

14 June 2022

[REDACTED]

Kia ora [REDACTED]

**Your Official Information Act request, reference: GOV-017821**

Thank you for your email of 16 April 2022, asking for the following information under the Official Information Act 1982 (the Act):

*Would you please email me a copy of the March Board minutes confirmed at their meeting in April*

You further advised us that you did not require the names of staff below Executive to be included in this response. Therefore, we have redacted these names as out of scope.

On 17 May 2022, we notified you that we needed extra time to make a decision on your request.

**We have withheld some information from the minutes**

Attached is a copy of approved board minutes for March 2022. We redacted some parts under the following sections of the Act:

- 9(2)(h) – as the information is legally privileged
- 9(2)(j) – to enable ACC to carry out commercial activities without prejudice or disadvantage
- 9(2)(g)(i) – to maintain the effective conduct of public affairs through free and frank discussion

We have considered the public interest with respect to the information withheld and are of the view it does not outweigh the interests being protected.

**As this information may be of interest to other members of the public**

ACC may decide to proactively release a copy of this response on ACC's website. All requester data, including your name and contact details, will be removed prior to release. The released response will be made available [www.acc.co.nz/resources/#/category/12](http://www.acc.co.nz/resources/#/category/12).

**If you're concerned about this response, please get in touch**

You can email me at [GovernmentServices@acc.co.nz](mailto:GovernmentServices@acc.co.nz). If you are not happy with this response, you can also contact the Ombudsman via [info@ombudsman.parliament.nz](mailto:info@ombudsman.parliament.nz) or by phoning 0800 802 602. Information about how to make a complaint is available at [www.ombudsman.parliament.nz](http://www.ombudsman.parliament.nz)

Ngā mihi



Sara Freitag  
**Acting Manager Official Information Act Services**  
Government Engagement & Support



**MINUTES ACC FULL BOARD MEETING  
THURSDAY 3 MARCH 9.00AM – 3.45PM  
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>• Bella Takiari-Brame – Board Member</li> <li>• Pat Bowler – Board Member</li> <li>• Helen Nott – Board Member</li> <li>• Mark Cross – Board Member</li> <li>• David Hunt – Board Member</li> </ul>
<b>ACC Staff</b>	<ul style="list-style-type: none"> <li>• Megan Main – Chief Executive Officer</li> <li>• Mike Tully – Chief Customer Officer</li> <li>• Vanessa Oakley – Chief General Counsel</li> <li>• Herwig Raubal – Chief Risk and Actuarial Officer</li> <li>• John Healy – Chief Financial Officer</li> <li>• Peter Fletcher – Chief Technology and Innovation Officer</li> <li>• Sharon Champness – Executive Lead, Employment Insurance</li> <li>• Cain McLeod – Acting Chief Talent Officer</li> <li>• [Out of Scope] – Head of Legal, Corporate Secretariat and Investments</li> <li>• [Out of Scope] – Chief Clinical Officer &amp; Head of Health</li> </ul> <p><b>Partnerships</b></p> <ul style="list-style-type: none"> <li>• [Out of Scope] – Manager, Health Section Commissioning</li> <li>• [Out of Scope] – Head of Legal, Scheme and Commercial</li> <li>• [Out of Scope] – Principal Solicitor, Scheme</li> <li>• [Out of Scope] – Principal Solicitor, ACC Law</li> <li>• [Out of Scope] – Head of Levies</li> <li>• [Out of Scope] – Manager, Policy</li> <li>• [Out of Scope] – Head of Operational Performance &amp; Intelligence</li> <li>• [Out of Scope] – Executive Assistant</li> <li>• [Out of Scope] – Senior Corporate Secretary (<b>Secretary</b>)</li> </ul>
<b>External Attendees</b>	<ul style="list-style-type: none"> <li>• Paul Stocks - Deputy Chief Executive, Labour, Science and Enterprise</li> </ul>

The meeting commenced at 9.00am with all Board Members present.

**1. BOARD ONLY**

**1.1. Governance discussion**

**1.2. Board only session**

**1.3. CE only session**

*Mike Tully, Vanessa Oakley, Herwig Raubal, John Healy, Peter Fletcher, Cain McLeod, and [Out of Scope] joined the meeting at 10.05am.*



## 2. MEETING OPENING

### 2.1. Apologies

There were no apologies for this meeting.

### 2.2. Register of key interest

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.

### 2.3. Previous minutes

#### 2.3.1. Approval

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

#### 2.3.2. Matters arising / action list

The Chair introduced the action items. The Board **noted** the actions.

### 2.4. Chair update

The Board Chair provided the following updates to the Board:

- Interviews for the new Board Member had progressed and the Minister will put the nomination to the Cabinet appointment committee.
- He discussed the ambulance review gateway process with Treasury.
- He attended a briefing on foreign investment.
- The ACC Select Committee is next week.

The Board **noted** the update.

### 2.5. Chief executive's report

Megan Main introduced her report. The Board discussed the following updates:

- ACC has put in place resources to assist the Ministry of Health with the ambulance review, with an action plan due in 20 days.
- Interviews for new Executive SUI Lead had started. Acting arrangements will be in place.
- Stakeholder relationships are continually strengthening although were complex within the overall health system and legislative requirements.

[ s 9(2)(h) ]

[ s 9(2)(h) ]

Mike Tully provided an update on the Board on ACC's response to the Omicron. The Crisis Management Team had been re-instigated. Planning is underway for mass absenteeism for ACC's critical services and the CMT is considering provider issues.

The Board **noted** the report.



### 3. MATTERS FOR DECISION

#### 3.1. Strategic decisions

The Board took a break at 10.50am and returned at 10.55am. [Out of Scope] joined the meeting.

##### 3.1.1. Committee roles & Terms of Reference

Vanessa Oakley took the Board through the paper. Bella Takiari-Brame noted that the Risk, Assurance and Audit Committee (RAAC) had discussed its revised Terms of Reference and made the following changes:

- Membership – section 6 (minor change)
- Responsibilities – section 9(a) – change to refer to proposed service agreement targets consistent with business plans approved by the Board.
- Responsibilities – section 9(b) – change to refer to ensuring investment valuations are assured appropriately to support financial statements.

The Board asked that the wording in paragraph 9 be amended from 'include' to 'are'.

The Board:

- **Approved** the revised Terms of Reference for the RAAC.
- **Delegated authority** to the Chair of the RAAC to finalise wording in the Terms of Reference in accordance with the Board and RAAC changes.

Sharon Champness joined the meeting at 11.00am. [Out of Scope] left the meeting at 11.05am.

##### 3.1.2. Hybrid meetings

Megan Main provided a verbal update noting the plans underway to improve in person/online hybrid meetings, including:

- Technology options.
- All participants dialling in virtually, even if in the same room.
- Creating ACC email addressed for Board Members for security reasons.

A proposal would be finalised in coming weeks.

The Board **noted** the update.

#### 3.2. Other Decisions

##### 3.2.1. FY23 Budget & Annual Service Agreement

John Healy introduced the paper, noting the budget would be finally approved by the Board at its next meeting. The Board discussed:

- Including additional information and long-term considerations on the funding of accounts.
- More information on strategic relevance of spending and Management choices.
- Confirming that known upcoming pricing increases such as contracts have been included in the budget.
- Including sensitivity analysis on the risks of inflation and impacts on the budget.
- Internal consistency on economic assumptions, noting that Treasury assumptions must be used. The Investment team works closely with finance on the liability position.

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

[Out of Scope] and [Out of Scope] joined the meeting at 11.20am.



### 3.2.2. Price adjustments 2022/23

[Out of Scope] introduced the paper. The Board's discussion focussed on:

- Efficiency expectations continue to be explored although this is challenging. The Surgery Price Index calculations consider consumables and labour costs. ACC is not contractually bound to use the index, but it will take some time to create a new model to build in efficiency expectations.
- These contracts had been rolled into one paper to create visibility to the Board, but more information on the overall contract governance and policy frameworks would be useful including how commissioning for outcomes is being implemented.
- All contracts have specific requirements that providers be culturally responsible [s 9(2)(j)]

[s 9(2)(j)] The raranga work within ACC continues to explore better cultural safety within contracts and providers, and clause changes should be communicated at the end of the year. There is still a large amount of learning to do within the sector.

The Board:

- [s 9(2)(j)]

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- **Noted** the contents of this paper.

[Out of Scope] and [Out of Scope] left the meeting at 11.55am.

## 4. MATTERS FOR DISCUSSION

### 4.1. Committee updates

#### 4.1.1. People and remuneration

Tracey Batten took the Board through the key papers from the People and Remuneration Committee, including:

- The Committee supported the general direction of the investment incentive scheme review which was also discussed by the Board Investment Committee. Further documentation would be endorsed by the Committee before coming to the Board for final approval.
- ACC will not meet its lost time injury frequency rate target, but the injury rate is still low.
- The Committee provided feedback on the format of the Health, Safety and Wellbeing report now that it is quarterly.
- Performance and remuneration strategies. The Committee will make a recommendation to the Board following its next meeting.

The Board **noted** the update.

*The Board took a break at 12.05pm and returned at 12.25pm.*

#### 4.1.2. Risk and audit

Bella Takiari-Brame summarised the discussion at the RAAC, including:

- The Budget and Terms of Reference items had already been considered by the Board.
- The External Audit Plan from EY.
- Closing Financial Condition Report actions.
- Further work is required on outcome of TCFD reporting. Both Investments and Finance had been involved in the work so far.
- Approval for assurance on NZIIS would come back to RAAC following SUI Committee consideration.



- Cyber risk and cyber insurance, as well as a general insurance update.

The Board **noted** the update.

#### 4.1.3. Board investment

Mark Cross took the Board through the Board Investments Committee update:

- A productive Committee planning session had been held, which included the CE and CIO.
- A Russian Exclusions press release had been signed off. ACC is aligned with other CFIs.
- Changes to the Ethical Investment Policy had been approved by the Committee and would come through to the Board for approval at its next meeting.
- KGHL arrangements.
- Risk discussions continue including connection as part of ACC's wider risk appetite. This would be discussed at the BIC strategy session in June.

The Board **noted** the update.

#### 4.1.4. Social unemployment insurance

Pat Bowler summarised the main Committee discussion points:

- Governance over the process and project, which will change over time and when the enabling legislation is introduced. The Committee indicated that skills-based membership on the Board and Committee is important. The Terms of Reference for the Committee will be updated at a later date.
- Cross sector partnering, including with Ministry of Social Development. The CE had met with MSD to discuss the working relationship.
- Co-design with Māori. There is commitment to living the Ti Tiriti principles in developing the scheme in parallel with enabling legislation and learnings from Whāia Te Tika. More dedicated resource is being recruited.
- Case management challenges to be addressed and resolved.
- Submissions received in the consultation were being considered in real time by MBIE and other agencies including ACC.

The Board **noted** the update.

## 4.2. Strategic Discussions

[Out of Scope] [Out of Scope] [Out of Scope] and [Out of Scope] joined the meeting at 1.10pm.

### 4.2.1. Our legislative authorising environment

Vanessa Oakley and team provided a presentation on the day about the history of the ACC Scheme. The Board asked that the presentation be added to its reference folder.

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

[Out of Scope] [Out of Scope] [Out of Scope] and [Out of Scope] left the meeting at 1.55pm. Paul Stocks (MBIE) joined the meeting at 2pm.

### Discussion with Paul Stocks, Deputy Chief Executive, Labour, Science and Enterprise

The Board had a wide-ranging discussion with Paul Stocks, including key priorities for ACC and MBIE and working together as policy maker and implementer.

The Board **noted** the contents of this presentation/discussion.



Paul Stocks (MBIE) left the meeting at 2.30pm. Due to timing, the Board considered item 4.3.1 SUI Update ahead of the rest of the papers.

#### 4.3.1 SUI

Sharon Champness introduced the update. The Board noted the proposed 'NZIIS' name for the scheme and discussed the brand hierarchy possibilities. It is important that this is discussed sooner rather than later, and Mike Tully would take this back to his team to input into the overall ACC brand work. The Māori name must be carefully considered.

This was Sharon Champness' last Board meeting with ACC. The Board thanked her for her significant contribution to ACC and wished her well in Australia.

The Board:

- **Approved** the recommendation that the name "New Zealand Income Insurance Scheme" is accepted by ACC as the scheme name for SUI.
- **Approved** that some work can be undertaken during the scheme implementation to support the scheme name which would consider a Māori name, as well as a logo and brand guidelines.

Sharon Champness left the meeting at 2.45pm. [Out of Scope] joined the meeting.

#### 4.2.2. Levy Decisions close out

Herwig Raubal and [Out of Scope] introduced the papers. The Board provided the following feedback:

- Amend the graphs to make easier to read (page 58).
- Define ICIP and IP terminology (page 58).
- Change 'sibling' to 'companion' (page 50).
- Ensure the assumption is included on surplus assets (page 60).
- Remove the reference to NZIIS (page 72).
- Refer to the introduction of the Funding Policy Statement rather than adoption by Government (page 72).
- Consideration should be given to engagement with iwi on levies, including the use of visuals or a video.

The Board:

- **Approved** the release of the 2021 levy consultation section 331 reports to the public.
- **Approved** the briefing paper proceed to the Minister.

[Out of Scope] left the meeting at 3.10pm. [Out of Scope] re-joined and [Out of Scope] joined the meeting.

### 4.3. Other matters for discussion

#### 4.3.2. Maternal Birth Injuries

[Out of Scope] and [Out of Scope] introduced the paper. The Board's discussion focussed on:

- Implementation by October 2021.
- The co-payments in place at the start of the scheme. [ s 9(2)(g)(i) ]  
[ s 9(2)(g)(i) ] The Board asked for a deep dive session on co-payments generally including bundled payments, contracts and regulations. It will also feed into the Board Strategy discussion on equity and access.
- The IBNR impact. There is an outstanding audit point in relation to the sensitive claims IBNR which will be resolved. Depending on timing, the material birth injuries IBNR may be included in the audit report, but it is not material to the establishment of the OCL.



The changes represented a significant change in costs and there are many stakeholder groups pushing for it to include as much as possible.

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

[Out of Scope] and [Out of Scope] left the meeting at 3.25pm. The Board took a short break at 3.25pm and returned at 3.30pm. [Out of Scope] joined the meeting.

#### 4.4. Quarterly Reports

##### 4.4.5 Customer Feedback

Mike Tully introduced the report. The Board discussed:

- Route cause analysis and common themes. If an incident raised systematic issues this will be identified for the Board.
- Drivers of complaints. There is quite a lot of cross over between entitlements and customer service.
- An overall executive summary would be useful at the start of the report.

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

Mike Tully left the meeting at 3.40pm.

##### 4.4.1. Claims costs

Herwig Raubal introduced the report. The Board discussed targets, and the opportunity to revise at 18-months in to the four-year plan considering ICIP benefits and the OCL. Work continued to unpick the impact of COVID and this will be reflected in next year's measures.

The Board raised an **action** for further information to be provided on serious injury claims and the long-term claims pool.

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

Herwig Raubal left the meeting at 3.50pm.

##### 4.4.2. ICIP

Peter Fletcher introduced the update. The Board noted:

- Work is underway to improve the benefits profile.
- Management is working through the ICIP composition plan with a view to determine what is required to close out ICIP.
- The MFP upgrade has not been descoped as stated but moved into the data centre exit project.
- Efficiency challenges continued.

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

Gabrielle O'Connor left the meeting at 4.00pm

##### 4.4.3. Privacy

Vanessa Oakley introduced the paper. The Board discussed:

- Training and development, noting the high internal and external turnover.
- The assurance process in relation to the action plan from the external report.

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



#### 4.4.4. Enterprise risk and performance

The Board postponed discussion of this item due to timing.

### 5. MATTERS FOR NOTING

#### 5.4. Annual Work Plan

#### 5.5. Inform papers for noting

The Board **noted** the inform monthly litigation report, the Air Ambulance Cabinet paper, and the Chair correspondence.

*Megan Main, Vanessa Oakley, John Healy, Peter Fletcher, Cain McLeod, [Out of Scope] and [Out of Scope] left the meeting at 4.15pm.*

### 6. MEETING FINALISATION

#### 6.4. Review actions to be taken

#### 6.5. Meeting evaluation

Ms Takiari-Brame provided her feedback and observations.

#### 6.6. Next meeting

#### 6.7. Meeting close

*The meeting closed at 4.30pm.*

Approved

Chair Name: Steve Maharey

Date: 20/04/2020

Chair Signature: