



## Board Minutes

<b>Date</b>	21 March 2023
<b>Time</b>	8.30am – 5.00pm
<b>Location</b>	Wellington Boardroom / Microsoft Teams
<b>Board</b>	Steve Maharey (Chair), Tracey Batten (Deputy Chair), Sandra Alofivae, Mark Cross, David Hunt, Helen Nott, Pat Bowler, and Bella Takiari-Brame.
<b>Executive Attendees</b>	Megan Main (CE), Tane Cassidy (DCE, Prevention and Partnerships), Peter Fletcher (DCE, Enterprise Change Delivery), Michael Frampton (DCE, People and Culture), Amanda Malu (DCE, Service Delivery), Stewart McRobie (DCE, Corporate and Finance), Andy Milne (DCE Strategy, Engagement and Planning), and Michelle Murray (Tumu Pae Ora)
<b>Other Attendees</b>	[Name withheld] (Cultural Capability Partner), [Name withheld] (Manager Governance), [Name withheld] (Senior Corporate Secretary - Secretary), 3.1 [Name withheld] (Manager Policy), [Name withheld] (Senior Policy Advisor), 3.2 [Name withheld] (Head of Levies), 4.1, 4.2 and 5.1 [Name withheld] (Head of Strategy and Customer Insights), 4.1, 4.2 and 6.2 [Name withheld] (Head of Finance and Planning), 4.1 and 4.2 [Name withheld] (Principal Advisor to Tumu Pae Ora), 5.1 [Name withheld] (Acting Head of Injury Prevention), [Name withheld] System Design SME), 6.1 [Name withheld] (Head of Health Safety Wellbeing), 6.3 [Name withheld] (Acting Head of Procurement and Property)
<b>Guests</b>	5.1 Professor Richie Poulton, 6 Minister for ACC

Item	Resolutions and Actions (Due Date)
<i>The meeting opened at 8.30am with all Board members, Megan Main and [Name withheld] present.</i>	
<i>[Name withheld] and Megan Main left the meeting at 9.00am</i>	
<b>Board Only Time (Karakia)</b>	
<b>Board Only Discussion</b>	
<i>Megan Main re-joined the meeting at 9.30am.</i>	
<b>CE only session</b>	

**IN CONFIDENCE**

Item	Resolutions and Actions (Due Date)
<p><i>Tane Cassidy, Peter Fletcher, Michael Frampton, Amanda Malu, Stewart McRobie, Andy Milne, Michelle Murray, [Name withheld] and [Name withheld] joined the meeting at 9.45am.</i></p>	
<p><b>1. Introduction</b></p>	
<p>1.1. <b>Welcome and Apologies</b></p>	
<p>1.2. <b>Register of Key Interests</b></p>	<p>The Board <b>reviewed</b> the Register of Key Interests and <b>noted</b> 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.</p>
<p>1.3. <b>Board and Committee Members and Term</b> The Board Chair noted that the Minister had taken the opportunity to stagger upcoming Board reappointments to ensure continuity.</p>	<p>The Board <b>noted</b> the update. <b>ACTION:</b> Provide a framework for the Future Director for the Board to consider (June 2023).</p>
<p>1.4. <b>Previous Minutes</b> The Board discussed the proactive release process.</p>	<p>The Board <b>approved:</b></p> <ul style="list-style-type: none"> <li>• The 16 February 2023 minutes, with one change.</li> <li>• The 16 February 2023 minutes for proactive release on the ACC website with the redactions identified and to consider one additional redaction.</li> </ul>
<p>1.5. <b>Actions List</b> The Board Chair introduced the actions list. The Board requested that the action from the Accredited Employers Programme endorsement meeting be added to the list.</p>	<p>The Board <b>noted</b> the Actions List. <b>ACTION:</b> Provide a paper to the Board on how the Accredited Employer detailed performance framework will address the underlying issue of AEP employee satisfaction performance (May 2023).</p>
<p>1.6. <b>Chair Update</b></p> <ul style="list-style-type: none"> <li>• The Chair and Deputy Chair thanked the Executive for their recent catch ups with each of them.</li> <li>• The Chair had also met with the Minister and other stakeholders during the month including the RSA.</li> </ul>	<p>The Board <b>noted</b> the update.</p>
<p>1.7. <b>CE's report</b></p>	<p>The Board <b>noted</b> the report.</p>

**IN CONFIDENCE**

Item	Resolutions and Actions (Due Date)
<p>Megan Main introduced her report. The Board’s discussion included:</p> <ul style="list-style-type: none"> <li>Recent media coverage in relation to ACC’s assessment of hernia claims. [ s 9(2)(h) ]</li> <li>Congratulations to Management on the NZ HR award in the future of work category for our approach to hybrid working and on ACC’s representation at Te Matatini.</li> <li>Boundaries to the Scheme and the forecast increase in the future gap between the OCL and investments. It would be useful to provide an update to the Government (perhaps through the Briefing to Incoming Minister) on where boundary challenges exist, and the operational corridor.</li> </ul> <p><b>Plan for Strategy Day</b></p> <p>The Board discussed a draft agenda for the upcoming Strategy Day.</p> <p><b>Emergency Management / Business Continuity</b></p> <ul style="list-style-type: none"> <li>A review of incident management and BCP practices will be undertaken. This will include Incident Management delegations, and a process for lack of contact/communications systems, operational decision-making and control moving outside of Wellington.</li> <li>Adapting the CIMs framework for ACC, including connecting with local communities/iwi/hapu in the regions via the operating model.</li> <li>There was good communication to the Board during the recent event.</li> </ul>	
<p><i>The Board took a short break at 11.05am and returned at 11.10am.</i></p>	
<p><b>2. Committee Updates</b></p>	
<p>2.1. <b>People and Culture Committee</b></p> <p>Tracey Batten provided an update on the People and Culture Committee meeting held on 21 February 2023.</p>	<p>The Board <b>noted</b> the update.</p>

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<ul style="list-style-type: none"> <li>• Michael Frampton and Stewart McRobie will provide a mysuper governance update at the next meeting.</li> <li>• The Health, Safety and Wellbeing report is on the Board's agenda for discussion. There is a worrying trend of increasing abuse and threats to staff. The Committee received a recent internal audit report circulated as a late paper, which will be discussed at the next meeting.</li> </ul>	
<p>2.2. <b>Risk Assurance and Audit Committee</b></p> <p>Bella Takiari-Brame provided an update on the RAAC meeting the previous week, including</p> <ul style="list-style-type: none"> <li>• The External Audit Plan updates including an action to discuss with the BIC Chair on RAAC's assurance to sign-off on the year end reporting that includes the Valuation of Investments.</li> <li>• The BEFU is on the Board's agenda. RAAC recommends the BEFU to the Board for approval, and changes from the Committee have been incorporated.</li> <li>• Internal Audit updates included Te Kahu security issue which has now been resolved and is no longer a high rated issue.</li> <li>• The IT Security Update</li> <li>• [ s 9(2)(k) ]</li> </ul>	<p>The Board <b>noted</b> the update.</p>
<p>Mark Cross updated the Board on the impact of recent investment market news. The Board discussed the external management portfolio, including assessment of external managers. The Chief Investment Officer is looking into this and will come back to the Board Investment Committee and the Board with any learnings.</p>	
<p><b>3. Strategic Direction</b></p>	
<p>[Name withheld] and [Name withheld] joined the meeting at 11.40am.</p>	

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Item	Resolutions and Actions (Due Date)
<p>3.1. [ s 9(2)(f)(iv) ]</p>	
<p>[Name withheld] and [Name withheld] left the meeting and [Name withheld] joined the meeting at 11.50am.</p>	
<p>3.2. <b>Levy System Review</b></p> <p>Tane Cassidy introduced the paper. The Board had a wide ranging discussion on:</p> <ul style="list-style-type: none"> <li>• Risk factors within the levy system and the ‘product’ approach of the four accounts.</li> <li>• The extent of, and appetite for, the conceptual changes that might be explored through the review. It would be useful for the next update to the Board to define the aspiration for the changes and possible options, including a continuum of changes and priorities.</li> <li>• The plan for consultation: timing, targeted pre-consultation, consultation parties and iwi and other stakeholders. The Board asked that this plan be presented in August with the strategic objectives.</li> <li>• It would take a significant length of time to implement changes to the levy system, and the political cycle of elections will also need to be considered.</li> </ul>	<p>The Board:</p> <ul style="list-style-type: none"> <li>• <b>Noted</b> the first phase of the levy system review has found that it has capacity to contribute to the goals of Huakina te Rā in the levy system.</li> <li>• <b>Approved</b> the commencement of the second phase of the review be undertaken in 2023, including development of a strategic plan, objectives, and a roadmap for the levy system.</li> <li>• <b>Agreed</b> to discuss strategic objectives for the levy system in July/August 2023.</li> </ul>
<p><b>4. Performance</b></p>	
<p>[Name withheld] left the meeting and [Name withheld] , [Name withheld] and [Name withheld] joined the meeting at 12.30.</p>	

**IN CONFIDENCE**

Item	Resolutions and Actions (Due Date)
<p>4.1 <b>Approach to Measuring our Success for Huakina Te Rā</b></p> <p>Andy Milne and Stewart McRobie introduced the papers 4.1 and 4.2. The Board’s discussion on the paper and the Service Agreement 2023/24 – Measures and Reporting paper focussed on:</p> <ul style="list-style-type: none"> <li>• The accountability and reporting framework is a work in progress and will be in place for the upcoming financial year.</li> <li>• The number of reporting measures identified, including considering correlation between the measures. These are transitional, and the Board agreed with the direction of travel but would like to see only a few key measures.</li> <li>• The equity measures are informed by Te Kāpehu Whetū. Survey responses will be disproportionately relied on in the first two years as a strength based Te Ao Māori data set is established. It will be important to know that the claim rate is equitable.</li> <li>• How to incorporate broader health system data into a dynamic measurement framework.</li> <li>• Setting targets to ensure they are stretch, but still achievable. These will come to the Board next month in the draft Service Agreement and Statement of Intent.</li> <li>• The definition of ‘business customer’.</li> </ul>	<p>The Board:</p> <ul style="list-style-type: none"> <li>• <b>Discussed</b> the measurement approach ACC has developed to demonstrate progress towards achieving the goals of our new strategy, Huakina Te Rā.</li> <li>• <b>Noted</b> this approach was developed using a dual-framed approach, with identification of measures for Māori informed by Te Kāpehu Whetū, ACC’s Māori outcomes framework.</li> <li>• <b>Noted</b> the measurement approach has informed the Accountability Measures that will be reported against in our Service Agreement 2023/24, with further information available in the Service Agreement 2023/24 – Measures and Reporting paper, which the Board will also consider.</li> <li>• <b>Noted</b> we are developing a work programme for the data development required to fully report against this measurement approach, with a particular focus on measures for Mana Taurite   Equity.</li> </ul>
<p>4.2 <b>Service Agreement 2023/24 – Measures and Reporting</b></p> <p>This paper was discussed above.</p>	<p>The Board:</p> <ul style="list-style-type: none"> <li>• <b>Noted</b> our approach to developing measures as described in the Approach to measuring our success for Huakina Te Rā paper.</li> <li>• <b>Approved</b> the <u>direction of travel of the</u> proposed performance framework, including bridging measures for inclusion in the draft SA24.</li> <li>• <b>Noted</b> the next steps for the Service Agreement 2023/24.</li> </ul>
<p>[Name withheld] and [Name withheld] left the meeting at 1.20pm</p>	
<p><b>Lunch</b></p>	

**IN CONFIDENCE**

Item	Resolutions and Actions (Due Date)
<p><b>5. Listen/Engagement</b></p>	
<p><i>The meeting reconvened at 1.40pm. Michael Frampton and [Name withheld] left the meeting and Professor Richie Poulton, [Name withheld], and [Name withheld] joined the meeting. Helen Nott left the meeting and joined via Teams.</i></p>	
<p>5.1 <b>Dunedin Study (Longitudinal Study on Prevention)</b></p> <p>The Board Chair welcomed Professor Richie Poulton to the meeting.</p>	<p>The Board:</p> <ul style="list-style-type: none"> <li>• <b>Noted</b> ACC and the National Centre for Lifecourse Research have a long history of engagement, including ACC sharing information for the Dunedin Multidisciplinary Health and Development Study.</li> <li>• <b>Discussed</b> opportunities for ACC to apply the approaches of the National Centre for Lifecourse Research to improve injury prevention and rehabilitation outcomes.</li> </ul>
<p><i>Professor Richie Poulton, Tane Cassidy, Amanda Malu, Andy Milne, Michelle Murray [Name withheld], [Name withheld] and [Name withheld] left the meeting at 2.50pm. [Name withheld] re-joined the meeting.</i></p>	
<p>4.3 <b>Q2 Enterprise Risk (via RAAC)</b></p> <p>Due to timing, this item was moved to after the guest speaker in item 5.1.</p> <p>Stewart McRobie introduced the paper, and provided a broad update on the operating model for risk, compliance and assurance which will come back to the next RAAC meeting. The Board discussed:</p> <ul style="list-style-type: none"> <li>• Scheduling an upcoming strategic risk workshop for the Board and a risk appetite session annually.</li> <li>• Risk as a day-to-day, dynamic part of the organisation.</li> </ul>	<p>The Board:</p> <ul style="list-style-type: none"> <li>• <b>Endorsed</b> the contents of the Quarterly Enterprise Risk and Compliance Report.</li> <li>• <b>Noted</b> that the rating of ACC's entity risk profile is remains High, given the highlighted areas of focus, the various themes included, and the current entity risk profile.</li> <li>• <b>Noted</b> the Key Risk Themes highlighted in the report are: <ul style="list-style-type: none"> <li>○ Influencing rehabilitation performance remains challenging</li> <li>○ Aligning resources, mindset and capability with ACC's enterprise strategy</li> <li>○ Impacts of internal and external change</li> </ul> </li> <li>• <b>Noted</b> the Emerging Risk Themes highlighted in the report are: <ul style="list-style-type: none"> <li>○ Aligning ACC's work environment with entity objectives</li> <li>○ Challenges arising from severe weather events</li> <li>○ Organisational change readiness</li> </ul> </li> </ul>
<p><b>6. Accountability, Policy and Governance</b></p>	
<p><i>Michael Frampton re-joined the meeting and [Name withheld] joined the meeting at 3.00pm.</i></p>	

**IN CONFIDENCE**

Item	Resolutions and Actions (Due Date)
<p>6.1. <b>Q2 Wellbeing, Health and Safety Report (via PCC)</b></p> <p>The Board discussed the volume of abusive behaviour, which still remains high:</p> <ul style="list-style-type: none"> <li>• The main concern is wellbeing of ACC’s people and the Board noted the design of client facing spaces to ensure safety.</li> <li>• The use of security guards as part of the overall care team.</li> <li>• Ensuring that staff working from home are supported, including EAP services, support from leaders and peers.</li> </ul>	<p>The Board <b>discussed</b> the contents of the Wellbeing, Health and Safety Report.</p>
<p><i>Michael Frampton and [Name withheld] left the meeting at 3.10pm. [Name withheld] re-joined meeting</i></p>	
<p>6.2. <b>Budget Economic and Fiscal Update – BEFU (via RAAC)</b></p> <p>Stewart McRobie introduced the paper. The Board discussed:</p> <ul style="list-style-type: none"> <li>• The approval process for each additional FTE.</li> <li>• The feedback from RAAC in relation to the deterioration of the overall financial position, which was included in the supplementary detail in the attachment.</li> <li>• The attachment is for the Executive and the Board and will be aligned to Huakina Te Rā.</li> </ul>	<p>Following RAAC’s review on 14 March 2023, the Board:</p> <ul style="list-style-type: none"> <li>• <b>Approved</b> the Budget and Forecasts for 2023/24 to 2026/27 (refer Appendix 2: Financial Statements); subject to any amendments arising from the Board’s review.</li> <li>• <b>Approved</b> the Forecast for 2022/23.</li> </ul>
<p><i>[Name] left the meeting joined the meeting at 3.20pm. [Name withheld] joined the meeting.</i></p>	
<p>6.3. <b>Climate Change Response</b></p> <p>Stewart McRobie introduced the paper. The Board had an extensive discussion on the paper, including:</p> <ul style="list-style-type: none"> <li>• Ensuring ACC takes a pragmatic leadership role in the targets and reporting.</li> <li>• Referring to the work in responding to climate change as part of the Guardianship pillar of Huakina Te Rā.</li> <li>• Ensuring the integrity of the baseline process is preserved – it is a new measure rather than changing the baseline.</li> <li>• The difficulty of measuring and reporting on Scope 3 emissions.</li> </ul>	<p>The Board:</p> <ul style="list-style-type: none"> <li>• <b>Noted</b> that this paper relates to ACC corporate emissions and targets only.</li> <li>• <b>Noted</b> that the Investment Portfolio is not included in the Carbon Neutral Government Program. The Investment Group report carbon intensity quarterly to the BIC (latest report noted in Appendix 3) and annually to the Board and Ministers.</li> <li>• <b>Noted</b> that for corporate emissions we will report back to the Board in 2024 once we have assessed the carbon footprint of ACC’s wider value chain and recommend further programme changes.</li> </ul>

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Item	Resolutions and Actions (Due Date)
<p>The Board noted its expectation that ACC maintains its lower travel targets, and does not revert back to pre-Covid travel behaviours.</p> <p>The Board will await further modelling before approving the adoption of new corporate related emissions sources, resetting ACC's corporate baseline and approving the new corporate target. This will be done before the end of the financial year.</p>	<ul style="list-style-type: none"> <li>• <b>Noted</b> the underlying assumptions relating to the impact of the inclusion of additional emissions sources.</li> <li>• <b>Decided</b> to await further modelling before approving the adoption of new corporate related emissions sources, resetting ACC's corporate baseline and approving the new corporate target.</li> </ul>
<p><b>7. Conclusion</b></p>	
<p><b>7.1. Board Work Programme and Next Meeting</b></p> <p>The Board discussed the upcoming April meetings, including stakeholder events.</p>	
<p><i>Megan Main, Stewart McRobie, [Name withheld] and [Name withheld] left the meeting at 3.50pm.</i></p>	
<p><b>Board Only Meeting</b></p>	
<p><b>7.2. Review Actions to be taken</b></p>	<p><b>ACTION:</b> The Board requested an update on bad debts.</p>
<p><b>7.3. Meeting Evaluation (Reflections and Feedback)</b></p>	
<p><b>Meeting with the Minister for ACC</b></p>	
<p><i>The Minister for ACC joined the Board meeting at 4.30pm. Megan Main re-joined the meeting.</i></p>	
<p><b>Meeting Close 5.00pm (Karakia)</b></p>	

**Approved**

Chair signature: \_\_\_\_\_



Chair Name: Hon Steve Maharey

Date: 19 April 2023