



Sixth Quarterly Report: April – June 2024

Purpose

1. The purpose of this report is to report to the Minister of Internal Affairs on the progress of the Royal Commission of Inquiry into Lessons Learned from Aotearoa New Zealand's Response to COVID-19 That Should Be Applied in Preparation for a Future Pandemic | Te Tira Ārai Urutā (the Inquiry) towards delivery of its findings and recommendations as required under its terms of reference. This report covers the period 1 April 2024 to 30 June 2024.

Activity of the Inquiry this quarter

2. Over the April to June quarter, the Inquiry has been focused on analysing the evidence it has gathered. Significant progress was made on the drafting of the Inquiry's report during this quarter, with a particular focus on the factual findings that the Inquiry wishes to conclude based on the evidence it has received. By the end of June, the Inquiry had completed first drafts of text covering large sections of the evidence the Inquiry has gathered, and moved into refining this draft text, with drafting of the lessons and recommendations to follow.
3. This quarter also saw the completion of the Inquiry's substantive external engagement programme. The Inquiry carried out a further 29 meetings with 85 individuals, including first meetings and follow-up engagements with a number of key stakeholder groups.
4. In June 2024, the Government announced several important decisions for the Inquiry. This included that the Inquiry will now be conducted in two phases, with a second phase of work to commence on 29 November 2024 to focus on specific areas that were outside the Inquiry's original terms of reference, or where the Government feels that more focused analysis is warranted. As part of this announcement, the Government indicated that new Commissioners would be appointed to continue the Inquiry's work into Phase Two, with the first of these new Commissioners – Grant Illingworth KC – appointed in July. The Inquiry's present Commissioners, Professor Tony Blakely and John Whitehead, also indicated at this time their intention to step down at the completion of Phase One.
5. The Inquiry's deadline to complete the first phase of its work was also extended from 30 September 2024 to 28 November 2024. The additional time will allow the Inquiry sufficient time to synthesise the depth and breadth of evidence it has gathered, as well as allowing additional time to ensure natural justice and fact checking processes can be carried out effectively.

Finance

6. The Inquiry has incurred costs for the 2023/24 financial year of \$9.813m, against a full-year budget of \$12.559 million, subject to final end-of-year processes and auditing. This will result in an underspend of \$2.746m to be carried forward in the 2024/25 financial year.

| | 2023/24 Spend (final) \$Ms | 2023/24 Budget \$Ms |
|---------------------------------------|-------------------------------|-------------------------------|
| Controllable expenditure – operations | \$7.847 | \$9.585 |
| Uncontrollable expenditure – support | \$1.366 | \$1.944 |
| Commissioner Costs | \$0.599 | \$1.023 |
| Total | \$9.812 | \$12.553^{1,2} |

7. This final underspend was primarily driven by the impact of the adjustments in the timing of some activity – in particular, the decision to delay the start of the public submissions process and the timing of recruitment. This delay was reflected in the Inquiry’s decision to request a brief extension to the final reporting deadline for the Phase One report.
8. The underspent funds from the 2023/24 financial year will enable the Inquiry to fund the extended deadline for Phase One of its report. Additional funding will be required to deliver Phase Two of the Inquiry.

Challenges and risk

9. Decisions made during this quarter have alleviated the risks the Inquiry faced from the uncertainty over its future direction and the time required to deliver its report, as highlighted in the previous Quarterly Report.
10. The Inquiry’s deadlines remain challenging, particularly to complete natural justice and fact checking requirements.
11. While the Government’s confirmation of a two-phase approach to the Inquiry’s work creates welcome certainty, the two-phase approach introduces new challenges the Inquiry will now need to manage.
12. Specifically, the Inquiry will need to ensure the careful management of evidence between the two phases – particularly evidence that should remain confidential to the first phase of the Inquiry.
13. As the Inquiry moves closer to the start of Phase Two there will be a need to manage the transition between the two phases. A focus will be on resourcing pressures as we balance completing the Phase One report and supporting the planning for Phase Two.

Next Quarter – expected activity

14. The July to September 2024 quarter will be focused on completing the drafting of the Phase One report – in particular the lessons and recommendations the Inquiry reaches.

¹ The small discrepancy between the three component figures and the total figure given is due to rounding.

² The Inquiry’s FY2023/24 total budget reflects a minor change from previously published figures. This is due to the timing of a budget update, which will now occur in FY2024/25. The Inquiry’s overall budget remains unchanged at \$16.770m across three financial years.

15. This quarter will also see the Inquiry undertake its natural justice and fact checking process for Phase One. The Inquiry does not intend to share its complete report with any external party but will provide an opportunity for individuals and organisations to respond on any adverse findings the Inquiry proposes to make, as required by section 14 of the Inquiries Act 2013. The Inquiry has also taken the opportunity to share some additional material in order to seek feedback, including on factual accuracy of the evidence the Inquiry is relying on.

16. We note that subsequent to this reporting period, the Government has announced new Terms of Reference for the second phase of the Inquiry, and the appointment of two additional Commissioners – Anthony Hill and Judy Kavanagh.