consultant Mike Cosman.

Thirteen parties – organisations or individuals – face charges in the case, which opened in early March. These include government agencies, commercial operators and the directors of a family trust.

“Overlapping duties are most complex where they are not defined by a traditional supply contract,” says Cosman. “For example, the Zespri case highlighted the role of those setting standards that others have to follow as an example of where a PCBU [person conducting a business or undertaking] has ‘influence and control’.”

Zespri International Ltd agreed to implement a range of educational actions aimed at contractors and growers after a worker was killed in a quad bike accident on an orchard in 2016. The case highlighted that it is not only a direct employer or principal to a contract who can face liability in the case of a workplace accident. The Judge in proceedings against a related party spelt out the elements of what might

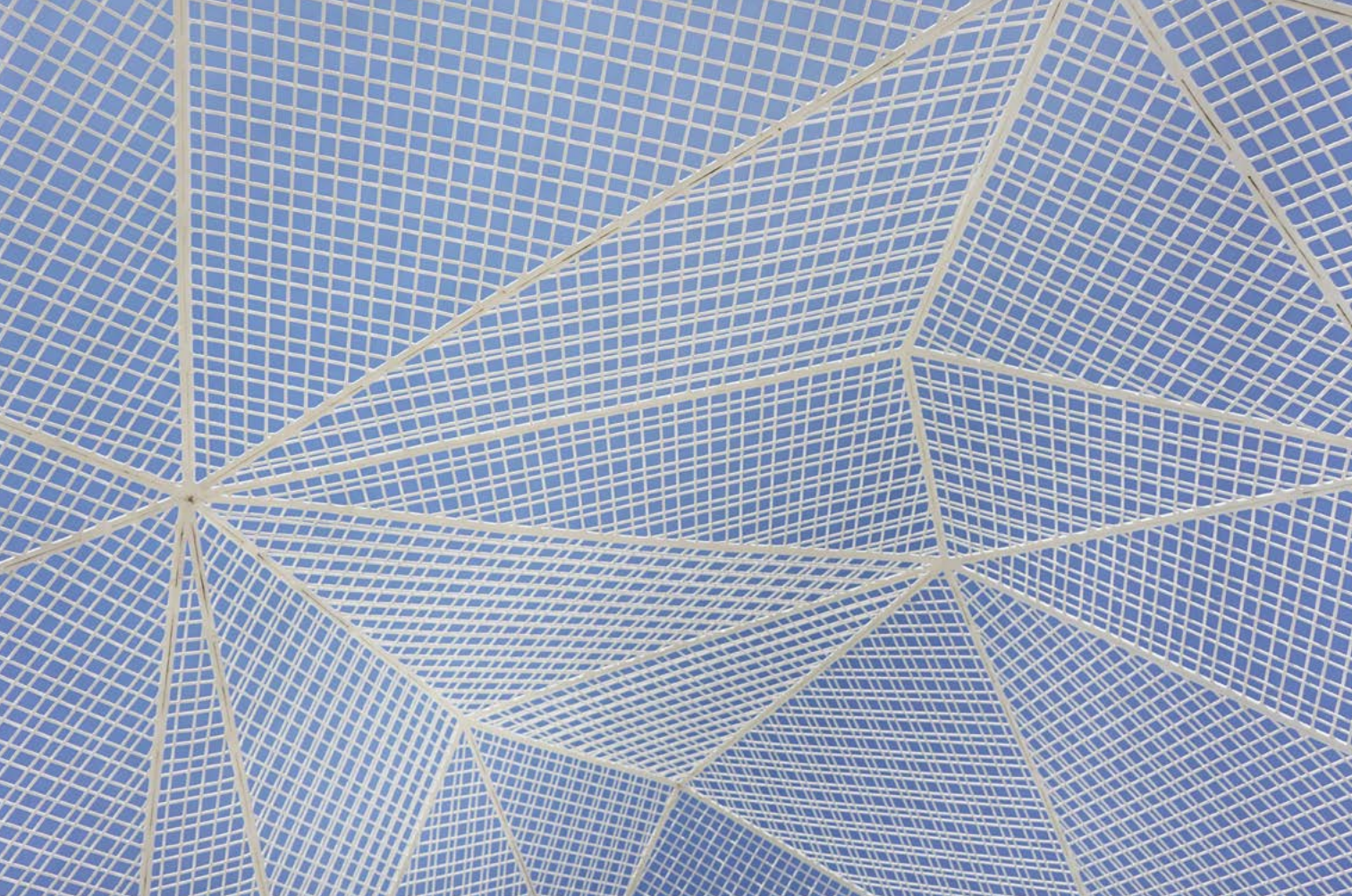
constitute influence or control but noted that Parliament had not defined this and hence there was perhaps “deliberate ambiguity”.

Cosman noted an example in a cooperative model where there may be overlapping health and safety duties between the cooperative itself and an independent PCBU who is a member of the cooperative.

“How do directors of each party maintain visibility of the checks and balances that are in place? If I buy something from overseas and sell it to you, then you pass it on to your customers, how do I meet my duties as an importer that enable you to meet your supplier duties to the final purchaser? Equally if there are rules/standards set by the cooperative then it may have some obligations to ensure that members abide by them. Ultimately though it’s not just a question of compliance but also protecting the brand and reputation if something goes wrong.”

## HOW DOES THE COURT VIEW IT?

For directors, the Whakaari/White Island prosecutions may help clarify how courts are likely to view accidents which involve overlapping duties across organisations, he says.



“It’s unclear what WorkSafe’s strategic thinking has been when looking at different organisations and framing the charges. Why, for example, have two government agencies, GNS Science and the National Emergency Management Agency, been charged? Why have the three trustees of the family trust that owns the island been charged? What should they have done, or did they fail to do, in relation to their responsibility, effectively, as a landowner who provided access to the various maritime or helicopter operators who were allowed to visit the island?”

Directors need to understand the implications of the charges in order to plan and prepare their organisations, he says. But it is likely to be some time before the courts reach a decision and some of the parties may choose not to defend the charges, in which case we will never know what the courts think.

Directors will then look to WorkSafe to understand what the regulator’s expectations are, Cosman says.

### **RENEWED FOCUS ON WELLBEING**

A second area of interest for 2021 will be wellbeing, Cosman says. This was particularly highlighted by the impact of COVID-19 last year but is a much wider issue.

The Ministry of Business Innovation and Employment (MBIE) has released an issues paper on bullying and harassment in the workplace and it is likely that new guidance will be issued by MBIE and WorkSafe.

“More broadly, the focus on wellbeing is about making sure that when boards look at occupational health and wellbeing, this encompasses both the mental and the physical. If people are a business’ greatest asset then why wouldn’t you want to nurture them?” he says. **BQ**

### **MORE INFORMATION**

.....  
Mike Cosman is a health and safety consultant specialising in governance issues. He runs the IoD’s advanced health and safety training course, which brings the latest developments in this area to the attention of governance professionals. For more support on health and safety or to find a course that is right for you see the training and resources section of **[iod.org.nz](http://iod.org.nz)**



# Hard knocks

**Concussion in rugby is now understood to provide short-term and long-term health risks to players – professional and amateur alike. And legal action internationally suggests directors need to get their heads around the issue.**

**I**n 2014 America's National Football League agreed to a settlement of up to US\$1b for players who were injured through repeated head trauma.

The settlement arose from a class action lawsuit on behalf of more than 4,000 NFL players who accused the league of concealing the link between concussion and long-term brain injury.

A similar case is currently gaining momentum in the UK, where former professional rugby players allege they are suffering early-onset dementia as a result of injuries sustained while they were playing.

New Zealand Rugby, which oversees the professional and community levels of the game, has yet to see signs of legal jeopardy but is watching developments closely and taking steps to minimise the

risk to our professional – and amateur – athletes.

The NZR board is regularly kept up to date on scientific and medical developments and the organisation has nationwide concussion education and injury management systems and protocols in place at all levels of the game, which are supported by World Rugby with the potential to inform practices at the community level globally.

Among other initiatives, World Rugby's concussion head injury assessment (HIA) protocols are enforced in the professional game. In community rugby New Zealand Rugby operates Graduated Return to Play (GRTP) and Graduated Return to Learning protocols at all levels of the game. The GRTP recommends players to have an automatic 21-23 days stand-down depending on their age before they can





## FEATURE

return to play and recommends all players be medically cleared by a doctor before they return to contact training.

A spokesman for the organisation told *Boardroom*: “At a practical level, the governance processes at New Zealand Rugby in relation to the risk of injury, but specifically concussion, has in the last 10 years been to:

- ensure that the directors are regularly updated on the most up-to-date medical and scientific evidence in relation to the risks to long-term health of repeated concussion.
- conduct periodic external independent reviews of our concussion management systems, procedures and protocols.
- invest in research to increase the board’s awareness of the risks.
- require regular management reporting on injury rates, recovery timings and associated costs.
- educate directors at regular times about the programmes available at all levels of the game to manage the risk and provide appropriate treatment of players (also applies to coaches and referees).
- require regular reviews of injury management systems within NZR
- other initiatives related to the above.

New Zealand Rugby says there is definitely more awareness amongst players and administrators of the risks associated with concussion than there was a generation ago. At the professional level, for example, players are increasingly putting their hands up when they consider they may have been concussed and some –for example Blues hooker James Parson in January – have retired rather than risk further concussive events.

Does being honest with players about the risk (something the NFL was accused of not being) shield New Zealand Rugby and its directors from liability if a player develops a brain injury in the future?

MinterEllisonRuddWatts Partner Aaron Lloyd says that, while the statistical link

“Rugby is an excellent example of this, where World Rugby (formerly the International Rugby Board, or IRB) is undertaking a large amount of research into the effects of concussion and also developing protocols to best deal with concussions when they arise...”

between related concussion and brain injury is widely accepted, it can be difficult to show cause and effect in a particular case.

“There are some aspects to brain injury-related matters arising in sport which make it difficult to establish or prove legal liability from a claims sense, as it is not always clear that the sport is clearly the cause of any injuries or conditions which present later in life,” Lloyd says. “This is similar to a number of health-related issues which take some time to present, and can have multiple causes. In New Zealand, liability for injury is also affected by our accident compensation regime.

“However, from a health and safety perspective things are a lot clearer. If a PCBU (person conducting a business or undertaking under the Health and Safety at Work Act) or an officer [including directors] has knowledge of the risk of brain injury, they are under an obligation to take all reasonably practicable steps to mitigate that risk.”

In the case of a sports organisation, Lloyd says, working with the governing body to ensure that the most up-to-date knowledge of the risk is obtained, and the most up-to-date response to mitigate the risk is put in place is the ideal strategy.

“Rugby is an excellent example of this, where World Rugby (formerly the International Rugby Board, or IRB) is undertaking a large amount of research into the effects of concussion and also developing protocols to best deal with concussions when they arise. It is also considering amendments to the laws of the game to try and mitigate the risk of concussion arising.”

But he notes that it is not enough to simply follow the guidance of others.

“PCBUs and officers need to make their own assessment of matters, and if they consider that the code’s response is not sufficient, then they are under an obligation to ensure that their PCBU is taking appropriate steps independently.” **BQ**



# New edition out now

See it online  
at [iod.org.nz](http://iod.org.nz)

Or contact us  
for a printed  
copy



The Four Pillars  
of Governance  
Best Practice  
for New Zealand  
Directors



[iod.org.nz](http://iod.org.nz)



The Four Pillars of Governance Best  
Practice for New Zealand Directors  
has been updated for 2021

Phone **64 4 499 0076**  
Free phone **0800 846 369**

# Vaccine pioneer

One of the first in the world to receive a vaccine, Yorkshire paramedic Chris Harvey says there are cautious signs for optimism that the worst of the pandemic may be over.



UK paramedic Chris Harvey was among the first people in the world to receive a government-sponsored COVID-19 vaccination. It was his second taste of the virus, and much better than his first.

The north-England-based advanced clinical practitioner (the equivalent of a senior ambulance paramedic in New Zealand) received the Oxford/AstraZeneca vaccine in January.

He admits to feeling some trepidation and wanting to know more about the vaccine before taking it, but says it was a straightforward process.

“I had a sore arm at the injection site and felt tired and achy for a few hours. By the next morning I was totally fine,” Harvey says.

This was a much better experience than his first brush with COVID-19. Harvey contracted the virus during the UK’s first lockdown. While primarily an office-based worker at that time, he was reassigned to ambulance work to assist the overburdened frontline staff. And he contracted the virus from his patients.

“The first time I noticed a problem was when I saw a cat in the garden and went to shoo it away. I couldn’t smell my herbs. At that time loss of taste and smell hadn’t been noted as a main symptom so I didn’t think anything of it.”

Photo by:  
Matthew Waring  
on Unsplash



“Serious illness among the older age group is reducing, and they were the ones who were vaccinated first.”

The next morning he woke up with a temperature, shivering uncontrollably and subsequently spent 16 days in bed with COVID-19 with symptoms including fatigue, cough and breathlessness.

“It wasn’t the best experience. I lost 5kg in weight and it left me feeling very weak for a couple of months after.”

Not all his colleagues were as lucky. The UK’s National Health Service has experienced approximately 850 fatalities, according to British Medical Journal estimates, as its workers were exposed to the virus while helping patients.

### **NEW HOPE**

By the beginning of March in England, vaccines had been distributed widely to elderly people deemed to be at risk. On the frontline, Harvey says there has been a notable reduction in fatalities among that group.

This rapid roll out of vaccinations “very much” changed the mood in the community, he says.

“Once it was announced that care home residents were being vaccinated there was a lot of excitement. They have been cut off from their families for almost a year now – the only contact they have had is through windows or plastic screens.”

“When you can’t touch someone who is dying, to comfort them, it just seems... very odd.”

By 21 June, it is planned that all vulnerable people will have been vaccinated and England will be able to go back to something like normal.

While it is hard to separate the effects of vaccination from the impact of lockdown, Harvey believes that the jab is having an impact.

“Serious illness among the older age group is reducing, and they were the ones who were vaccinated first.”

### **HERE WE GO**

New Zealand began rolling out vaccines to border quarantine workers in February.

The Ministry of Health hopes to vaccinate as many people as possible as more vaccines become available over 2021.

But there remains a sizeable chunk of the Kiwi population who are sceptical of vaccination. A survey by Research New Zealand in February put this group as high as 30%. With herd immunity – the point at which the virus struggles to spread – thought to require at least 70% of the population to be vaccinated, that could put our ability to return to normal at risk.

Harvey’s UK experience suggests that the virus will prove more resilient in low socio-economic areas, where it has already had a larger impact.

People with a “decent income” can afford to isolate when they are symptomatic, he says, and they can take the time to get tested, should they wish to.

But in low income areas where people live in overcrowded houses, rely on public transport to get to medical testing or vaccination sites and are reluctant to give up work on the basis of manageable symptoms, the virus has been more prevalent.

And this has implications for proposals such as a “vaccine passport” he says. Many countries are investigating whether such a “passport” for people who have been vaccinated could help to reopen public spaces and, potentially, international travel.

Harvey would like one for himself, if it means his life could return to something like normal. But he says there are difficult ethical issues with the proposal.

“It almost becomes like apartheid. I have talked with many of my colleagues and we are really split on the proposal.”

This is an issue that directors will have to develop a view on as vaccination becomes widely available to New Zealanders during 2021. **BQ**



# People power

AUTHOR:  
**LUCY NEAME**,  
DIRECTOR AT KPMG  
NEW ZEALAND

Photo by:  
Sabrina Wendl  
on Unsplash

## Harnessing human potential to navigate through 2021 and beyond.

**A**mid the COVID-19 crisis in 2020, it became evident that people were key to navigating through the uncharted waters of the pandemic.

It was people, guided by strong leadership, who devised innovative ways to solve issues such as embracing telemedicine and developing vaccines. They proved to be adaptable in taking on new roles, developing new skills and working in entirely different environments.

Prime Minister Jacinda Ardern coined the now often used phrase “team of

five million” to emphasise how all New Zealanders must work together to stop the spread of COVID-19. When it seemed that District Health Boards were in danger of being overwhelmed with patients, it was not just the Director-General of Health Ashley Bloomfield, but also the doctors and nurses who were prepared to go into battle.

It is imperative in the current environment that boards challenge their leadership teams to effectively unlock the human potential of all employees so that they are empowered to use their time and abilities to help the business deliver on its purpose.

## UNLOCKING HUMAN POTENTIAL

Unlocking human potential requires the following seven key elements:

1. **Unwavering commitment to your “why” while providing flexibility on “how”:** Customers and employees want to be clear about why an organisation exists. In times of crisis, it is even more important to ensure that your organisation remains committed to its purpose but is also flexible in how it achieves it. If employees are clear on the “why” but are given enough leniency in how to deliver the desired outcomes, they will be more inclined to find new and innovative ways of doing things.
2. **Focus on building capabilities:** Jobs were the organisational building blocks of the past. Capabilities are the building blocks of the future. Organisations need to have a clear understanding of the capabilities required to deliver on their business strategy - now and in the future. They should consider the changing needs of the business sector, customer preferences and channel strategy. A dynamic approach to capability requirement assessment and internal development of capabilities is required to remain competitive in a constantly shifting environment.
3. **Develop an agile approach to capacity management:** Employee capacity needs to be fluid enough to move from area to area as business requirements change. This means establishing mechanisms by which leaders know exactly where there is capacity in the organisation and, equally, employees can clearly see available opportunities. Internal job marketplaces are being used effectively by some firms to match open opportunities with capacity.
4. **Employee empowerment:** Employees need to be empowered to solve problems, fill capacity gaps and upskill in a manner that is fulfilling to them and the organisation.
5. **Building wellbeing and resilience:** Proactively managing the wellbeing of all employees is key to the sustainability of any business. If this is not managed effectively, the impacts include higher turnover rates, absenteeism, health problems and workers compensation claims due to burnout -

“Proactively managing the wellbeing of all employees is key to the sustainability of any business.”

with a knock-on effect of crippling employee productivity. Of course, the first step is to ensure health and safety mechanisms are in place to protect the physical health of employees and their families. More broadly, an understanding of the mental strains that employees are under, the demonstration of empathy, and the allowance of bespoke solutions to suit individual needs will help employees stay well and productive throughout the year.

6. **Diversity and inclusion:** The link between the diversity of thought and innovative problem solving is now clearly understood. It’s important to build bench strength with people from diverse backgrounds at all levels of the organisation in order to develop the innovative solutions required to be nimble in the current climate.
7. **Measurement and reporting:** There needs to be consistent measurement and monitoring of the gap between the shifting capability and capacity requirements of the business, and the plan to fill this gap. This reporting should also take account of lag indicators, provide predictive analysis that identifies future opportunities and risks, and how these will be capitalised on or mitigated against.

Given the importance of human capital to survive the year ahead, there are a few key questions we as leaders should ask ourselves.

How much time did you spend discussing workforce strategy at your last board meeting?

What internal information around the capability and capacity of human capital within your organisation do you request on a regular basis?

And finally, how are you ensuring the environment is driving appreciation of human capital as opposed to depreciation of human capital, to ensure a sustainable business model in the future? **BQ**

# Politics and pandemics

AUTHOR:  
**ALEXANDRA JOHNSON,**  
FREELANCE JOURNALIST

**One of our newest MPs is an IoD member who is also an infectious diseases expert who worked on our contact tracing system and whose cousin was the first democratically-elected president of the Maldives.**

**D**uring a global pandemic, it's reassuring to have an infectious diseases specialist sitting at the government's top table.

Labour Party list MP, the Hon Dr Ayesha Verrall, was catapulted straight into Cabinet following the 2020 election. The new MP was given the portfolios of Minister for Food Safety and Minister for Seniors, along with Associate Minister of Health and Associate Minister of Research, Science and Innovation.

It was a rapid rise to national prominence for Verrall, who entered politics in 2019 as a member of the Capital and Coast District Health Board.

"I didn't think of it so much as getting into governance, but representation," Verrall says.

"I was part of a large community, from the practitioners I knew across all disciplines to the patients, and I felt there was an opportunity to make a difference by being on the board. I had worked in that district health region for many years and I was concerned to advocate for better health services and my community, it's really that simple."

As it turned out, her specialist knowledge was invaluable as the COVID-19 pandemic reared its head soon after her election.



“Even though I didn’t have recent governance experience, I was able to contribute a lot to board discussions about how to manage the changes that were needed for COVID.”

And there was a lot to consider.

“The health board had to respond in so many ways, supporting the community health response through our public health units, making sure that the hospital was being run properly. Initially, we were very concerned that hospitals would be a site for transmission, and at board level there needed to be technical and operational knowledge.”

She says the board also started contributing staff to run the quarantine facility. “So there were a number of areas during that short time on the board where it turned out my operational experience and technical expertise were really helpful.”

## **PROGRESSIVE POLITICS AND GOVERNANCE**

Verrall was first attracted to governance while studying medicine at the University of Otago where, among other appointments, she was the President of Otago University Students’ Association and was on the National Executive for University Sport New Zealand and the New Zealand Union of Students’ Associations. Now, at 41, she is among the youngest members of Cabinet.

“I had some really important experiences when I was young in governance, in my early twenties. Then I became a doctor and stopped doing governance for a long time, but those early experiences gave me the confidence to come back to it.”

Although Verrall grew up in Te Anau, she is too aware that democracy is a fragile beast that has to be guarded. In her 2020 maiden speech she told the House of her cousin Mohamed Nasheed, who in the Maldives was arrested, imprisoned, beaten and exiled for campaigning for democracy and drawing attention to the corruption in the Maldivian Government.



“So there were a number of areas during that short time on the board where it turned out my operational experience and technical expertise were really helpful.”

Nasheed was later named an Amnesty International prisoner of conscience and a global campaign eventually secured his release. In 2008 he became the Maldives’ first democratically elected president.

“I think it’s been an influence on me having a cousin that was a political leader in the Maldives, but like lots of people, you take a path in life and you really don’t know where you are going to end up.”

## **NATIONWIDE IMPACT**

As an epidemiologist and infectious diseases physician, Verrall is an expert on vaccines, tuberculosis and now, COVID-19.

At the start of the pandemic, the Government called on her to audit the contact tracing system, which she found lacking. Her subsequent recommendations strengthened New Zealand’s response and contributed significantly to its success.

Verrall says her main focus for her first term in parliament is to support COVID-19 Response Minister Chris Hipkins with the management of the pandemic.

“I still bring my expertise to support the COVID-19 response which is run by Minister Hipkins and we collaborate closely on that. And then as Associate Minister of Health, one of the priorities I really want to take forward is the goal for New Zealand to be smokefree by 2025.”

She says there are a lot of conversations to be had on this subject, such as even if we get New Zealanders smokefree, what do we say to international tourists who smoke?

“The smokefree goal is not prohibitionist,” she says, “there will be fewer than 5% of our population smoking, but it’s not impractical to be able to visit and get some smokes, that’s not the point. The point is we reduce the number of New Zealanders who are habitually smoking.”

As Minister for Seniors, Verrall will also be instrumental in establishing an Aged Care Commissioner, a new watchdog role which will advocate for older people, and progressing the Better Later Life strategy, which aims to improve financial security, health, housing and opportunities for seniors.

## NEW WORLD

For those in governance, Verrall says many people she has been speaking to have been reflecting on the changes they have made in their businesses in the last year.

“People have taken steps with their business they never dreamed possible, reorganising how work is done. I hope we don’t face that level of disruption in 2021. We work very hard to ensure that we don’t. But I think the lesson to be learnt is to look at how resilient your systems are and how you build on this experience on an ongoing basis.”

She says the pandemic has highlighted areas of risks that had not been given due attention in the globalised world.

“But I also hope that some of the work that is happening now, at both an

“I had some really important experiences when I was young in governance, in my early twenties. Then I became a doctor and stopped doing governance for a long time, but those early experiences gave me the confidence to come back to it.”

international and national level will ensure that this risk is better controlled in the future. This event has proven we depend on systems, and that we share information well and proactively.”

Verrall hopes business leaders take the lesson from 2020 that we all needed to improve certain things, such as hygiene and staff staying home when they are sick.

“That’s the key thing. We rely on employers to communicate to their staff that they should stay at home if unwell. That is not just about COVID-19, that’s for every infectious disease.”

## LEARNING IN CABINET

She says she has learnt so much about governance in the past few months, “I could write a book about it”, but she clearly sees Jacinda Ardern as a standout people manager.

“I see the care with which the Prime Minister has allocated the portfolios and how she’s got us working in teams and I think she’s done very detailed thinking on that, and that’s important in bringing our team as a cabinet together. I feel that I have plenty of opportunities to do good work, and I’m working with more senior ministers whose experience I can draw on when needed.”

Verrall is eager to point out that boards would benefit by having more young people on them.

“I reflect on my experience in governance when I was younger and then again now, and I think young people do have a lot to offer and I’m really keen to see the new generation of governors come through.”

She says she really appreciates those organisations, such as the Institute of Directors, that are supporting the appointment of young directors.

“So many times I see people making selections on the basis of governance experience, but governance isn’t magic and it can be taught.” **BQ**

# Create your future

Just 51% of directors agreed that their board has the right capabilities to deal with increasing business complexity and risk.

*(Director Sentiment Survey 2020)*

Stay one step ahead.



Governance development

World class governance courses  
by directors, for directors and leaders

[iod.org.nz/governance-courses](https://iod.org.nz/governance-courses)



# Digital ninja



COVID-19 has put a renewed focus on the strengths of the digital economy, says Chris Harris MInstD.

Lockdowns don't harm digital businesses as much as other sectors of the economy. Border closures can't upset digital trade. And digital products don't carry the climate change complications associated with New Zealand's main export industries.

"Investing in the digital economy should be part of climate action. It is a pretty small footprint that we have," Harris says.

"It can add a lot of strength to a country's economy if a reasonable proportion of it is digital."

Harris is a co-director of game developers Ninja Kiwi. The Auckland-based company is part of a burgeoning industry that has thrived recently, despite the impact of COVID-19 and multiple lockdowns.





The New Zealand Game Developers Association says the “interactive media” sector earned \$323.9m in the year to 1 April 2020 – up \$121m from a year earlier.

While Ninja Kiwi had a successful 2020, it is difficult to tell how much of that was due to COVID-19, he says.

“People were at home looking for things to do, so more games were played. I think console developers, in particular, did really well out of it – Playstation, Xbox. Our whole family was playing four-person in-front-of-the-TV games during lockdown.

“I think on the whole the games industry did well. We had a good year and it could have been terrible if we were in retail, for example. I do feel for those companies that rely on foot traffic to survive.”

## **BECOMING A NINJA**

Harris never intended to become a video game ninja and describes his path to the job as “varied”.

“I went to university but that wasn’t really my kind of thing. I had made my way through school by having teachers who cracked the whip behind me all the time. So when I got to university and there was nobody doing that, I just sort of drifted.”

He left uni after a year and discovered he preferred working. A position as a teller at ASB bank turned into an eight-year stint.

“I really found my feet when I got into banking,” he says.

“When I left the bank, I set up my own business in financial planning, which was very challenging.”

**“We were keeping a close eye on developments overseas. We realised a lockdown was an inevitability, so we made sure all staff had the gear to work from home.”**

This entrepreneurial spirit came to the fore again in discussions with his brother, Stephen, a newly graduated game developer.

“We got talking one day and decided to start a games business together. It was a good decision.”

Since its founding in 2006, Ninja Kiwi has gone from strength to strength. It now employs 68 people and has offices in New Zealand and Scotland.

The Harris brothers share a sense of right and wrong, and a sense of humour, which makes working together a largely easy experience, he says.

“We have quoted Blackadder to each other probably twice a day for the past 15 years. We get on really well.”

## **COPING WITH LOCKDOWNS**

When New Zealand went into lockdown in March 2020 it was not a surprise to the pair.

“We were keeping a close eye on developments overseas. We realised a lockdown was an inevitability, so we made sure all staff had the gear to work from home.”

Preparedness paid off in enabling a smooth transition but did not insulate Ninja Kiwi from the same stresses and pressures experienced in many other industries.

“One of the biggest issues was ensuring that mental health stayed strong,” Harris says.

“This was particularly important with some of the younger guys who might have

been in a flatting situation. They didn't have a dedicated home office to work from. For one of our guys, his office chair was the foot of his bed because he didn't have room for an actual chair."

That experience informed decision making when the Auckland region went into a second lockdown in August. By then, Harris had realised staff needed a "dual-office" arrangement if they were to operate effectively from home.

"We decided it would be the right thing for everyone to have dual offices – a full home office and a full set up at the Ninja Kiwi offices as well. Obviously, there was some cost to setting up a bunch of artists and coders with PCs, screens, drawing tablets and that sort of stuff. But we were very lucky to have very little downtime. We are fortunate to be in this industry and able to be 99% effective, even if we are in lockdown."

It was a major change of tack for a company that had previously tried to keep staff together as much as possible, he says.

"Our directive had been that everyone works in the office. It is easier to work with an artist if you can direct them, walk past their desk and get the fast iterations of a concept, for example."

To try and replicate that ease of communication while working remotely, Ninja Kiwi staff operated with online chatrooms open all day so teams could interact in real time. Harris says this was good for some staff, but not ideal for others.

"I guess one of the concerns for some was the sense this is a bit 'Big Brother'. But for others it felt much better than working in isolation.

"Those people who weren't comfortable with being on video all day were asked to pop into the chat in the morning and say giddyay, and say goodbye to everyone in the evening. And, of course, be available for meeting. There will often be times when a person doesn't need input from their colleagues for several hours, so we tried to be flexible in that regard."

**THE IOD CONNECTION**

Harris joined the IoD in October 2020. It seemed a natural step given the potential for the business to keep growing.

"I wanted to get on the right foot in terms of corporate governance. We are up to nearly 70 staff across two countries. It's about readying for the next step in the company's growth."

Ninja Kiwi has grown organically, he says, and in the past the brothers have not always realised when they needed to take on more help.

"We have always been quite conservative about how we grow our team. We want to make sure everyone who joins has a career and is not just filling a spot until we don't need them anymore. We tended to not realise we needed to do something until a couple of years after we possibly could have."

While the brothers do continue to seek robust growth they don't adhere to the aggressive "grow at all costs" strategies common in the industry. But they are aware the day may come when the company will benefit from additional governance knowledge.

"I think at some point we will benefit from having an independent director." **BQ**



**NINJA KIWI AT A GLANCE**

**What?**

A mobile and online video game developer based in Auckland

**Who?**

Founded by brothers Chris and Stephen Harris in 2006

**Size?**

38 staff in Auckland, 30 in Dundee, Scotland

**Turnover?**

NZ\$50.2m in the year to March 2020

**Biggest game?**

Bloons TD 6 has around 600,000 daily active users globally

# Is your board at its best?

Great boards don't just happen they are created.

Bringing the skills, input and experiences of each director together in the right way isn't always easy. Get help from someone you can trust and build a strong future for your organisation.

**EVALUATE** and fine tune your board performance

**TRAIN** together for your unique needs

**FIND** the right skills and experience for your board

**MOTIVATE** and **RETAIN** your directors

**SOLVE** specific challenges



Governance services

Let us help you find the solutions  
[iod.org.nz/services-for-boards](http://iod.org.nz/services-for-boards)

# Coffee with Aaron Hape

Meet a young member who has met the Queen, monitored an election in Trinidad and Tobago, and is learning the governance ropes in order to... become an executive.

Originally from Dannevirke, Aaron Hape MInstD came to Wellington to study.

“Then I fell into becoming a faceless bureaucrat,” he laughs. “But that’s just my day job.”

The Director of Business Operations at the Ministry of Business, Innovation and Employment has extensive out of work interests that include governance, art, politics and royalty.

“I would describe myself as a constitutional monarchist, not a royalist,” he says.

“The structure that a constitutional monarchy lends to a stable democracy, like New Zealand, is a benefit. Especially when looking at recent examples of elections in republics, ie the United States.”





For Hape, descendent of the Ngāti Kahungunu ki Wairarapa Tāmaki Nui-ā-Rua iwi, the monarchy has another value.

“Maori recognise the Crown, not just the government of the day.”

That idea of continuity despite changes in government is not something seen in all places around the world, he says.

“I was an election observer in Trinidad and Tobago in 2015 and that was interesting. The environment was driven more by the personalities at the helm of politics in that country and the machinery of government there did not lend itself to a free and fair election.”

Hape was appointed a board member on the Queen’s Young Leaders Programme, an organisation that was directly responsible to Her Majesty The Queen, a role he picked up after forming Commonwealth Youth New Zealand with a group of friends while still in their first years of university.

“We founded our own organisation with no idea how to run it. Through that I was afforded an opportunity to join the Queen’s Young Leaders Programme and I had the pleasure of sitting around the board table with Sir John Major the former PM of the UK, and various members of the royal family were either trustees or active board members.”

The contrast with his small organisation in New Zealand was dramatic, he says. However, many of the people around the Queen’s Young Leaders board table had “dated” ideas and an aversion to risk.

“But they achieved things with structure and an infinite pool of money. An inherent problem with NGOs is finding the money – but in this case we did not have that problem.”

The experience showed him that passion for an idea or cause can enable people to overcome financial challenges. His Commonwealth Youth New Zealand

“I would describe myself as a constitutional monarchist, not a royalist,” he says.

team was just six people with an idea, but they were able to deliver programmes to groups of up to 60 students.

Hape, a Lower Hutt resident, is currently passionate about the Hutt Valley Women’s Refuge, where he is an ambassador helping raise awareness – and funds – and the Dowse Foundation, where he is a trustee.

“Seeing the work that the Refuge has done and is planning to do over the next three to five years is inspiring. And working with the Dowse Foundation is amazingly fulfilling, especially in supporting the work the Dowse Museum is doing to diversify the audience for art - taking art into the community rather than have it confined to the Museum itself. That is cool to be a part of.”

In his role at the public sector, Hape has observed ministers making transformational and nationally-significant decisions and believes this will help him develop his governance career.

“Seeing the way in which cabinet ministers, who are essentially directors in my view, crystallise the national sentiment and the mood of their electorate into a decision-making process is interesting - how they can link sometimes a very operational decision into a wider national or international strategy.”

But unlike many IoD members, he is not planning to work through the ranks of business before concentrating on governance in his mature years. Rather, he is reversing that path.

“Part of my professional development plan is to eventually become a chief executive of a government department. But to do that I can’t just be a career public servant. I will need to have a better understanding of how business, industry and charities work.

“I can’t do that if I have been confined to one area. So my goal for the next 10-15 years is to become a company director. I’m doing it the other way around.” **BQ**



# Work:Space



## What does your desk say about your working style?

**Kirsten (KP) Patterson**, CEO, Institute of Directors New Zealand

Kirsten (KP) Patterson values good lighting, has a standing desk and keeps a couple of fun “fluffy” items on her workspace – including a superhero figurine of herself.

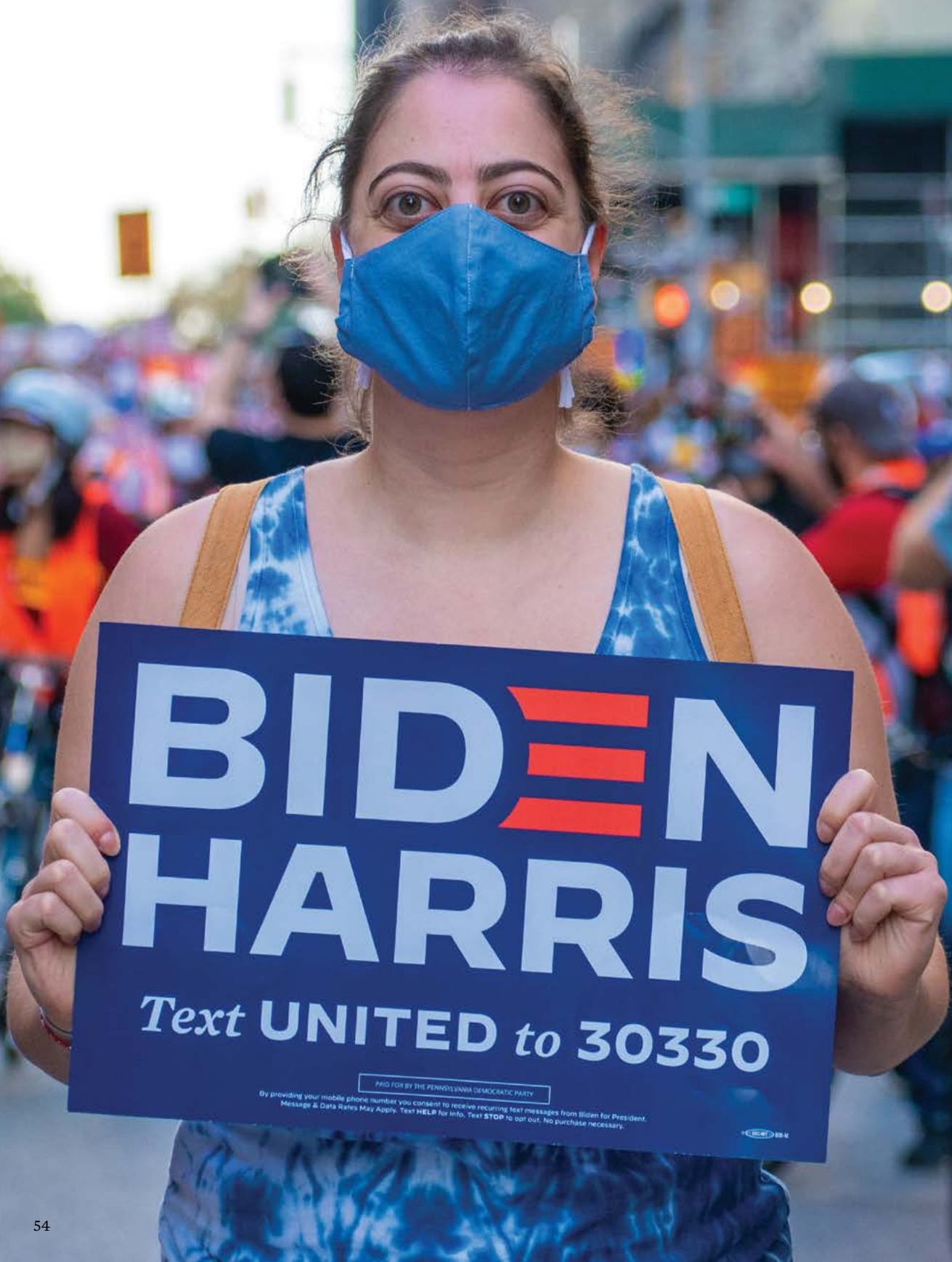
“This was a farewell gift from my team at Chartered Accountants ANZ. It’s on my desk because... I didn’t want it at home,” she laughs.

“I like it because it is cute, because it is a nice reminder of the good people I have worked with and the importance of ‘team’.

“The figurine is actually based on a social media caricature we used. So it brings the power of social media to mind – but really I just love Disney. It’s based on the *Incredibles*, and it brings that fun of Disney into my workspace.”

She introduced a standing desk in 2012 and has never looked back.

“I found I was in so many meetings, sitting down, that I didn’t want to sit all the time when I got back to my desk. A standing desk – and a high stool – make me move and stretch more. Having a comfortable and well-designed working space contributes to good performance and my wellbeing.”



**BIDEN**  
**HARRIS**

**Text UNITED to 30330**

PAID FOR BY THE PENNSYLVANIA DEMOCRATIC PARTY

By providing your mobile phone number you consent to receive recurring text messages from Biden for President.  
Message & Data Rates May Apply. Text HELP for info. Text STOP to opt out. No purchase necessary.





# What a Biden White House might mean for boards

AUTHOR:  
ALEXANDRA  
R LAJOUX, CHIEF  
KNOWLEDGE OFFICER  
EMERITUS AT  
THE US NATIONAL  
ASSOCIATION  
OF CORPORATE  
DIRECTORS

**Joe Biden’s tenure could provide a diversity and compensation culture shock to US boards accustomed to the deregulatory bent of the Trump presidency.**

**R**egulators are in a strong position to drive change. What is more powerful is for the change to come from the top down within business organisations.

So said Laura Cha, chair of the Hong Kong Exchanges and Clearing at a January World Economic Forum conference. In her speech to business leaders, Cha challenged directors to “step up in driving the ESG agenda of their companies”.

Her words were prescient, and US-based directors would be wise to heed them now.

As the Joseph R Biden Jr administration begins its work, boards that have not been Washington-minded may experience culture shock. The White House under President Donald J Trump and Vice President Michael Pence focused on deregulation. By contrast, an administration led by President Biden and Vice President Kamala Harris will likely focus on restoring regulations.

This is especially true now that both chambers of Congress are controlled by a Democratic majority, albeit by slim margins, after twin victories in Georgia Senate runoff elections. Democrats will control committees and the legislation and nominations brought to the floor,

with Vice President Harris casting the deciding vote in the event of a tie. Directors can expect many additional regulations and bills—if not laws—increasing regulatory requirements for companies and the boards that govern them.

A renewed focus on regulation would have two distinct implications for boards. First, board oversight of regulatory compliance must sharpen because companies will have to deal with new or restored regulations. Second, boards themselves are likely to contend with new requirements stemming from the Dodd-Frank Act that were put on ice under the Trump administration. The following key themes should help boards gain an advantage as we enter a new year with a new presidential administration.

**DIVERSITY**

In light of the current national emphasis on civil rights issues, we may see Congress revive diversity bills under renewed or new sponsorship.

For example, the Improving Corporate Governance Through Diversity Act, if reintroduced by its original sponsor Rep Gregory Meeks (D-NY), would ask the US Securities and Exchange

Photo by:  
Rom Matibag  
on Unsplash

Commission (SEC) to “require the submission of data relating to diversity”. A similar bill could be reintroduced in the Senate by Sen Robert Menendez (D-NJ). Rep. Carolyn Maloney (D-NY) is likely to bring back the Diversity in Corporate Leadership Act, which would require the SEC to establish a Diversity Advisory Group to study and make recommendations on strategies to increase gender, racial, and ethnic diversity on the boards of issuers, and to “amend the Exchange Act of 1934 to require issuers to make disclosures to shareholders with respect to gender, racial, and ethnic diversity.”

In parallel with congressional initiatives to increase disclosure requirements, the SEC under a new chair will likely focus on company disclosures on board diversity. The SEC’s scrutiny may extend to compliance and disclosure interpretations (C&DIs) about board diversity. C&DIs – likely more familiar to general counsel and corporate secretaries than to most directors – are interpretations by the SEC’s Division of Corporation Finance intended to provide guidance on rules. It is possible that at some point this year the SEC will expand further the guidance it offered last year.

One example: in a Feb. 6, 2020, update on Regulation S-K, the SEC added a question and answer about Item 401(e) that requires discussion of what led to the conclusion that a person should serve as a director, as well as a related provision under Item 407(c) requiring a description of how a board implements policies on nominee diversity “such as their race, gender, ethnicity, religion, nationality, disability, sexual orientation, or cultural background”.

## COMPENSATION

The Biden administration will almost certainly strengthen laws affecting working conditions and pay equity, and Congress will likely reintroduce legislation on this topic.

## “In parallel with congressional initiatives to increase disclosure requirements, the SEC under a new chair will likely focus on company disclosures on board diversity.”

In a November fundraising message to Democrats, Robert Reich, former labour secretary under President Bill Clinton, called for an “FDR moment”. Reich, using language that some may find hyperbolic, wants to “reverse Trump’s efforts to take away workers’ health care” and “protect all workers against wage theft.” He also wants to bolster workplace safety inspections to make it easier for businesses to classify workers as independent contractors, and “ensure millions of workers receive the overtime pay they deserve”.

In Congress, among the bills likely to be revived is the Corporate Freeloader Fee Act that was introduced by Sen Sherrod Brown (D-OH) to “impose an excise tax on employers with low-wage employees”.

The new year will also be a time to remember the Dodd-Frank Act. The long-pending pay-for-performance rule proposed in 2015 may be finalised. Section 953 of Dodd-Frank mandated that the SEC pass a rule requiring public companies to disclose “the relationship between executive compensation actually paid and the financial performance of the issuer, taking into account any change in the value of the shares of stock and dividends of the issuer and any distributions”.

Legislators who passed the law were concerned that some executives were being overpaid in relation to their performance. The rule defines pay as the total reported in the compensation tables of the proxy, with some modifications, and it defines performance as total shareholder return (TSR) over each of the company’s five most recently completed fiscal years compared to peers. **BQ**

This is an excerpt from an article published in *Directorship* magazine. The full article can be found at [nacdonline.org](http://nacdonline.org)

20

21



Institute of Directors

# LEADERSHIP CONFERENCE

CONNECT, DISCOVER,  
CHALLENGE



5 – 6 May 2021  
Cordis Hotel  
Auckland

**Register now**  
[iodconference2021.co.nz](http://iodconference2021.co.nz)  
Secure your place today.

20  
50



# Reflections on a plague year

AUTHOR:  
**JIM O'NEILL**, BARON  
OF GATLEY, CHAIR OF  
CHATHAM HOUSE –  
THE ROYAL INSTITUTE  
OF INTERNATIONAL  
AFFAIRS

**The pandemic is likely to leave a legacy of improved vaccine development, increased government spending and accelerated digitalisation.**

**I**t is probably premature to offer an assessment of the COVID-19 pandemic's possible consequences, not least because there may well be many more twists and turns to come. And once we defeat the coronavirus, some of the pandemic-induced changes to our lives might turn out to have been temporary. But with these caveats in mind, it is possible to begin drawing some conclusions.

First, it seems reasonably clear that once a new, highly infectious and dangerous virus appears, it pays to act aggressively to stamp it out as soon as possible rather than wait and hope that we learn more.

More than a year after the initial COVID-19 outbreak in China, many of the (mostly Asia-Pacific) countries that took the most aggressive steps to tackle the coronavirus seem to be in a much stronger position than most of the West.

Recently, for example, Western Australia reacted to a single COVID-19 case by locking down the city of Perth for five days. Here in the United Kingdom, by contrast, the clamour to reopen resurfaces as soon as there is evidence that current hospital admissions and reported deaths have passed a peak, even

though the daily rate of new infections is well above 15,000. Ending lockdown is obviously desirable, but as the UK has learned, any easing of restrictions will be temporary unless the number of active cases declines dramatically.

Second, some countries are vaccinating their populations faster than others. Early leaders include the UK, which partly explains the loud calls to ease the lockdown. Initial evidence suggests that the COVID-19 vaccines are not only helping to reduce the scale of serious illness, but also reducing transmission. This could turn out to be spectacular news, and – if stronger signs of the vaccines' efficacy emerge – mark the beginning of the pandemic's end. But if governments lift lockdowns too soon, the risk of new coronavirus mutations resistant to current vaccines will increase.

Third, although the first approved COVID-19 vaccines were adapted from research already underway for other purposes, the pandemic may well permanently improve the entire vaccine development process, from research to clinical trials and regulatory approval procedures. If so, this should help us to combat future variants as well as new pandemics.

The pandemic may also boost the pharmaceutical sector's overall efficiency and productivity (as opposed to its profitability). So, perhaps drug firms will also be able to develop new antibiotics far sooner than conventional wisdom would have us believe.

Fourth, the COVID-19 crisis has shown that governments can spend a lot more money without upsetting markets than most people thought. Although high and increasing levels of government debt have raised huge questions, the fact that financial conditions have remained so benign – with bond markets, in particular, seemingly untroubled – raises the possibility that governments can be more fiscally ambitious than many believed.

This could have profound consequences for economic-policy debates, ranging from whether the eurozone should scrap its fiscal rule limiting government debt to 60% of GDP to whether governments should maintain a permanent presence in some sectors where they previously were absent.

For example, it seems obvious to me that we need a major overhaul of government expenditure accounting that results in a clear distinction between investment and consumption (or maintenance) spending. If government investment spending is a source of future private-sector economic growth, especially in areas with a large positive multiplier, this crisis has demonstrated the silliness of treating all government spending equally. This applies to aspects of health and education in particular, but to many other areas, too – including how governments try to tackle climate change.

Crucially, governments must also play a bigger role in ensuring that all citizens have access to digital technologies (in the same way that they should ensure

**“...the COVID-19 crisis has shown that governments can spend a lot more money without upsetting markets than most people thought.”**

universal access to education and health care). Unless everyone has access to technology, major national initiatives, such as COVID-19 test-and-trace schemes, are unlikely to succeed.

Fifth, whatever the post-pandemic norm for remote work may be, work habits are set to become more flexible. This will have a host of positive consequences, including much less time wasted commuting, less pressure for conventional transport infrastructure upgrades, larger and more “liquid” labour markets, and perhaps even a rise in productivity.

Sixth, the crisis has accelerated the shift toward technologically enhanced tools, especially for consumers, thereby casting doubt on the future of many brick-and-mortar retailers. Policymakers will therefore presumably need to rethink some aspects of taxation, including finding new sources of revenue from online businesses. This might allow many traditional retailers at least to have a fairer chance of playing a continuing role in our shopping habits.

Seventh, the function of urban real estate, especially perhaps in large conurbations, will need to adapt. This will require new ideas about the spatial relationships between offices, shops, and homes, as well as about transport. The idea of flexible and shared office spaces may well become embedded into the next generation of workers.

Finally, the COVID-19 crisis has accelerated Asia's global rise in terms of relative economic growth, with China driving the region's ascent. The contrast between China's governance structure and that of Western democracies – in terms of both global governance arrangements and managing bilateral relations – will thus become an even bigger issue for many leaders than it already is. **BQ**



**CRAIG PELLETT**  
**DIRECTOR, STREAMLINE BUSINESS NZ LTD**

**THE CALIBRE**  
**OF THE**  
**DIRECTORS**  
**WE LEARNED**  
**FROM WAS**  
**IMPRESSIVE.**  
**I ENJOYED**  
**THE ROBUST**  
**DEBATE**  
**AND CLARITY**  
**OF THINKING**  
**TO MAKE**  
**GOOD SOLID**  
**DECISIONS.**

**COMPANY**  
**DIRECTORS**  
**COURSE**

[IOD.ORG.NZ/CDC](http://IOD.ORG.NZ/CDC) | 0800 846 369

 Institute of  
**DIRECTORS**  
NEW ZEALAND  
Governance development

# Are cities finished?

AUTHORS:

**CARLO RATTI**,  
DIRECTOR OF  
THE SENSEABLE  
CITY LAB AT MIT,  
AND **PROFESSOR  
RICHARD FLORIDA**,  
UNIVERSITY OF  
TORONTO'S SCHOOL  
OF CITIES

**The re-integration of work and home threatens one of the last remaining vestiges of the Industrial Age: central business districts that pack and stack office workers in skyscrapers.**

**R**ue de Rivoli, a boulevard running through the heart of Paris, has been developed in fits and starts.

Napoleon Bonaparte initiated construction in 1802, after years of planning and debate, but work stalled following the emperor's abdication in 1814. The boulevard remained in limbo until another military strongman, Napoleon III, completed the project in the 1850s. The next century, construction began again – this time, to accommodate cars.

But last year, Rue de Rivoli experienced its fastest transformation yet.

With Paris traffic subdued by a COVID-19 lockdown, Mayor Anne Hidalgo decided on April 30 to close the nearly two-mile-long road to cars, in order to create more space for pedestrians and cyclists.

Workers repainted the road and transformed a major artery in central Paris – home of the world-renowned Louvre museum – virtually overnight.

It was not just Rue de Rivoli. Using only paint and screw-in markers, nearly 100 miles of Parisian roads were temporarily

reallocated to cyclists in the early months of the pandemic – a revolution in urban reprogramming. It was later announced that the changes would become permanent.

## **ACCELERATED URBAN INNOVATION**

The Parisian example highlights the extent to which the pandemic has accelerated the pace of urban innovation, compressing what would have taken years into months or even weeks.

Beyond highlighting the flaws in pre-pandemic urban systems – such as high levels of pollution – it has allowed city leaders to bypass cumbersome bureaucracy and respond much more efficiently to the needs of people and businesses.

Those needs are changing fast. One of the most discussed changes relates to the separation of home and work.

In the early days of urbanisation, people walked to work. Later, they began to take public transport. It was only after World War II and the rise of suburbanisation that people began to drive cars from their homes to giant factory complexes and office towers.

Photo by:  
Jason Leung  
on Unsplash





During the pandemic, remote work has become the rule in many industries – and many companies plan to keep it that way, at least to a large extent. This re-integration of work and home threatens one of the last remaining vestiges of the Industrial Age: central business districts that pack and stack office workers in skyscrapers.

### NEW USE

With many workers unlikely to return to their cubicles, old office towers may be transformed into much-needed affordable housing after the pandemic. One-dimensional business districts could become vibrant neighbourhoods.

Non-work activities have been transformed as well. Dining, entertainment, and fitness have increasingly been moving into the open air, occupying space that used to be designated for cars. So, as with the bike lanes in Paris, the pandemic is creating prototypes for a permanently post-automobile, human-centric city.

In fact, the changes in Paris are part of a broader plan to create a “15-minute city” (*ville du quart d’heure*), where core daily activities – including working, learning, and shopping – can be carried out just a short walk or bike ride from home.

So, far from rendering cities obsolete, as some predicted early on, the pandemic has unlocked an ever-broader potential for renaissance – what the economist Joseph Schumpeter famously called “creative destruction” on an urban scale.

The crisis left governments with little choice but to adopt a fast-paced, trial-and-error approach. The extraordinary innovations in pedestrianisation, affordable housing, and dynamic zoning that have emerged highlight the power of positive feedback loops.

Nonetheless, a Schumpeterian approach is fundamentally experimental, and even the best-designed experiments sometimes fail. Moreover, the costs of those failures

“With many workers unlikely to return to their cubicles, old office towers may be transformed into much-needed affordable housing after the pandemic. One-dimensional business districts could become vibrant neighbourhoods.”

are not borne equally: those with the least influence tend to suffer the most. The COVID-19 pandemic, for example, has disproportionately affected the poor and vulnerable.

### RESIDENTS FIRST

In this new age of urban innovation, leaders must take great care to minimize the risks to – and redistribute the returns toward – disadvantaged and vulnerable groups. That means, first and foremost, listening to them. The Black Lives Matter movement in the United States is a powerful example of a disadvantaged group demanding to be heard. Leaders everywhere should pay attention and address racial and class divides head on. Urban design is central to any such strategy.

To support this process – and help maintain flexibility and speed in urban innovation after the pandemic – leaders should consider creating participatory digital platforms to enable residents to communicate their needs. This could encourage policies that improve quality of life in cities – especially disadvantaged neighbourhoods – including by limiting problematic trends like rising pollution and gentrification.

Only with an agile and inclusive approach can we seize this once-in-a-century opportunity – or, rather, meet our urgent obligation – to “build back better.”

A stroll along Rue de Rivoli reveals none of the desolation and dullness we have come to expect on city streets during the pandemic. Instead, the storied boulevard is bustling with masked Parisians, zooming along on bikes, scooters, e-bikes, and rollerblades, or pausing for coffee at cafes and restaurants. A street deadened by the pandemic has been revived.

With thoughtful planning, bold experimentation and luck, such transformations can be just the start for cities everywhere. **BQ**

Copyright Project Syndicate.



# The experts in building cyber resilience.

Cyber-attacks are increasing year on year. Does your business have the right plan in place to recover from the financial, operational and reputation impacts of a cyber security breach?

Aura Information Security can help you prepare a thorough incident response plan, with practical risk assessment and advice.

Gain confidence knowing that your processes have been independently assessed and tested by trusted experts.

---

[aurainfosec.com](http://aurainfosec.com)



POWERED  
BY KORDIA





# Lessons from the DDoS attack on the NZX

AUTHOR:  
**PETER BAILEY**,  
GENERAL MANAGER,  
AURA INFORMATION  
SECURITY

Photo by:  
Egor Vikhrev  
on Unsplash

**Boards, do not let your guard down.**

**O**ver the past five years, New Zealand boards have made considerable progress when it comes to cybersecurity.

The conversation has developed from cybersecurity basics, to how organisations can be best positioned to fend off attacks. Instead of crossing fingers and hoping it won't happen, businesses acknowledge attacks are inevitable and are prepared to return to business as usual in the most orderly, cost-effective and rapid way.

This is laudable, but there is still work to be done. You need to recognise the risks and impacts of cybersecurity across all levels of the business.

By its very nature, cybersecurity is a volatile beast, because bad actors are smart, unpredictable and downright diabolical.

## LESSONS FROM THE NZX ATTACK

The recent distributed denial of service (DDoS) attack on the NZX stands as a useful case in point for several reasons.

The first is that DDoS attacks are old hat. So much so that it is easy to believe this sort of threat belonged in the past, no longer in the repertoire of modern-day hackers. The newsflash is that, while a relatively unsophisticated attack, neither DDoS nor other simple threats have gone away. They always remain in a hacker's arsenal and that means continued vigilance.

The next lesson is cautionary. It is not a question of "if" you suffer a cyber breach, but "when". You have to be prepared – and it is all about how you respond.



You cannot be responsible for the actions of others (hackers) and by now it should be clear there is a good chance a motivated attacker may get into your systems one way or another. You are, however, clearly responsible for your business and the actions of those within it.

This leads to a third lesson, one which I believe boards are busying themselves with now. The NZX DDoS attack was so sustained and so massive, that there was likely very little to nothing the exchange could have done to prevent it. Instead, this attack showed that while being proactive is essential, reacting with speed and agility will always play a vital part in any security strategy.

### STRATEGY FOR RECOVERY

A successful security strategy encompasses two components. It must establish all potential security risks that could affect a business, along with a clear understanding of the likely impact of a successful attack on a business.

You can never predict the disruption a cyber breach could cause your business. The important part is putting in place mitigatory measures and procedures and ensuring everyone is comfortable with the required response. I hope you never have to, but you do need to be ready to go at any time.

These measures should return your organisation to business as usual in an orderly fashion, with as little disruption as possible.

There is a useful (and perhaps well-worn) analogy in health and safety. Health and safety is a readily-recognised risk on board agendas everywhere. Why? Because a failure is costly, unnecessary, can result in actual injury and can greatly impact a company's reputation. Therefore, the expectation with health and safety is that there should be no surprises. Your operations should be compliant with all reasonable risks identified and suitably mitigated.

But here is the thing. Despite taking all those measures, health and safety failures still happen because people are people and

“While Target might never suffer another breach on the same scale, it accepts it is possible. If the possibility becomes reality, it knows exactly how to respond.”

sometimes things happen that we would prefer did not.

That's when well-rehearsed mitigation strategies kick off. Because health and safety is so well known, every person in the organisation involved with health and safety knows exactly what, when and how to do it.

This is precisely where your board should be with its approach to cybersecurity. The recently enacted Privacy Act is a step towards ensuring boards take cyber security seriously, requiring breaches to be notified and including potential fines. It shows there are consequences for not protecting a business properly.

Know the risks, take all reasonable precautions to prevent them from happening, then have a clear plan in place for remediation when someone gets through the defenses.

### REASONABLE PRECAUTIONS

Just as with health and safety, you should be able to demonstrate (to shareholders or investigators, if necessary) that every **reasonable** precaution was taken.

How? Take Target as an example. Since the American retailer was hit by an infamous data breach (which cost it a US\$18m fine), it now conducts exhaustive quarterly mock cyber-attacks. These exercises involve everyone, from board members to operations staff, IT personnel, the media team and all executives.

While Target might never suffer another breach on the same scale, it accepts it is possible. If the possibility becomes reality, it knows exactly how to respond.

The fire drill approach is essential. Cyber security is a moving target and the better every business gets at the task, the harder it becomes for the criminals to win.

When your board properly appreciates the threat, you can put in place sufficient measures not only to keep attackers out, but to equip your business for a rapid, orderly response. **BQ**

# Did you know...?

## Kiwi boards reluctant to Zoom more

A worldwide survey of directors has revealed that only a quarter (27%) of New Zealand respondents, compared to 46% of their global counterparts, expect to conduct a significant portion (40% or more) of their board meetings virtually following the COVID-19 pandemic.

However, almost half (49%) of both New Zealand and global respondents agree that virtual board meetings are as effective as in-person meetings.

The findings come from the Global Network of Director Institutes 2020-2021 survey report (see page 26), a consultation with nearly 2,000 directors representing 17 director institutes spanning North and South America, Africa-Middle East, Asia-Pacific, Russia, Europe and the United Kingdom. Around 120 New Zealand directors took part, comprising 6% of the total responses.

## Make sure you are across our Constitution and Rules review

We are reviewing our governance arrangements to ensure they are fit for purpose now and for the future. We are also reviewing our rules and standards framework to look at how these might be enhanced to meet the expected requirements of the new Incorporated Societies Act.

Member consultation was completed in mid-March and we are now putting together an overview of feedback that will be shared in early May. The revised Rules will be sent to members in late May for voting on at our AGM.

Instructions on how to vote will be included with the revised Rules.

If you were not able to attend one of our nationwide branch events on the review, you can find out more at [\*\*iod.org.nz/constitution\*\*](https://iod.org.nz/constitution)

## Noise ban supports WFH

Portugal's government in February gave itself the power to impose decibel limits in urban centres during the working day.

The move aims to reduce the disruption caused by construction projects, which are allowed to operate between 8am and 8pm, to the increasing number people who are working from home (WFH).

The decree was initially passed as part of lockdown measures but it highlights an issue that will be ongoing if the shift to WFH becomes permanent.

A sign of hush to come?

## Vaccines seem to be working

Governments around the world may soon have more policy options available to manage the impact of COVID-19 on their societies and economies.

The first countries to have vaccinated a large portion of their vulnerable populations – the UK and Israel – report vaccination can prevent symptomatic infection in around 90% of those over 80 years, in line with the results of clinical trials.

If this trend holds up across all age groups as more doses are distributed, the possibility of emerging from a cycle of lockdowns may become a reality – the real “new normal” – and border restrictions will be in line for a review.

Early days yet, but watch this space. See an interview with one of the first UK paramedics to be part of the government vaccine rollout on page 38.

## Four Pillars strengthened

*The Four Pillars of Governance Best Practice for New Zealand Directors* has been strengthened with new guidance on climate action, co-operatives, human capital and the future board, as well as updates to other sections.

The 2021 edition of the *Four Pillars* is available as a searchable online reference guide or pdf to IoD members free of charge at [iod.org.nz](http://iod.org.nz)

Printed copies are available at a small charge through our membership team, [membership@iod.org.nz](mailto:membership@iod.org.nz)



**PLEASE  
BELIEVE  
THESE  
DAYS  
WILL  
PASS**

PARKWAYDRIVEROCK.COM #PARKWAYDRIVEROCK





# DRIVING DIGITAL RESILIENCE: A TECHNOLOGY CHECKLIST FOR YOUR ORGANISATION

Governance is highly complex and strictly regulated. It must contend with constantly evolving global regulatory requirements, increasing stakeholder demands related to ESG, fluctuating operational risks and sophisticated cybersecurity threats. By digitising governance practices, organisations can create a strong framework to mitigate these risks while still driving growth and performance. This digital transformation allows them to respond more rapidly to crises and to be more effective in their approach to business.

Organisations should seek out a digital governance solution that allows them to:



From security and risk management, to data analysis and corporate responsibility, modern governance equips organisations with the tools and insights that enable business resilience, even during the most volatile times.



### Diligent Boards

- Collaborate in a secure environment
- Transform legacy processes smoothly



### Diligent Messenger

- Secure board and executive communication



### Diligent Governance Intel

- Enhance visibility



### Secure File Sharing

- Safeguard essential information



### Diligent Advanced Analytics

- Respond in the moment



### Diligent Governance Cloud & ESG Solution Set

- Build the organisation to be stronger and more resilient

For more information or to request a demo:

Call: + 64 3 977 5500 • Email: [info@diligent.com/au](mailto:info@diligent.com/au) • Visit: [diligent.com/au](https://diligent.com/au)

# Good advice and strong governance are the key to staying one step ahead.

ASB is proud to partner with the Institute of Directors to drive good governance and leadership, for resilient New Zealand businesses.

Get the support and guidance you need from ASB and put your best foot forward.

Visit [asb.co.nz/business-banking](https://www.asb.co.nz/business-banking)

