

# The Treasury

## Annual Letters of Expectation 2023/24 Information Release

March 2024

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# Hon Carmel Sepuloni

MP for Kelston

Minister for ACC

Minister for Arts, Culture and Heritage

Minister for Social Development and Employment



05 DEC 2022

Hon Steve Maharey  
Chair  
Accident Compensation Corporation  
PO Box 242  
WELLINGTON 6410

[23]

Tēnā koe Steve

## **ANNUAL LETTER OF EXPECTATIONS 2023/24**

I am writing to summarise my expectations of the Accident Compensation Corporation (ACC) for the 2023/24 year.

First, I'd like to start by thanking you, your colleagues on the Board, as well as the rest of ACC's staff, for all your hard work this year. The strength of ACC's Board and senior leadership has set the platform for ACC to deliver better outcomes for New Zealanders. This follows a year where ACC has seen a number of executive personnel changes, amendments to ACC legislation, and a refresh of the organisation's strategic direction.

I note that the 2019 letter from the Minister of State Services, setting out expectations for all statutory Crown Entities is still in effect, and the Minister of Finance has also recently sent you an Annual Letter of Expectations with specific expectations for ACC's investment function.

### **Government priorities**

In 2020, the Government set out clear priorities to help secure our recovery and improve the living standards and wellbeing of all New Zealanders. The Government has three overarching objectives:

- To keep New Zealanders safe from COVID-19
- To accelerate our economic recovery; and
- To lay the foundations for a better future.

New Zealand has come through the COVID-19 pandemic and is well positioned for future challenges. The support we provided throughout the COVID-19 pandemic has helped New Zealanders and their businesses to retain jobs and supported Crown companies and entities to protect and maintain important services.

Ministers are now looking for increased contribution from Crown companies and entities to accelerate economic recovery and lay the foundations for a better future. As such, I encourage you to be bold and demanding in your expectations to:

- ensure better access to the AC Scheme and outcomes for all New Zealanders
- ensure stronger returns
- ensure ACC is fit for purpose
- invest for future uncertainty and to create long term value; and
- be financially prudent, increasing resilience and value by making effective use of commercial disciplines and balance-sheet and cashflow management.

ACC may also need to adapt and innovate, and I would like to hear your ideas to improve performance.

### **AC Act Amendments**

The AC Scheme was set up fifty years ago. In that time, it has done an amazing job serving New Zealanders, but not all of us are able to access it equally. To achieve a more equitable and modernised AC Scheme, the Government has been taking steps to reform the AC legislation.

The Accident Compensation (Maternal Birth Injury and Other Matters) Amendment Act 2022 extended the AC Scheme to cover maternal birth injuries. I expect ACC to work with health professionals and providers to ensure the AC Scheme's new maternal birth injury cover is delivered as comprehensively as possible, ensuring all those eligible for cover are supported, and where possible any access barriers are removed. I also expect ACC to start collecting information to inform the year three review of the list of covered maternal birth injuries.

The Accident Compensation (Access Reporting and Other Matters) Amendment Bill 2022 includes a new duty for ACC to report annually on how different population groups are accessing its services, and refining the AC Act's purpose, to ensure ACC's focus is on providing cover and entitlements to all eligible injured New Zealanders. I expect ACC to begin preparing to implement these changes throughout 2023.

### **ACC Board's new draft Strategy and Statement of Intent**

I am pleased that, as a Board and organisation, you have been working on the Statement of Intent and a Strategy that seeks to address the increasing impact of inequities for the people ACC serves, performance challenges (including the growth in demand and cost of service), and changes to the wider systems around ACC and communities.

This updated Strategy should outline ACC's aspiration to embed the articles and the principles of Te Tiriti o Waitangi into the heart of ACC, which I expect to be reflected in the Statement of Intent. I also expect ACC to begin embedding this new strategy over the coming year.

### **Measuring what Matters**

I expect ACC to continue to work on the Measuring what Matters work, pursuing a shift towards metrics that are more focussed on outcomes for New Zealanders over time.

I expect ACC to take lessons learned from the Integrated Change Investment Portfolio (ICIP) and apply them to developing any future measures and work programmes. I also expect that new measures should be inclusive of outputs and outcomes for Māori, Pacific, ethnic communities, and disabled people.

I also expect ACC to continue to involve the Treasury and MBIE in the development of those new measures, to help ensure they are meaningful.

### **Huakina Te Rā strategy**

Huakina Te Rā is ACC's commitment to upholding Te Tiriti o Waitangi/Treaty of Waitangi and builds on the whakapapa of Whāia Te Tika – ACC's Māori strategy. I am pleased to see ACC implementing a dual framed strategy with a clear response for Māori from both a Te Tiriti o Waitangi and equity perspective. Huakina Te Rā is focused on achieving equity of access, experience, and wellbeing outcomes for Māori and all people in New Zealand. I expect ACC to continue to grow its partnerships with Māori and deliver on its good mahi, keeping me and the Associate Minister for ACC informed of any initiatives being developed.

### **Lifting rehabilitation performance**

I expect that, in moving forward from the effects of the COVID-19 pandemic, ACC will work to lift rehabilitation performance by leveraging the initiatives implemented through the ICIP, including the Health Sector Strategy, with a particular focus on improving client outcomes.

### **Ensuring connection with the new health and disability system**

I expect ACC to work closely and build constructive relationships with officials in Te Whatu Ora, Whaikaha and Te Aka Whai Ora, and across the wider health system, to ensure services continue to be improved for those accessing the AC Scheme.

I would also like ACC to continue to meet its obligations under the United Nations Convention on the Rights of Persons with Disabilities.

### **Maintaining privacy of personal information**

I expect that ACC will comply with the Privacy Act 2020 and the Health Information Privacy Code in collecting, storing, using, and sharing any client information. ACC should also continue to implement changes under its 'Care of Personal Information Continuous Improvement Programme' following on from the independent review into care of personal information in early 2022.

### **Board evaluations and strengthening the director pipeline**

The Future Directors programme founded by Sir Stephen Tindall, Michael Stiasny and Des Hunt in 2013 aims to develop the next generation of directors and prepare them to positively transform their organisations, communities, and New Zealand. It provides people with governance potential and ambition with the opportunity to participate on a board, and provides boards with exposure to new talent, ideas, and experiences. I expect ACC to engage a 'Future Director' as an observer of the board, where possible, to grow the pipeline of new and diverse director talent.

### **NZ Income Insurance Scheme**

Every year, hundreds of thousands of jobs are impacted by firm closures, restructures, and ill health. The Government has agreed to proceed with the development of a New Zealand Income Insurance Scheme, to better protect workers and the economy. If the scheme goes

ahead, ACC will deliver it, including levy collection, cashflow management, and claims administration and management to support good return to work outcomes. I expect you to continue to work constructively with my office, the Treasury, and MBIE as work to develop and implement the scheme continues.

### **Government engagement**

I expect ACC to effectively engage with the Treasury, the Ministry of Business, Innovation and Employment, and other relevant agencies proactively, and as requested, on all areas of its business, especially in areas prioritised by each agency. These include:

- providing the Treasury with regular information as per the Owner's Expectation Manual
- continuing to proactively provide updates on ACC's financial viability, and sustainability, and
- engaging with the Treasury as ACC progresses any work on its strategic direction and performance measures and targets, to ensure they best support government requirements.

### **General**

And finally, I expect ACC to be a good and equitable employer, to focus on sustainability, including carbon neutrality and waste management, and to enhance their ability to protect customer and staff information against cyber threats.

Please continue to keep me informed of any significant events, positive or negative, that could be considered contentious, attract wide public attention and/or affect the financial position of ACC. I wish ACC a productive and enjoyable year ahead.

Ngā mihi nui

Hon Carmel Sepuloni  
**Minister for ACC**

cc: Megan Main  
Chief Executive Officer  
Accident Compensation Corporation