

Reference: 20240090

8 March 2024

Dear [REDACTED]

Thank you for your Official Information Act (OIA) request, received on 13 February 2024. You requested:

*...all advice to ministers your agency has provided related to ACC's "Huakina Te Rā" and or ACC's 2023-27 Statement of Intent.*

### Information Being Released

Please find enclosed the following documents:

| Item | Date             | Document Description   | Decision                                  |
|------|------------------|--|---|
| 1.   | 7 November 2022  | T2022/2405 - Aide Memoire: Meeting with the Chair of the ACC Board on Wednesday 9 November 2022                | Released in full (except contact details) |
| 2.   | 13 February 2023 | T2023/129 - Aide Memoire: Meeting with the Chair of the ACC Board on Tuesday 14 February 2023                  | Released in part                          |
| 3.   | 10 May 2023      | T2023/691 - Treasury Report: Briefing on ACC's draft 2023/24 Service Agreement and 2023-27 Statement of Intent | Released in full (except contact details) |

I have decided to release the documents listed above, subject to information being withheld under one or more of the following sections of the OIA, as applicable:

- personal contact details of officials, under section 9(2)(a) – to protect the privacy of natural persons, including that of deceased natural persons,
- contact details of officials, under section 9(2)(g)(ii) – to maintain the effective conduct of public affairs through protecting Ministers, members of government organisations, officers and employees from improper pressure or harassment, and

- direct dial phone numbers of officials, under section 9(2)(k) – to prevent the disclosure of information for improper gain or improper advantage.

Direct dial phone numbers of officials have been redacted under section 9(2)(k) in order to reduce the possibility of staff being exposed to phishing, social engineering and other scams. This is because information released under the OIA may end up in the public domain, for example, on websites including Treasury's website.

Some information has been redacted because it is not covered by the scope of your request. This is because the documents include matters outside your specific request.

There was one excerpt that was within the scope of your request from the - Aide Memoire T2023/2066: Meeting with the acting ACC board chair and Chief Executive on Monday 11 December 2023 which is shown below:

#### **ACC's strategic shift - Huakina Te Rā**

The Statement of Intent (SOI) is a four yearly medium term planning document, outlining an entity's strategic direction and future planning. ACC is due to publish an SOI this year, for the period 2023 - 2027. Key points to note on the document are:

- It outlines a significant strategic shift from the previous Shaping our Future strategy to Huakina Te Rā, which has ambitious medium-term goals that require new and updated measures.
- ACC are working on introducing updated performance measures over the next few years, which will then inform the targets for ACC's next SOI. These measures will be slowly introduced through successive Service Agreements.
- The Treasury will continue to work with ACC to ensure the goals are achievable, the measurements are appropriate and robust, and ACC's legislative obligations are still being met.

*In your meeting with Dr Batten you may wish to:*

- *ask her thoughts about the strategic shift to Huakina Te Rā.*
- *emphasise the importance of ACC maintaining its focus on its core businesses.*

#### **Information publicly available**

The following information is also covered by your request and is publicly available on the Beehive and Treasury websites:

| Item | Date          | Document Description  | Website Address   |
|------|---------------|---|---|
| 4.   | February 2023 | The Treasury: Briefing to the Incoming Minister for ACC; Hon Peeni Henare | <a href="https://www.beehive.govt.nz/sites/default/files/2023-03/BIM%20-%20Minister%20for%20ACC%20-%20Treasury.pdf">https://www.beehive.govt.nz/sites/default/files/2023-03/BIM%20-%20Minister%20for%20ACC%20-%20Treasury.pdf</a> |
| 5.   | February 2024 | The Treasury: Briefing to the Incoming Minister for ACC; Hon Matt Doocey  | <a href="https://www.treasury.govt.nz/sites/default/files/2024-01/bim-acc-2023.pdf">https://www.treasury.govt.nz/sites/default/files/2024-01/bim-acc-2023.pdf</a>   |

Accordingly, I have refused your request for the documents listed in the above table under section 18(d) of the OIA; the information requested is publicly available.

In making my decision, I have considered the public interest considerations in section 9(1) of the OIA. Please note that this letter (with your personal details removed) and enclosed documents may be published on the Treasury website.

This reply addresses the information you requested. You have the right to ask the Ombudsman to investigate and review my decision.

Yours sincerely

Emily Howe  
**Manager, Commercial and Institutional Performance**

# OIA 20240090

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Reference: T2022/2405

Date: 7 November 2022

To: Minister for ACC (Hon Carmel Sepuloni)

Deadline: 9 November 2022  
(if any)

## **Aide Memoire: Meeting with the Chair of the ACC Board on Wednesday 9 November**

You are meeting with the Chair of the Accident Compensation Corporation (ACC)'s Board, Hon Steve Maharey, on Wednesday 9 November. This follows your previous meeting with him on 22 September.

To support your meeting on 9 November, this aide memoire provides some suggested discussion points about ACC's new strategy and has been jointly prepared with the Ministry of Business Innovation and Employment.

### **Suggested Discussion Points**

You may wish to discuss ACC's new strategy with the Board Chair. The Strategy is a long-term vision over ten years, so that it sits outside the political cycle and endures across governments. The Strategy's effectiveness will depend on how it is translated into actions and measures in the short to medium term, including ACC's ongoing work to update its core reporting measures in alignment with the Strategy.

- You may wish to ask the Board Chair how soon ACC's Strategy will start influencing its core accountability and reporting requirements.

ACC's legislation places limits on what it can do regarding its relationships with providers and claimants, and while the Strategy is squarely aimed at updating ACC to present-day healthcare policy, the legislation, in its current form, only allows ACC to make changes within the current remit. This will likely mean implementing the Strategy will require choices and trade-offs for future governments regarding ACC's relationship with claimants and providers.

- You may wish to ask the Board Chair how he sees these choices and trade-offs being worked through with future governments as the implications of the Strategy become clearer.

The Strategy does not say anything about ACC's role in supporting a thriving economy. Having a safety net of social services for people and communities is a core role of ACC, but having well-functioning accident compensation and income insurance schemes can also allow the labour market to be more flexible, resilient, and productive.

- You may wish to ask the Board chair if the Board considered including a goal around having a flexible, resilient, and productive labour market in the Strategy.

In the short to medium term, ACC still has a number of performance challenges it needs to focus on, such as falling rehabilitation rates. While the new Strategy will focus attention on the big strategic shifts ACC needs to make over the next ten years, there are some trends it needs to maintain its focus on in the short to medium term.

- You may wish to reiterate your expectations with the Board Chair about a focus on improving rehabilitation performance. ACC's ongoing strategic refresh and work with the development of the New Zealand Income Insurance Scheme should not place any risk on ACC's core statutory purpose to rehabilitate claimants effectively.

Jess Lee, Analyst, Commercial and Institutional Performance, s9(2)(k)  
Emily Howe, Manager, Commercial and Institutional Performance, s9(2)(k)



TE TAI ŌHANGA  
**THE TREASURY**

Reference: T2023/129

Date: 13 February 2023

To: Minister for ACC (Hon Peeni Henare)


Deadline: 14 February 2023

**Aide Memoire: Meeting with the Chair of the ACC Board on  
Tuesday 14 February**

Outside of Scope



Outside of Scope




### **Upcoming corporate reporting**

In the next two months, ACC is required to provide its:

- second quarterly performance report for the months October to December 2022 (Q2),
- annual Service Agreement (SA), and
- 3-yearly Statement of Intent (SOI).

Treasury will provide you with advice on each of these documents, at the time of receipt, which will also be shared with the Minister of Finance for his information.

Outside of Scope





Outside of Scope

### *Statement of Intent*

The Statement of Intent is a four yearly medium term planning document, outlining an entity's strategic direction and future planning. ACC is due to publish a SOI this year, for the period 2023 - 2027. A draft of this document will likely be delivered to you in mid-April alongside the SA.

Treasury provided initial feedback to ACC on a draft SOI in January. Key points to note on the document are:

- It outlines a significant strategic shift from the previous *Shaping our Future* strategy to *Huakina Te Rā*.
- We are pleased that *Huakina Te Rā* incorporates a Te Tiriti approach, however the medium-term goals are ambitious and would require new and updated measures.
- ACC are working on introducing updated performance measures throughout the next few years, which will then inform the targets for the SOI. These will be slowly introduced through successive SAs.
- The Treasury will continue to work with ACC to ensure the goals are achievable and the measurements are appropriate and robust.

In your meeting with Hon Steve Maharey:

- You may wish to mention your awareness of the timing of these upcoming corporate reporting documents.
- You may wish to discuss your thoughts about the strategic shift to *Huakina Te Rā*.

Outside of Scope


Phoebe Slee, Analyst, Commercial and Institutional Performance

s9(2)(k)

Emily Howe, Manager, Commercial and Institutional Performance

s9(2)(k)

Outside of Scope





**Treasury Report:** Briefing on ACC's draft 2023/24 Service Agreement and 2023-27 Statement of Intent

|              |             |                     |                |
|--------------|-------------|---------------------|----------------|
| <b>Date:</b> | 10 May 2023 | <b>Report No:</b>   | T2023/691      |
|              |             | <b>File Number:</b> | CM-1-3-1-9-1-2 |

**Action sought**

|   | <b>Action sought</b>  | <b>Deadline</b> |
|---|---|-----------------|
| <b>Minister for ACC</b><br>(Hon Peeni Henare)       | <b>Agree</b> to sign and send the attached letter to the Chair of ACC | 19 May 2023     |
| <b>Minister of Finance</b><br>(Hon Grant Robertson) | For your information  | N/A             |

**Contact for telephone discussion** (if required)

|                  |  |              | <b>First contact</b> |
|------------------|--|--------------|----------------------|
| Miranda Birchler | Senior Analyst, Commercial and Institutional Performance | s9(2)(g)(ii) | ✓                    |
| Emily Howe       | Manager, Commercial and Institutional Performance        | s9(2)(g)(ii) |                      |

**Minister's Office actions** (if required)

|   |
|---|
| <p><b>Return</b> the signed report to Treasury.</p> <p><b>Send</b> signed letter to the Board Chairs.</p> |
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Note any feedback on the quality of the report

**Enclosure:** Yes (attached)

## Treasury Report: Briefing on ACC's draft 2023/24 Service Agreement and 2023-27 Statement of Intent

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### Executive Summary

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ACC has provided your office with copies of its 2023-27 Statement of Intent and its 2023/24 Service Agreement.

The Statement of Intent outlines ACC's new strategy, Huakina Te Rā, which is a dual-framed strategy that takes both a tāngata whenua and a tāngata Tiriti worldview. Due to the complete strategic refresh, ACC has set a range of new measures within its draft Service Agreement that have little historical trend base to assess them against.

The Treasury considers that the draft 2023-27 Statement of Intent and 2023/24 Service Agreement provide a reasonable view of ACC's scope and strategic priorities, and a reasonably comprehensive range of performance measures and appropriate targets. We are comfortable with the targets that ACC has set for most of its measures, noting some of which will be difficult to meet in the current environment ACC is operating within.

Annex 1 contains more detailed information on the measures in the Service Agreement.

Attached is a draft letter from you to the Chair of ACC, Hon Steve Maharey, setting out your comments on the ACC's draft documents.

### Recommended Action

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We recommend that you:

- a **note** that ACC has sent you its draft 2023/24 Service Agreement and 2023-27 Statement of Intent for consideration
- b **note** that Treasury considers these documents suitable, subject to resolution of the matters raised in this report, for tabling in the House of Representatives; and
- c **agree** to sign and send the attached letter to the Chair of ACC, inviting them to publish the final Statement of Intent and Service Agreement on ACC's website.

*Agree / disagree.*



Emily Howe  
**Manager, Commercial and Institutional Performance: Investment**

Hon Peeni Henare  
**Minister for ACC**

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## Treasury Report: Briefing on ACC's draft 2023/24 Service Agreement and 2023-27 Statement of Intent

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### Purpose of Report

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1. This report:
  - a provides you with an analysis of ACC's draft 2024 Statement of Intent (**SOI**) and 2023/24 Service Agreement (**SA**), and
  - b seeks your agreement to sign the attached letter to the Chair of ACC (Hon Steve Maharey), inviting ACC to publish final copies of the SOI and SA on its website.

### Reporting Requirements

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2. Per the Crown Entities Act 2004 (**the CE Act**), ACC is required to publish an SOI at least once every three years and a SA every year. ACC is required to provide draft SOIs and SAs to the responsible Minister no later than two months before the start of the financial year.
3. Providing comments on the draft documents is an important means for you to influence ACC's strategic direction. As the responsible Minister, you must provide any comments on the draft documents no later than 15 working days after receiving the draft documents.
4. ACC provided its draft SOI and SA to you on 28 April 2023, so you must provide any comments on the draft SOI and SA no later than 19 May 2023.
5. ACC must send the final SOI and SPE to you by 30 June 2023 and publish the final versions on its website as soon as practicable after that.

### Compliance with core requirements

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6. When assessing ACC's draft SOI and SA, and ACC's Strategic Issues Letter for 2023, the Treasury considered the documents':
  - compliance with the requirements of the CE Act
  - alignment of scope and performance measures with:
    - the former Minister for ACC's 2023/24 Letter of Expectations (**LOE**)
    - the Minister of Finance (**MoF**)'s 2023/24 LOE
    - the Government's 2019 enduring expectations letter; and
  - quality of performance measures and targets, and other information.

#### *Compliance with the requirements of the CE Act*

7. The Treasury does not have any concerns about ACC documents' compliance with the CE Act. We are comfortable that they provide an appropriate basis for the operation and accountability of ACC and meet the requirements of the CE Act.

*Alignment with the former Minister for ACC's and MoF's FY24 LOEs*

8. There is general alignment of ACC's documents with both Ministers' 2023/24 LOE's.

*Alignment with the Government's 2019 enduring expectations letter*

9. The responsible Minister's 2023/24 LOE reminded ACC about the Government's 2019 enduring expectations and general governance expectations. ACC's documents demonstrate progress against all the Government's 2019 expectations, except for making progress in relation to pay gaps, and improving energy efficiency and reducing waste outputs.

*Table 1: Progress against the Government's 2019 letter of expectations*

| <b>Expectation</b>  | <b>ACC's progress</b>  | <b>Treasury's comments</b>   |
|---|--|--|
| ... make substantive progress to close any ethnic or gender pay gaps and narrow the gap between the highest and lowest earners in the workplace | ACC does not refer to this expectation in its documents, however its current gender pay gap action plan is published on ACC's website.   | ACC have informed the Treasury that this was an omission in the draft, and they will look to include a specific initiative around their gender pay gaps action plan in the final document. The Treasury is comfortable with this approach. |
| ... improve energy efficiency and reduce waste outputs  | ACC does not refer to this expectation in its documents because its reporting requirements around carbon emission performance, measures and targets are formalised in other documents. | ACC will continue to report on emissions and expand the scope of this reporting as required, and the Treasury will discuss the particular energy efficiency and waste reduction reporting expectations with ACC for next year's SA.        |

**Quality of performance measures, targets, and strategic goals**

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10. ACC's new strategy, Huakina Te Rā, is a dual-framed strategy that takes both a tāngata whenua and a tāngata Tiriti worldview. This complete strategic refresh has resulted in a range of new performance measures in the draft SA and goals in the draft SOI.
11. ACC's Board has agreed to 21 key measures, most of which are either new or a renewed version of a previous measure. Annex 1 contains more detailed information on the measures set through the SA.
12. The Treasury is broadly comfortable with the targets that ACC has set for most of its measures, noting some of which will be difficult to meet in the current environment ACC is operating. As such, it may be better for ACC to focus on the measures it can influence. Similarly, we suggest that the sentence on page 11 "*Any difference between populations is not accepted by ACC*" should be removed or further clarified as the meaning is unclear.
13. We will be monitoring ACC's implementation of the new measures and looking to understand their continued appropriateness for the next SA. We usually focus on ACC's measures in four core categories (or outputs as referred in the SA), which are: injury prevention, levy engagement and collection, investment management, and claims management.

### *Injury Prevention*

14. ACC is only able to undertake injury prevention activities where it is likely to result in a cost-effective reduction in actual or projected levy rates. This is specified in legislation and ACC reports on this requirement through its Return on Investment (**ROI**) measure.
15. The other two measures included within the injury prevention output, both of which are bridging measures, are claim lodgement rates for Māori and other priority populations. We will work with ACC to gain a greater understanding of how they envision the use of these bridging measures and what an appropriate measure may look like in the future.

### *Levy engagement and collection*

16. Heading into a levy round in 2024, ACC's ability to manage costs to the scheme and thereby levy payers is vital. Maintaining costs at the expected level of inflation, as much ACC is able to influence, helps to keep costs manageable. The new measure "new year costs movement" should allow greater scrutiny on how ACC is able to influence costs. ACC have informed us that the target of 0% is a longer-term ambition. It is very likely that the new year claims cost will increase, as has been seen in previous years. However, it highlights the impact to levy and taxpayers in a slightly more tangible way than an Outstanding Claims Liability (**OCL**) specific measure<sup>1</sup>.
17. The new business customer satisfaction measure should provide a good picture of the effectiveness of ACC's systems and processes and their ability to provide appropriate support to businesses, both with levy setting and collection, and with returning employees to work. We are comfortable with the current target set.
18. The draft SA includes projections of the funding ratio of each account. The projected funding ratio for the Earner's Account is set to dip below 100% during the 2023/24 financial year, likely meaning levy rates will need to increase in the upcoming levy round. We will continue to engage with ACC as this work ramps up in the latter half of the year.

### *Investment management*

19. ACC has maintained its standard measure for its investment function. This target has not changed over the last few years and while we see no issue with this, we do consider that greater reporting on this function could be added in the future. We will be looking to work with ACC throughout the next year on possible additional reporting for their investment function and how this may look in public facing documents. It is, however, worth noting that ACC do provide a statement of investment policies in the SA, which provide a comfortable level of detail at this stage.

### *Claims management*

20. ACC has made a raft of changes to the rehabilitation measures which sit under the claims management output. ACC has informed us that these changes are to improve their understanding of the full claim trajectory from day zero to the extent a claimant either leaves the scheme or shifts into the long-term claims pool. For short-term performance, ACC has extended the average weekly compensation days paid measure to start on day one, which cannot be compared to our historical analysis of the measure.

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<sup>1</sup> The new year claims cost is the expected lifetime cost to ACC for new accidents in the financial year.

21. ACC's ability to measure and react to changes within the different cohorts of claimants is crucial. Rehabilitation is a core function of the organisation and understanding how different programmes of change impact in this space will help to shape ACC's future direction and levy setting round. We are relatively comfortable with conversations to date with ACC regarding the updated measures but will be looking for further detail on the programmes to date and the impact these changes will have on their ability to monitor the effectiveness of such programmes, i.e., the Rehabilitation Performance Programme.

### **ACC's operating Environment for 2023/24**

22. ACC's operating environment is an important factor to consider when looking at target setting for the preceding year. We discussed with ACC the factors they envisioned having a large impact on the scheme throughout 2023/24. ACC noted to us that the proposed targets demonstrate their intention to progress and improve performance. However, the operating environment is significantly different to pre-COVID-19, and it is now unlikely that previous levels of performance are achievable in the short to medium term.
23. There continues to be challenges faced in the health sector due to reform and ongoing workforce pressures. There are also lingering impacts from the COVID-19 lockdowns, and new challenges faced through changes in services due to legislative and policy shifts.

#### *Health sector*

24. The wider health sector continues to see workforce pressures which can adversely impact rehabilitation performance. ACC have noted to us that timely and regular access to primary, secondary and tertiary care is critical to rehabilitation. Delays in access to services, timeliness between consultations, and changes to medical certification practices will influence rehabilitation timeframes. ACC also noted that elective surgery queues and timeliness to surgery increased following COVID-19. This is improving, but pressure remains.

#### *Number and composition of claims being managed*

25. ACC noted to us that growth in new weekly compensation claims has always had a significant influence on rehabilitation performance, due to the impact it has on frontline caseload and the composition of claims being managed. This has been evident throughout the COVID-19 lockdown period and the 12 months following. ACC note that claim volumes and the mix of these are starting to stabilise post COVID-19.
26. ACC expects that lower forecast growth in claim numbers will have a positive impact on rehabilitation rates. However, there is ongoing uncertainty on how changing economic factors (including a potential recession) will impact claims volumes and the wider health sector over the coming year.

### **Next Steps**

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27. The Treasury recommends that the Minister for ACC sign and send the attached letter to the Chair of ACC, Hon Steve Maharey, by 19 May 2023.
28. ACC is required to consider the responsible Minister's comments as it finalises its SOI and SA by 30 June 2023.



Annex 1: Table of measures in ACC's Service Agreement

| Measure  | Commentary  |
|--|---|
| Return on Investment (Injury Prevention)                                 | This measure is a combination of the previous set of Return on Investment (ROI) measures (0 to 20-year programmes and workplace injury prevention). Historically, ACC's injury prevention performance programmes (combined) have met targets. Due to the importance of these programmes, maintaining close monitoring of ROI is important. As this is now a combined rate, we are not able to determine whether a higher or lower target may be more suitable and are therefore comfortable with the range set. |
| Claim lodgement ratio for Māori  | This measures the proportion of accepted claims for Māori compared to the Māori population of Aotearoa New Zealand (number of claims made per 1,000 of population). This is presented as a rolling four-quarter result. As this is a bridging measure, we will maintain oversight over ACC's performance and continue to work with ACC as new measures are developed.   |
| Claim lodgement ratio (other priority populations)                       | Refer to comment for claim lodgement ratio for Māori. ACC appears to be taking the same approach. We have no additional comments.   |
| New year costs movement  | The new year claims cost is the expected lifetime cost to ACC for new accidents in the financial year. This measure will be useful to determine which cost increases ACC can control. After conversations with ACC, we are comfortable with the 0% target, noting it is a longer-term ambition and is unlikely to be met in 2023/24.  |
| Business customer satisfaction   | ACC has informed us that for the 2023/24 period, some measures are aiming to maintain current performance. We are comfortable with ACC setting a target for the Business Customer Satisfaction lower than the 2021/22 result. However, concerns would likely need to be raised should ACC drop below the target rate, continuing a downward trend in satisfaction measures.   |
| Investment performance after costs relative to benchmark                 | We have no substantive comment on this measure as the target is unchanged from previous years. We will be considering ACC's investment reporting measures over the coming year.   |
| Overall client satisfaction (Total)                                      | Refer to comment on Business customer satisfaction. ACC appears to be taking the same approach. We have no additional comments.   |
| Overall client satisfaction (Difference between Total and Māori clients) | Refer to comment on Business customer satisfaction. ACC appears to be taking the same approach. We have no additional comments.   |
| Health provider satisfaction   | Refer to comment on Business customer satisfaction. ACC appears to be taking the same approach. We have no additional comments.   |
| Public trust and confidence (Total)                                      | Refer to comment on Business customer satisfaction. ACC appears to be taking the same approach. We have no additional comments.   |
| Public trust and confidence (Difference between Total and Māori clients) | Refer to comment on Business customer satisfaction. ACC appears to be taking the same approach. We have no additional comments.   |

|  |  |
|--|--|
| ACC listened to and understood our whānau  | Refer to comment on Business customer satisfaction. ACC appears to be taking the same approach. We have no additional comments.  |
| Return to independence for those not in the workforce (All clients)                              | ACC informed us that results for this measure had reached an all-time high of just over 89% in mid-2020. These results were temporarily inflated by impacts of New Zealand's first national COVID-19 lockdown. Since this time results declined, although they stabilised in the second half of 2021.<br><br>ACC have informed us that results are expected to slowly improve during 2023. However, this will likely take some time and may not fully recover to levels seen previously. One of the reasons provided for this was the increased recent demand and changes in the service mix for Home and Community Support services. We are comfortable with the current target set but will continue to closely monitor this target over the 2023/24 period. |
| Return to independence for those not in the workforce (Difference between All and Māori clients) | Refer to comment for Return to independence for those not in the workforce (All clients). ACC appears to be taking the same approach. We have no additional comments.  |
| Average weekly compensation days paid (All clients)  | Average Weekly Compensation days paid measures the average number of days paid from day zero to day 365. This measure has been recalculated to account for short-term performance (i.e., replaced 10-week Return to Work Rate). This enables ACC to measure the full first year of claims, rather than assessing specific points in the claim, as was done previously. ACC has set a relatively challenging goal of 67.6 days in comparison to the March 2023 result of 69.3.  |
| Average weekly compensation days paid (Difference between All and Māori clients)                 | Refer to comment for Average weekly compensation days paid (All clients). ACC appears to be taking the same approach. We have no additional comments.  |
| Sustained return to work rate  | The sustained return to work rate measures the percentage of clients in the work account who have returned to work and have remained at work. This measure is new for 2023/24 and is a comparator measure for Australian schemes. It will be useful for us to monitor how ACC is progressing in comparison to its peer schemes overseas. We are comfortable with there being no direct target as the comparison will provide a more useful source of information.  |
| Growth rate of the Long-Term Claim Pool (All clients)  | As with the Average weekly compensation days paid, ACC has set a target which can be considered as a stretch target. Due to the increasing positive performance results in the long-term rehabilitation space throughout the last year, we are comfortable with this target.   |
| Growth rate of the Long-Term Claim Pool (Difference between All and Māori clients)               | Refer to the comment for Growth rate of the Long-Term Claim Pool (All clients). ACC appears to be taking the same approach. We have no additional comments.  |
| Percentage of total expenditure paid directly to clients or for services to clients              | We are comfortable with ACC's target for 2023/24. This target reflects an increasing trend of the total expenditure paid directly to clients or for services.  |
| Organisational health and capability intentions measures (All)                                   | We are comfortable with ACC's targets for these measures.  |

## Hon Peeni Henare

MP for Tāmaki Makaurau

Minister for ACC

Minister of Forestry

Minister of Tourism

Minister for Whānau Ora

Associate Minister for the Environment

Associate Minister of Health (Māori Health)



Hon Steve Maharey  
Chair  
Accident Compensation Corporation  
PO Box 242  
Wellington 6410  
s9(2)(a)

Tēnā koe Steve

### **ACC'S DRAFT 2023-27 STATEMENT OF INTENT AND 2023/24 SERVICE AGREEMENT**

I am writing to thank you for providing copies of ACC's draft 2023-27 Statement of Intent (**SOI**) and 2023/24 Service Agreement (**SA**).

I appreciate the time and effort that ACC's Board, management, and staff have put into these documents, along with your efforts to keep me informed about ACC's performance.

I acknowledge ACC's new strategy Huakina Te Rā and look forward to understanding how it becomes real for Māori. The initial priority for me will be understanding the drivers of any inequities in access, experience and outcomes, in order to address any disparities. I am also confident that the draft SOI and SA provide a reasonable view of ACC's scope and strategic priorities, and a reasonably comprehensive range of performance measures and appropriate targets. I am pleased to see some ambitious targets being set by ACC in the current operating environment but would also suggest ACC focuses on the measures it is able to influence. Similarly, I suggest that the sentence on page 11 "*Any difference between populations is not accepted by ACC*" should be removed or further clarified as the meaning is unclear.

I would like ACC to continue to work with the Treasury on the development of future measures.

In response to the Government's 2019 standing letter of expectations, I understand from the Treasury that you will be adding the gender pay gap reporting measures to the final version of this SA, and discussing with them the detailed requirements for ACC's reporting on energy efficiency improvements and reducing waste outputs for next year's SA.

Please deliver the final SOI and SA to the House Office and my Office by 30 June 2023, and publish the final documents on ACC's website as soon as practicable after that date. Officials at the Treasury will advise ACC shortly on the printed and electronic copies required to deliver the final SOI and SA.

I wish you every success for the year ahead.

Nāku noa, nā

Hon Peeni Henare  
**Minister for ACC**

cc Megan Main, Chief Executive Officer, Accident Compensation Corporation, [Megan.Main@acc.co.nz](mailto:Megan.Main@acc.co.nz)