



**ACC FULL BOARD**  
**MINUTES OF THE MEETING ON 5 AUGUST 2022**  
**MICROSOFT TEAMS**

**IN ATTENDANCE**

<b>Board Members</b>	<ul style="list-style-type: none"><li>• Steve Maharey – Board Chair</li><li>• Tracey Batten – Board Deputy Chair</li><li>• Sandra Aloffivae – Board Member</li><li>• Pat Bowler – Board Member</li><li>• Mark Cross – Board Member</li><li>• David Hunt – Board Member</li><li>• Helen Nott – Board Member</li><li>• Bella Takiari-Brame – Board Member</li></ul>
<b>ACC Staff</b>	<ul style="list-style-type: none"><li>• Megan Main – Chief Executive Officer</li><li>• Tane Cassidy, Deputy Chief Executive, Prevention &amp; Partnerships</li><li>• Andrea Conlan – Acting Deputy Chief Executive, Strategy, Engagement, and Planning</li><li>• Stephen Crombie – NZIIS Executive Lead</li><li>• Peter Fletcher – Deputy Chief Executive, Enterprise Change Delivery</li><li>• Michael Frampton – Deputy Chief Executive, People and Culture</li><li>• John Healy – Transitional Executive, Corporate &amp; Finance</li><li>• Michelle Murray – Tumu Pae Ora</li><li>• Phil Riley – Acting Deputy Chief Executive, Service Delivery</li><li>• [ Name Withheld ] – Senior Corporate Secretary (Secretary)</li><li>• John Robson – Acting Deputy Chief Executive, Prevention &amp; Partnerships</li><li>• [ Name Withheld ] – Head of Privacy</li><li>• [ Name Withheld ] – Head of Actuarial Services</li><li>• [ Name Withheld ] – Manager Actuarial Monitoring &amp; Insight</li><li>• [ Name Withheld ] – Head of Customer System &amp; Intelligence</li><li>• [ Name Withheld ] – Manager Strategy &amp; Customer System</li><li>• [ Name Withheld ] – Head of Customer Engagement</li><li>• [ Name Withheld ] – Senior Strategy Advisor</li><li>• [ Name Withheld ] – Senior Strategy Advisor</li><li>• [ Name Withheld ] – Head of Health Safety Wellbeing</li><li>• [ Name Withheld ] – Programme Lead</li></ul>
<b>External Attendees</b>	<ul style="list-style-type: none"><li>• [ Name Withheld ] – Propero</li><li>• [ Name Withheld ] – Propero</li><li>• [ Name Withheld ] – Taylor Fry</li><li>• [ Name Withheld ] – Taylor Fry</li></ul>

*The meeting commenced at 10.15am with all Board Members present.*

APPROVED



## 1. BOARD ONLY

### 1.1. Governance discussion

### 1.2. Board only session

The Board passed the following resolutions on recommendation from the People and Remuneration Committee:

#### ***Investment Staff Incentive Scheme Payments for 2021/22***

The Board **approved** the proposed indicative Investment Staff Incentive Scheme payments for FY2021/2022, subject to:

- There being no significant changes due to final Private Market valuations.
- The Risk Assurance and Audit Committee formally noting the external assurance provided by KPMG.

#### ***Executive Performance Reviews 2021/22***

The Board:

- **Noted** the approach of aligning the remuneration review for the Executive Team with the wider FY 22/23 ACC employee remuneration strategy endorsed by the Board.
- **Noted** the outcome of the performance reviews of the Executive Team.
- **Authorised** a total increase in remuneration for two Executive Team members in line with the increases applied to other ACC employees in salary band 18 and above.

#### ***Chief Executive Remuneration Review***

The Board:

- **Noted** the approach of aligning the remuneration review for the Chief Executive with the wider FY22/23 ACC employee remuneration strategy endorsed by the Board.
- **Authorised** a total increase in remuneration for the Chief Executive in line with the increase applied to other ACC staff in salary band 18 and above.

*Megan Main joined the meeting at 10.40am.*

### 1.3. KPIs discussion

### 1.4. CE only session

*[Name Withheld] and [Name Withheld] joined the meeting at 11.00am.*

## 2. PROPERO REVIEW

The Chair informed the Secretary that the actions from the review will be part of ongoing discussions with the Board and Executive team.

*[Name Withheld] and [Name Withheld] left the meeting. The Board took a short break and reconvened at 12.05pm. John Healy, Michelle Murray, Peter Fletcher, Andrea Conlan, Stephen Crombie, Michael Frampton, Phil Riley, Tane Cassidy and [Name Withheld] joined the meeting.*

## 3. MEETING OPENING

### 3.1. Apologies

There were no apologies from Board Members.



### 3.2. Register of key interests

The Board reviewed the Register of Key Interests and **noted** that it was not aware of any other matters (including matters reported to, and decisions made by, the Board at this Meeting) which would require disclosure.

### 3.3. Previous minutes

#### 3.3.1. Approval

The Board **approved** the July 2022 minutes with no changes.

#### 3.3.2. Matters arising / action list

The Chair introduced the action items. The Board noted:

- The Procurement Strategy will be reported to the SUI Committee in September.
- Risk appetite will be discussed by the Board in September.

The Board **noted** the actions.

### 3.4. Chair update

The Chair provided the following updates to the Board:

- He had a good discussion with Associate Minister Jackson about the recent hui.
- He had met with Treasury and with the Minister.
- There had been recent discussions on engaging at a Board Chair/CE level with the health sector. He will continue to provide updates to the Board.

The Board **noted** the update.

### 3.5. Chief executive's report

Megan Main introduced her report. The Board welcomed Tane Cassidy, who introduced himself. The Board discussed the following:

- The Minister's upcoming trip to Europe, which ACC will join.
- An update on recent media coverage. The Risk Assurance and Audit Committee will receive an update on the risk of longstanding employment contracts and the People and Remuneration Committee will receive an update on the use of confidential settlements.
- The Board will have an opportunity to provide feedback on the reporting framework. Big issues in other organisations include the flow through of inflation impact, ransomware and climate resilience.

The Board **noted** the report.

## 4. MATTERS FOR DECISION

*The Board stopped for lunch at 12.45pm and returned at 1.15pm.*

### 4.1. Strategic decisions

[ Names Withheld ]

joined the meeting at 1.15pm



#### 4.1.1. Follow-up Strategy Session – Options for Whāia Te Tika

Megan Main and [Name Withheld] introduced the session. The Board noted:

- It is generally comfortable with the presentation of the core elements of ACC Strategy on a Page, including the guiding principles from Whāia Te Tika. The Board asked that the reference to the Treaty of Waitangi be removed so the strategy refers to Te Tiriti o Waitangi. ACC's position statement on Te Tiriti should be provided to the Board as a connector into the overall strategy.
- The next steps included the drafting of the Statement of Intent which will show the focus areas and achievements for the next four years.

The Board:

- **Noted** the progress on strategy development including the summary of Board Strategy Workshop 3 and ACC's engagement with Māori stakeholders.
- **Approved** the dual framed approach to the ACC strategy provided, as the way that ACC will have single Te Tiriti inspired strategy that positions Whāia Te Tika at the heart.
- **Noted** that Management is developing the draft Statement of Intent content, vision and narrative for the new strategy and developing an implementation plan for our directional shift.

[ Names Withheld ]

left the meeting at 2.15pm. John Robson joined the meeting.

#### 4.1.2. Maternal Birth Injuries - Fundi g

John Robson presented the paper. The Board discussed:

- The impact of the increased cost on the budget. A formal budget reforecast will come to the Board in October.
- Lessons learned from the cost estimation process, and initial advice on the expansion of the scheme.

The Board:

- **Approved** the cost increases and any contract variations, for the 25 contracted services, and non-contracted expenditure as specified in this paper.
- **Noted** a total increase in lifetime costs (excluding PHAS) for maternal birth injuries of estimated to be \$70 million for claims incurred in the 2022/23 funding year from 1 October 2022, and for claims incurred in the 2023/24 funding year this increases to \$115 million and continues to increase in out years.
- **Noted** that in 2022/23 funding year the estimated Non-Earners' Account appropriation impact is \$49 million and estimated Earners' Account levy impact is \$21 million.
- **Noted** the 2022/23 financial year cash claims costs are forecasted to exceed the budgeted \$18.7 million (pro-rated for the remaining 9 months of the FY) by an estimated \$51 million.
- **Noted** the contents of this paper.

#### 4.2. Other Decisions

[Name Withheld] joined at the meeting at 2.30pm.

##### 4.2.1. Personal information and Privacy Update

[Name Withheld] introduced the paper. The Board discussed:

- Establishing outcomes and measures to give confidence that the Action Plan is meaningfully addressing the spirit of the recommendations and delivering true value for ACC customers and the organisation. This will be included in the reporting to the Board next month.



- Breach reporting to the Board under the GCPO rating framework, versus notifiable breaches to the Office of the Privacy Commissioner. KRIs will continue to be refined. The dashboard view will also be provided to Treasury and the Minister.

The Board:

- **Noted** the contents of this paper.
- **Approved** the Care of Personal Information Continuous Improvement Programme Action Plan.

[ Name Withheld ] *left the meeting at 2.50pm.*

#### 4.2.2. Seismic ratings for ACC premises

John Healy introduced the paper. The Board noted:

- Hybrid working phase 2 will include consideration of the location strategy.
- The table on page 83 of Diligent will be corrected and amended from 80% to 67% and the minimum seismic standard will be clarified on page 72 to be 67%.

The Board:

- **Noted** the background and approach to managing the seismic risk for our occupied premises and investment properties.
- **Noted** that our Tauranga site, does not currently meet the proposed new threshold of 67% after a recent review. It has had independent engineering assessment completed confirming there are no life safety risks and it is acceptable to occupy. Remediation is planned and staff have been notified.
- **Approved** the reduction of the minimum seismic standard for ACC's currently occupied premises. It is proposed the minimum rating reduces from 80% to 67% NBS or higher (at least 'B' grade) for currently occupied premises.
- **Approved** the addition of a new standard for newly constructed sites which would require a minimum of 100% NBS.

*The Board took a short break and returned at 3.05pm.* [ Names Withheld ]  
[ Names Withheld ] *joined the meeting.*

## 5. MATTERS FOR DISCUSSION

### 5.1. Valuation of Outstanding Claims Liability June 2022

[ Name Withheld ] and [ Name Withheld ] introduced the paper. The Board discussed:

- The elements of judgement and assumption within the valuation and forecasts.
- The recent audit finding relating to sensitive claims. The final response will come to the next Risk Assurance and Audit Committee.
- Areas of influenceable spend.

[ Names Withheld ] *left the meeting at 3.35pm.*

The Board raised an **action** for a deep dive into the outstanding claims liability.

The Board:

- **Noted** the content of the paper.
- **Noted** the result of the June 2022 valuation of the OCL subject to audit sign-off.



## 5.2. Full Year Performance Reports

### Performance

John Healy introduced the report. The Board noted:

- The overall system availability will be changed to green.
- The ongoing work on the trust score measurements will come back to the Board in the next few months, including benchmarking.

The Board:

- **Approved**, subject to any final changes, the submission of the fourth quarterly report 2021/22 to the Minister by 9 August 2022.
- **Noted** the additional information for June 2022.

[Name Withheld] and [Name Withheld] joined the meeting at 4.00pm

### Health, Safety, Wellbeing

Michael Frampton introduced the report. The Board discussed workload concern, noting the pressure created from the higher percentage of new staff.

The Board **noted** the contents of this report.

[Name Withheld] left the meeting at 4.05pm

### Kōkiri Whakamua

[Name Withheld] introduced the report. The Board noted:

- The five-score performance reporting is useful.
- The new Strategy discussions will not impact the work in this space but will likely increase it.
- Investment and co-investment opportunities continue to be explored.

The Board **noted** the contents of this report.

[Name Withheld] left the meeting and

### Health Sector Strategy

[Name Withheld] introduced the report. The Board discussed:

- The ongoing work on minimising co-payments for maternal birth injuries and the planned contracting pathway.
- The Community Services Card pilot in South Auckland.

The Board **noted** the contents of this report.

[Name Withheld] left the meeting at 4.20pm.

## 5.3. Committee updates

### 5.3.1. Social Unemployment Insurance Committee

Pat Bowler provided an update on the Committee meeting.

The Board **noted** this update.



### 5.3.2. Board Investment Committee

Mark Cross provided an update on the Committee meeting, noting that a paper would come to the Board's next meeting for approval on recommendation of the Committee.

The Board **noted** this update.

### 5.3.3. People and Remuneration Committee

Tracey Batten noted the recommendations from the Committee had been approved by the Board during the Board only discussion.

The Board **noted** this update.

## 6. MATTERS FOR NOTING

### 6.1. Annual Work Plan

The Chair updated the Board on the planned locations for the upcoming meetings – September in Auckland and October in Christchurch.

### 6.2. Inform papers for noting

The Board **noted** the inform Monthly Litigation Report, the inform Monthly Policy Report.

*Megan Main, John Healy, Michelle Murray, Peter Fletcher, Andrea Conlan, Stephen Crombie, Michael Frampton, Phil Riley, Tane Cassidy and [Name Withheld] left the meeting at 4.40pm.*

## 4. MEETING FINALISATION (BOARD ONLY)

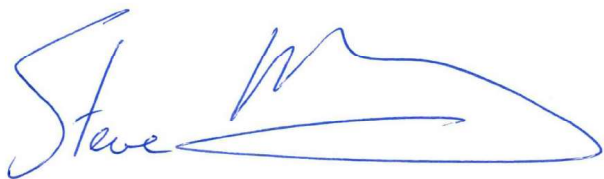
### 4.4. Review actions to be taken

4.5. **Meeting evaluation:** Helen Nott provided her feedback and observations.

### 4.6. Next meeting

4.7. **Meeting close:** The meeting closed at 4.50pm

## APPROVED

Chair signature:	
Chair Name: Steve Maharey	Date: 08/09/2022

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