



Board Meeting Minutes

Meeting Details	8:00am-5:00pm, Tuesday, 11 February 2025, Auckland and Microsoft Teams
Board Attendees	Tracey Batten (Chair), David Hunt (Deputy Chair), Dan Buckingham, Mark Cross (until 11:45am), Jan Dawson, Kim Gordon, Helen Nott and Bella Takiari-Brame
Executive Attendees	Megan Main (CE), Rēnata Blair (DCE Māori), Stewart McRobie (DCE Corporate and Finance), Lisa Hansen (DCE People and Culture), John Bennett (DCE System Commissioning & Performance), Michael Dreyer (DCE Technology & Data), Andy Milne (DCE Strategy Engagement and Prevention), Michael Frampton (DCE Service Delivery), and David Iverson (Acting Chief Investments Officer)
Other Attendees	2-9 [Name withheld] (Secretary), 3.1 [Name withheld], [Name withheld], and [Name withheld], 3.2 and 6.2 [Name withheld], 3.2, 6.2 and 6.5 [Name withheld], 6.2 [Name withheld], 6.3-6.5 [Name withheld], [Name withheld] and [Name withheld], 6.4 [Name withheld]
External Attendees	1.3 Finity Review Team: [Name withheld], [Name withheld], and [Name withheld] 2-6.1, [Name withheld], Board Dynamics (external observer)
Apologies	Paul Dyer

Item	
<i>The Board meeting started at 8:00am with all Board Members present.</i>	
1.	Board Only Time
1.1.	Board Only Session
<i>Megan Main joined the meeting at 8:40am.</i>	
1.2.	CE Only Session The Board and CE debriefed the prior evening's meeting with the Minister for ACC.
<i>The Finity review team joined the meeting at 8:50am.</i>	
1.3.	Meet with External Review Team (Finity) The Board and Chief Executive met with the Finity Review team.
<i>The Finity review team left the meeting at 9:30am and [Name withheld], [Name withheld] and the Executive joined.</i>	
2.	Meeting Opening
2.1.	Karakia The Chair opened the meeting and Rēnata Blair led the meeting in a karakia. The Chair welcomed [Name withheld] from Board Dynamics who was attending the meeting as an observer to provide context and insights to the Board Governance Review underway. The Chair referred to key points from the meeting the Board held with the Minister the previous evening.
2.2.	Welcome, Apologies and Interests The Board: <ul style="list-style-type: none"> Reviewed the Register of Key Interests.



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	<ul style="list-style-type: none"> • Noted that the papers and expected discussion for items 6.3 to 6.5 do not present a potential conflict of interest for Bella Takiari-Brame.
2.3.	<p>Previous Minutes (28 January) The Board approved the 28 January minutes and delegated authority to the Chair to approve the final redactions prior to proactive release.</p>
2.4.	<p>Actions List The Board noted the Actions list. Actions 1, 2 and 3 were being confirmed closed during the discussion later in the meeting.</p>
2.5.	<p>Chief Executive’s Report Megan Main introduced the report. The Board discussed:</p> <ul style="list-style-type: none"> • The Artificial Intelligence deep dive for the Board in March will cover the AI policy and framework and the use of AI within the business via existing and new tools and processes. This will include leveraging work across government, such as the recently released Department of Internal Affairs guidance. This will come straight to the Board in March rather than via RAAC at a later date. • The protocol for site threat incidents is well-tested and practised. The decision-making model errs on the side of caution to protect ACC staff, and is being reviewed to ensure productivity is not impacted if the frequency of events increases, while prioritising staff safety and wellbeing. Regular reporting will continue to the People & Culture Committee and Board. • The Board and Executive will be doing more site visits in the next year and feedback and observations will be clearly documented. • Work is underway to formalise the mechanisms for continual leveraging of actuarial insights. It is important to ensure actuaries are kept close to the operational planning work and embedded in work programmes and design. • An update on progress on the response to the Royal Commission of Inquiry into Abuse in Care. <p>The Board noted the report.</p>
2.6.	<p>Role of Investments David Iverson introduced the presentation and took the Board through the ACC investment approach. The Board discussed:</p> <ul style="list-style-type: none"> • The long duration of liabilities, the long-term investment strategy and the overall investment philosophy applied to matching assets and liabilities. Account liability differences drive asset allocation strategies. • How the Board can receive assurance that the investment approach has the right level of risk to optimise return. Other insurance companies can be looked to for benchmarking, although their liability duration is shorter. • [s 9(2)(i)] <p>The Board noted the presentation.</p>
<p>The Board took a short break at 10:25am, returning to the meeting at 10:35am with [Name withheld], [Name withheld] and [Name withheld] joining the meeting.</p>	
3.	Improve Rehabilitation Performance
3.1.	<p>Deep Dive – Social Rehabilitation Michael Frampton and Andy Milne introduced the presentation. The Board had a wide-ranging discussion which included:</p>



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- The proportion of social rehabilitation spending on the 'key aspects' and 'other' social rehabilitation and on serious injury versus non-serious injury clients. Non-serious injury can include a wide range of complex injuries such as traumatic brain injury. It is important to ensure the supports are directed to the people that need them.
- The level of discretion for staff in making decisions on social rehabilitation and the efficiency of decision-making. Case managers have an end-to-end view of social rehabilitation support but there are providers and other experts involved. A new integrated service support is being piloted which provides real time advice to case managers.
- Mechanisms to engage with clients regarding compliance with social rehabilitation plans and assessments. Operational policy settings are being reviewed.
- While there are many different drivers of the increasing spend on social rehabilitation, including the strain on the wider health sector, ACC has the ability within its own operational policy settings to change the trajectory.
- There are short- and long-term actions underway to respond to action plan targets. These range from reviewing key areas of ACC's internal operational policy settings in the short-term and working with MBIE to explore regulatory options and stronger signals within the legislation to give greater clarity, which will take more time.

The Board **noted** the presentation.

Stewart McRobie left the meeting at 11.15am and returned at 12.00pm. Mark Cross, [Name withheld], [Name withheld] and [Name withheld] left the meeting at 11:40am and [Name withheld] joined the meeting.

3.2. Monthly Rehabilitation Dashboard

Michael Frampton introduced the dashboard. The Board discussed:

- Simplifying explanations within the report to ensure they are well understood.
- Ongoing stabilisation of short-term performance.
- Case manager focus on claims crossing over into the long-term claims pool. The significant number of non-serious injury claims in the pool is the result of a large number of unmanaged claims aging through the system over a number of years. Any further feedback for the next iteration of the report will be passed to the Chair or Chief Executive.

The Board **noted** the dashboard.

[Name withheld] left the meeting at 11:55am.

3.3. Improve Rehabilitation Performance Strategic Priority Update

Andy Milne introduced the update. The Board discussed:

- The paper pulls together the various plans for upcoming work. These will be combined into one plan for the upcoming year, and the medium- to long-term work programme.
- Ensuring prioritisation of doing the right work across the business for all strategic priorities.

The Board:

- **Discussed** Management's approach to developing a work programme to support improving rehabilitation performance, which integrates the Financial Sustainability Action Plan and Investment Plan initiatives, and responds to emerging expectations from the new Minister for ACC.
- **Noted** further detail on this work-programme will be provided to the Board in May, alongside the 2025/26 Enterprise Plan.
- **Noted** the rationale provided for Board and Management's ongoing commitment to Huakina Te Rā.



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4.	Improve scheme access and experience for Māori and identified population groups
5.	Drive an injury prevention culture across Aotearoa New Zealand
6.	Deliver a capable and cost-effective ACC
6.1.	<p>Monthly Finance Report Stewart McRobie introduced the report. The Board discussed:</p> <ul style="list-style-type: none"> • Clarifying the movement of cash from investments • The expected variance in the OCL due to economic factors between setting the budget and the OCL valuation. • The options for early implementation of IFRS 17 accounting standards, which had been discussed in the RAAC meeting the previous week, ahead of the required adoption for 2026/27. RAAC will discuss any further options before progressing to Board if a decision is required. • Work is ongoing on exploring changes to the treatment of pre-2001 claims and levy policies. <p>ACTION: Provide an update on the status of pay-equity claims and negotiations.</p> <p>The Board noted the report.</p>
<p>The Board took a break for lunch at 12:40pm, returning at 1:10pm. [Name withheld] left, [Name withheld] and [Name withheld] joined the meeting and [Name withheld] rejoined the meeting.</p>	
6.2.	<p>Service Agreement 2025/26: Measures and Targets Megan Main and Andy Milne introduced the measures and targets. The Board had a wide-ranging discussion which focussed on:</p> <ul style="list-style-type: none"> • Confirmation by the actuaries that the targets proposed are consistent with the OCL reduction targeted by the Financial Sustainability Action Plan. • Alignment between the budget, Service Agreement and action plan. • The appropriateness of the average weekly compensation days paid measure, which is a large driver of the OCL. A target that reflects better return to work rates over a longer period could be considered, or more detailed core measures which sit beneath average weekly compensation days paid. • The influenceable actuarial movement target is still useful to retain, as other targets do not yet capture the actuarial factors. • Further consideration of the expression of the claim lodgement rate - Māori target to reflect the goal to narrow the gap in lodgement rates between Māori and non-Māori and confirming the baseline and what it is compared against. • Recommending removal of the sustain return-to work measure as it is not providing a useful benchmark of the Work Account to the equivalent Australian Schemes. • The proposed growth rate of the long-term claims pool targets, which will require a structured performance framework between Service Delivery and System Commissioning and Performance, including analytics, architecture and other enablement support. Engaging and leveraging system partners will also be important. The Board would like to continue to receive further detailed information on the claims in the long-term claims pool, as the proposed targets might still result in claims in the pool that are not required to be there. <p>The Board:</p> <ul style="list-style-type: none"> • Discussed the measures and targets for inclusion in the draft Service Agreement 2025/26 and Budget 2025/26, and that the Board will approve the measures at an upcoming out of cycle meeting.



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- **Noted** engagement on measures and targets with MBIE, the Treasury and EY will follow the Board meeting.
- **Noted** the next steps for the development of the Service Agreement 2025/26 before 30 June 2025.

Kim Gordon left the meeting at 2:00pm. David Iverson, [Name withheld], [Name withheld] and [Name withheld] left the meeting at 2:10pm and [Name withheld], [Name withheld] and [Name withheld] joined the meeting.

System Commissioning & Performance 25/26 Commissioning Plan

The Chair noted that the following discussion for items 6.3, 6.4 and 6.5 is expected to be high level and does not present a potential conflict of interest for Bella Takiari-Brame. This will continue to be monitored throughout.

John Bennett introduced the paper. The Board discussed:

6.3.

- The overall provider market and the importance of transparent engagements with providers, not just about contracting arrangements but also performance and co-design of future work.
- Continuing the education process for the Board on key flagship initiatives within System Commissioning & Performance and providing deliverables and timeframes for each.

ACTION: Provide an update on the flagship ideas within the System Commissioning & Performance 25/26 Commissioning plan.

The Board **endorsed** the 2025/26 Commissioning Plan.

[Name withheld] joined the meeting at 2:55pm. Kim Gordon returned to the meeting at 3:00pm.

Resetting Clinical Governance

[Name withheld] took the Board through the presentation. The Board discussed:

6.4.

- The importance of clinical leadership within ACC, and that the actions looked to use existing resources within the area in a different way. The design process is still underway, and Service Delivery involvement will be key to this work to ensure there is no impact on short-term performance.
- The important role ACC plays within the wider system, such as holding and sharing data and reporting on treatment injuries.
- The Board supported the direction of the work and noted that further updates on resetting clinical governance will come through to the Board via the CE Report as the work progresses.

The Board:

- **Discussed** the findings, opportunities and prioritised actions for clinical leadership and clinical governance at ACC.
- **Noted** the recommended key actions and development of a new clinical operating model.

The Board took a short break at 3:30pm and returned at 3:40pm. Stewart McRobie, Andy Milne, Michael Frampton, Michael Dreyer, and [Name withheld] left the meeting and [Name withheld] rejoined the meeting. David Iverson rejoined the meeting at 3:50pm.

Health Contracts and Annual Pricing

John Bennett and [Name withheld] introduced the paper. The Board discussed each recommendation separately, and discussion focussed on:

6.5.

Annual Price Review:

- It was confirmed that the funding envelop was over and above HYEFU.



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- Access for Māori providers and the opportunity for providers to improve access for Māori. A new role in System Commissioning & Performance will focus on this specifically.

ACTION: Provide clarification on how the annual price review numbers are included in HYEPU.

Elective Surgery Services and High-Tech Imaging:

- Updates on these contracts will regularly come through to the Board as part of System Commissioning & Performance flagship work.

- [s 9(2)(i)]

[s 9(2)(i)]

Living my Life Services

- The contract term was updated to [s 9(2)(i)] .

The Board:

- **Approved** a funding envelope of [s 9(2)(i)] the price ACC pays for health services under the Annual Price Review process.
- **Approved** an extension of the Elective Surgery Services contract, expiring 31 October 2025, for [s 9(2)(i)] .
- **Approved** an extension of the High-Tech Imaging Services contract, expiring 31 July 2025, for [s 9(2)(i)] .
- **Approved** a new contract term for the Living My Life Services contract which expires 31 October 2025 for [s 9(2)(i)]
- **Approved** an extension of the National Telehealth Service agreement with Health NZ [s 9(2)(i)] [s 9(2)(i)]

John Bennett, David Iverson, Rēnata Blair, [Name withheld], [Name withheld] and [Name withheld] left the meeting at 4:20pm.

7.	Committee Updates and papers via Committees
	Risk Audit Assurance Committee
7.1.	Bella Takiari-Brame updated the Board on the Risk Assurance and Audit Committee meeting held on 3 February and the actions from the meeting.
7.1.1	Internal Audit Plan Bella Takiari-Brame introduced the plan. The Board: <ul style="list-style-type: none"> • Noted the proposed changes to the Internal Audit Plan. • Approved the changes to the FY 24/25 Internal Audit Plan.
7.2.	People and Culture Committee David Hunt updated the Board on the People and Culture Committee meeting held on 10 February.
7.2.1	Q2 WHS Report The Board noted the contents of the report.
7.2.2	Bargaining and Remuneration Approach



Item	
	The Board deferred this discussion until further information is provided to the People and Culture Committee. The Committee will make a recommendation to the Board in due course.
7.2.3	Investments Remuneration Process Lisa Hansen introduced the paper. The Board noted that the Committee had discussed potential changes to the process but decided they were not needed. The Board: <ul style="list-style-type: none">• Approved changes to the Investments Remuneration Policy, including referring to the at-risk component as performance-based remuneration.• Approved changes to the People and Culture Committee Terms of Reference.• Noted the proposed timetable for approving annual Investment performance-based payments.
<i>Lisa Hansen left the meeting at 4:40pm.</i>	
8.	Other Business
8.1.	Board Work Programme The Board noted the work plan.
8.2.	2025/2026 Board Dates The Board noted the board dates.
8.3.	Other Business
9.	Meeting Close
9.1.	Karakia
<i>The Board Chair closed the meeting with a karakia. Megan Main and [Name withheld] left the meeting at 4:50pm.</i>	
10.	Board Only Time
10.1.	Meeting Evaluation