



Board Meeting Minutes

Meeting Details	4:40pm – 5:45pm, Tuesday 10 June 2025, and 8:30am-4:35pm Wednesday 11 June, Wellington and Microsoft Teams
Board Attendees	Tracey Batten (Chair), David Hunt (Deputy Chair), Dan Buckingham, Mark Cross, Jan Dawson, Kim Gordon, Helen Nott and Bella Takiari-Brame
Executive Attendees	Megan Main (CE), Stewart McRobie (DCE Corporate and Finance), David Iverson (Chief Investments Officer), Michael Dreyer (DCE Technology & Data), Andy Milne (DCE Strategy Engagement and Prevention), Michael Frampton (DCE Service Delivery), Katie McEwan (Acting DCE People and Culture) and Chris Ash (Acting DCE System Commissioning & Performance)
Other Attendees	[Name withheld] (Secretary), 1. [Name withheld], [Name withheld] and [Name withheld], 2.6 [Name withheld], [Name withheld] and [Name withheld], 3.1 and 6.3 [Name withheld], 3.2 and 6.2 [Name withheld] and [Name withheld], 3.2 [Name withheld] and [Name withheld], 3.3 [Name withheld], [Name withheld] and [Name withheld], 6.4 [Name withheld] and [Name withheld], 6.5 [Name withheld] and [Name withheld], and 6.6 [Name withheld]
External Attendees	2.5-3.3 [Name withheld] (Treasury), and 6.2 [Name withheld], [Name withheld] and [Name withheld] (Taylor Fry)
Apologies	Lisa Hansen

Item

The Board meeting started at 4:40pm Tuesday 10 June with all Board Members (except David Hunt) and all Executive (except Stewart McRobie), [Name withheld], [Name withheld], [Name withheld] and [Name withheld] present.

1.	<p>AI Deep Dive</p> <p>Michael Dreyer introduced the Deep Dive and provided an overview. The Board discussed:</p> <ul style="list-style-type: none"> • Access to data and data quality. Work is underway to ensure ACC can get a better view of the client to support individual analysis and trends. More standardised clinical coding to provide detailed information about the injury type is being explored, as well as moving to classification by NHI number within the next few years. • How the internal AI working group prioritises initiatives based on risk, complexity, the ability to use an already available platform, benefits and impact on operational efficiency and productivity (e.g. average wait/handle times, speed to decisions). Broader efforts are underway across the business to strengthen the benefits management process. • Building AI capability and competency within the organisation in relation to what AI is and how it can be used. The focus is on low value transactional work to enable staff to undertake more complex work. Customer facing roles have been embracing AI. • ACC has continued good relationships with other public sector agencies on AI, particularly around policies and ongoing consideration of guidelines. • The role of AI in the Turnaround Plan and future state work.
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Item	
	<p>The team took the Board through several demonstrations of AI being used at ACC to improve operational productivity in customer facing roles including in after-call work, voice recognition and language settings, such as translating te reo Māori.</p> <p>The Board:</p> <ul style="list-style-type: none"> • Discussed the AI pack. • Noted AI is a key enabler within the Financial Sustainability Plan and Future State work.
	<p>The Executive team, [Name withheld], [Name withheld], [Name withheld] and [Name withheld] left the meeting at 5:45pm. The Board took a break and reconvened at 8:30am Wednesday 11 June, with all Board Members present.</p>
1.	Board Only Time
1.1.	<p>Board Only Session The Board resolved to appoint Jan Dawson as Interim Deputy Chair of the ACC Board.</p>
	<p>Megan Main joined the meeting at 9:45am. Stewart McRobie joined the meeting at 10:20am.</p>
1.2.	<p>CE Only Session The CE joined the meeting and had a discussion with the Board regarding current and emerging issues and the importance of simplifying the narrative and language regarding ‘back to basics’ and turning around performance, including in a refresh of the enterprise strategy. Stewart McRobie joined the session to discuss a range of financial and actuarial matters, including the roles and responsibilities of OCL valuation process and controls.</p>
	<p>The Board took a short break at 10:35am, returning at 10:45am with the rest of the Executive and [Name withheld] and [Name withheld] (Treasury) joining the meeting.</p>
2.	Meeting Opening
2.1.	<p>Karakia The Chair opened the meeting with the ACC karakia and welcomed the Executive to the meeting.</p>
2.2.	<p>Welcome, Apologies and Interests The Board reviewed the Register of Key Interests.</p>
2.3.	<p>Previous Minutes The Board approved the 20 May minutes.</p>
2.4.	<p>Actions List The Board noted the Actions list.</p>
2.5.	<p>Chief Executive’s Report Megan Main introduced her report.</p> <p>The Board discussed a further update to the Board on the application of the Needs-based service provision Cabinet Office Circular, which will be attached to the CE Report for the July meeting. The principles and framework to be applied has been determined and shared with the business and focusses on demonstrating a solid evidence base.</p> <p>In the July update, the Board would like to see what work has been stopped, reshaped or is continuing and how the metrics and outcomes for success are being tracked. The Minister will also receive an update.</p>



Item

It will be important to manage expectations and clearly communicate with key stakeholders, particularly iwi.

The Board **noted** the report.

[Name withheld], [Name withheld], and [Name withheld] joined the meeting at 11:00am.

2.6 Turnaround Plan (including Enterprise Plan 2025/26)

[s 18(d)]



[Name withheld], [Name withheld], and [Name withheld] left the meeting at 11:20am and [Name withheld] joined the meeting.

3. Improve Rehabilitation Performance

3.1. Monthly Rehabilitation Performance Update



Item

Michael Frampton introduced the update and provided an overview, including the updated slides which had recently been loaded into Diligent for the Board. The Board discussed:

- The three different ways a claimant can exit the scheme. Each of the decisions made in relation to these exits are reviewable by the claimant.
- The definition of a long-term service claim. These are likely to be claimants close to retirement, and so vocational rehabilitation to achieve an exit is not necessarily appropriate. Their service entitlement under ACC would continue.
- The performance in the Long-term claims pool measures, and the further detail provided on claims to support to return to work or independence. Preventing entries into the pool via more active rehabilitation activity is also important.
- Operational targets in relation to exit review decisions, percentages of decisions overturned and lump sum payments.

The Board **noted** the update.

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

3.2. Update on TN

Michael Frampton introduced the update and provided an overview. The Board discussed:

- The approach had not changed since the previous update to the Board; however the timeframe had shifted to September 2025.
- The technology changes including an additional data field for date of event, and other changes on monitoring the claims.
- The main impact of TN is to expand eligibility for financial entitlements, although there are a small number of claims that will lose entitlement entirely or move from weekly compensation to loss of potential earnings. The approach to this cohort of claims has been very considered, and changes would only be made if the claims come to ACC's attention through the course of normal case management and they are under active treatment. There could be further litigation risk in relation to this cohort of claims.
- The OCL estimate for the impact of TN does not include the revision to the \$3.6bn at this stage. There is still work underway to determine what this is as a result of TN versus other new claims that are in response to increased awareness from the case and the Royal Commission.

The Board **discussed** the update on progress and implementation of the TN Operationalisation Programme.

[Name withheld], [Name withheld], [Name withheld] and [Name withheld] left the meeting at 12:10pm and [Name withheld] joined the meeting.

3.3. Health Commissioning

Chris Ash introduced each of the papers.

Health Commissioning Update

The Board discussed:

- Ongoing work in the broader health sector, which will have added benefits for ACC.
- The risks associated with the development of a strategic commissioning function.
- The impact on the OCL will take a few quarters to show and in-year spend is also being tracked. Leading indicators, such as time from injury to decision, will also be useful.



Item

The Board:

- **Discussed** the commissioned services tables, their relationships to the flagship programme and timelines.
- **Discussed** System Commissioning & Performance four 'deep dive' priorities.

Public Health Acute Services Annual Service Agreement 2025/26

The Board discussed:

- Work on the MOU from the data and digital team. The aim is to have this in place by the end of 2025.
- The calculations still include pay equity/MECA related costs from 2023/24 that will flow into the 2026/27 amount.

The Board:

- **Endorsed** the funding underpinning the PHAS Agreement and the accompanying joint agency briefing. The PHAS Agreement and briefing will be forwarded to the Minister of Health and the Minister for ACC to approve and sign by 1 July 2025.
- **Delegated** authority to the ACC Chief Executive to sign the briefing that accompanies the PHAS Agreement.

Allied Health

The Board discussed:

- This contract is part of the flagship programme for primary care but improvements will be overtime through several initiatives through enhancements to the current contractual framework.
- [s 9(2)(f)(iv)]

ACTION: Provide a further update to the Board on the work being undertaken by Health Commissioning on Allied Health in the short, medium and long-term and where there are dependencies on MBIE to make regulatory changes.

In future, the Board asked that Management include clear information on the comparison with current costs of the contract and the proposed increase.

The Board:

- **Approved** an extension to the current Allied health Services contract for up to two years to 31 October 2027, with a revised whole-of-life cost of [REDACTED]
- **Delegated** authority to the Chief Executive the related Procurement delegations set out in ACC's Corporate Delegations Schedule.
- **Noted** work underway and planned in the short to medium term to address the significant cost growth in Allied Health services.

[Name withheld]

[Name withheld] left the meeting at 12:50pm. The Board and Executive took a break for lunch with the staff that had contributed to the turn Turnaround Plan, returning at 1:30pm.

Psychological Services

The Board discussed:

- How to ensure ACC is getting better outcomes for the clients through the increasing contracting spend. This contract is material to faster progression of clients through the ACC pathway and controls will be implemented to better monitor utilisation and access for clients.



Item	
	<ul style="list-style-type: none"> • How to give the Board a sense of the choices available and why this approach is preferred. • The timing for implementation of the new contract and the supplier engagement activity required. This will not include details of the contract that the Board have yet to sign off. • How contract changes are communicated through to customer facing staff so that the right approvals are made for ACC clients. <p>In future, strategically significant Health Commissioning contracts will come to the Board via the new Executive Strategy and Investment Committee, which will help to create a template of standard information for Health Commissioning investment papers coming to the Board for approval.</p> <p>The Board:</p> <ul style="list-style-type: none"> • Approved market engagement commencing for the Psychological Services contract. • Noted further information will come to the Board on the contract to support approval of the WOLC.
<p>[Name withheld], [Name withheld], and [Name withheld] (Treasury) left the meeting at 1:50pm.</p>	
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</p> <p>Stewart McRobie introduced the Report and provided an overview. The Board discussed the upcoming deep dives to RAAC on the components of Unexpired Risk Liability and the cash transferred from investments to ensure these are easier to understand within the financial statements.</p> <p>The Board noted the report.</p>
<p>[Name withheld], [Name withheld] and [Name withheld] (Taylor Fry) joined the meeting at 2:05pm and [Name withheld] and [Name withheld] re-joined the meeting. Michael Dreyer left the meeting at 2:35pm.</p>	
6.2	<p>June 2025 Draft OCL Valuation</p> <p>The Board noted that RAAC had reviewed the draft valuation at its out of cycle meeting the previous week. The Board discussed a range of factors within the draft valuation, including:</p> <ul style="list-style-type: none"> • Roles and responsibilities of the OCL valuation under the current contract with Taylor Fry. • Prior year OCL valuation assumptions and the reasons for further strengthening. • Taylor Fry confidence in the OCL valuation being a central estimate. • The liability for TN and sensitive claims. The forecast will continue to be refined as more information is known. There is an impact of increased awareness which is hard to predict. • The Long-term claims pool excluding serious injury. There is a stabilisation in these rates and improvement expected in the valuation for this year which is being offset by the increase in elective surgery. The work to improve the elective surgery rates is still at the design phase but improvements should be seen in next year's valuation. • Capital payments. • How to ensure there is awareness and work underway for key areas likely to impact OCL to ensure there are no surprises in the OCL strain. <p>The Board:</p>



Item	
	<ul style="list-style-type: none">• Discussed the draft results and key assumptions of the 30 June 2025 OCL valuation.• Noted that the fully completed results of the 30 June 2025 OCL valuation including final economic assumptions (subject to audit sign-off) will be presented at the August Board meeting.• Noted that the RAAC will review the final results before endorsing for inclusion in the 2024/2025 Financial Statements at the September RAAC meeting.• Noted that the Board will have oversight of these results through the Annual Report.• Noted the results of the 30 June 2025 valuation of the OCL are subject to audit sign-off. <p>[Name withheld], [Name withheld] and [Name withheld] (Taylor Fry), [Name withheld] and [Name withheld] left the meeting at 2:50pm and [Name withheld] re-joined the meeting.</p>
6.3	<p>Service Agreement 2025/26</p> <p>Andy Milne introduced the Agreement and provided an overview. The Board noted that a revised Letter of Expectations was expected from the Minister early in the new financial year.</p> <p>The Board:</p> <ul style="list-style-type: none">• Approved the SA25 for signing by the Interim Board Chair and Interim Deputy Board Chair in preparation for final review and signature by the Minister for ACC.• Noted the next steps to finalise the SA26 on or before 30 June 2026. <p>[Name withheld] left the meeting at 2:55pm and [Name withheld] and [Name withheld] joined the meeting.</p>
6.4	<p>Q3 Board Risk Report</p> <p>The Chair of the Risk Assurance and Audit Committee noted that RAAC had reviewed the Risk Report at its out of cycle meeting and took the Board through that discussion. The RAAC recommended the Report to the Board for approval. The Board discussed:</p> <ul style="list-style-type: none">• The Emerging Risks show the themes that impact across multiple risks, risk culture insights and addressing treatment at an overall level rather than for individual risks.• The role of Executive in reviewing the risk profile and emerging risks and overarching themes.• The importance of showing the movement in risk ratings.• The reporting still coming through to RAAC via the Executive and then through to the Board. The DCE Corporate and Finance will discuss this with the Chair of RAAC, including cadence for the reporting going forward. <p>The Board also discussed the timing for the upcoming work on the Risk Appetite Statements. Management will come back to the Board with a plan for this work in the next few months.</p> <p>The Board:</p> <ul style="list-style-type: none">• Discussed the Q3 FY24/25 Board Risk Report and provide any feedback.• Approved the Enterprise Residual Risk Profile for Q3 FY24/25.• Agreed that the Board should continue to have oversight of all 20 risks until the Detailed Risk Profiles are fully informed and there is confidence that key controls are operating effectively.• Noted the update on the Risk Appetite refresh work. <p>[Name withheld] and [Name withheld] left at 3:10pm and [Name withheld] and [Name withheld] joined the meeting.</p>
6.5	<p>Corporate Delegations Framework Review</p> <p>Stewart McRobie introduced the Review and provided an overview. The Board discussed:</p> <ul style="list-style-type: none">• Reviewing the wording on delegation P12 Appointment of an application who does not meet pre-employment screening requirements and/or criminal conviction/s. Further guidance is



Item

being produced on exercising this delegation, including the level that will be unacceptable and what is included by screening requirements.

- This stage of the review was focussed on the thresholds for the Chief Executive and Deputy Chief Executives. The next stage will include the next levels down to ensure consistency of thresholds across the schedule.
- The thresholds for F29 Salary Overpayment Debt Write off, which will be amended from \$500k for CE to \$100k and \$75k for DCE People & Culture.

The Board:

- **Approved** the Corporate Delegations Policy.
- **Approved** the Corporate Delegations Schedule, noting specifically the authorities delegated to the Chief Executive and Deputy Chief Executives, subject to the amendments above.
- **Approved** the increase in invoice approval settings.
- **Approved** the minor amendments to the Schedule which change authorities and restrictions of the Board to Chief Executive

[Name withheld], [Name withheld], [Name withheld] *Andy Milne, Katie McEwan and Chris Ash left the meeting at 3:25pm and the Board took a short break, returning at 3:35pm.* [Name withheld] *joined the meeting.*

Operational Controls Framework

Megan Main introduced the Framework and provided an overview. The Board discussed:

- The Australian standard provides principles for ACC to abide by.
- The external expertise required to develop the operating model, which will then define the BAU structure. There will be two permanent ACC members of the programme team.
- The process for developing the framework, and ensuring it is manageable once it is developed. It will be important to ensure priorities are clear and only key controls are mapped, which will come through the Executive for endorsement.
- Accountability for end-to-end process owners. The tools to enable this will be part of the ERM functionality.
- The framework is part of the wider risk framework and will come back to RAAC with relevant updates including the planned timeframe. The operational controls framework will also connect with the broader controls environment in disaster recovery and business continuity planning, with an overall focus on ACC priority processes. There is an outstanding RAAC action in relation to this.

6.6

The Board:

- **Noted** that the Corporate Delegations Schedule requires Board approval for consultancy contracts above [s 9(2)(f)] in value.
- **Noted** that the estimated cost of the contract is up to [s 9(2)(f)] and that funding is available and has been allocated to this work within the Programmes approved budget.
- **Noted** that the total term of the contract is 12 months.
- **Approved** the commencement of a secondary procurement process through the All-of-Government (AoG) Consultancy Services panel.
- **Approved** delegating authority to the Chief Executive to sign the contract up to [s 9(2)(f)] once a preferred provider has been selected.

[Name withheld] *left the meeting at 4:05pm.*



Item	
7.	Committee Updates and papers via Committees
7.1	Risk Assurance and Audit (OOC) Bella Takiari-Brame noted that the papers discussed at the meeting had already been discussed by the Board.
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 The Board approved the audit engagement letter to appoint EY as our auditors for the forthcoming 3 years (2025, 2026 and 2027). The Board thanked Tracey Batten for her outstanding service to ACC over her last six years as a Board member, and since being appointed Board Chair in March 2024 and looked forward to the opportunity to farewell her in person in a couple of months.
<i>Megan Main, Stewart McRobie and [Name withheld] left the meeting at 4:15pm and the Board Chair closed the meeting at 4:30pm.</i>	
9.	Meeting Close (Karakia)
10.	Board Only Time
10.1.	Meeting Evaluation