



## Board Meeting Minutes

<b>Meeting Details</b>	Workshop 5.00 pm – 6.00 PM Wednesday 18 February 2026, Auckland 8:30am – 2.00pm, Thursday 19 February 2026, Auckland
<b>Board Attendees</b>	Jan Dawson (Chair), David Hunt, Dan Buckingham, Kim Gordon, Helen Nott and Bella Takiari-Brame
<b>Executive Attendees</b>	Megan Main (CE), Stewart McRobie (DCE Corporate and Finance), Lisa Hansen (DCE People and Culture), Michael Dreyer (DCE Technology & Data), Andy Milne (DCE Strategy Engagement and Prevention), Michael Frampton (DCE Service Delivery), Dr Debbie Holdsworth (Chief Clinical Officer), Thomas Ronan (Acting DCE System Commissioning & Performance), and David Iverson (Chief Investments Officer)
<b>Other Attendees</b>	[Name withheld] (Secretary), [Name withheld] and [Name withheld] (Workshop), 4.1 [Name withheld], 4.3 [Name withheld], 4.4 [Name withheld] and [Name withheld], 4.5 and 5.1 [Name withheld] 4.5 [Name withheld], 5.2 [Name withheld] and [Name withheld], and 6. [Name withheld]
<b>External Attendees</b>	1.4 -3.1 [Name withheld] and 1.4– 5.2 [Name withheld] and [Name withheld] (Treasury)
<b>Apologies</b>	Workshop: Bella Takiari-Brame

Item	
<p><i>The Board (with apologies from Bella Takairi-Brame) and Executive team participated in a Workshop on Long-Term Claims Pool (LTCP) Cohort and Pathways to Independence on Wednesday 18 February from 5.00 – 6.00pm. [Name withheld], [Name withheld] and [Name withheld] were present. The Board meeting opened on Thursday 19 February at 8:30am, with all Board members present.</i></p>	
<b>1.</b>	<b>Board Only Time</b>
1.1.	<b>Board Only Session</b>
Megan Main joined the meeting at 9.00 a.m.	
1.2.	<b>CE Only Session</b>
The Board discussed current organisational issues and the key focus areas for the meeting including the need to plan and deliver more fundamental change in FY2026/27 to achieve best-ever performance by 2030, given the current interventions will not get us there and the importance of balancing efficiency and effectiveness in order to achieve long-term sustainability.	
The Executive and [Name withheld] joined the meeting at 9:25 am and Treasury officials joined at 9:35 am.	
<b>2.</b>	<b>Meeting Opening</b>
2.1.	<b>Welcome and Apologies</b>
The Board Chair welcomed the Executive to the meeting. The Board <b>reviewed</b> the Board register of interests.	



Item	
2.2.	<b>Previous Minutes</b> The Board <b>approved</b> the 29 January minutes.
2.3.	<b>Actions List</b> The Board <b>noted</b> the Actions List and agreed to close Items 4 and 8 and noted that Item 6 (Update on current cross government streams of work) was delayed until April.  On Item 7, (Separation of weekly compensation and backpay for LOPE), management advised that the core product system (EOS) and General Ledger do not currently allow for this breakdown. However, management are working on deriving this information from the data warehouse as an interim solution to be able to report this information before 1 July concurrently with a more robust permanent reporting capability.
2.4.	<b>CE's Report</b> Megan Main introduced the report and provided an overview. The Board discussed: <ul style="list-style-type: none"><li>• The current performance being the result of sustained work over some time and that pace and concentration were continuing and thanked management and the broader team for their efforts.</li><li>• [ s 9(2)(h) ] .</li><li>• The timetable for client engagement in relation to TN and the need to support staff having these conversations.</li><li>• The Customer Report, and particularly the various measures relating to Review outcomes, what those measures revealed, and measures used in Australia.</li><li>• The nine-month lag between decisions and review processes and the implications of overturned decisions including costs and challenges with engaging clients for rehabilitation where they have been declined and reinstated.</li><li>• The quality assurance team action item from the Finitivity review coming to the Board in April.</li><li>• The legislative and judicial context of ACC reviews.</li><li>• Engagement with New Zealanders and providers regarding responsible behaviours in relation to supporting clients back to work or to independence and ensuring the scheme is sustainable for future generations.</li><li>• Non-notifiable privacy breaches and the importance of ensuring ACC's systems reduce the need for manual processing. The Board requested that the RAAC consider this further.</li></ul> The Board <b>noted</b> the report. <b>Action: RAAC to consider the level of non-notifiable privacy breaches.</b> <b>Action: Board to receive the updated external engagement plan.</b>
3.	<b>Treasury Economic Update</b>
3.1	<b>Economic Update and Expectations</b> [Name withheld] presented the update. The Board discussed: <ul style="list-style-type: none"><li>• The current cyclical economic upturn driven largely by price and exchange rate drivers rather than productivity.</li><li>• The levers for reducing the structural deficit including limiting expenditure growth and improving Crown entity performance.</li></ul>



Item	
	<ul style="list-style-type: none"> <li>The costs associated with an aging population and the impact on the health system, aged care and ACC.</li> <li>Expectations of Crown organisations regarding performance including impact and value for money, smarter commissioning and awareness of the use of levies and their impact on the cost of living.</li> <li>Productivity and proposed responses including supporting economic security (e.g. stable energy prices), financial markets and better access to capital, encouraging investment, financing of infrastructure deficit, digitisation of services and skills/education settings.</li> </ul> <p>The Board <b>noted</b> the update.</p>
	<p>[Name withheld] left, and [Name withheld] joined, the meeting at 10:40 am.</p>
<b>4.</b>	<b>Financial Sustainability</b>
4.1.	<p><b>Turnaround Plan Monthly Report</b></p> <p>Andy Milne introduced the report and provided an overview. The Board discussed:</p> <ul style="list-style-type: none"> <li>The upcoming Service Agreement and Letter of Expectations and Treasury’s expectations as monitor.</li> <li>Rehabilitation performance rates and the forecast trajectory to 30 June.</li> <li>The Delivery Summary with more initiatives now being in the delivery phase.</li> <li>Ensuring visibility of the 25% of Finity actions that will extend beyond FY26 which will be refined through the longer-term work to support scheme sustainability and incorporated into to the next iteration of the Turnaround Plan.</li> <li>The importance of operational stability to keep building momentum.</li> <li>The increasing sensitive claims component of the LTCP, the impact, and options.</li> </ul> <p>The Board <b>noted</b> the report.</p> <p><b>Action: Provide an overview of the impact of sensitive claims growth including operational levers and potential policy options.</b></p>
	<p>[Name withheld] left the meeting at 10:55 a.m.</p>
4.2.	<p><b>Monthly Finance Report</b></p> <p>Stewart McRobie introduced the Report and provided an overview. The Board discussed:</p> <ul style="list-style-type: none"> <li>Claims cost performance.</li> <li>Non-influenceable OCL strain owing to a higher number of sensitive claims receiving weekly compensation.</li> <li>Operating costs including fees for external investment fund managers because of out-performance.</li> <li>Levies under-budget performance.</li> <li>OCL changes because of revaluation of interest rate and inflation adjustments.</li> <li>The OCL Expected and the reason for the gains.</li> <li>IFRS 17 and IFRS 4 variances and the further detail being provided to the RAAC.</li> <li>The impact on the Funding ratios of the Accounts due to the application of the illiquidity premium, with the removal of the risk margin not impacting funding ratios because it is excluded from the Funding Policy. The Board <b>requested</b> that the RAAC consider the impact on ACC’s funding policy noting this policy is an MBIE-led policy.</li> </ul>



Item	
	<p>The Board <b>noted</b> the report. <b>Action: RAAC to consider the impact of ACC’s funding policy noting this is an MBIE-led policy.</b></p>
<p><i>The Board took a short break at 11:20am, returning at 11:30am, with [Name withheld] joining the meeting.</i></p>	
4.3.	<p><b>2025/26 Performance Plan and Self-Assessment</b></p> <p>Andy Milne introduced the Plan and provided an overview. The Board discussed:</p> <ul style="list-style-type: none"><li>• The purpose of the Plan and the use of the lines of inquiry to frame the assessment.</li><li>• Incorporating an explanation for applying a specific rating.</li><li>• Comparisons with other agencies and moderation of Plans with Treasury.</li><li>• The link between operational and financial management.</li><li>• Risks and potential impact including cyber capability, IFRS, scheme boundaries and court decisions.</li><li>• Specific feedback on wording.</li></ul> <p>The Board <b>noted</b> that an updated Performance Plan would be circulated next week for approval after receiving and incorporating Board Member feedback.</p>
<p><i>[Name withheld] left the meeting at 11.55am and [Name withheld] and [Name withheld] joined the meeting.</i></p>	
4.4.	<p><b>Longer-term Work to Support Scheme Sustainability</b></p> <p>Michael Dreyer introduced the paper and provided an overview. The Board discussed:</p> <ul style="list-style-type: none"><li>• The work undertaken including the Finity Report, RIG, the new strategy and lessons learned from NextGen has informed the priority areas and conceptual shifts.</li><li>• The work programme and associated budgeting to 2029.</li><li>• Support for the initial view of 2026/2027 priorities and the link to the Finity report recommendations.</li><li>• The importance of a single set of messaging for the team which is the new Strategy.</li><li>• Reframing of the specific elements of the key shifts for 2030 under the new Strategy’s three strategic priorities and the strategic enabler to bring back to the Board in April.</li><li>• Taking an iterative approach while ensuring that the client facing teams are integral to shaping and implementing the changes.</li><li>• Integrating the initial priorities, mapped to the new Strategy and incorporating into the next version of the Turnaround Plan.</li></ul> <p>The Board:</p> <ul style="list-style-type: none"><li>• <b>Noted</b> that delivering on ACC’s longer-term performance targets, new strategy and key recommendations from the Finity review will require ACC to make broader changes to our end-to-end claims management processes.</li><li>• <b>Approved</b> in principle the initial priority areas for the 2026/27 turnaround plan.</li><li>• <b>Noted</b> the details of the 2030 shifts and requested that management revert to the Board with greater detail on the priority deliverables and changes for the following three years, linked to the new strategy and informing the updated (long term) view of the next iteration of the Turnaround Plan.</li></ul>



Item	
	<ul style="list-style-type: none"> <li>• <b>Noted</b> Management will seek further direction from the Board on key strategic choices over the coming months.</li> </ul>
	<p>David Iverson, [Name withheld] and [Name withheld] left the meeting at 12.25 pm and [Name withheld] and [Name withheld] joined the meeting.</p>
4.5.	<p><b>Allied Health Market Socialisation</b></p> <p>Thomas Ronan introduced the paper and provided an overview. The Board discussed:</p> <ul style="list-style-type: none"> <li>• The current context.</li> <li>• Market supply and Scheme demand and the insights from the Sapere report.</li> <li>• [ s 9(2)(h) ]</li> <li>• The proposed multi-year interventions including planning for a new Allied Health Services contract from 1 November 2027.</li> </ul> <p>The Board <b>noted</b> the paper.</p>
<b>5.</b>	<b>Approvals</b>
5.1.	<p><b>Annual Pricing Memorandum – FY26/27</b></p> <p>Thomas Ronan introduced the memorandum and provided an overview. The Board discussed:</p> <ul style="list-style-type: none"> <li>• Market viability and recent rehabilitation outcomes.</li> <li>• The elements of the market management strategy including price discovery, incentive and control alignment and performance.</li> <li>• Ensuring that rehabilitation services were available in all areas, e.g. Rural.</li> <li>• Incentives for key suppliers.</li> <li>• Transparent review processes.</li> <li>• The Board’s commitment to the direction outlined in the memorandum.</li> <li>• Engagement with the market and other system participants prior to sharing these decisions on pricing.</li> </ul> <p>The Board:</p> <ul style="list-style-type: none"> <li>• <b>Approved</b> pricing adjustments to the services listed in Appendix 1, with an estimated financial impact of \$39.7 million per annum.</li> <li>• <b>Delegated authority</b> to the Managers of Health Sector Engagement and Performance and the Manager of Recovery Services for the execution of the contracts and contract variations.</li> </ul>
	<p>[Name withheld] and [Name withheld] left the meeting at 12.45pm and [Name withheld] and [Name withheld] joined the meeting.</p>
5.2.	<p><b>Business Customer Levy Debt Write Off</b></p> <p>Stewart McRobie introduced the paper and provided an overview. The Board discussed:</p> <ul style="list-style-type: none"> <li>• The Debt Management Policy and <b>requested</b> that this be reviewed by RAAC.</li> <li>• The provisioning of bad debts.</li> <li>• The limited collection powers under the legislation.</li> <li>• The costs of recovering and the elements that were considered in determining whether to pursue recovery.</li> </ul>



Item	
	<p>The Board:</p> <ul style="list-style-type: none"> <li>• <b>Noted</b> that all reasonable attempts have been made to collect this income and it is deemed inefficient to continue to pursue it further.</li> <li>• <b>Noted</b> that the provision for bad debt is currently \$104m and this write off will have no P&amp;L impact.</li> <li>• <b>Approved</b> the write-off of circa \$31,650,197 worth of business customer debt.</li> <li>• <b>Noted</b> that in future, the Board may be requested to write off levy debt on an annual or biannual basis in accordance with the Corporate Delegations Standard.</li> </ul> <p><b>Action: RAAC to review the Corporate Debt Management Policy</b></p>
	<p>Treasury attendees ([Name withheld] and [Name withheld]), Michael Dreyer, Andy Milne, Michael Frampton, Dr Debbie Holdsworth, Thomas Ronan, [Name withheld] and [Name withheld] left the meeting, and the Board took a break for lunch at 1.00pm, returning to the meeting at 1.15pm with [Name withheld] joining the meeting.</p>
<b>6.</b>	<b>Committee Updates and Papers via Committees</b>
6.1.	<p><b>People and Culture</b></p> <p><b>Investments Remuneration Policy Update</b></p> <p>The Chair of the People and Culture Committee introduced the paper. The Board discussed:</p> <ul style="list-style-type: none"> <li>• The simplification of the investments' incentive scheme governance process.</li> <li>• That the Chair of the RAAC and the members of the BIC supported the removal of the RAAC from the process.</li> <li>• That the BIC will consider whether any changes are required to support the investments incentive scheme process as part of the current review of its Terms of Reference.</li> <li>• That the Investments Remuneration Policy will be further reviewed in relation to carry forward losses.</li> </ul> <p>The Board:</p> <ul style="list-style-type: none"> <li>• <b>Noted</b> the PCC has endorsed the proposed removal of the RAAC from the governance processes of the Investments Incentive Scheme Board <b>approved</b> this removal.</li> <li>• <b>Noted</b> the PCC has endorsed the updated Investment Remuneration Policy and <b>approved</b> the Policy.</li> </ul> <p><b>Action: Consider the role of BIC in investment incentive scheme approval as part of the review of the Terms of Reference.</b></p>
6.1.1	<p><b>Q2 Wellbeing, Health and Safety Report</b></p> <p>The Chair of the People and Culture Committee introduced the report and provided an overview. The Board discussed:</p> <ul style="list-style-type: none"> <li>• The critical risk overview and PCC's request for a deep dive on psychosocial risk and for this to potentially be brought to the Board.</li> <li>• The PCC's discussion of the AEP Audit and Action plan.</li> </ul> <p>The Board <b>discussed</b> the contents of the report.</p>



Item	
6.1.2	<p><b>Bargaining and 2026 27 Remuneration Approach</b></p> <p>The Chair of the People and Culture Committee introduced the paper and provided an overview. The Board discussed:</p> <ul style="list-style-type: none"><li>• The current and evolving context.</li><li>• The importance of stable and effective case management staff in supporting Scheme sustainability</li><li>• PCC's request for further information to inform its recommendations to the Board.</li><li>• The use of a management Steering Committee to conduct negotiations once parameters are agreed by the Board.</li></ul> <p>The Board:</p> <ul style="list-style-type: none"><li>• <b>Approved</b> the bargaining principles after noting the endorsement of PCC</li><li>• <b>Noted</b> that the remuneration team would do further work on describing options within different budget settling the proposed budget and remuneration parameters which the PCC would consider and then provide to the Board with its annual remuneration review budget recommendation.</li><li>• <b>Noted</b> the proposed use of a management steering committee to negotiate within the principles and parameters once the parameters were approved by the Board.</li></ul>
<i>Lisa Hansen left the meeting at 1:33pm.</i>	
<b>7.</b>	<b>Other Business and Meeting Close</b>
7.1.	<b>Board Work Programme</b> The Board <b>noted</b> the plan.
7.2.	<b>2026 Board Dates</b> The Board <b>noted</b> the board dates.
7.3.	<b>Other Business</b> The Board noted that non- RAAC members may wish to attend the RAAC, particularly in relation to the BEFU and impact of IFRS 17. The Board noted that they looked forward to [Name withheld] returning as Board Secretary and thanked [Name withheld] for covering the role.
<i>Megan Main, Stewart McRobie and [Name withheld] left the meeting at 1:50pm.</i>	
<b>8.</b>	<b>Board Only Time</b>
8.1.	<b>Meeting Evaluation</b>
<i>The meeting closed at 2:00pm.</i>	