



Prevention Portfolio Governance Group Cover Page – Claims Trends, Performance and DRAFT Re-valuation paper

Purpose

The purpose is to:

- Provide a high-level overview of claims trends for FY24
- Overview of performance
- Table the Draft Re-valuation paper that will be re-presented in July for approval, seeking early feedback

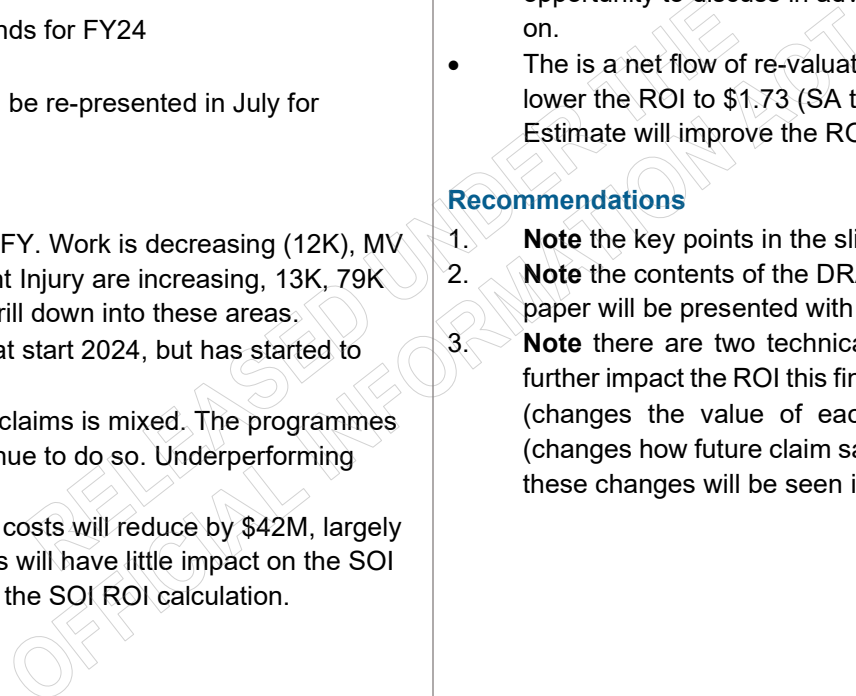
Key Points

- The Accounts are behaving differently this FY. Work is decreasing (12K), MV is flat, Earners Non-Earners' and Treatment Injury are increasing, 13K, 79K and 3K respectively. The attached slides drill down into these areas.
- Weekly Comp (WC) is increasing, slowed at start 2024, but has started to increase again.
- Injury Prevention performance in reducing claims is mixed. The programmes that were providing benefits in FY23, continue to do so. Underperforming programmes in FY23 continue in FY24.
- \$107M in design/development programme costs will reduce by \$42M, largely due to the exit from funding WorkSafe. This will have little impact on the SOI ROI due to WorkSafe being excluded from the SOI ROI calculation.

- The re-valuation paper as a draft is presented at this meeting to signal to member the intentions for the end of the year. It gives members the opportunity to discuss in advance any issue they any want more information on.
- The is a net flow of re-valuation at this stage is **-\$20M** as a result. This will lower the ROI to \$1.73 (SA target of \$1.72). The updated Statistical Case Estimate will improve the ROI but yet to be finalised.

Recommendations

1. **Note** the key points in the slides
2. **Note** the contents of the DRAFT re-valuation paper. At July 2024, meeting a paper will be presented with specific recommendations on each programme
3. **Note** there are two technical adjustments made each year that are likely to further impact the ROI this financial year – an updated Statistical Case Estimate (changes the value of each claim saved) and the final investment rates (changes how future claim savings are valued in today's dollars). The impact of these changes will be seen in the year end ROI result.



Prepared by	[Out of Scope]
Approved by	[Out of Scope]
Date	4 th June 2024



Memorandum

TO	Primary Prevention Governance Group
FROM	[Out of Scope]
DATE	5 th June 2024
SUBJECT	DRAFT FY24 Re-valuation of future claims benefit from Injury Prevention programmes.

Purpose

The purpose of this DRAFT paper is to outline likely changes to expected future claims savings for each programme in delivery.

This is an annual process to check the performance of each programme or variable to see whether assumptions have changed and need to be updated so the estimate of claims savings for each business case is as accurate as possible. This paper is a DRAFT FOR FEEDBACK ONLY.

At the July 2024 Prevention Portfolio Governance Group (PPGG) meeting we will be presenting a final version of this paper. However, given some of the changes recommended, additional information may need to be circulated.

Teams from Performance and Intelligence, Injury Prevention, and Actuarial Services have reviewed all programmes in delivery considering their performance to date, historical performance and any knowledge gained through implementation of the programme. A short paper was developed outlining the results for each programme. In this paper, based on the results, a recommendation was made and this was discussed with respective teams. This paper is attached as Appendix 1.

Any changes to expected claims savings will impact on the return on investment (ROI) figure reported in the Service Agreement (SA) targets.

DRAFT Recommendations

1. **Note** the contents of the DRAFT paper. At the July 2024 meeting a paper will be presented with specific recommendations on each programme
2. **Note** there are two technical adjustments made each year that are likely to further impact the ROI this financial year – an updated Statistical Case Estimate (changes the value of each claim saved) and the final investment rates (changes how future claim savings are valued in today's dollars). The impact of these changes will be seen in the year end ROI result.

Background and Process

When a business case is presented for investment, several assumptions are made *vis-a-vis* determining claims savings. These assumptions are tested throughout the life of the programme comparing actual results with expected results. These are presented in the Outcomes Frameworks for each programme and these are updated quarterly/annually where appropriate.

At the end of the financial year, the performance of injury prevention programmes is confirmed. This performance examines the impact the programmes have had in reducing claims to ACC. This in turn finalises the ROI calculations for the SA.

Comparing actual with expected also provides the opportunity to re-value future claims savings based on observed performance. The assumptions at the time the business case is presented for investment could be conservative, overestimated or in the case of new programmes, untested and exploratory. Some programmes have a high level of participant information which makes this easier to extrapolate out than others.

Part of this process is to determine if the performance of a programme justifies the future benefits as expressed by claims savings that is included to calculate the ROI. This DRAFT paper outlines the current thinking if a programme is performing as expected in the business case. This thinking is confirmed at the end of the FY24 financial year when the number of claims reduced by each programme is known.

This DRAFT assessment examines the reliability of the expected future claims savings based on current performance. The expected future claims savings is altered based on any decisions from options presented in this paper. In its simplest form it is asking "Can the future values of each programme be relied upon given performance to date".

Given the quick turnaround between the FY24 results being available, PPGG meetings and the annual external audit on the SA measures, having a draft ensures PPGG has time and information on the re-value.

Brief methodology

Claims savings for the purposes of determining the ROI is derived by calculating the number of fewer claims expected from each programme. The number of fewer claims is then modeled to determine the respective claim costs. This is then compared with the expected value of the claims saved. The number of claims saved from each programme is also SA target.

While the final results will not be known until the end of FY24, the results to the end of Q3 provide a strong indication as to the likely outcome (table 1 has the results for the end of Q3).

To assist the PPGG this year are presenting a shortened DRAFT paper, but a large summary table – see Table 1.

As a matter of procedure, the FY24 result is expected to be finalised in the first week of July 2024 as normal, but this will fall outside of PIPPGG meetings timelines. To mitigate this, we will put forward a provisional result in the SA in the first week of July 2024 and confirm the final result after the PIPPGG meeting in July 2024. Part of the purpose of this paper is to raise any potential issues early so these can be addressed prior to year end.

The recommendations in this paper to change any future claims savings will align with our best estimate of expected future claims savings. This is based on current performance, knowledge gained from programme implementation and historical performance. Recommendations to change will only be made when there is enough evidence from all sources available. No recommendation to change could mean:

- The programme is performing as expected

- The programme is not performing as expected but there is insufficient evidence to recommend change at this time

In making the recommendations in the final paper presented in July we will outline the change to the overall ROI from its current valuation. All figures presented will be adjusted to present value of money.

This year there are:

- Six programmes where the future values are being increased;
- Eight with no changes, the future values are close to the expected performance and;
- Ten programmes where the future values will be decrease

Overall net flows of **-\$20M** as a result and will move the SA ROI down to \$1.73 (Target is \$1.72 for FY24).

The programmes where we have increased the values will be known as 'Stretch' targets to signal that this was increased, based on performance, from the original business case assumptions.

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Table 1: DRAFT changes to the future values current programmess

Portfolio	Programme	Expected claims FY24	Actual claims (YTD) FY24	DRAFT Reccomendations for future values		Impact on future benefits (Present value)		ROI		Likelihood that June results will change decision	Investment outstanding	
				FY24	FY23	FROM	TO	FROM	TO			
				RAG	RAG							
Work	Farm strong	715	1874			Increase for FY25, FY26 to current performance	\$10.4M	\$25.2M	\$ 6.39	\$ 8.18	Low	\$0.7M
Work	Forestry (50% WorkSafe)	100	274			ACC takes future values instead of WorkSafe	\$4.4M	\$6.6M	\$ 2.60	\$ 3.59	None	\$0
Sport	Football	639	1133			Increase FY25 by 1.5 times	\$7.5M	\$9.9M	\$ 1.56	\$ 1.68	None	\$0.7M
Sport	Netball	1463	1830			FY25 & FY26 by 2 times	\$19.6M	\$22.3M	\$ 3.57	\$ 3.72	None	\$3.4M
Road	Young Driver	463	533			Increase FY25 and FY26 by 1.5 times	\$44.2M	\$36.3M	\$ 3.72	\$ 3.81	Low	\$0
Treatment	MORSIM / NetworkZ	74	94			FY25 & FY26 doubled, restored to previous levels	\$2.8M	\$5.7M	\$ 0.83	\$ 1.12	Low	\$0M
Treatment	ICNet	100	0			Future values reduced to zero	\$7M	\$ -	\$ 1.53	\$ -	None	\$0M
Treatment	Pressure Injuries	122	0			Future values reduced to zero	\$15.7M	\$ -	\$ 1.52	\$ -	None	\$0.8M
Work	ShopCare	225	0			FY25 FY26 moved to zero, remain values reduced by 50%	\$27.3M	\$11.2M	\$ 2.73	\$ 1.09	None	\$5.9M
Work	DHB	43	19			FY25 & FY26 reduced by 50%	\$3.8M	\$3.3M	\$ 2.53	\$ 2.20	None	\$0
Work	CHASNZ	741	216			FY25 & FY26 reduced by 50%	\$29.3M	\$26.8M	\$ 3.75	\$ 2.99	None	\$1.7M
Work	E Tu	30	0			Reduced to zero	\$1.5M	\$ -	\$ 12.00	\$ -	None	\$0
Work	The Cause Collective	72	0			Reduced to zero	\$3M	\$ -	\$ 2.00	\$ -	None	\$0
Sport	Rugby Union	2746	0			FY25 & FY26 reduced by 50%	\$17.8M	\$11M	\$ 3.50	\$ 3.27	None	\$19.M
Sport	Touch Rugby	109	0			FY25 & FY26 reduced by 50%	\$0.6M	\$0.4M	\$ 1.05	\$ 0.96	None	\$0.2M
Sport	League	42	0			FY25 & FY26 reduced by 50%	\$0.6M	\$0.4M	\$ 1.05	\$ 1.05	None	\$1M
Work	MarineSafe	3	0			No Change					None	\$0
Work	SafePlus (WorkSafe)	150	360			No Change					None	\$1M
Work	AW Trinder	33	32		N/A	No Change					None	\$0
Work	Wool	96	166			No change					None	\$0
Falls	NYMBL	638	95		N/A	No change					None	\$1M
Falls	Older Adult falls	1700	1760			No change					None	\$35M
Community	Firearms	11	15			No Change					None	\$0
Road	Motorcycling	506	394			No change					Low	\$9.6M

Known mitigating factors

Another yearly process that is underway is the update of the Statistical Case Estimate (SCE). The SCE is used to convert the number of claims saved into a dollar value.

At the time of writing, the initial indications are that the updated SCE will not materially change the respective ROIs, positively or negatively, except to NeoNatal. This will move the average cost of this claim from \$3.3M to \$4M. This impact on the expected benefits for this programme is an increase from \$51M to \$62M. This is outside the programmes control and in recent years has dropped from \$5.1M average cost per claim.

Another factor impacting claims savings is the investment rate and the discount rate. This has been raised at PIPPGG and the impact it has on the future value of money. The final investment rate result will be confirmed in time for the external audit process that occurs on the ROI every year.

If there are any material changes in Q4 that require changing an intention outlined in this paper, this will be highlighted in the final paper.

WorkSafe

We expect to stop funding WorkSafe in March 2025. We intend to move all WorkSafe costs currently in 'Design' into 'Exit'. We believe there will be no value from this funding other than what we have already identified. This is excluded from the SA ROI metric.

Design costs (Table 2)

Not all programmes have an ROI. Programmes in the early stages of development are classed as in 'Design' and don't have an ROI until a business case is formally approved and the programme is implemented (i.e., progressed into delivery). Then the costs of 'Design' are brought forward into the business case.

The concept of 'Design' being excluded from the ROI was to allow Injury Prevention time to trial, test and innovate and to assist ACC improving its knowledge base.

To avoid programmes permanently being in 'Design' a two-year limit was put in place. This process means costs older than two years are included in the ROI on a quarterly basis. Below is breakdown of the 'Design' costs with FY24 costs up to and including end of April. Table 2 present the costs in Design as at the end of April 2024.

While the 'Design' amount is \$107M, this will decrease by \$42M at the end of June 2024. The intention is to put WorkSafe funding currently in Design into Exit. There will be no future value from this funding of \$31.5M. Also moving into Exit from Design are the Treatment Safety programmes (\$4.5M) and the IP to front line (\$5.7M). Investment has been completed in both areas, and it is unlikely these will develop into a programme or provide any benefits. These costs have largely already been absorbed into the ROI so will have no impact on the SA ROI target.

Next steps

1. Any additional information required by PIPPGG will be supplied out of cycle.
2. At the end of June, we will know the final performance of each programme. We will adjust the results based on this paper and any discussion/instruction from the PIPPGG
3. Present the final paper for approval at the July 2024 PIPPGG meeting

Already included in the ROI at 30 June 2024									Excluded from the ROI				
Portfolio	Programme	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	End of April FY24	Total	Included in ROI (June 24)	Excluded from ROI
Treatment	Patient Safety		\$ 400,848	\$ 551,155	\$ 550,284	\$ 301,536	\$ 74,667	\$ 160,438	\$ 18,249	\$ -	\$ 2,057,177	\$ 2,038,928	\$ 18,249
Treatment	Root Cause Analysis	\$ 1,977	\$ 226,198	\$ 305,760	\$ 445,864	\$ 516,855	\$ 325,776	\$ 251,847	\$ -	\$ -	\$ 2,074,277	\$ 2,074,277	\$ -
Treatment	Risk of Harm Reporting				\$ 62,949	\$ 317,041	\$ 178,409		\$ -	\$ -	\$ 558,399	\$ 558,399	\$ -
Strategic	Tuarai pilot project					\$ 434,337	\$ 700,809	\$ 705,106	\$ 1,439,296	\$ 897,555	\$ 4,177,104	\$ 1,840,253	\$ 2,336,852
Community	IP to Frontline					\$ 649,276	\$ 1,437,866	\$ 3,395,113	\$ 205,648	\$ -	\$ 5,687,903	\$ 5,482,255	\$ 205,648
Treatment	Private Surgical Hospital Initiative					\$ 12,910	\$ 8,974	\$ 5,592	\$ -	\$ -	\$ 27,476	\$ 27,476	\$ -
Strategic	Nga Tini Whetu					\$ 5,426,282	\$ 5,552,925		\$ 475,307	\$ 4,358,277	\$ 15,812,790	\$ 10,979,206	\$ 4,833,584
Strategic	Healthy Consensual Relationship						\$ 312,556	\$ 1,797,466	\$ 3,114,780	\$ 4,336,075	\$ 9,560,876	\$ 2,110,022	\$ 7,450,854
Strategic	Child & Well being						\$ 22,685	\$ 1,335,562	\$ 770,932	\$ 319,697	\$ 2,448,876	\$ 1,358,247	\$ 1,090,629
Strategic	Prevention of Child Sexual Abuse						\$ 139,313	\$ 252,065	\$ 1,562,648	\$ 603,501	\$ 2,557,527	\$ 391,378	\$ 2,166,149
Community	Preventable						\$ 3,841,177	\$ 4,730,152	\$ 4,713,294	\$ 8,214,170	\$ 21,498,792	\$ 8,571,329	\$ 12,927,463
WorkSafe	WorkSafe DESIGN				\$ 481,874	\$ 4,695,183	\$ 10,160,624	\$ 7,410,683	\$ 1,246,232	\$ 7,479,655	\$ 31,474,251	\$ 22,748,364	\$ 8,725,887
Strategic	Cultural Capability IPMAOR							\$ 437,155	\$ 913,466	\$ 628,537	\$ 1,979,158	\$ 437,155	\$ 1,542,003
Strategic	Oranga Whakapapa							\$ 10,756	\$ 816,165	\$ 562,119	\$ 1,389,040	\$ 10,756	\$ 1,378,284
Community	IP Community connect							\$ 109,080	\$ -	\$ -	\$ 109,080	\$ 109,080	\$ -
Strategic	SafeKids Design								\$ -	\$ 2,094,443	\$ 2,094,443	\$ -	\$ 2,094,443
Strategic	Taurite Tu								\$ 241,729	\$ 303,040	\$ 544,769	\$ -	\$ 544,769
Strategic	Oranga Tikanga								\$ 2,678	\$ 170,845	\$ 173,523	\$ -	\$ 173,523
Strategic	Sustainable PP System								\$ 122,144	\$ 32,984	\$ 155,128	\$ -	\$ 155,128
Workplace	Taituara (Local Government)								\$ 362,077		\$ 362,077	\$ -	\$ 362,077
Community	Principal Customer Record									\$ 1,500,000	\$ 1,500,000	\$ -	\$ 1,500,000
Community	Secondary & Tertiary Prevention									\$ 1,000,000	\$ 1,000,000	\$ -	\$ 1,000,000
	Total	\$ 1,977	\$ 627,047	\$ 856,915	\$ 1,540,972	\$ 6,927,138	\$ 22,629,138	\$ 26,153,939	\$ 16,004,644	\$ 32,500,899	\$ 107,242,667	\$ 58,737,125	\$ 48,505,542

Appendix 1

Memorandum

TO	[Out of Scope]
FROM	[Out of Scope], Manager, Investment Intelligence and Performance
DATE	March 2024
SUBJECT	Annual revaluation of Injury Prevention (IP) programmes

Purpose

The purpose of this paper is to outline the start of the revaluation annual process, examining whether expected future claims savings for each programme are still correct.

Process for FY24

Changes to this year's process revisits the paper that was approved by the Primary Injury Prevention Portfolio Governance Group (PIPPGG) in August 2023 as a starting point. In this paper we are putting forward the changes, using the information in last year's paper to determine if these assumptions last year are still valid, this is particularly important for those programmes that were given time to improve performance.

This paper is based on the performance and other evidence as to whether the programme values can be relied upon going forward. It is the role of the programme teams to present information to challenge and change the assumption in this paper.

We expect to present in May 2024 to the PIPPGG meeting, a draft version of this paper. This is consistent with other revaluations. This is in case there are some end of year results that require adjusting the recommendations; but more importantly gives PIPPGG an opportunity to ask questions and dig deeper.

The content of this paper is broken down into portfolios and the expectation is that the first series of discussions draw out new information and outline where there are any differences of opinion on future benefits.

If under the revised IP strategy, a consideration is to scale back programme activities to allow greater focus, then this process is an essential part for those deliberations. Any proposed exits can be included in the advice to the Executive.

There are some key themes for this revaluation:

1. The programmes that were performing in FY23, continue to; the programmes that were not performing in FY23 also continue to underperform. This raises questions for IP regarding how to turn programmes performance around and what value and evidence is relied upon to assess value and performance, current and potential.
2. The approach of IP going forward needs to be a balance relating to the specifics of the programmes/suite of initiatives. Some programs will need little IP involvement, and some will need

more intensive oversight. The important consideration is that there remains a focus on performance outcomes.

- There were a lot of re-investments in FY24. The below table was presented at the March PIPPGG with the updated comments provided by IP. It is used to determine whether the returns will be as expected.

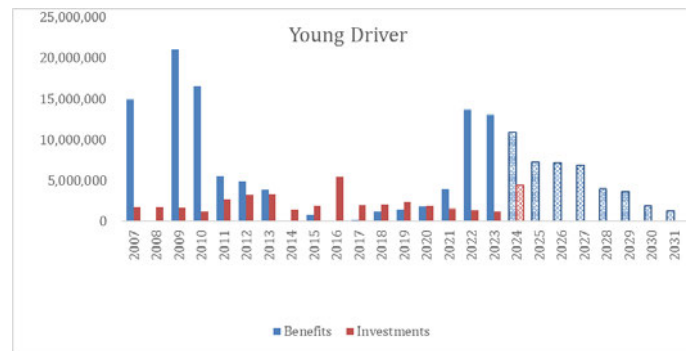
Figure 1. IP Programmes Performance to Date FY24

	Programme	FY24	YTD	RAG	Actual	Spend	Till	ROI	Q2 Comments
		Target	FY24	FY24	FY23	(M)			
Work (ROI \$2.13, incl WorkSafe \$1.40)	Farm strong	715	1,874			\$ 1.3	FY25	\$ 6.4	
	Wool	96	166					\$ 2.3	
	ShopCare	225	0			\$ 8.0	FY27	\$ 2.7	ShopCare has now transitioned to a 'System Partner' - Business case approved in October 23. As part of this the expected claim savings benefits have been deferred - based on our learnings that it takes longer for the benefits of these partnerships to be evidenced through claim savings. A New CE and programme manager have been employed both with a delivery focus so are confident the intended benefits will be achieved albeit over a longer timeframe.
	Forestry (50% WorkSafe)	100	274			\$ 1.0	FY25	\$ 2.6	
	DHB (G&S)	43	19					\$ 2.7	2023 DHB had been performing well with 90% of the Auckland District (TWO) contractors using Tötika (prequal H & S tool) that gives some confidence of good H & S performance. Further work required to better track and monitor NZBus Nos for claims savings purposes.
	CHASNZ	741	216			\$ 3.5	FY25	\$ 3.7	CHASNZ is continuing to provide strong leadership within the construction sector and they are progressing their design and implementation of a range of evidenced-informed initiatives. Identified KPI measures remain positive. We are confident that this system partner is on the right track even if their claim saving data does not yet show positive claim savings benefits. Additional data has been provided to IP&I team and we are awaiting further results.
	MarineSafe (G&S)	3	0					\$ 1.3	Small number of claim expected which does lead to some fluctuations in claim saving results.
	SafePlus (WorkSafe)	150	360			\$ 1.1	FY25	\$ 1.5	
	AW Trinder (G&S)	33	32		N/A			\$ 20.0	Passive engineered solution which has a high efficacy. However uptake is highly dependent on capital replacement of truck and trailers
Remining Grants & Sub (G&S)	153	0			\$ 9.5	FY26	\$ 2.1	have proposed deferred benefit realisation, the rationale and supporting assumptions are still in discussion.	

Analysis by programme: Road

Young Driver programme

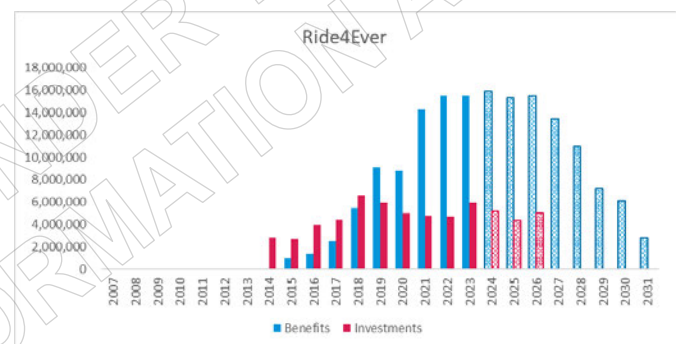
Last year we noted that: there is a large underspend as it was not required (prudence) and will positively impact on the ROI in FY24; Increase in returns is due to better data from partners, specifically providing data requested not a subset; and a new business case will be present in FY24 for the start of FY25 (PIPPGG approved this needed just internal sign out).



This year we expect that Cohort 1 benefits to start reducing as participants turn 25 and this will return fewer benefits (coming to the end of its ten-year period). Cohort 2 should be increased slightly as a stretch target only. Otherwise, it is in line with current expectations.

Motorcycles

Last time we noted that: Cohort 3 was yet to be approved (it since been approved); Cohort 2 while has the same efficacy of Cohort 1, it has trained fewer riders due to COVID; we would be exploring if Cohort 2 should have its values lowered. The values for Cohort 1 were increased as a stretch target and it is tracking close to this.



This year we think Cohort 1 & 2 future values should remain and that Cohort 3 is showing the same values. The Motorcycle Safety Advisory Council (MSAC) has asked for a review of the Ride4Ever programme which should be completed by June and we will include any relevant recommendation in here.

There is some spends in intersections that are not performing, this is via MSAC, and whether they should continue, as better ROI could be achieved without this initiative.

Road long term programmes.

The Road long term programmes take time for benefits to be realised and this has been outlined in the assumptions. There are three areas:

1) Road infrastructure

- IP budget cuts have reduced about \$3.5M off this programme and we will be pro-rata the ROI accordingly in this revaluation.
- IP to provide a list of the roads so they can start to be tracked via CAS system.

2) Out of Context curves

- No change in this revaluation, just waiting for time to pass to measure, but IP to provide a list of the roads so they can start to be tracked via CAS.

3) Speed Management.

- No change here, just waiting for time to pass to measure. The change to revert to previous speed does not impact on the values as the analysis was undertaken before the previous government policy.

Auckland Transport

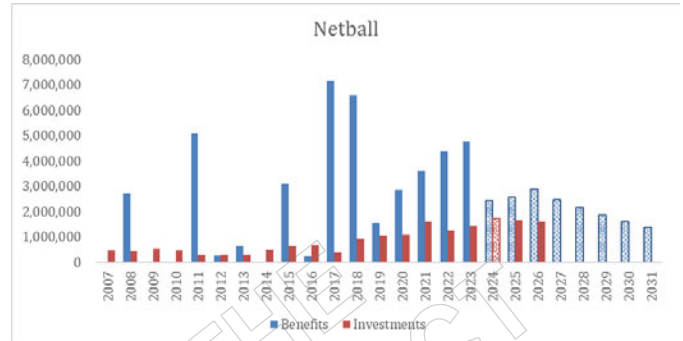
This was in design. It appears to have no additional spend but there was spend in FY23. This should be moved to exit.

Analysis by programme: Sport

Netball

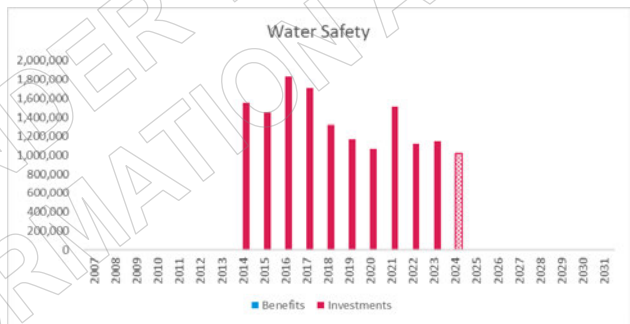
Last time we noted that it was a strong performer and continues to be.

The programme continues to perform and should, as a stretch target, have its future value doubled in the next two years. This approach recognises its performance to date without locking in higher benefits for the long term as yet. It can be relooked at the FY25 revaluation if the stretch is too much.



Water Safety

Last time we noted that in 2014, the then IP Investment Committee recommended pausing investment; and Water Safety NZ invited to come to ACC to demonstrate work towards a sustainable funding model which involves a range of funding sources (government, lotteries/trusts and commercial partners). This has still not yet been done. The current agreement expires in FY24.

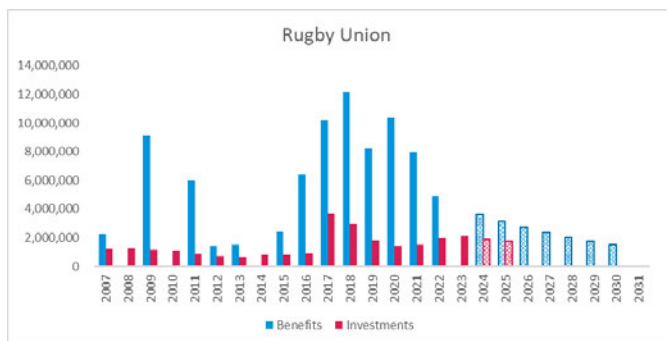


This same issues remain and the PIPPGG agreed to invest in Water Safety NZ for one more year (FY25) to allow time for the govt review of water sector. The drowning toll used to justify the ongoing commitment is all water related deaths (not those within Water Safety NZ remit).

Rugby Union

Last time we noted the off-field activities have been the focus and the on-field programme removed the compulsory element from secondary schools. The Sport team were addressing these issues with NZ Rugby. It was hoped this was a blip in the otherwise cornerstone of IP programmes that was effective over the last 20 years.

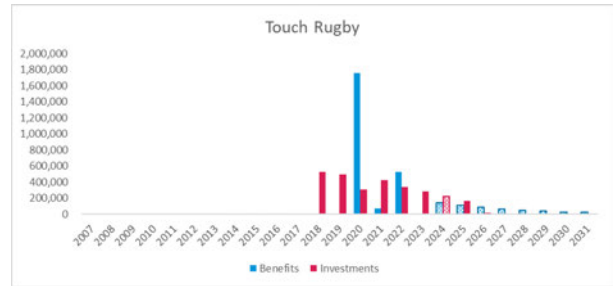
The programme continues to underperform and the issues remain. The investment is nearing its conclusion in FY25, this could encourage resolution on some of these issues. In the meantime, the values of the programme should be decreased for the FY25 and FY26 future claims savings by 50%. Reducing by 50% for the next two years is consistent with other non-performing programmes.



Touch Rugby

Last time we noted the current contract has had mixed results to date. The investment was completed this financial year and future benefits expected are small.

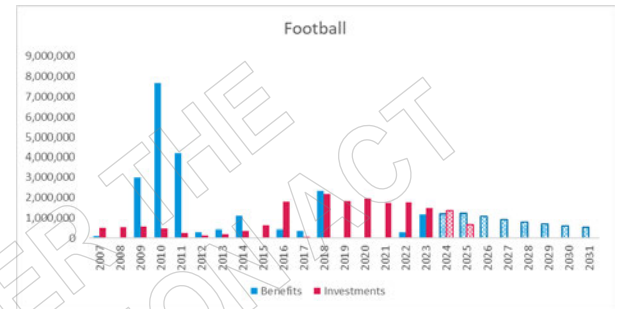
In FY24, additional investment that didn't go past PIPPGG. It is continuing to provide benefits but the values are small. It should, in keeping with other non-performance, have the next two FY reduced by 50%.



Football

Last time we noted the player database showed the programme was back on track.

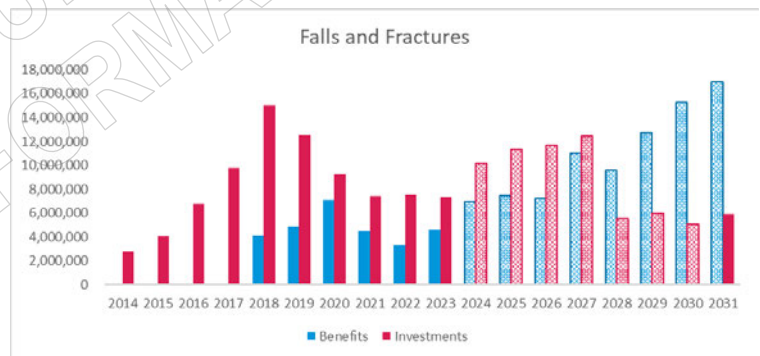
The trend continues for Football results. We note that 50% of the ACC football claims are from players on the NZ Football database. As a result, a stretch target should be introduced to increase the future benefits about 1.5 times for the next two years. It will likely seek re-investment in FY25 and this might further change the expected benefits.



Analysis by programme: Falls

Last time we noted that the Falls team had changed the future values and this was questioned when the business case went up to the Board seeking additional investment.

The Board did approve further investment but the programme hinges on whether the fracture liaison service (FLS) will be invested in by Health past the current tranche of investment. The assumptions in the business case and model assumes this. The benefits for this year are in line with what has been delivered in the past few years and increases when the FLS starts ramping up. The recent report suggests things are on track except whether Health will invest past FY27.



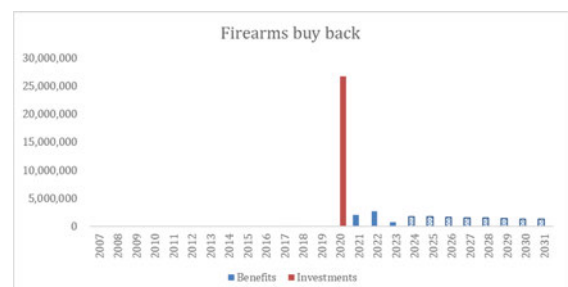
The chart also include investment and returns for Nymb1, with the first full year result due in April 2024.

Analysis by programme: Community

Firearms buy back

Last time we noted that the result was below what was expected. This was likely because the number of firearms targeted had not been collected based on a number of reports used to triangulate the data. The future values were lowered.

This year the result is more in line with the lowered results. It should stay at this level for the short term. There is a review of the firearms legislation, and this could require re-visiting the future values of this programme.



Injury Prevention to Front Line

This was a programme in 'design' that sits under the Community portfolio. It was set up to help identify people who have a higher risk of re-injury and then provide re-injury information and intervention at the time of making a claim. However, the result has not shown any benefit. The Workplace team have also been testing this channel with FarmStrong and are unlikely to use it going forward. As it was in 'design' a lot of the cost, \$3.5M of the \$5.6M (present value of money), is already included in the ROI. As it was the only project being run under the Advanced analytics - there was a lot of overheads in the \$5.6M.

This programme should be moved to Exit, but could be revisited under the refresh of the IP strategy that is examining re-injury.

Analysis by programme: Treatment Safety

Foetal Anti-Convulsant Syndrome (FACS)

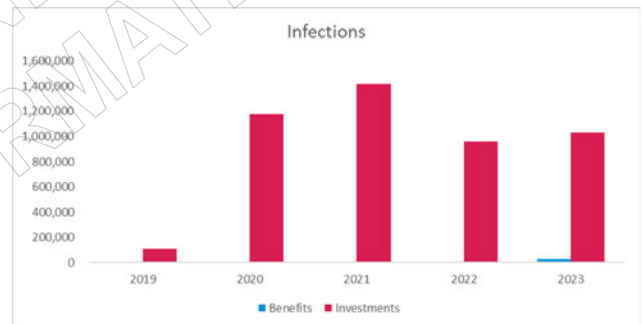
Last time we noted this had been in 'design' due to no business case but was actually in 'delivery'. There is a lag in claims coming forward (about 10 years) so the benefits are moved out as the volume of claims are small but expensive. The Statistical Case Estimate (SCE) implications for this programme are similar to NeoNatal.

There has been no movement in this programme and as a result there should be no change in the value of the programmes. The first time we would expect a return is FY28. The Comporto data highlight prescribing is still continuing but at a reduced level, this is key to the success of the programme.

Infections

Last time we noted that the deep dive found four of the five initiatives were in 'design' and the benefits for the one programme will be tracked. The expectation is none or little claims savings will be achieved going forward.

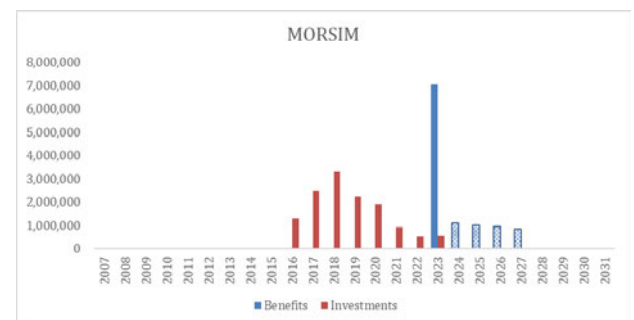
The one initiative is being tracked and is in line with expectations. There seems to be some confusion on whether it should be reported or not, but is currently green.



MORSIM/NetworkZ

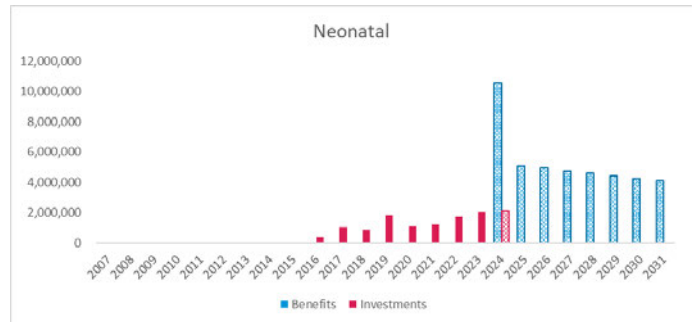
Last time we noted the FY21 review lowered the future benefits by 50% and in FY23 there were benefits for the first time. It appears Cohort 3 was behind this increase and time would determine if this would continue. Investment has been completed.

This year, the benefits seem to continue and as a result the full value of the benefits should be re-instigated to previous levels (i.e., doubling of the current benefits).



Neonatal encephalopathy

Last time we noted that no more investment needed and Treatment Safety is currently transitioning products that have completed their development to Te Whatu Ora (and the risk of this). In Q3, Treatment Safety are waiting for Te Whatu Ora to collect and send data for monitoring the effectiveness of the Neonatal Observation Chart/Neonatal Early Warning Score (NOC/NEWS), and the Growth Assessment Protocol (GAP). The SCE has a material impact on the ROI.

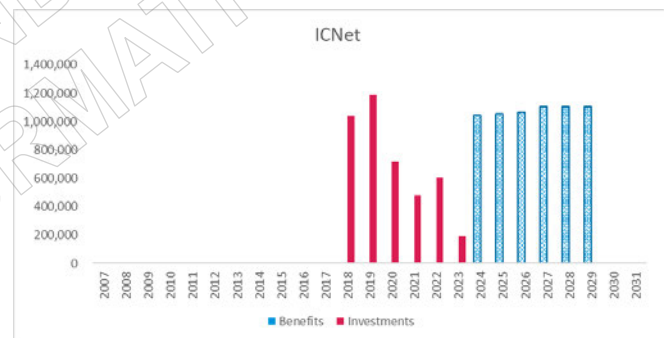


In September 2023, a memo was approved for an additional \$2M and that is unlikely to all be spent this financial year. There has also been analysis done on a key part of the programme, GAP/Grow, which appears to reduce stillbirths but has not had the impact on NeoNatal as expected.

While we didn't expect an impact on claims just yet due to small numbers of claims per year, this needs to be looked at each year as GAP/Grow paper and Te Whatu Ora are risks. The value should stay the same for this revaluation.

ICNet

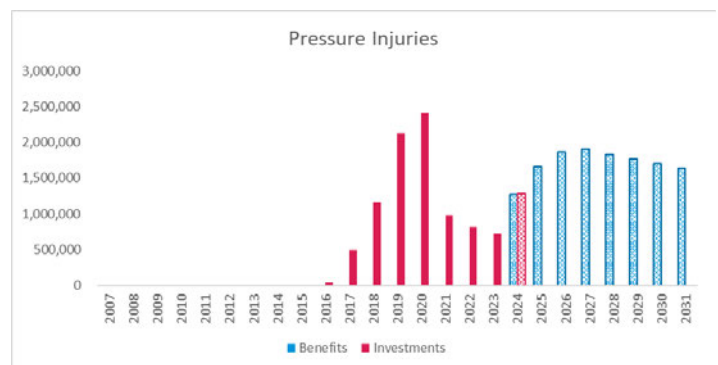
Last time we noted the success in Taranaki has not been replicated and that about half the DHBs are involved, yet the future values were kept the same, which assumes all DHBs are involved. There was also a close out report underway. Treatment Safety wanted to keep the future values the same.



This year there has been no additional investment or further DHBs picking up this initiative and the close out report completed. The performance is unlikely to change, and the future values should be reduce to zero in this revaluation, but will be monitored in case any values do appear.

Pressure Injuries

Last time we noted when the programme sought further investment - there was a resetting of benefits that occurred in FY22 with benefits expected in FY23. The programme team considered no adjustment should be made to future claims savings despite current performance.



There has been no improvement in the results and other health sector data also confirms the increase in pressure injuries, possibly due to Health sector workloads. There is a close out paper being written. Based on performance the future benefits should be moved to zero but monitored in case the situation changes.

Surgical mesh

Last time we noted investment made by ACC to support the review of this injury and ongoing support for the taskforce group. There was no ROI at the time and we would be monitoring to determine any claims impact.

We are still monitoring, and we consider it will take a few years (due to the lag in claims for this procedure). At the moment there appears to be no benefit, but we think this is lag related.

Analysis by programme: Workplace

WorkSafe

Last time we noted the difficulty to assess as the information coming from WorkSafe was of poor quality and requires significant following up. There were only three programmes providing any value and WorkSafe stopped one of those a few years ago.

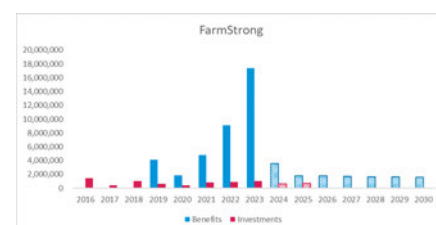
ACC has given notice to exit out by March 2025 and that all 71 programmes be placed into 'Exit' now from the likely \$85M investment. WorkSafe investment is excluded from the SOI ROI due to the high risk of relying on another agency to deliver results. We will continue to track the two programmes that are delivering benefits. We expect WorkSafe to refer organisations to ACC to continue investment in the programmes leaving ACC to make the decision to stop investment.

ShopCare

This was a re-investment in FY24 with the first investment occurring in 2018 as one of the first grants recipients. There were no benefits from the programme and risks (inability to deliver, overestimate of benefits) were identified when ShopCare sought re-investment in FY22. This resulted in bridging investment while ShopCare worked on their business case which ACC also funded. The FY24 re-investment did not go to the PIPPGG. Within a few months of the business case the Workplace team wanted to push out the benefits for a few years. At the re-investment time this would have been ideal, but they were confident in the assumptions. There continues to be no benefits and are unlikely to be for the next few years. The values for the next few years should be moved to zero rather than moved out; and the remaining values reduced by 50%. The stage gate is October 2025 and at that time another decision can be made on future benefits.

FarmStrong

Last time we noted FY23 was the third year of investment and the programme was continuing to provide well above expected benefits. There was some concern whether the cyclone in February 2023 would impact on the sector and as a result benefits were moved up but took a cautious approach based on the cyclone data at the time.

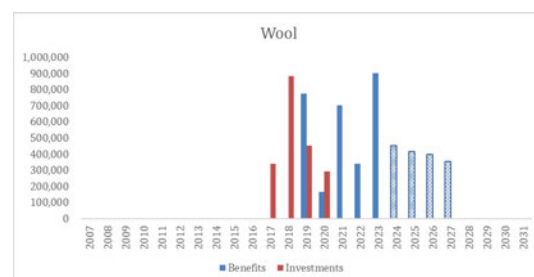


The programme continues to perform and values should be doubled for the next two years. In FY25 FarmStrong are likely to come back for re-investment and any further adjustments can be made then. Workplace are considering investment in the sector group similar to ShopCare, but since Farmstrong focus is the entire agriculture sector, this investment is unlikely to improve the ROI and will lower it over time.

Wool/shearing

Last time we noted that investment has been completed and the program is performing approximately in line with expectation after a shaky start at the beginning of the contract.

The programme is continuing in line with expected benefits, albeit a bit lumpy in parts and there is no reason to alter it.



Forestry

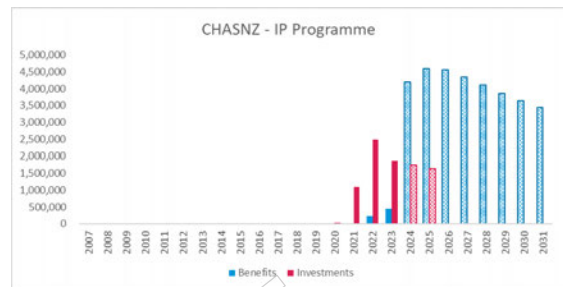
Last time we noted that this was a successful programme winding down until additional investment by WorkSafe and ACC via a grant which splits the benefits on a 50/50 basis. We argued the benefits could have been achieved without the additional investment.

This year the results continue to be in line with expectations, possibly a little higher due from a linear perspective but might have a seasonal variance. It is still performing as expected and at this stage no change to the future benefits. As investment from WorkSafe stops, ACC are likely to get a re-investment request.

Construction

Last time we noted the stage gate did not come to the PIPPGG for approval and that would have been an apt opportunity to reforecast values

This time benefits continue to be behind the expected. They are likely to seek re-investment in FY25. As a result, the next two years should have the future values lowered by 50%. An additional \$300K memo is also being written to cover internal overheads.



Grants and Subsidies

Last time we noted that the investment in Grant round 1&2 had been completed, with about half of Grants 3&4 investment completed. While results are mixed, they are more underperforming than over performing and we noted the challenge to deliver on these. Most of the benefits start on or after the investment has been completed. This creates a high risk for ACC and relies on goodwill to be achieved the benefits after the investment has been completed by ACC. The Workplace team remain confident and believe there is measures put in place to manage the risk after the contract has ended including the Knowledge and Extension plans, ongoing relationship with grantees after contract expires, data transfer arrangements, and currently working on improving performance monitoring of grantees. It appears this is just for Grants 3&4, not Grants 1&2. We outlined a sunk cost argument for Grants 1&2.

In FY24 the results for Grants 1&2 expected by now are well behind. There was one notable exception, which was AW Trinder, which was a passive intervention. One of the programmes had run out of investment and WorkPlace agreed to fund the implementation of its Kauapapa Maori framework, which implementation was to be included in the original investment.

On a positive note, Grants 3&4 are in some instances ahead of where they should be but benefits were not expected this year. Grants 3&4 should have no change but Grants 1&2 that have not delivered any benefits to date should be reduced to zero (but monitored going forward in case any benefits materialize).

Grant round 5 (G5), which is underway is on target for the successful grantees to be informed in October 2024. A proxy value for this G5 is already included in the ROI and will be adjusted once the G5 process has been completed and contract set up.

Analysis by programme: Strategic investments

Last time we noted the investments in this portfolio that covers most of the programmes in and around Sexual violence and Family violence. These are included in the overall ROI, but do not have separate ROIs. This fits into the balanced approach for the ROI where the overall ROI is positive it can allow for programmes to have ACC investment without an ROI.

The IPDDC determined that while the programme did not need a ROI as other programmes do, the investment in these programmes will be included in the ROI as the programmes are incurred. This was to allow time until the programme can be developed and understanding of the time needed to change behavior to impact on claims. The other Strategic Investment programmes since have started developing into programmes in their own right, such as Healthy Consensual Relationships; or are in a design phase.

There has been some improvement this year. As a result of an internal audit there is a ROI for 'Assault in Home' programme that will be implemented in Auckland; and using the date of first harm we are completing sexual violence programme ROI, again in Auckland. The changes to the forthcoming Integrated Services for Sensitive Claims (ISSC) contract could be asking the date of first harm a lot earlier when a person makes a claim.

This year we will be reviewing whether a balanced approach to the ROI is still fit for purpose. It was designed to allow IP to be innovative and try things that would convert into programmes but this has not materialised.

Child

Last time we noted the Child injury prevention programme was approved for re-investment at the April 2023 Protection from Injury Value Stream Board meeting and signed off by the Chief Executive.

The programme is in design with a stage gate about a year away. Work has been started on building the aspects for the next tranche of investment into a programme for delivery.

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Claims trends

Performance

Draft Re-valuation

Claims Trends (1)

The Accounts are behaving differently from each other in FY24. This is reflection of an underlining recession impacting on the Accounts at different times. For July to May FY23 vs FY24, net 83K more claims

- Work has 12K fewer claims and it is across most sector, predominately in the areas under greater recessionary pressure, construction, agriculture, manufacturing, retail
- Treatment is up 28%, or 3300 claims due to clearing of backlog/internal processes
- Motor vehicle is 1.2% increase or 383 more claims coming from mostly drivers over 35, U29s drivers are decreasing
- Earners' is up 13K, with more 9K females (excluding MBI of 2800); more sport 7.3K (Fitness/Gym 25% but not WC). Some older people staying in employment
- Non-Earners' is the largest increase of 79K (MBI of 4000). Difference in rates of pop.

Claim Trends (2)

We are observing more claims by ethnicity (July to May FY23 vs FY24)

- 19K more claims (10%) increase for people who have indicated they are Asian and 8K more claims from 'other ethnicities' (9.3%). This is across all the Accounts, including work.
- All other ethnicities increased about 3% each, with Work and MV having fewer claims.
- There is also difference between age groups. As a rate per 100K of pop the Earners/Non-Earners' for under 29 are still below pre-COVID levels; 30 to 69 are above pre-COVID; and 70+ are at/about pre-COVID. All are increasing trajectory

Claim Trends (3)

We are observing more claims by age grouping (July to May FY23 v FY24)

- About ½ of the claims increase are from people over 55
- The only age group with fewer claims are aged 20-29 which could be a reflection of international departures and unemployment
- We are monitoring the economic sector indicators for these to change (canary down the mine).

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Overall Weekly comp (WC)

Generally macro economic factors impact on claims and WC, we are observing this in claims in work and WC but it isn't across the all the accounts (as yet)

- 12K fewer Work account claims (July to May FY23 v FY24) yet there is 1126 (4.2%) more WC claims. We were observing a slowing of this compared with the same month last year. July to Sept was double digit growth which has slowed to low single digit growth (2-3%), but April and May is back to double digital growth.
 - In the Earners' the WC growth had also gone from double to single digit growth to signal digit growth of 6 to 8%, but April and May is back to double digital growth. There are 3353 (5.5%) more Earners' WC claims compared to same period last year.
 - In the Motor vehicle account there is 38 (1%) more WC claims YTD but has declined by double digits (-2 to -14%) since Nov 23 to April 24. May returns to growth
 - We would expect WC to continue to slow as it did with GFC, but it was more abrupt
-

Performance

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Total portfolio

- Under the balanced portfolio approach, the overall ROI is \$1.44 at 1 July 2023
- We expect this to be around to drop to ~\$1.37 at the end of June 2024 to account for WorkSafe moving into Exit and re-valuation etc
- The SOI of \$1.72 target excludes WorkSafe and the Strategic Investments team

Portfolio (1 July 2023)	Benefits (M)			Investments (M)			ROI per \$1 invested		
	Total	Retrospective	Prospective	Total	Retrospective	Prospective	Total	Retrospective	Prospective
Community	\$ 42.3	\$ 19.6	\$ 22.7	\$ 71.0	\$ 69.0	\$ 2.1	\$ 0.60	\$ 0.28	\$ 11.04
Falls	\$ 114.2	\$ 32.4	\$ 81.8	\$ 105.5	\$ 89.0	\$ 16.5	\$ 1.08	\$ 0.36	\$ 4.96
Road	\$ 388.3	\$ 174.3	\$ 213.9	\$ 122.5	\$ 111.1	\$ 11.4	\$ 3.17	\$ 1.57	\$ 18.82
Sport	\$ 202.0	\$ 164.6	\$ 37.3	\$ 108.1	\$ 101.5	\$ 6.7	\$ 1.87	\$ 1.62	\$ 5.61
Treatment Injury	\$ 80.8	\$ 7.1	\$ 73.8	\$ 61.2	\$ 59.9	\$ 1.3	\$ 1.32	\$ 0.12	\$ 57.45
Violence	\$ 0.0	\$ 0.0	\$ 0.0	\$ 98.9	\$ 98.9	\$ 0.0	\$ 0.00	\$ 0.00	\$ 0.00
Workplace/WorkSafe	\$ 194.2	\$ 82.5	\$ 111.7	\$ 143.4	\$ 129.5	\$ 13.9	\$ 1.35	\$ 0.64	\$ 8.05
Totals	\$ 1,021.8	\$ 480.6	\$ 541.3	\$ 710.6	\$ 658.9	\$ 51.7	\$ 1.44	\$ 0.73	\$ 10.46

Q3 claims saved/avoided by programme

	Programme	Target	Results	RAG	RAG
		FY24	end of Q3	FY24	FY23
Sport (ROI \$1.75)	Rugby Union	2,746	0		
	Touch Rugby	109	0		
	Football	639	1,133		
	Netball	1,463	1,830		
	League	42	0		
Road (ROI \$3.09)	Young Driver	463	533		
	Motorcycling	506	394		
Treatment (ROI \$1.28)	MORSIM/NetworkZ	74	164		
	ICNet	100	0		
	Pressure Injuries	122	0		
Other	NYMBL	638	95		N/A
	Older Adult falls	1,700	1,760		
	Firearms	11	29		
	Preventable	0	28		

Q3 claims saved/avoided by programme

	Programme	Target	Results	RAG	RAG
		FY24	end of Q3	FY24	FY23
Workplace (ROI \$2.13)	Farm strong	715	1,874		
	Wool	96	166		
	ShopCare	225	0		
	CHASNZ	741	216		
	DHB (G&S)	43	19		
	MarineSafe (G&S)	3	0		
	AW Trinder (G&S)	33	32		N/A
	Grants & Sub - Multi	150	0		
WorkSafe (ROI \$0.18)	Forestry (50/50)	100	274		
	SafePlus	150	360		

Other Activity for claims savings due in

FY25	FY26
Te Whare Wananga (G&S)	Silicosis (G&S)
Dairy NZ (G&S)	Horticulture (G&S)
Massey (G&S)	
BIMSafeNZ (G&S)	FY27
Farm without Harm (G&S)	NeoNatal
Trucking NZ (G&S)	Surgical Mesh
On Hire (G&S)	Roading infrastructure
Manufacturing (G&S)	
Waihanga Ora (G&S)	
Auckland SV	
Auckland FV	

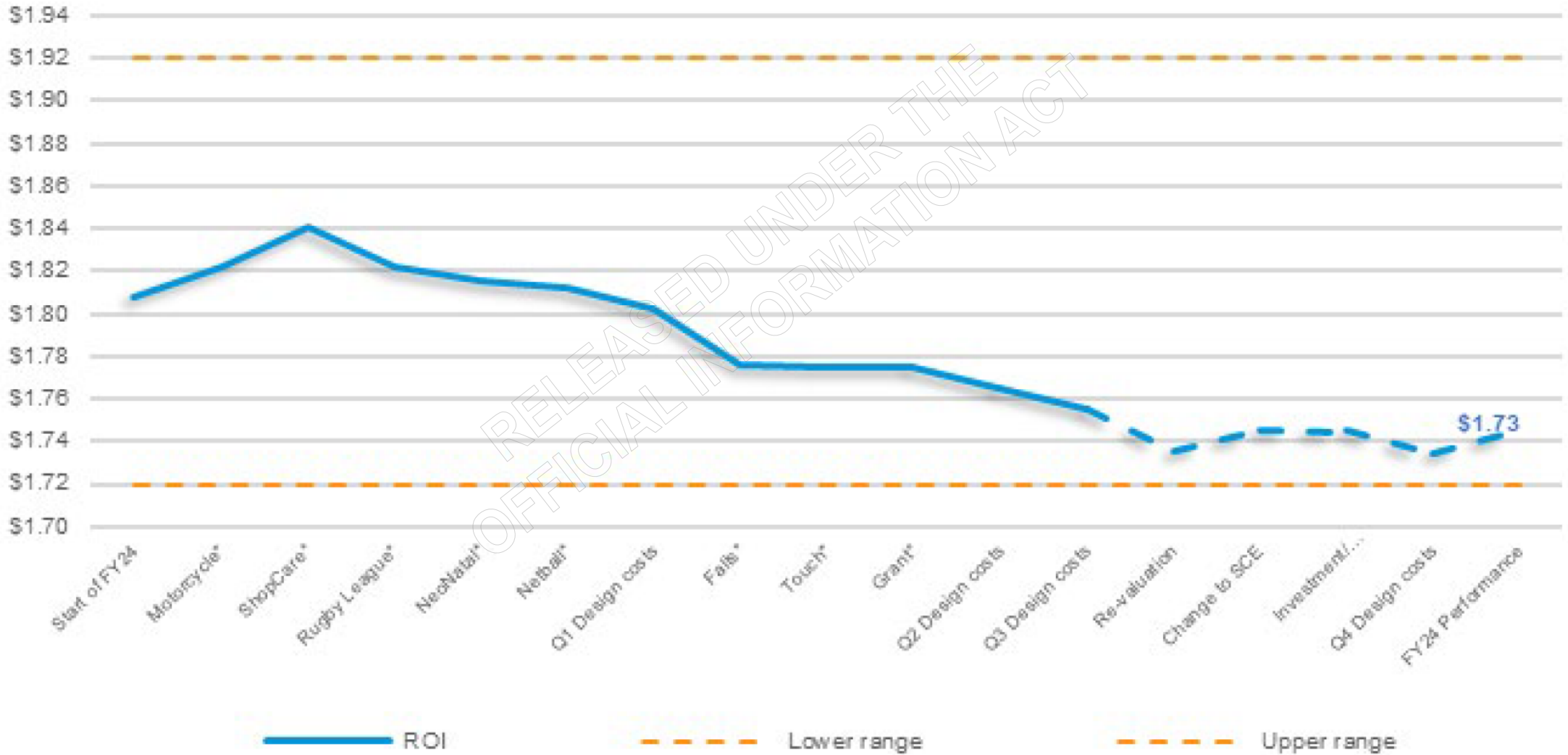
Programmes in design

Already included in the ROI at 30 June 2024

Excluded from the ROI

Portfolio	Programme	Already included in the ROI at 30 June 2024							Excluded from the ROI		Total	Included in ROI (June 24)	Excluded from ROI
		FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	End of April FY24			
Treatment	Patient Safety		\$ 400,848	\$ 551,155	\$ 550,284	\$ 301,536	\$ 74,667	\$ 160,438	\$ 18,249	\$ -	\$ 2,057,177	\$ 2,038,928	\$ 18,249
Treatment	Root Cause Analysis	\$ 1,977	\$ 226,198	\$ 305,760	\$ 445,864	\$ 516,855	\$ 325,776	\$ 251,847	\$ -	\$ -	\$ 2,074,277	\$ 2,074,277	\$ -
Treatment	Risk of Harm Reporting			\$ 62,949	\$ 317,041	\$ 178,409			\$ -	\$ -	\$ 558,399	\$ 558,399	\$ -
Strategic	Tuarai pilot project				\$ 434,337	\$ 700,809	\$ 705,106		\$ 1,439,296	\$ 897,555	\$ 4,177,104	\$ 1,840,253	\$ 2,336,852
Community	IP to Frontline				\$ 649,276	\$ 1,437,866	\$ 3,395,113		\$ 205,648	\$ -	\$ 5,687,903	\$ 5,482,255	\$ 205,648
Treatment	Private Surgical Hospital Initiative				\$ 12,910	\$ 8,974	\$ 5,592		\$ -	\$ -	\$ 27,476	\$ 27,476	\$ -
Strategic	Nga Tini Whetu					\$ 5,426,282	\$ 5,552,925		\$ 475,307	\$ 4,358,277	\$ 15,812,790	\$ 10,979,206	\$ 4,833,584
Strategic	Healthy Consensual Relationship					\$ 312,556	\$ 1,797,466		\$ 3,114,780	\$ 4,336,075	\$ 9,560,876	\$ 2,110,022	\$ 7,450,854
Strategic	Child & Well being					\$ 22,685	\$ 1,335,562		\$ 770,932	\$ 319,697	\$ 2,448,876	\$ 1,358,247	\$ 1,090,629
Strategic	Prevention of Child Sexual Abuse					\$ 139,313	\$ 252,065		\$ 1,562,648	\$ 603,501	\$ 2,557,527	\$ 391,378	\$ 2,166,149
Community	Preventable					\$ 3,841,177	\$ 4,730,152		\$ 4,713,294	\$ 8,214,170	\$ 21,498,792	\$ 8,571,329	\$ 12,927,463
WorkSafe	WorkSafe DESIGN			\$ 481,874	\$ 4,695,183	\$ 10,160,624	\$ 7,410,683		\$ 1,246,232	\$ 7,479,655	\$ 31,474,251	\$ 22,748,364	\$ 8,725,887
Strategic	Cultural Capability IPMAOR						\$ 437,155		\$ 913,466	\$ 628,537	\$ 1,979,158	\$ 437,155	\$ 1,542,003
Strategic	Oranga Whakapapa						\$ 10,756		\$ 816,165	\$ 562,119	\$ 1,389,040	\$ 10,756	\$ 1,378,284
Community	IP Community connect						\$ 109,080		\$ -	\$ -	\$ 109,080	\$ 109,080	\$ -
Strategic	SafeKids Design								\$ -	\$ 2,094,443	\$ 2,094,443	\$ -	\$ 2,094,443
Strategic	Taurite Tu								\$ 241,729	\$ 303,040	\$ 544,769	\$ -	\$ 544,769
Strategic	Oranga Tikanga								\$ 2,678	\$ 170,845	\$ 173,523	\$ -	\$ 173,523
Strategic	Sustainable PP System								\$ 122,144	\$ 32,984	\$ 155,128	\$ -	\$ 155,128
Workplace	Taituara (Local Government)								\$ 362,077		\$ 362,077	\$ -	\$ 362,077
Community	Principal Customer Record									\$ 1,500,000	\$ 1,500,000	\$ -	\$ 1,500,000
Community	Secondary & Tertiary Prevention									\$ 1,000,000	\$ 1,000,000	\$ -	\$ 1,000,000
	Total	\$ 1,977	\$ 627,047	\$ 856,915	\$ 1,540,972	\$ 6,927,138	\$ 22,629,138	\$ 26,153,939	\$ 16,004,644	\$ 32,500,899	\$ 107,242,667	\$ 58,737,125	\$ 48,505,542

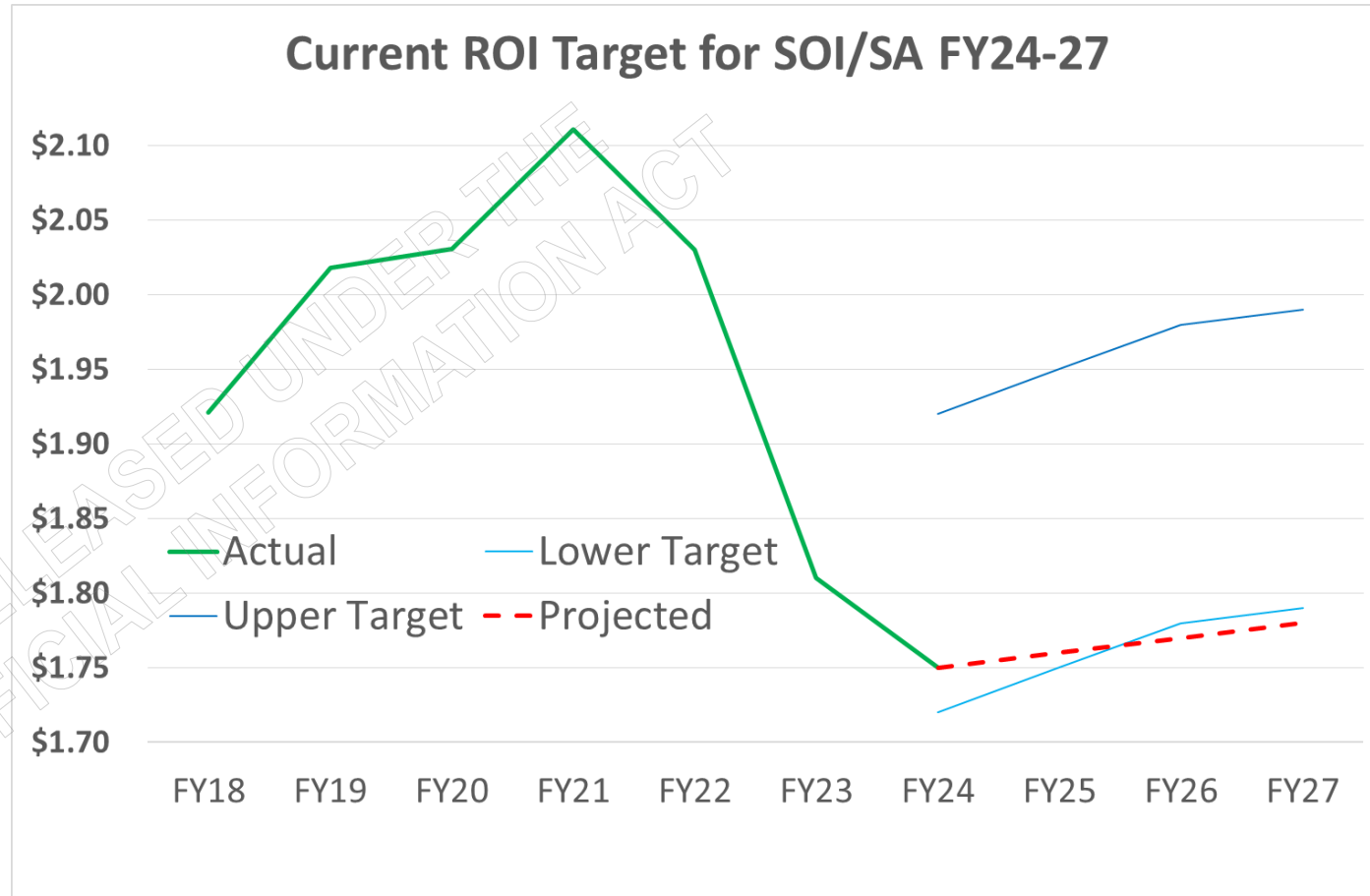
KNOWN FACTORS IMPACTING ON ROI - EST \$1.73 AT END OF JUNE 2024



SOI/SA for FY25 vs historical results

While FY24 looks achievable the likely result is at the lower end of the range.

Moving forward future years targets are likely to be more challenging until the pipeline starts flowing or the current programmes outperform what is expected (which is happening in FY24, but lower than previous years)



Draft Re-valuation

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DRAFT table of changes

Portfolio	Programme	Expected claims	Actual claims (YTD)	DRAFT Reccomendations for future values		Impact on future values (Present value of money)		ROI		Likelihood that June results will change decision	Investment outstanding	
		FY24	FY24	FY24 RAG	FY23 RAG	FROM	TO	FROM	TO			
Work	Farm strong	715	1874			Increase for FY25, FY26 to current performance	\$10.4M	\$25.2M	\$ 6.39	\$ 8.18	Low	\$0.7M
Work	Forestry (50% WorkSafe)	100	274			ACC takes future values instead of WorkSafe	\$4.4M	\$6.6M	\$ 2.60	\$ 3.59	None	\$0
Sport	Football	639	1133			Increase FY25 by 1.5 times	\$7.5M	\$9.9M	\$ 1.56	\$ 1.68	None	\$0.7M
Sport	Netball	1463	1830			FY25 & FY26 by 2 times	\$19.6M	\$22.3M	\$ 3.57	\$ 3.72	None	\$3.4M
Road	Young Driver	463	533			Increase FY25 and FY26 by 1.5 times	\$44.2M	\$36.3M	\$ 3.72	\$ 3.81	Low	\$0
Treatment	MORSIM / NetworkZ	74	94			FY25 & FY26 doubled, restored to previous levels	\$2.8M	\$5.7M	\$ 0.83	\$ 1.12	Low	\$0M
Treatment	ICNet	100	0			Future values reduced to zero	\$7M	\$ -	\$ 1.53	\$ -	None	\$0M
Treatment	Pressure Injuries	122	0			Future values reduced to zero	\$15.7M	\$ -	\$ 1.52	\$ -	None	\$0.8M
Work	ShopCare	225	0			FY25 FY26 moved to zero, remain values reduced by 50%	\$27.3M	\$11.2M	\$ 2.73	\$ 1.09	None	\$5.9M
Work	DHB	43	19			FY25 & FY26 reduced by 50%	\$3.8M	\$3.3M	\$ 2.53	\$ 2.20	None	\$0
Work	CHASNZ	741	216			FY25 & FY26 reduced by 50%	\$29.3M	\$26.8M	\$ 3.75	\$ 2.99	None	\$1.7M
Work	E Tu	30	0			Reduced to zero	\$1.5M	\$ -	\$ 12.00	\$ -	None	\$0
Work	The Cause Collective	72	0			Reduced to zero	\$3M	\$ -	\$ 2.00	\$ -	None	\$0
Sport	Rugby Union	2746	0			FY25 & FY26 reduced by 50%	\$17.8M	\$11M	\$ 3.50	\$ 3.27	None	\$19.M
Sport	Touch Rugby	109	0			FY25 & FY26 reduced by 50%	\$0.6M	\$0.4M	\$ 1.05	\$ 0.96	None	\$0.2M
Sport	League	42	0			FY25 & FY26 reduced by 50%	\$0.6M	\$0.4M	\$ 1.05	\$ 1.05	None	\$1M
Work	MarineSafe	3	0			No Change					None	\$0
Work	SafePlus (WorkSafe)	150	360			No Change					None	\$1M
Work	AW Trinder	33	32		N/A	No Change					None	\$0
Work	Wool	96	166			No change					None	\$0
Falls	NYMBL	638	95		N/A	No change					None	\$1M
Falls	Older Adult falls	1700	1760			No change					None	\$35M
Community	Firearms	11	15			No Change					None	\$0
Road	Motorcycling	506	394			No change					Low	\$9.6M

DRAFT paper

Coming back in July with final paper. Remains in DRAFT to give PPGG time to raise any early questions. This is a noting paper,. At this stage

- 6 programmes will increase future claims savings value; 8 will have no change; and 10 will decrease.
- Overall net flows of **-\$20M** as a result and will move the Service Agreement (SA) ROI down to \$1.73, unfavourably (Target is \$1.72 for FY24)
- Changes to the Statistical Case Estimate will increase the future values, e.g., NeoNatal will increase by \$11M (present value of money) and moves the SA ROI up (favourably)
- While there is over \$107M of programmes in Design, this will drop by \$42M as programmes move into Exit e.g., \$31M for WorkSafe. Most is already included in the ROI via the 2-year window; or doesn't impact on the SA ROI.



Prevention Portfolio Governance Group – Claims Trends, Performance Update and Revaluation Memo

Purpose

- Provide a high-level overview of what is causing changes in weekly compensation claim volume growth for FY24, noting this supplements the 'Weekly Compensation Claims Growth' deep dive that was covered at the Executive performance meeting in July.
- Provide an overview of portfolio performance as at June 2024.
- Seek approval for the recommendations in the 'Annual revaluation of IP programmes' memo.

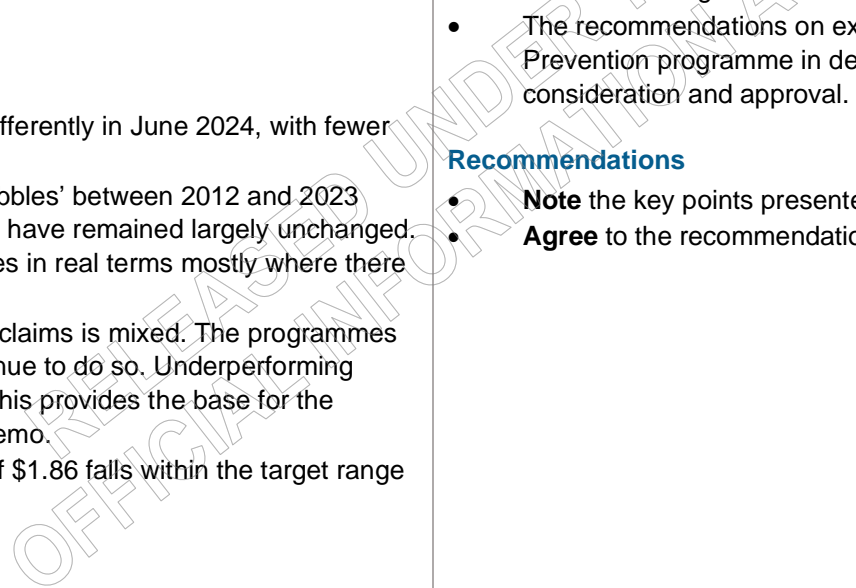
Key Points

- Claim volumes by Account are behaving differently in June 2024, with fewer claims compared to June 2023.
- The claim information presented in the 'Bubbles' between 2012 and 2023 highlights that the high claim volume areas have remained largely unchanged. There are some decreases in claim volumes in real terms mostly where there are prevention programmes are in place.
- Injury Prevention performance in reducing claims is mixed. The programmes that were providing benefits in FY23, continue to do so. Underperforming programmes in FY23 continued in FY24. This provides the base for the revaluation which is expanded on in the memo.
- The FY24 Service Agreement ROI result of \$1.86 falls within the target range of \$1.72 to \$1.92.

- The Statistical Case Estimate which values the number of claims prevented increased significantly and increased the ROI by ~13 cents. This is driven by external environmental factors. Excluding this, the ROI decreased by 8 cents, resulting in an overall net increase of 5 cents compared to the FY23 result.
- As outlined in the revaluation memo, the \$121.3M in design/development programme costs will reduce by \$49M, largely due to the exit from funding WorkSafe. This will have little impact on the Service Agreement ROI due to WorkSafe being excluded from the calculation.
- The recommendations on expected future claim savings for each Injury Prevention programme in delivery, are outlined in the revaluation memo for consideration and approval.

Recommendations

- **Note** the key points presented in the claim profiles and performance update.
- **Agree** to the recommendations outlined in the revaluation memo.



Prepared by	[Out of Scope] i, Manager, Investment Performance & Intelligence
Approved by	[Out of Scope], Head of Performance & Intelligence
Date	5 August 2024



Memorandum

TO	Primary Prevention Governance Group
FROM	[Out of Scope], Manager, Investment Performance and Intelligence
DATE	5 th August 2024
SUBJECT	Annual revaluation of IP programmes

Purpose

The purpose of this paper is to confirm the recommendations on expected future claim savings for each Injury Prevention (IP) programme in delivery, as part of an annual revaluation process.

Recommendations

- Note** the two technical adjustments that impact the ROI every financial year – an updated Statistical Case Estimate (SCE) changes the value of each claim prevented and the final investment rates (changes how future claim savings and the IP Investment are valued in today's dollars) have been included in this analysis.
- Agree** to increase future claim savings for the Young Driver Programme. The Young Driver ROI increases from \$4.04 to \$4.22.
- Agree** to increase future claim savings for the FarmStrong programme. The FarmStrong ROI increases from \$6.91 to \$7.85
- Agree** to increase future claim savings for the Netball programme. The Netball ROI increases from \$3.84 to \$4.01.
- Agree** to increase future claim savings for the MORSim/NetWorkZ. The MORSim/NetWorkZ ROI increases from \$1.12 to \$1.33.
- Agree** to decrease all future claim savings for the following Grants recipients: Making Health Safer (by 50%); E Tu to zero; and The Collective cause to zero. The Grants and Subsidies ROI reduces from \$2.56 to \$2.50
- Agree** to decrease future claim savings for CHASNZ (Construction). The ROI for CHASNZ reduces from \$3.53 to \$3.00.
- Agree** to decrease future claim savings for ShopCare. The ROI for ShopCare reduces from \$3.28 to \$1.43.
- Note** the Acting Head of IP made the decision to make the adjustment to future claim savings for ShopCare.

10. **Agree** to decrease future claim savings for the Rugby Union programme. The Rugby Union ROI reduces from \$3.39 to \$3.29.
11. **Agree** to decrease future claim savings for the Touch Rugby programme. The Touch Rugby ROI reduces from \$0.99 to \$0.95.
12. **Agree** to decrease future claim savings for the Rugby League programme. The Rugby League ROI reduces from \$1.14 to \$1.12.
13. **Agree** to decrease all future claim savings for ICNet programme. The ICNet ROI reduces from \$1.59 to \$0.
14. **Agree** to decrease all future claim savings for Pressure Injuries programme. The Pressure Injuries ROI reduced from \$1.23 to \$0.
15. **Agree** to move all WorkSafe programmes into 'Exit' to reflect the investment ceasing in March 2025.
16. **Agree** to move the IP to Front Line investment in 'Design' into 'Exit'.
17. **Agree** to move the Four Treatment Safety programmes of; Patient Safety; Root cause analysis; Risk of Harm reporting; and Private Surgical Hospitals in 'Design' into 'Exit'.
18. **Agree** to move the Auckland Transport programme of work that is in 'Design' into 'Exit'.
19. **Agree** with the intention not to alter future claim savings of the programmes where that was the recommendation made in this paper.
20. **Note** the intention is to provide a final investment of \$1M for Water Safety from IP in FY25.
21. **Agree** that Primary Prevention Governance Group (PPGG), as an action point, continue to make a case for Health to pick up the older falls programme as outlined as a key assumption in the Older Adult Falls business case.
22. **Note** that the Treatment Safety The Treatment Safety team stated they were unable to supply updates to inform the evaluation of future claims savings; and the Acting Head of IP determined the future claim savings for these programmes.

Background and Process

To ensure a true and fair view, each year the Return on Investment (ROI) for each IP programme is reviewed. The purpose is to determine if based on performance, the assumptions in the business case need to be adjusted (up or down) or be kept the same.

Teams from Performance and Intelligence, IP, and Actuarial Services have reviewed all the programmes in delivery, considering their performance to date, historical performance and any knowledge gained through the implementation of the programme. Finance has reviewed and provided comments on the paper. The programme teams in IP, for specific programmes, provided context on why future claim savings should or shouldn't be adjusted.

Included in this analysis is the updated Statistical Case Estimate (SCE). The SCE is used to value the claims prevented and converts this into values in relation to claims saving. Updating the SCE is an annual process and adjustments are largely due to changes in economic conditions. These SCE updates are included in the figures used in this paper.

This year the SCE had an impact on the ROI. This was due to increase in the cost of claims and rehab performance across several Accounts with the largest increase in the Work Account as one the main drivers. This took the Service Agreement ROI from \$1.77 to \$1.90, which is closer to the mid-point range of \$1.72 to \$1.92. The cost of the Work Account claims increased by 10-20%.

The investment returns which are also an annual process, are included in this paper. The rates as at 30th June 2024 have been applied and the numbers in this paper reflects this (present value of money). This tends to impact on programmes that have more benefit in the future than programme that have achieved benefits.

Applying the investment returns moved the Service Agreement ROI from \$1.9116 to \$1.9006 and the overall ROI from \$1.521266 to \$1.510896.

At the June 2024 PPGG meeting we presented a DRAFT paper to give members suitable time to raise any questions or if they needed further information about any of the likely changes. There were no questions. At that meeting we did provide a late oral update that the Workplace team requested changing ShopCare, wanting to restore some of the benefits to just below what it was expecting to get at the start of FY24. This is explored in the section on ShopCare. No other changes have been made or requested.

Impact of this revalue on the ROI

The below table is a breakdown of ROIs at the portfolio level (Table 1) before the changes outlined in this paper were made; and Table 2 which assumes all changed in the paper are agreed. (Table 2). The revalue changes the Service Agreement ROI from \$1.9006 to \$1.8578 (FY24 target is a range between \$1.72 to \$1.92); and the overall ROI from \$1.510896 to \$1.445515

Portfolio	Benefits (000,000)			Investments (000,000)			ROI		
	Total	Retrospective	Prospective	Total	Retrospective	Prospective	Total	Retrospective	Prospective
Targeted	\$ 981.8	\$ 469.5	\$ 512.3	\$ 525.8	\$ 439.1	\$ 86.6	\$ 1.87	\$ 1.07	\$ 5.91
Treatment	\$ 97.5	\$ 13.0	\$ 84.5	\$ 69.6	\$ 67.6	\$ 2.0	\$ 1.40	\$ 0.19	\$ 42.71
Strategic	\$ 0.0	\$ 0.0	\$ 0.0	\$ 117.2	\$ 117.2	\$ 0.0	\$ 0.00	\$ 0.00	NA
Workplace	\$ 255.8	\$ 102.1	\$ 153.7	\$ 108.0	\$ 95.4	\$ 12.6	\$ 2.37	\$ 1.07	\$ 12.21
Worksafe	\$ 15.9	\$ 12.2	\$ 3.7	\$ 73.7	\$ 73.7	\$ 0.0	\$ 0.22	\$ 0.17	NA
Total	\$ 1,351.0	\$ 596.8	\$ 754.2	\$ 894.2	\$ 793.0	\$ 101.2	\$ 1.51	\$ 0.75	\$ 7.45

Table 1. A breakdown by portfolio of the Benefit, Investment and ROI before the revalue was applied.

Portfolio	Benefits (000,000)			Investments (000,000)			ROI		
	Total	Retrospective	Prospective	Total	Retrospective	Prospective	Total	Retrospective	Prospective
Targeted	\$ 989.5	\$ 470.2	\$ 519.3	\$ 527.0	\$ 439.4	\$ 87.6	\$ 1.88	\$ 1.07	\$ 5.93
Treatment	\$ 80.0	\$ 13.0	\$ 67.0	\$ 69.6	\$ 67.6	\$ 2.0	\$ 1.15	\$ 0.19	\$ 33.88
Strategic	\$ 0.0	\$ 0.0	\$ 0.0	\$ 117.2	\$ 117.2	\$ 0.0	\$ 0.00	\$ 0.00	NA
Workplace	\$ 237.9	\$ 101.8	\$ 136.1	\$ 108.0	\$ 95.4	\$ 12.6	\$ 2.20	\$ 1.07	\$ 10.82
Worksafe	\$ 12.2	\$ 12.2	\$ 0.0	\$ 91.1	\$ 91.1	\$ 0.0	\$ 0.13	\$ 0.13	NA
Total	\$ 1,319.6	\$ 597.1	\$ 722.5	\$ 912.9	\$ 810.7	\$ 102.2	\$ 1.45	\$ 0.74	\$ 7.07

Table 2. A breakdown by portfolio of the Benefit, Investment and ROI after the revalue was applied.

Design costs

Not all programmes have an ROI. Programmes in the early stages of development are classed as in ‘Design’ and don’t have an ROI until a business case is formally approved and the programme is implemented (i.e., progressed into delivery). Then the costs of ‘Design’ are brought forward into the business case when it moves into ‘Deliver’.

The concept of ‘Design’ being excluded from the ROI was to allow IP time to trial, test and innovate and to assist ACC improving its knowledgebase.

To avoid programmes permanently being in ‘Design’ a two-year limit was put in place (Injury Prevention Design and Delivery Committee, Minutes June 2018, predecessor to PPGG). This process means costs older than two years are included in the ROI on a rolling quarterly basis. This means on 1 July 2024 ‘Design’ costs in FY23 and FY24 are excluded from the ROI, but ‘Design’ costs in FY22 and earlier are included.

At the same time (June 2018) as a two-year limit, a dollar amount limit or 'cap' on the amount of money IP could have in 'Design' was placed at \$50M, with an annual review to make sure the cap was reflective of the issue IP was addressing. Having a 'cap' meant IP would have to choose which programmes should be in 'Design', be exited from or moved into 'Delivery'. In anticipation of the new IP strategy in FY19, several programmes were moved to 'Exit' to provide time and space to allow new investments to occur to support the new approach for IP.

The current value of the programmes in 'Design' is \$121.3M (see Table 3).

The challenge with the ballooning 'Design' costs has been WorkSafe. When the cap was put in place, WorkSafe was not receiving IP investment so it was unclear on whether it should be included. The intention is to now 'Exit' all WorkSafe programmes and this will move \$35.7M out of 'Design'. This means we won't expect any benefits from WorkSafe. There is also an intention to 'Exit' some other programmes and this is expanded on in the relevant section so of this paper.

The table on the next page represents the 'Design' costs by programme. It is further broken down to costs that are included and excluded from the ROI at the end of June 2024. A number of these investments have tapered off rather than stopped and should be moved into 'Exit'. Note that the table excludes some 'Design' costs that are moving to 'Exit' or 'Delivery' as outlined in this paper e.g., IP to Front line (Community) and Risk of Harm (Treatment Safety). If the recommendations in this paper are not accepted, this will further increase the amount in 'Design'.

When programmes move out of 'Design', it is typically into 'Exit' (some do move into 'Delivery'). In addition to the \$121.3M of spend in 'Design' there is another \$99.9M of spend that has been moved into 'Exit' since FY19 (the current IP strategy time frame) from 66 programmes/initiatives. This includes \$20.7M in 'Exit' from WorkSafe since FY19. The entire amount of spend in 'Exit' is \$236.8M.

The 'Big 5'

There are five programmes that represent the largest expected benefits to the overall ROI. These five tend to be selected for audit by the Auditor General through their intermediary Ernst and Young. The combined future value of the benefits of these five is \$459.9M from the \$722.5M of future benefits expected from IP (end of June 24, present value of money, assuming this revalue paper is approved); or 60% of the future benefits come from these five programmes.

These five, dubbed the 'Big 5', are:

1. Older Adult Falls (Falls, \$175.8M expected claim savings to 2035);
2. Motorcycle rider training (Road, \$87M expected claim savings);
3. Grants and Subsidies (Workplace, \$71.1M expected claim savings);
4. Neonatal encephalopathy (Treatment Safety, \$57.1M expected claim savings); and
5. Young Driver (Road, \$42.1M expected claim savings. This will increase in FY25 due to the recent business case gaining approval);

Changes to these programmes will have a bigger impact on the ROI.

As well as the 'Big 5' each programme is presented with analysis and recommendations.

Already included in the ROI at 30 June 2024								Excluded from the ROI		Total	Included in ROI (June 24)	Excluded from ROI	
Portfolio	Programme	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23				FY24
Treatment	Patient Safety		\$ 417,649	\$ 574,255	\$ 573,347	\$ 314,174	\$ 77,796	\$ 167,162			\$ 2,143,397	\$ 2,124,383	\$ 19,014
Treatment	Root Cause Analysis	\$ 2,060	\$ 235,678	\$ 318,575	\$ 464,551	\$ 538,518	\$ 339,430	\$ 262,402			\$ 2,161,214	\$ 2,161,214	
Treatment	Risk of Harm Reporting			\$ 65,588	\$ 330,329	\$ 185,886					\$ 581,803	\$ 581,803	
Strategic	Tuarai pilot project					\$ 452,541	\$ 730,181	\$ 734,659	\$ 1,499,620	\$ 1,180,975	\$ 4,597,976	\$ 1,917,381	\$ 2,680,595
Community	IP to Frontline					\$ 676,488	\$ 1,498,130	\$ 3,537,409	\$ 214,267	\$ 13,687	\$ 5,939,981	\$ 5,712,027	\$ 227,954
Road	Auckland Transport Partnership					\$ 977,731	\$ 801,296	\$ 730,574	\$ 60,588		\$ 2,570,189	\$ 2,509,601	\$ 60,588
Treatment	Private Surgical Hospital Initiatives					\$ 13,451	\$ 9,350	\$ 5,826			\$ 28,628	\$ 28,628	
Strategic	Nga Tini Whetu						\$ 5,653,707	\$ 5,785,658	\$ 495,228	\$ 5,693,986	\$ 17,628,580	\$ 11,439,365	\$ 6,189,215
Strategic	Healthy Consensual Relationships						\$ 325,656	\$ 1,872,801	\$ 3,245,326	\$ 5,583,590	\$ 11,027,372	\$ 2,198,457	\$ 8,828,916
Strategic	Child & Well being						\$ 23,636	\$ 1,391,537	\$ 803,243	\$ 655,052	\$ 2,873,468	\$ 1,415,173	\$ 1,458,295
Strategic	Prevention of Child Sexual Abuse						\$ 145,152	\$ 262,629	\$ 1,628,142	\$ 625,372	\$ 2,661,295	\$ 407,781	\$ 2,253,514
Community	Preventable						\$ 4,002,168	\$ 4,928,401	\$ 4,910,837	\$ 6,673,488	\$ 20,514,894	\$ 8,930,569	\$ 11,584,325
WorkSafe	WorkSafe DESIGN			\$ 502,070	\$ 4,891,966	\$ 10,586,475	\$ 9,019,742		\$ 1,298,464	\$ 9,388,286	\$ 35,687,003	\$ 25,000,254	\$ 10,686,750
Strategic	Cultural Capability IPMAOR						\$ 455,477		\$ 951,751	\$ 793,432	\$ 2,200,660	\$ 455,477	\$ 1,745,183
Strategic	Oranga Whakapapa							\$ 11,207	\$ 850,372	\$ 914,191	\$ 1,775,770	\$ 11,207	\$ 1,764,563
Community	IP Community connect							\$ 113,651			\$ 113,651	\$ 113,651	
Strategic	SafeKids Design									\$ 2,704,470	\$ 2,704,470		\$ 2,704,470
Falls	Taurite Tu								\$ 251,860	\$ 309,325	\$ 561,186		\$ 561,186
Workplace	Employers & Manufacturers									\$ 817,414	\$ 817,414		\$ 817,414
Strategic	Oranga Tikanga								\$ 2,790	\$ 247,323	\$ 250,113		\$ 250,113
Strategic	Sustainable PP System								\$ 127,263	\$ 41,164	\$ 168,428		\$ 168,428
Workplace	Taituara (Local Government)								\$ 377,252		\$ 377,252		\$ 377,252
Sport	Basketball									\$ 372,071	\$ 372,071		\$ 372,071
Treatment	Maternal Birth Injuries									\$ 343,885	\$ 343,885		\$ 343,885
Community	Principal Customer Record									\$ 1,555,956	\$ 1,555,956		\$ 1,555,956
Community	Secondary & Tertiary Prevention									\$ 1,222,086	\$ 1,222,086		\$ 1,222,086
Workplace	H & S System									\$ 390,100	\$ 390,100		\$ 390,100
	Total	\$ 2,060	\$ 653,327	\$ 892,829	\$ 1,605,557	\$ 8,195,198	\$ 24,378,863	\$ 29,279,137	\$ 16,736,016	\$ 39,525,855	\$ 121,268,842	\$ 65,006,971	\$ 56,261,871

Table 2. A breakdown of the programme costs in 'Design' (Present value of money)

Analysis by programme

As with previous years we present the data for each programme before the revalue recommendation so that the PPGG can have similar data/information as the teams determining the revalue.

Programmes where the expected claim savings have increased.

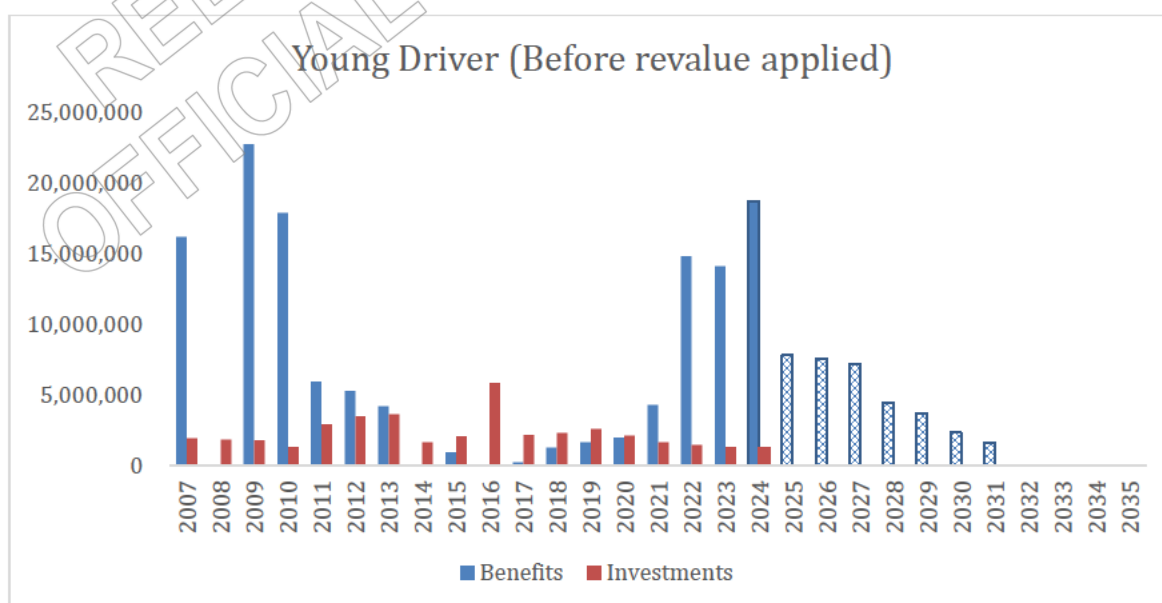
As a general rule where the future values have been increased, as in this section, the new values should be treated as a 'stretch' target. This is to reflect in future reporting as a programme could miss its 'stretch' target and could be penalised for doing so.

Young Driver programme – Positive future outlook

Benefits		Investments	
Retrospective	\$129.7M since 2007	Retrospective since 2007	\$40.7M
Prospective	\$34.4M to 2031	Prospective ^	\$0M^

Benefits Actual vs Expected in last five years	FY20	FY21	FY22	FY23	FY24
Expected	\$1.7M	\$4.6M	\$5.5M	\$7M	\$11.2M
Actual	\$1.8M	\$4M	\$13.5M	\$13M	\$18.7M

^ A new business case was approved by PPGG in April 2024 starting in FY25. This prospective to Spend approved is \$8.4M and the Benefits will increase by \$36.2M by including Cohort 3 Cohort 4.



This programme has been invested in since 2003. A reinvestment has been approved and will bring a larger cohort of people being reached by the programme. The Young Driver programme (one of the Big 5) is doing much better than expected. FY23 delivered twice the expected benefits and this was increased in the

reevaluation process. In FY24, it delivered on the 'stretch' target again. We reported that this is largely due to better data capture coming from source system. As a result there have been significantly more people undertaking the programme than our partner NZTA previously had us believe.

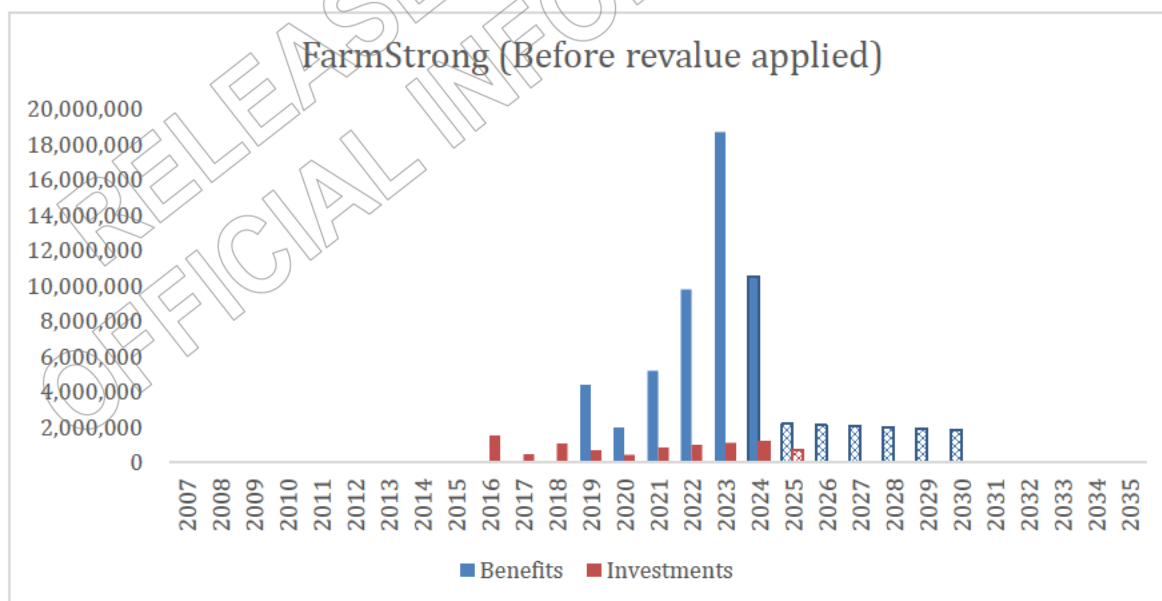
Last year we noted that: there is a large underspend as it was not required (prudence) and will positively impact on the ROI in FY24; this has also occurred.

The expected returns in FY25 and FY26 are \$7.8M and \$7.5M respectively. This has been increased by the programme team to \$11.7M and \$11.3M respectively as a 'stretch' target. This will increase the Young Driver ROI from \$4.04 to \$4.22.

FarmStrong – Positive future outlook

Benefits		Investments	
Retrospective	\$50.6M since 2018	Retrospective	\$8.4M
Prospective	\$12.1 M to 2030	Prospective to FY25	\$0.7M

Benefits Actual vs Expected in last five years	FY20	FY21	FY22	FY23	FY24
Expected	\$1.1M	\$1.6M	\$1.5M	\$1.4M	\$4M
Actual	\$1.7M	\$4.7M	\$9M	\$17.4M	\$10.5M



This programme is in its fourth year of reinvestment and is providing much higher-than-expected results. As such, the programme team want to increase the expected benefits for FY25 to its current levels which is averaging \$11M per year (as a stretch target). This increases the FarmStrong ROI from \$6.91 to \$7.85.

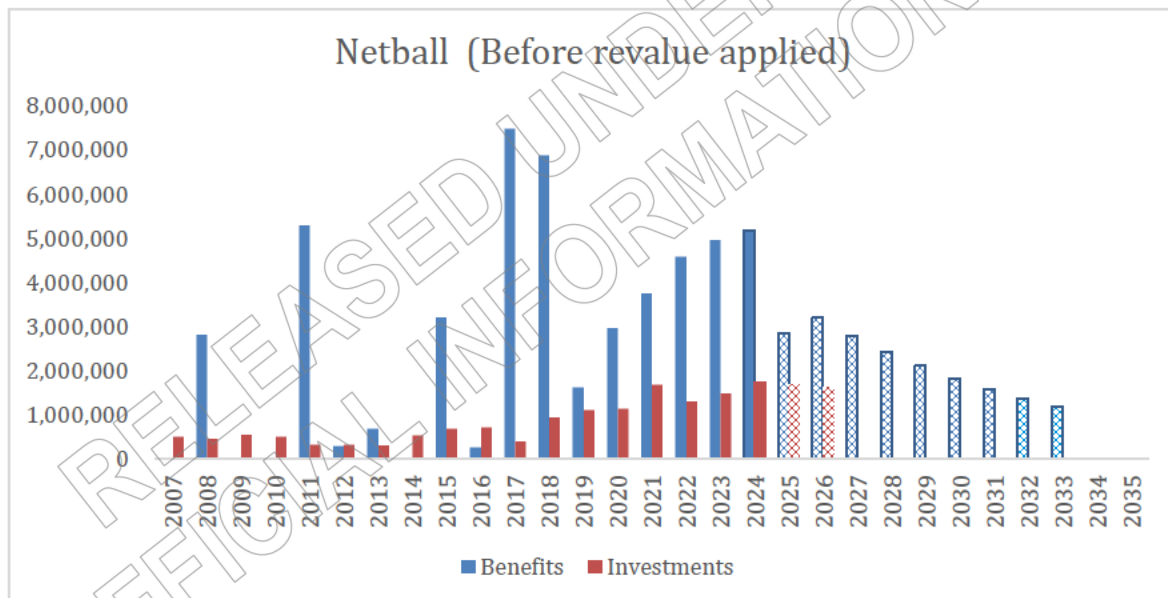
We expect FarmStrong to seek further investment during FY25 and this may change the benefits profile and a decision would be made at that time, hence not increasing FY26 values at this stage. We do note that at the last PPGG meeting, SaferFarms did/will receive investment and the two programmes are working in the same

area. At the time of reinvestment decision for FarmStrong we will develop how two investments by ACC in the same area can be fairly attributed back to the respective programmes.

Netball - Positive future outlook

Benefits		Investments	
Retrospective	\$50M since FY07	Retrospective since FY07	\$14.8M
Prospective	\$19.3M to FY33	Prospective	\$3.3M

Benefits Actual vs Expected in last five years	FY20	FY21	FY22	FY23	FY24
Expected	\$0.9M	\$0.8M	\$0.8M	\$1.6M	\$2.7M
Actual	\$2.7M	\$3.5M	\$4.2M	\$4.6M	\$5.2M



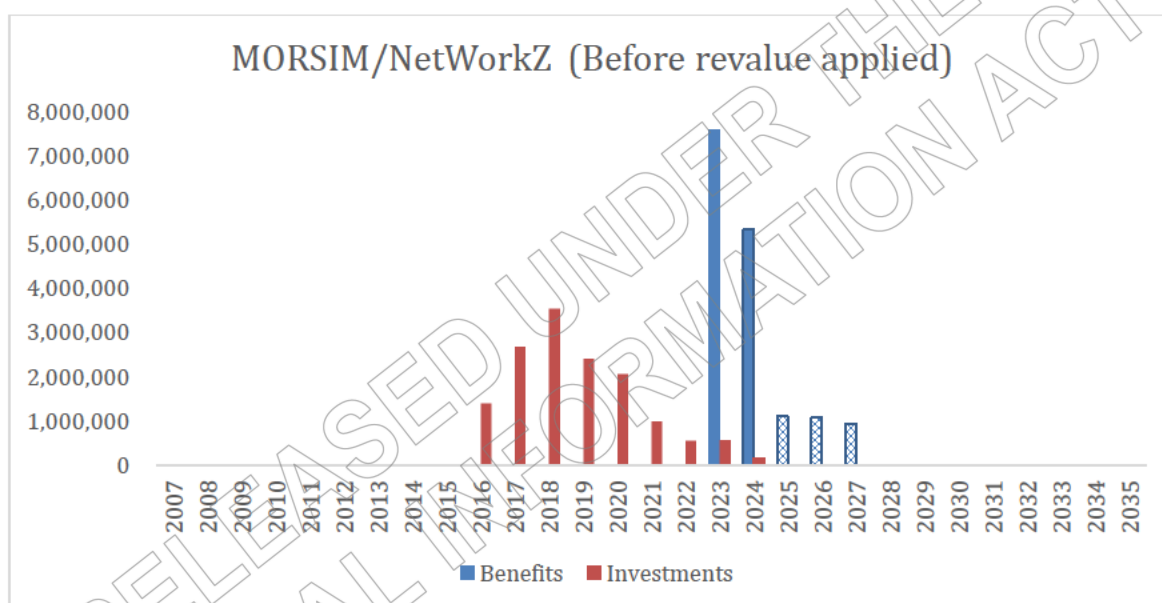
Netball continues to perform. Like other sports, it is a long-standing IP programme, in this case since 2003. It came for reinvestment in FY24 and the values were moved up. It is exceeding benefits in FY24.

The sport team would expect the future values to rise by 1.5 times per year for the next two years as a 'stretch' target, \$4.3M and \$5M respectively. Including this increases the Netball from \$3.84 to \$4.01.

MORSim/NetWorkZ - Positive future outlook

Benefits		Investments	
Retrospective	\$12.9M since FY18	Retrospective since FY16	\$14.3M
Prospective	\$3M to FY27	Prospective	\$0M

Benefits Actual vs Expected in last five years	FY20	FY21	FY22	FY23	FY24
Expected	\$0M	\$5.9M	\$5.1M	\$1.5M	\$1.2M
Actual	\$0M	\$0M	\$0M	\$7M	\$5.3M



This programme was reviewed in FY21 and presented to the then approving body, the IP Design and Delivery Committee (IPDDC). The IPDDC decided to continue some small investment for FY21 and that the programme should be monitored. At the time there were few benefits due to a lack of reach and a further small investment was made to address this. A decision was made to reduce expected benefits by 50% for the remaining years at the revaluation.

As reported to Protection from Injury Value Stream Board there is some benefit coming for Cohort 3 which has provided the benefits, at the moment, much higher than expected. Cohort 1 and 2 which have been in place a lot longer are providing no benefit. At the time, it appeared Cohort 3, if it continued, would be in line with original expected benefits. The benefits are continuing and this year we expect to move the future benefits in line with the original benefits i.e. \$2M per year for the next three years. This moves the MORSim/NetWorkz ROI from \$1.12 to 1.33.

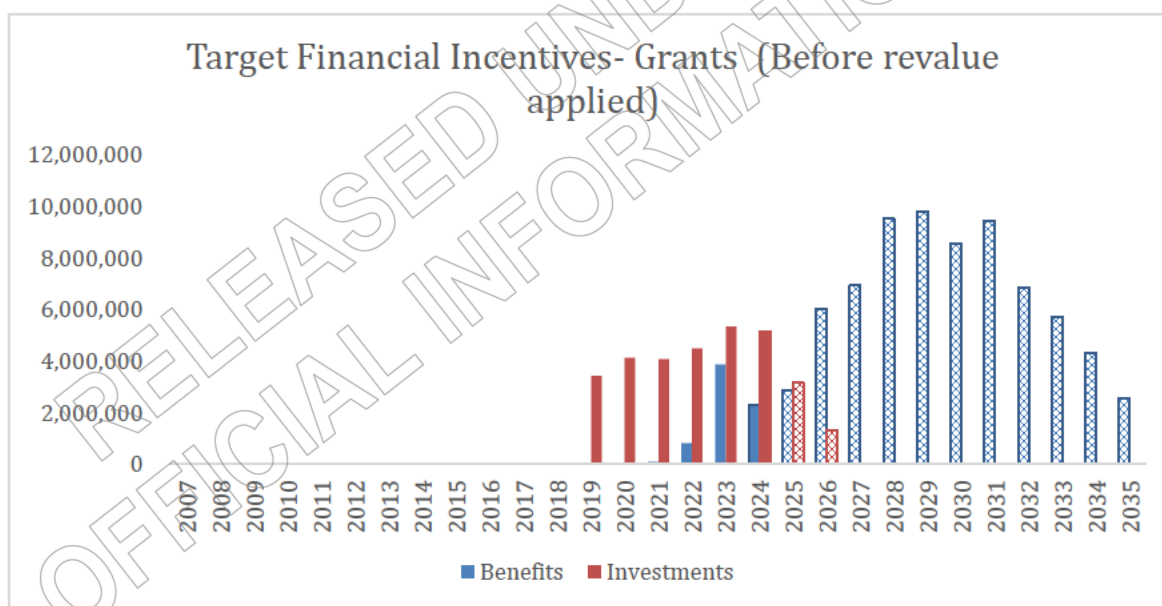
Programmes where the expected claim savings have reduced

As a general rule where the future values have been decreased, as in this section, the new values should be treated as a 'reduced' target.

Grants and Subsidies - Negative future outlook

Benefits		Investments	
Retrospective	\$6.7M since FY19	Retrospective since FY19	\$26.6M
Prospective	\$71.1M to FY35	Prospective to FY26	\$4.5M

Benefits Actual vs Expected in last five years	FY20	FY21	FY22	FY23	FY24
Expected	\$1.3M	\$1.2M	\$1.3M	\$1.6M	\$1.8M
Actual	\$0M	\$0M	\$0.8M	\$1.3M	\$2.3M



This programme is split into the various Grant Rounds one to four, with Grant Round 5 going through the selection process and for funding agreements to be in place by the end of 2024. This is one of the 'Big 5'.

With these many Grantees, there is likely to be several successful programmes and unsuccessful ones. For this year there is a number of revaluations moving down in relation to Grant Round One and Grant Round Two. In FY25 there will be a number in Grant Round Three and Four that are due to deliver claim savings. We note that a few have had additional investment this year.

This year's revalue is only focused on Grant Round One and Two, which last year we reported would be challenging to deliver on. The Workplace team responded that they believed they have made changes to the assessment and contract management process implemented after Rounds One and Two which they reported incorporate stricter controls, additional requirements, and additional support to grantees. However, this only related to Grant Round Three onwards and have yet to be placed into the contracts, but likely to happen

this year. This could be moot as most of the investment for Grants Three and Four has occurred. We also noted that the benefits timeline was being moved out each year; and the investment has been completed or additional investment was sought. We pointed out that ACC is bearing all the risk of this investment.

We called out as a risk that if the focus shifts with Grantees (away from delivery a prevention programme as investment has been completed) there is nothing to hold the Grantee to the benefit expected. This appears to be the case as we are in the process of writing down expected benefits.

There was an internal audit on the Grants recently that states *“IP benefit measures are not well understood or managed at ACC. One reason is that benefits for IP programmes will be realised in the long term while the payout is upfront. Therefore, there is limited information to show whether the initiative paid for now will have the intended outcome”*.

This is why and based on performance to date, that we are revaluing down the following programmes:

- Making Health Safer - reduce the values in FY25 and FY26 down by 50%
- E Tu - reduce future values to zero
- The Cause Collective – reduce future values to zero.

The last two programmes created frameworks (E Tu, The Cause Collective) that are difficult to measure. At the time of investment, the assumptions to calculate an ROI were provided with high confidence that it could be measured. There are two other Grants that have become full programmes CHASNZ and ShopCare having increased investment., and we will be revaluing them down in this paper.

We are still unsure why Forestry, a programme in its own right, became a Grantee. When we enquired why this was the case, we were informed it was more likely to get funding via the Grants process; despite it being a strong performer. We discuss Forestry a good performer, elsewhere in this paper.

The programme team report there has been some learnings from Grant Rounds One and Two and we have been informed these learnings have been used to inform Grant Round Three and Four, which are all due to deliver in benefits in FY25. A lot of the milestones in the contracts seem to be activity based rather than linked to delivering prevention of claims/injuries.

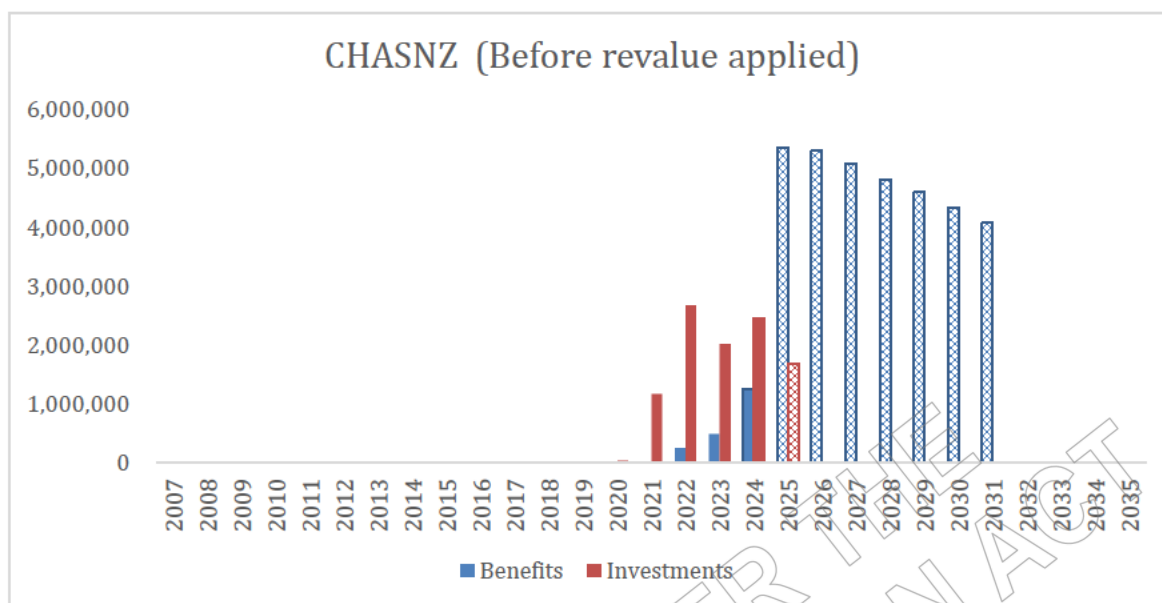
Revaluing down these three programmes the expected values from \$9M to \$2.2M changes the Grants ROI from \$2.56 to \$2.50.

There is also another Grantee that put a business case to the PPGG in June, Safer Farms. At this stage we have included Safer Farms in Grants until the business case is signed. The ROI for Grants Round One is ~\$2.62 (largely due to the Forestry programme) and ~\$1.12 for Grants Round Two.

CHASNZ (Construction) – Negative future outlook

Benefits		Investments	
Retrospective	\$2M since FY21	Retrospective since FY20	\$8.4M
Prospective	\$33.6M to FY31	Prospective to FY26	\$1.7M

Benefits Actual vs Expected in last five years	FY20	FY21	FY22	FY23	FY24
Expected	N/A	N/A	\$1.6M	\$2.6M	\$4.9M
Actual	N/A	N/A	\$0.2M	\$0.5M	\$1.3M



Last year we noted that CHASNZ had a stage gate set by the IPDDC when seeking initial investment. This occurred in FY23 which has resulted in the programme continuing. This did not come to the Protection from Injury Value Stream Board.

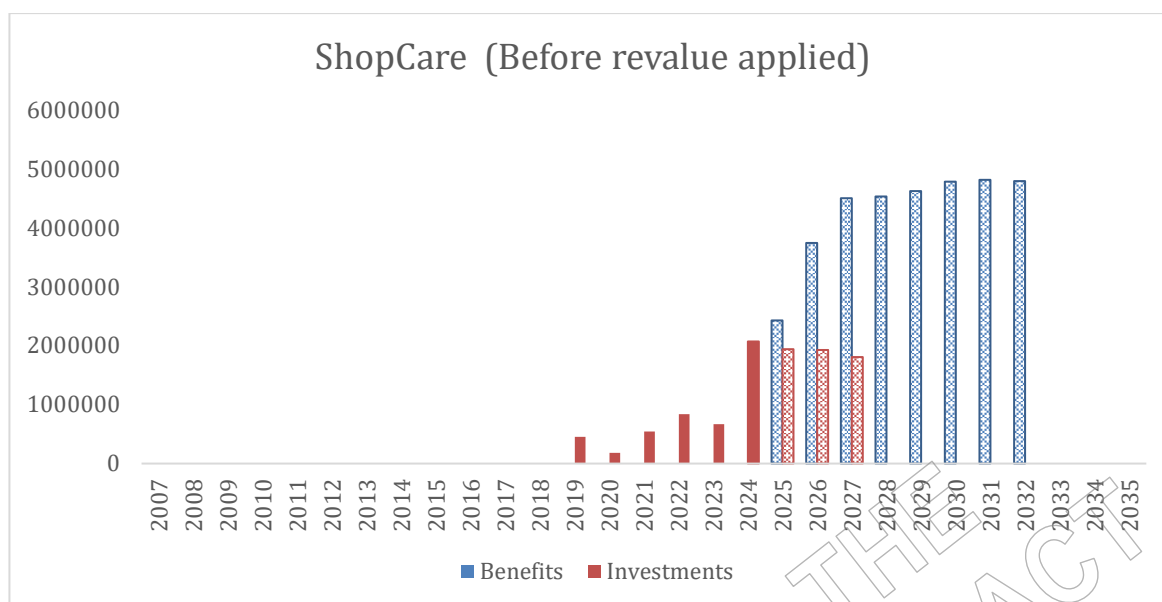
Benefits were expected to ramp up in FY24 based on the business case. The stage gate would have been the appropriate time to revalue, but the WorkPlace programme team considered the future values to still be achievable.

There is an improvement in the value of the claims saved for this year but is still below target. We are trying to work out if some of the other aspects that CHASNZ are undertaking are impacting on claims (which are currently undetected) - this is a work in progress. Benefits should have been ramping up by now before tapering off as shown in the above chart. As a result, we think the future values for FY25 and FY26 should be lowered by 50% to closer align with performance. This reduces the CHASNZ ROI from \$3.53 to \$3.00.

ShopCare – Negative Future outlook

Benefits		Investments	
Retrospective	\$0M since FY19	Retrospective since FY19	\$4.8M
Prospective	\$34.3M to FY32	Prospective to FY27	\$5.7M

Benefits Actual vs Expected in last five years	FY20	FY21	FY22	FY23	FY24
Expected	N/A	N/A	\$0.1M	\$0.1M	\$1.2M
Actual	N/A	N/A	\$0	\$0	\$0



ShopCare started out as a Grantee in Grant Round One. When investment was completed, it moved to a programme in its own right. However, this took some time and ACC continued to support it financially over a few years while it developed its business case (with ACC paying the consultancy to write it).

It was scheduled to go to the Value Stream Board (VSB) in FY22 but was paused due to some risks identified. ACC continued to financially support ShopCare during this time. In FY24 it was approved by the Deputy Chief Executive of Prevention and Partnerships without going to the PPGG, despite still having a number of risks. It had its contract signed in October 2023. It has yet to deliver any benefits.

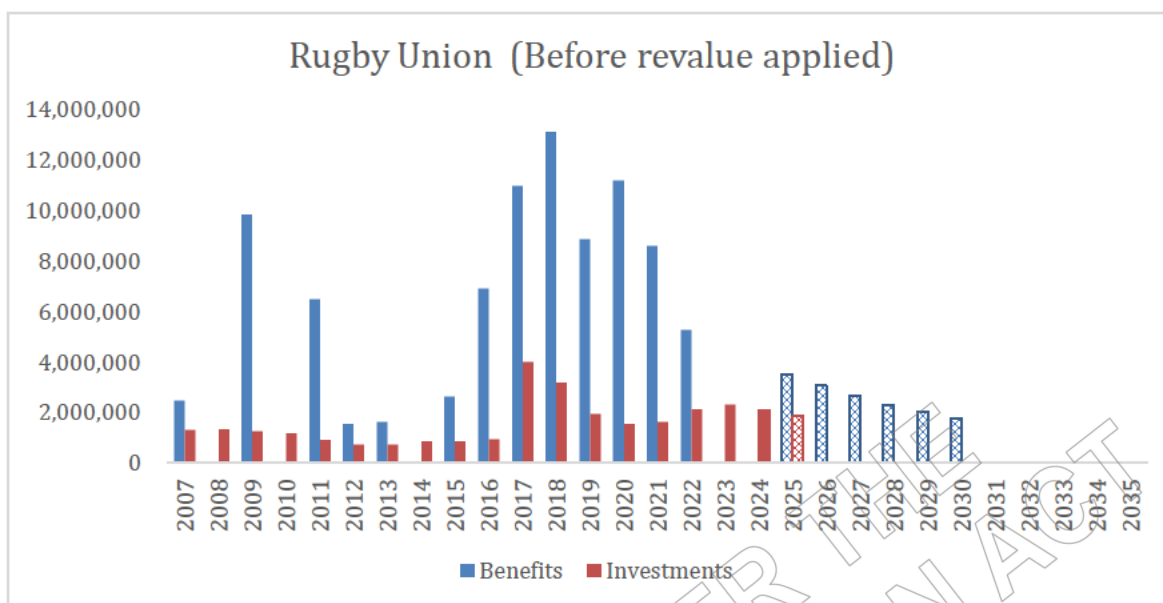
In the DRAFT paper, the intention was to reduce the expected claim savings in FY25 & FY26 to zero and the remaining years by 50%. This was to give ShopCare time and was more realistic on performance. However, just before the June PPGG, the Workplace team wanted to only decrease FY25 by 50% and the remaining years to keep the same values. After the PPGG meeting the ShopCare Chief Executive had a meeting with ACC and the discussion centered around the initiatives being in pilot or earlier stages.

When there is difference of opinion it is for the Acting Head of IP to determine, and it was decided that a decrease should be applied on a sliding scale (FY25 0% of expected returns in Business Case; FY26, FY27 20% of expected returns from business case; FY28, FY29 40%; FY30 FY31 60% and FY32 80%). This reduces the ShopCare ROI from \$3.28 to \$1.43.

Rugby Union – Negative future outlook

Benefits		Investments	
Retrospective	\$89.6M since FY07	Retrospective since 2007	\$29M
Prospective	\$15.3M to FY31	Prospective to FY25	\$1.8M

Benefits Actual vs Expected in last five years	FY20	FY21	FY22	FY23	FY24
Expected	\$3.4M	\$5.2M	\$4.7M	\$4M	\$4M
Actual	\$10M	\$7.8M	\$4.8M	\$0	\$0



Rugby was one of the regular performers since its inception in 2000. However, it continues to underperform in recent years.

In the current tranche of investment there has been an increased focus on ‘off-field’ prevention programmes rather than ‘on-field’ (e.g., physical conditioning, technique) and as a result there have been changes to the on-field initiatives. RugbySmart was compulsory for coaches, and teams were withdrawn from competition if the coach has not received RugbySmart training.

One of the changes to the on-field programme was removing the compulsory element from secondary schools. This is where the claims are under performing and has moved into other groups of rugby claims. The focus of the programme team is to have rugby back on track and the Sport programme team were working with NZ Rugby during FY24 to do so. Since the last PPGG they have reduced the investment to some off-field prevention initiatives which was also taking time away from the on-field prevention initiatives.

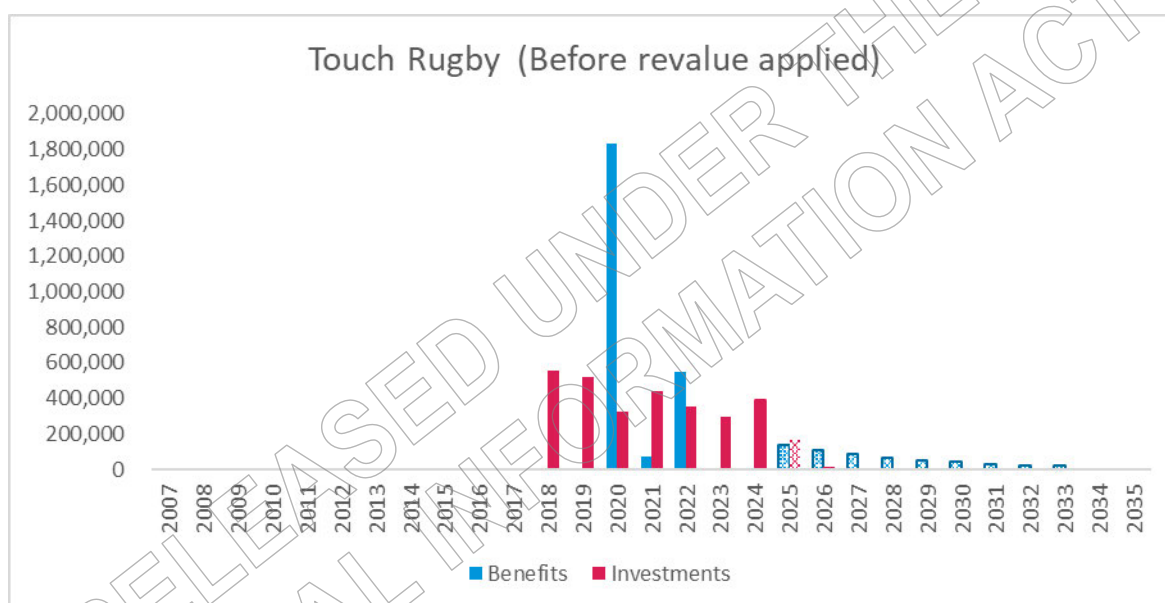
Last year we put a negative outlook for FY24 and as a result we are reducing the values. Rugby had planned to come to PPGG to seek reinvestment, but this is paused based on performance. The programme team have also reduced the amount of spend with Rugby for off-field activity since the June PPGG meeting. We also have the player database (privacy and ethics approved) which we can apply the same type of analysis as we did for Football. However, this is just for the 2024 season meaning we will have to wait until 2025 for any results.

Based on performance we think it is prudent to reduce the FY25 and FY26 future values by 50%. This moves the ROI for \$3.39 to \$3.29.

Touch Rugby - Negative future outlook

Benefits		Investments	
Retrospective	\$2.5M since FY18	Retrospective since FY18	\$2.9M
Prospective	\$0.5M to FY30	Prospective	\$0.2M

Benefits Actual vs Expected in last five years	FY20	FY21	FY22	FY23	FY24
Expected	\$0.4M	\$0.4M	\$0.3M	\$0.2M	\$0.2M
Actual	\$1.8M	\$0.1M	\$0.5M	\$0	\$0

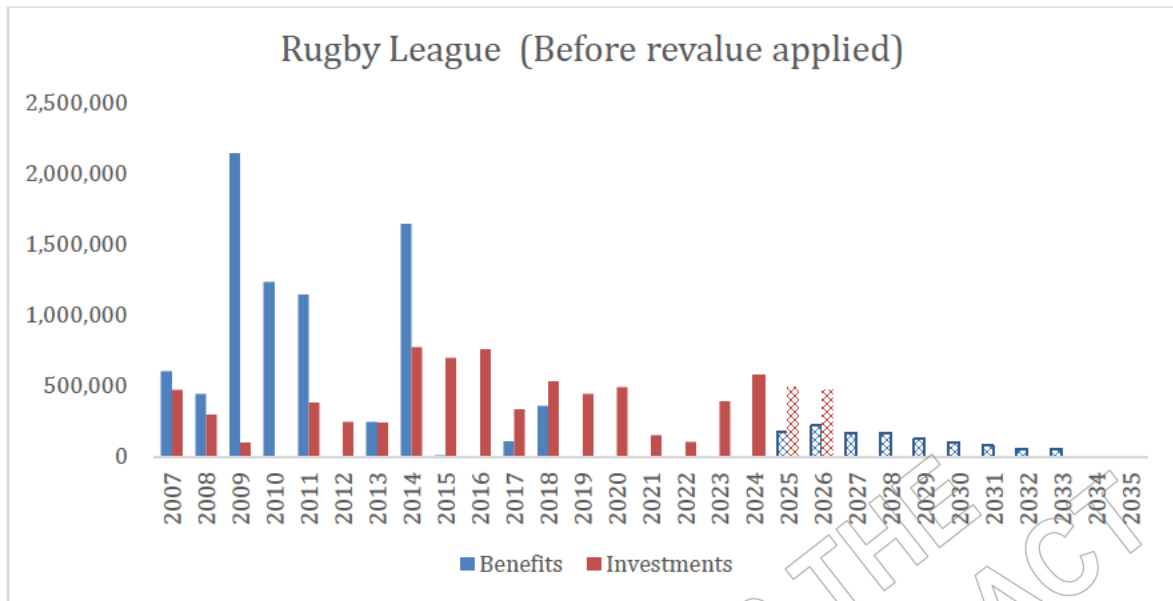


Last year we put this programme on a negative future outlook. The spend is small and the chart above does highlight that it has had some results, but it is variable. Based on performance, the future values should be reduced in FY25 and FY26 by 50%. This moved the ROI for \$0.99 to \$0.95.

Rugby League - Negative future outlook

Benefits		Investments	
Retrospective	\$8M since FY07	Retrospective since FY07	\$7M
Prospective	\$1.1M to FY33	Prospective to FY26	\$1M

Benefits Actual vs Expected in last five years	FY20	FY21	FY22	FY23	FY24
Expected	\$0.4M	\$0.4M	\$0.3M	\$0.2M	\$0.1M
Actual	\$0.8M	\$0.1M	\$0.5M	\$0	\$0

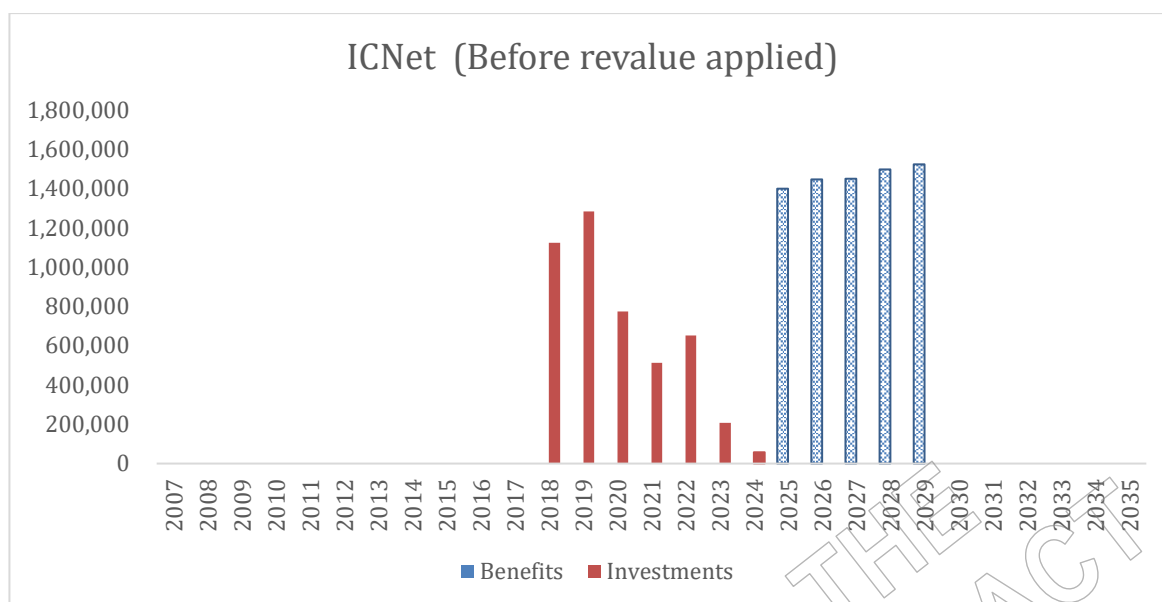


Rugby League future values were written down to zero in FY22 and the programme was moving to 'Exit'. In FY24, a business case approved for reinvestment. The benefits are small and the biggest benefits comes from the programme 15- 20 years ago. As part of this reinvestment the intention was to return to the previous approach. At the moment, this has not resulted in benefits. Based on performance, the future values should be reduced in FY25 and FY26 by 50%. This moved the ROI for Rugby League from \$1.14 to \$1.12.

ICNet – Negative future outlook

Benefits		Investments	
Retrospective	\$0M since FY20	Retrospective since FY18	\$4.6M
Prospective	\$7.3M to FY29	Prospective	\$0M

Benefits Actual vs Expected in last five years	FY20	FY21	FY22	FY23	FY24
Expected	\$1.3M	\$1.2M	\$1.3M	\$1M	\$1.4M
Actual	\$0	\$0	\$0	\$0	\$0



This programme replicated a successful process in Taranaki that had good results for a couple of years. The programme was to escalate the rollout of a system across the District Health Boards (DHBs). The Taranaki programme results have not continued.

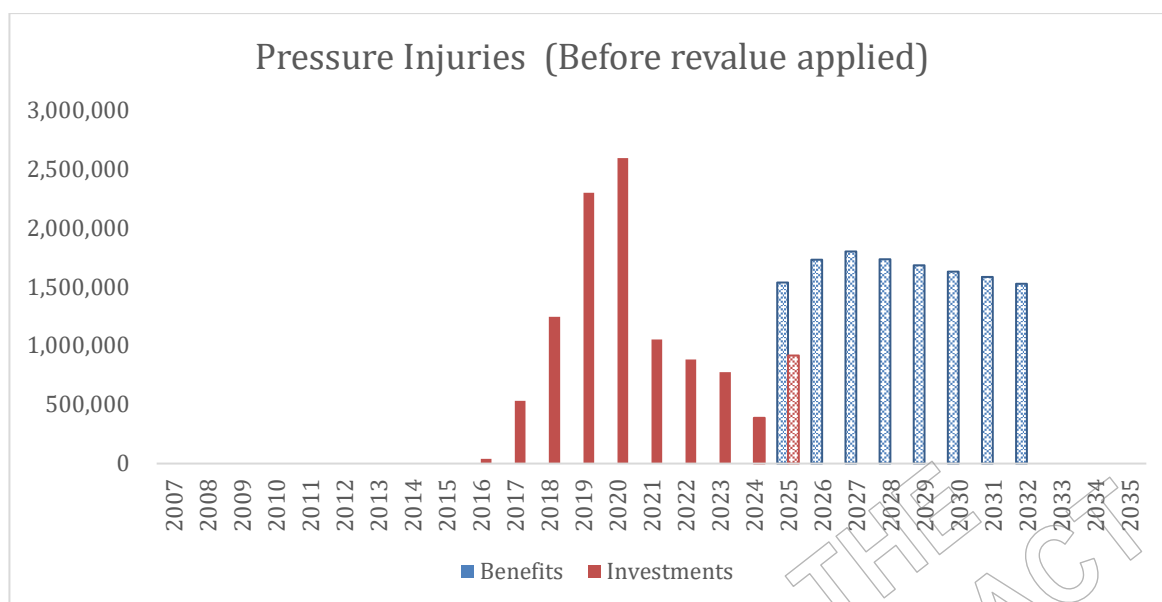
We reported last year that about half (12) of the DHBs have put the system in place but there have been little results. The future value reflects that all DHB's will be implementing which is not reflective of what has happened to date. Last year the Treatment Safety programme team wanted to keep the future values the same, which assumes all DHBs will be involved. We noted this was unlikely to happen as the investment is coming to an end and there is a close out report nearing completion.

The future values should be reduced to zero. This moves the ROI for ICNet \$1.59 to \$0.

Pressure Injuries – Negative future outlook

Benefits		Investments	
Retrospective	\$0M since FY16	Retrospective since FY16	\$9.8M
Prospective	\$13.2M to FY32	Prospective to FY23	\$0.9M

Benefits Actual vs Expected in last five years	FY20	FY21	FY22	FY23	FY24
Expected	\$0	\$0	\$0	\$1M	\$1.2M
Actual	\$0	\$0	\$0	\$0	\$0



Last year, we noted this programme went to the IPDDC in FY22 seeking further investment and a resetting of benefits. The first year of expected benefits was FY23. The programme team for the FY23 revalue considered no adjustment should be made to future claim savings despite current performance. The programme team did comment that considerable effort has been made to develop the monitoring and evaluation frameworks so they can monitor the performance of this programme. They also commented that the sector was currently reviewing why pressure injuries are currently peaking in the system and may be connected to workforce issues.

The future claim savings should be reduced to zero. This moves the ROI for Pressure Injuries programme \$1.23 to \$0.

From 'Design' to 'Exit'

There are a number of programmes in 'Design' that will not progress any further. Investment appears to have ceased and in some cases, ceased some time ago. At the end of June 2024 there is \$121.3M in 'Design' (see table 2). The intention is to move the following programmes out of 'Design' and into 'Exit'. The impact to the Service Agreement ROI is minimal as a number of programmes have not had any investment for almost two years; or are excluded from the Service Agreement ROI (i.e., WorkSafe). This reduces the amount in 'Design' by \$49.1M from \$121.3M to \$72.2M. This still places the 'Design' costs over the current \$50M cap.

WorkSafe

Investment will be completed in March 2025. We do not expect any of the investment to provide any additional returns because of previous performance. The ROI at the end of FY24 is \$0.22. This means ACC can expect to recover only 22 cents back on every dollar invested in WorkSafe. Once we move all the investment into 'Exit' then this ROI reduces from \$0.22 to \$0.13 assuming the budget spend for FY25 is realized, and this paper is approved.

It has been difficult to calculate the ROI because of the lack of information from WorkSafe on what they spent the money on. Due to the lack of confidence in WorkSafe, we excluded the WorkSafe investment from the Service Agreement ROI. It is included in the overall ROI as per normal business rules.

There have been only three programmes that have delivered any claim savings from the current arrangement. One is Forestry, which is outlined in this paper. It was an ACC programme that WorkSafe invested in further; SafeGuy was a very short-term programme where some value was found; and SafePlus which is providing positive benefits. We would have preferred to project forward the benefits of SafePlus in line with the approach taken for other IP programmes, but have had very little information from WorkSafe management of its commitment going forward, despite it using ACC investment to implement it.

In previous years we have broken down the known WorkSafe spend into 'Exit', 'Delivery' and 'Design'. The majority being in 'Design'. We expect no additional value from the programmes in 'Design' and should move the entire spend into 'Exit'.

Arguably, we could wait until FY25 revaluation, but there is little value in it and it's better to treat the costs as 'Exit' now.

IP to Front line

IP to Front line was a programme that targeted a subsequent injury when the person makes a claim. It was piloted with Older Adult falls and set up as a random control trial. As a result, the approach of messaging high risk clients about the risk of a subsequent fall was unable to determine if they followed the recommendation. The end analysis showed no difference in subsequent falls claims between the control and the intervention group.

Subsequently another programme has been testing whether it could use the IP to Frontline platform (i.e. Marketing Cloud) to enhance its reach but has found that due to data quality (e.g. lack of client email or occupation), it had a limited penetration in the target audience.

All but \$230,000 of the costs of the pilot (\$5.9M) is already included in the ROI. It should be moved to 'Exit'

Treatment Safety

There are four programmes in Treatment safety in 'Design' that need to move into 'Exit'. All but \$19K is already included in the ROI as no spend has occurred for the last two years. These programmes, by default, are already in 'Exit'. These are:

- Patient Safety: a collection of proposals on a range of treatment injury initiatives, total spend \$2.1M;
- Root cause analysis: a pilot programme on Adverse events, using an independent team that would do an analysis of a serious incident and work with the hospitals to develop procedures to stop it from reoccurring, total spend \$2.2M;
- Risk of harm reporting: developing an internal policy document on the risk of harm, total spend \$0.6M; and
- Private Surgical Hospital initiative. This was to determine if ACC should be targeting private hospitals with its prevention initiatives, total spend \$0.02M.

Auckland Transport

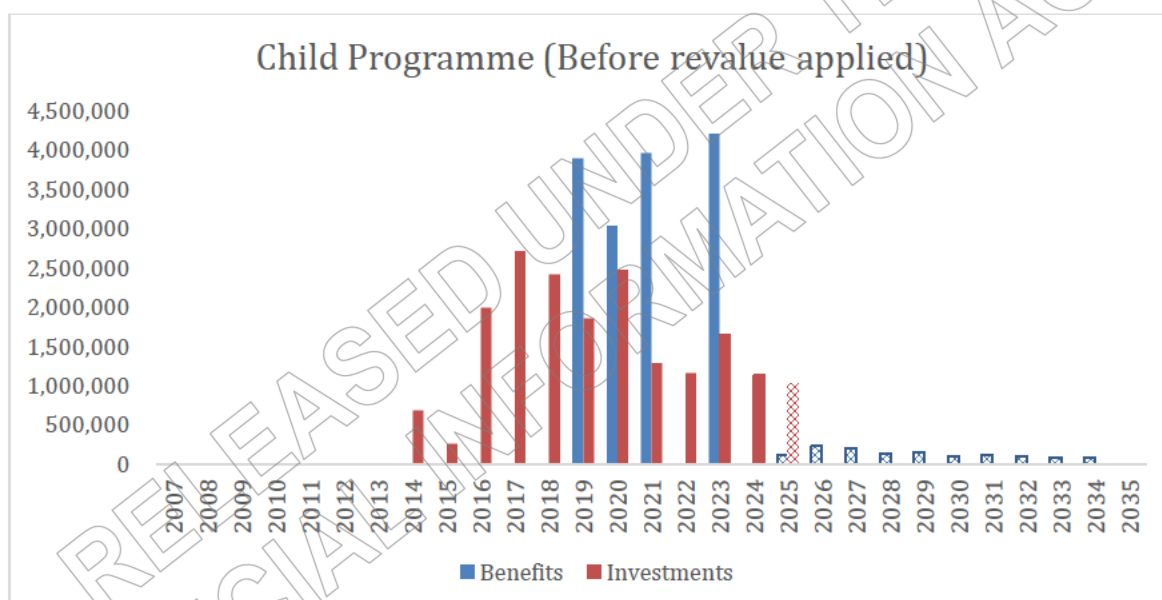
ACC, via the former Chair and CEO, committed \$5M to spend on roading project with Auckland Transport (AT). The projects put forward by AT were bespoke and \$2.5M was spent. There has been little investment in the last two years, \$60K, and little communication with AT about any further investment.

Programmes considered but not altered.

Child – Neutral future outlook

Benefits		Investments	
Retrospective	\$15.1M since 2018	Retrospective	\$17.6M
Prospective	\$1.4M to 2034	Prospective to FY26	\$1M

Benefits Actual vs Expected in last five years	FY20	FY21	FY22	FY23	FY24
Expected	\$2M	\$2.8M	\$2.5M	\$0.9M	\$0
Actual	\$3M	\$3.6M	\$0M	\$3.9M	\$0



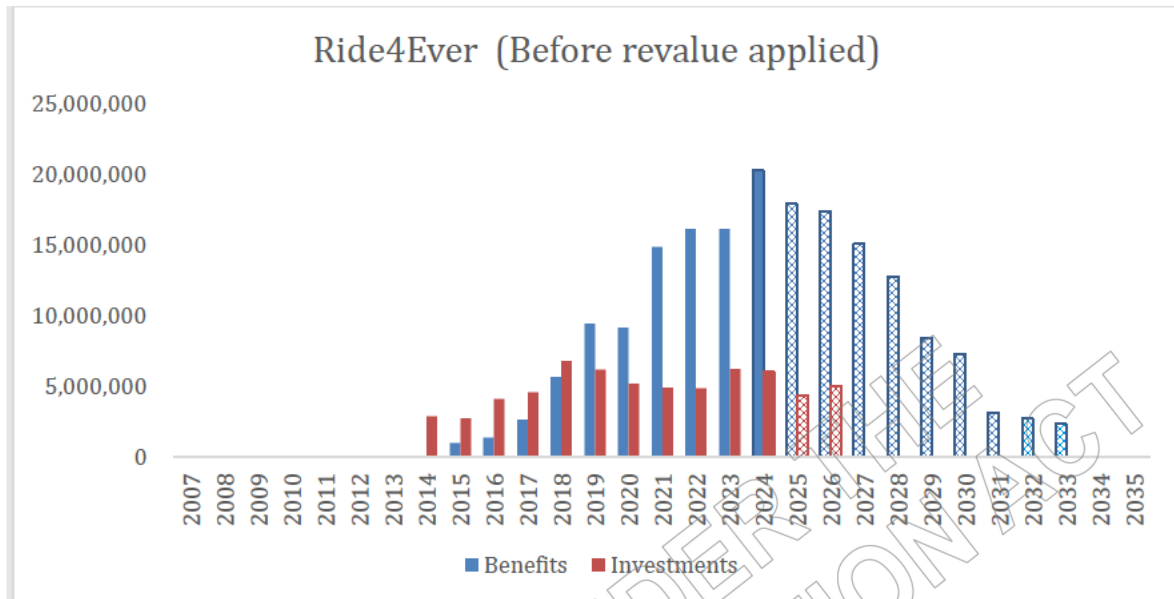
The Child IP programme was approved for reinvestment at the April 2023 Protection from Injury Value Stream Board meeting. It has since been signed off by the Chief Executive. As it is due to start in FY25, we have not altered the future values.

Motorcycles (Ride4Ever) – Positive future outlook

Benefits		Investments	
Retrospective	\$96.7M since 2015	Retrospective since 2013	\$54.6M
Prospective	\$87M to 2033	Prospective	\$9.4M

Benefits Actual vs Expected in last five years	FY20	FY21	FY22	FY23	FY24
Expected	\$6.7M	\$12.6M	\$14.6M	\$15.9M	\$17.3M

Actual	\$8.7M	\$13.4M	\$14.5M	\$14.9M	\$20.3M
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This programme (one of the 'Big 5') has three cohorts that received the intervention at different times. Having cohorts means we are able to effectively measure the performance of each cohort to analyse where it is working and where it needs attention.

In FY21, we increased the expected future claim savings for Cohort 1 (trained from 2013 to June 2020) and it is delivering on this. Cohort 2 (July 2020 to 2024) was approved for investment by the Board in June 2020. Cohort 2 is delivering a better claim rate than Cohort 1. However, Cohort 2 has not trained as many people as expected due to COVID. The efficacy of the programme is achieved as expected, but the volume of claims saved is lower than expected due to the reach.

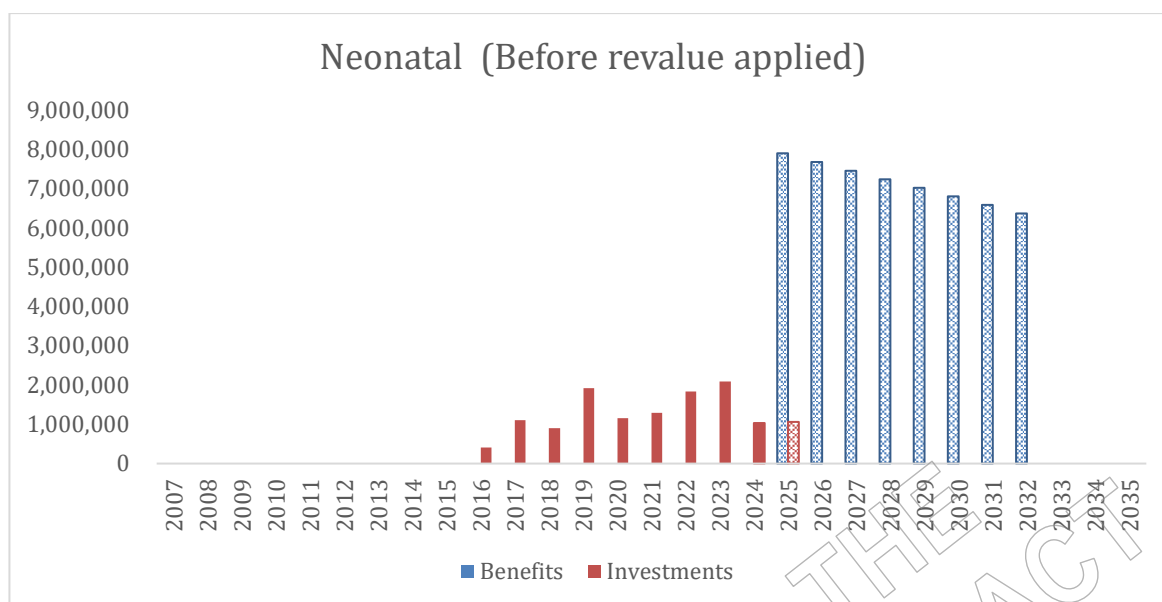
Cohort 3, which started in July 2023 is performing in line with early results we observed from Cohort 1 and 2 in the first year.

As a result, the Road programme team think there is no reason to change the expected claim savings for either Cohort, but the outlook remains positive.

Neonatal encephalopathy - Neutral outlook

Benefits		Investments	
Retrospective	\$0M since FY16	Retrospective since FY16	\$11.7M
Prospective	\$57.1M to FY32	Prospective	\$1M

Benefits Actual vs Expected in last five years	FY20	FY21	FY22	FY23	FY24
Expected	N/A	N/A	N/A	N/A	N/A
Actual	N/A	N/A	N/A	N/A	N/A



The programme team has been transitioning products that have completed their development to Te Whatu Ora e.g. GAPs/Grow initiative within the NeoNatal programme. This transition will include ongoing management and ownership of these products as ACC cannot implement as BAU outside of the health system. This is a risk. Other programmes that have handed over to other agencies have had mixed success.

Given the small number of claims a year, and the time it takes to confirm diagnosis (several years), the evaluation of the claims benefits is conducted every 5 years. This is sufficient time to detect an effect. It is planned for FY27.

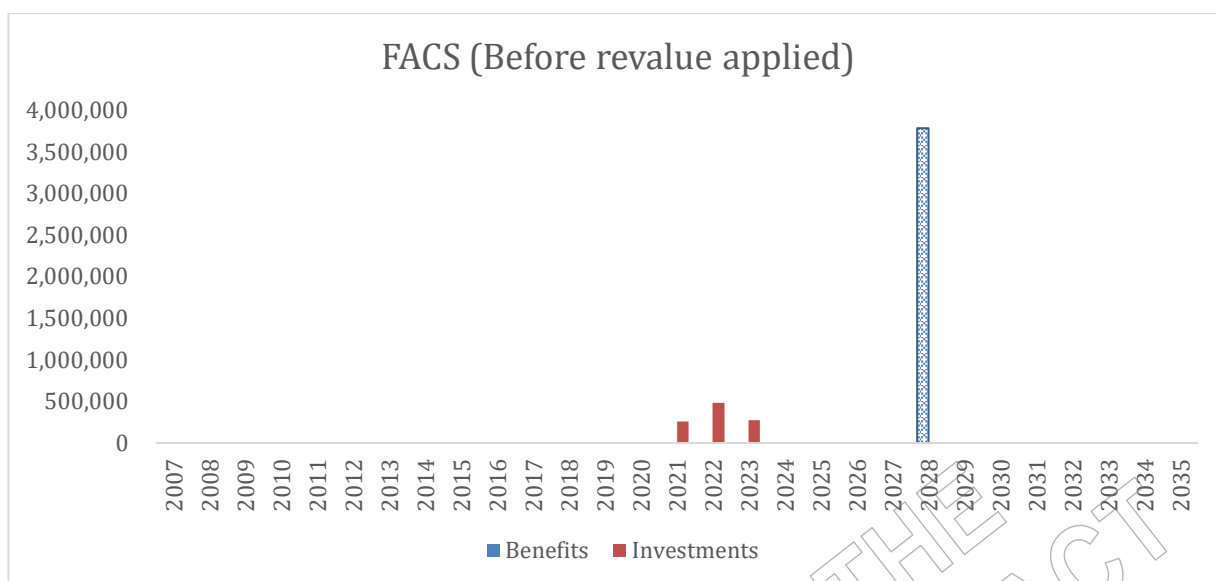
One of the challenges for this programme is the economic conditions that impacts on the SCE (which determines the cost of a claim). This programme targets a small number (around 15) of very expensive claims that has its value changed drastically each year which is outside the control of the programme team. The average cost of a claim decreased from \$5.1M to \$3.4M over the last few years, but now increased to \$4.1M. This improves the programmes ROI (as well as the Treatment Safety ROI).

The SCE update does have a more material impact on the future values, and it will increase the future value of the claims saved. Currently the SCE for this programme moved from an average of \$3.4M per claim to \$4.2M per claim due to economic conditions. This moved the expected future claim savings from this programme, if it is successful, from \$45.3M to \$57.1M and move the ROI from \$3.77 to \$4.46.

Foetal Anti-Convulsant Syndrome – Neutral future outlook

Benefits		Investments	
Retrospective	\$0	Retrospective since FY17	\$3.3M
Prospective	\$3.8M to 2028	Prospective	Nil

Benefits Actual vs Expected in last five years	FY20	FY21	FY22	FY23	FY24
Expected	N/A	N/A	N/A	N/A	N/A
Actual	N/A	N/A	N/A	N/A	N/A



Since 2016, ACC has contributed to sector-wide programme to reduce the number and severity of the Foetal Anti-Convulsant Syndrome (FACS) cases in NZ. ACC partnered with MedSafe who were undertaking the programme since 2009. It was intended that the ACC investment would speed up the existing programme.

The intervention situates around reducing exposure to anticonvulsant (also known as antiseizure) medication during pregnancy as it is associated with congenital malformation and neurodevelopmental disorders that may meet the criteria for treatment injury. The most problematic medication is sodium valproate (SV) which has been approved in NZ to treat epilepsy and bipolar disorder.

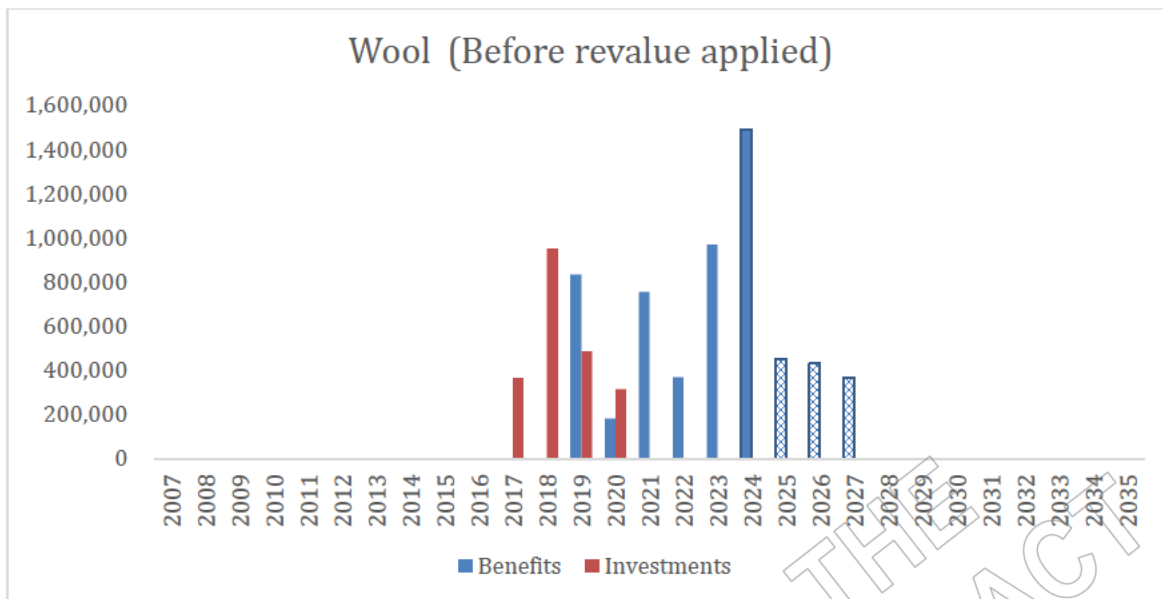
The programme had been in 'Design' as there was no business case that went to the IPDDC for approval. Investment commenced in FY17 and at the end of FY23 \$3.3M has been invested in this programme. There is also a delay in claims being made, average time being 10 years after birth.

Last year we analyzed the impact of the programme and created an ROI. It still is in-line with these claim savings, but similar to NeoNatal, is it subject to fluctuation in value with economic conditions.

Wool/shearing – Positive future outlook

Benefits		Investments	
Retrospective	\$4.6M since FY20	Retrospective since FY18	\$2.1M
Prospective	\$1.2M to FY27	Prospective	Nil

Benefits Actual vs Expected in last five years	FY20	FY21	FY22	FY23	FY24
Expected	\$0.4M	\$0.4M	\$0.4M	\$0.4M	\$0.5M
Actual	\$0.2M	\$0.7M	\$0.3M	\$0.9M	\$1.5M



This is a programme where investment has been completed and the programme is performing approximately in line with expectations after a shaky start at the beginning of the contract. In FY21, we outlined that they might be seeking reinvestment, but they have continued the programme without additional ACC investment, which is rare. The expected claim savings are in line with expectations, and no further investment is required. The Workplace programme team do not think the future claim savings should be altered. The programme is achieving the expected benefits after investment has been completed.

Grants and Subsidies – Neutral future outlook

While we reduced three Grants in the earlier section of this paper, there are four Grants that we considered but did not change (Two others were not considered, see the last section of this paper).

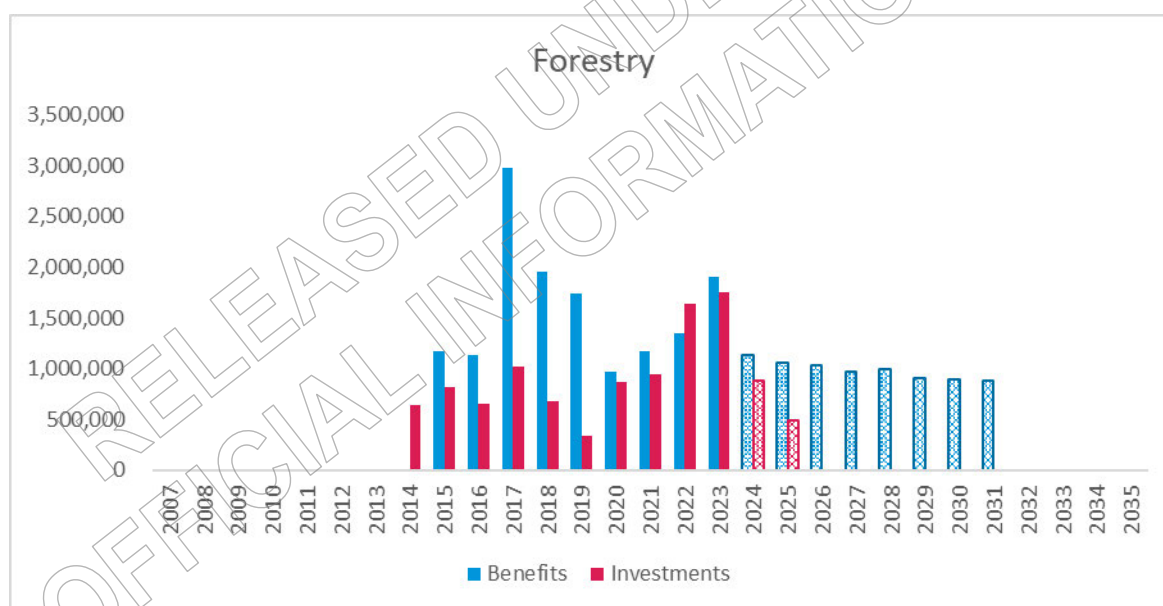
- AW Trinder, which is a passive intervention and in its first year delivered slightly higher than expected - this has a positive future outlook;
- BECA, which we are waiting some information on, had a small claim savings target in FY24 (\$56,000), and so it is not material at this stage;
- MarineSafe, which is only a handful of claims expected to be saved (three in FY24), achieved in FY23 and but did not in FY24; and
- Forestry, which is material, is given a longer write up given the complication connected with WorkSafe, and that it was a programme in its own right but became a Grant which is not the normal way this Grants process works.

Forestry (Grants and Subsidies)- Positive future outlook

Benefits		Investments	
Retrospective	\$15.5M since FY14	Retrospective since FY14	\$10.2M (including WorkSafe)
Prospective	\$6.7M to FY31	Prospective	Unknown from WorkSafe plus \$0.5M from ACC

Benefits Actual vs Expected in last five years	FY20	FY21	FY22	FY23	FY24
Expected	\$0.1M	\$0.1M	\$1.2M	\$1.2M	\$1.1M
Actual	\$0.8M	\$1M	\$1.5M	\$1.7M	\$1.8M

Note: The figures in the table represent ACC and WorkSafe investment into Forestry. WorkSafe invested from 2020 using ACC's investment into WorkSafe. The investment and benefits are split on a 50/50 basis and the above totals represent this joint venture even though ACC invested from FY14 to FY21. As such, the values are contained in the WorkSafe ROI and the Grants and Subsidies (G&S) ROI.



Last year, we wrote that this programme had future claim savings winding down, but WorkSafe and the ACC via Grants and Subsidies (G&S) had been investing in this area well after the initial ACC investment was completed. We undertook a new ROI in FY22, which will be split between WorkSafe and G&S on a pro-rata basis. It is one of the few WorkSafe programmes that is providing claim savings and arguably would have provided the same claim savings without the ongoing investment (i.e., the benefit would have been tracked and could have been about the same amount without this additional investment as it was embedded in the sector). This programme, in the early days, was successful due to solid sector buy-in that has continued.

Currently, WorkPlace want to claim the future benefits rather than allocate to WorkSafe on a 50/50 basis arrangement. It is unclear if WorkSafe agree to this, as it was one out 70 investments they made that produced any claim savings. It is likely WorkPlace will want to keep investing in Forestry and a one-year memo has been put together for FY25 for ~\$496,000. This investment is unlikely to generate any additional

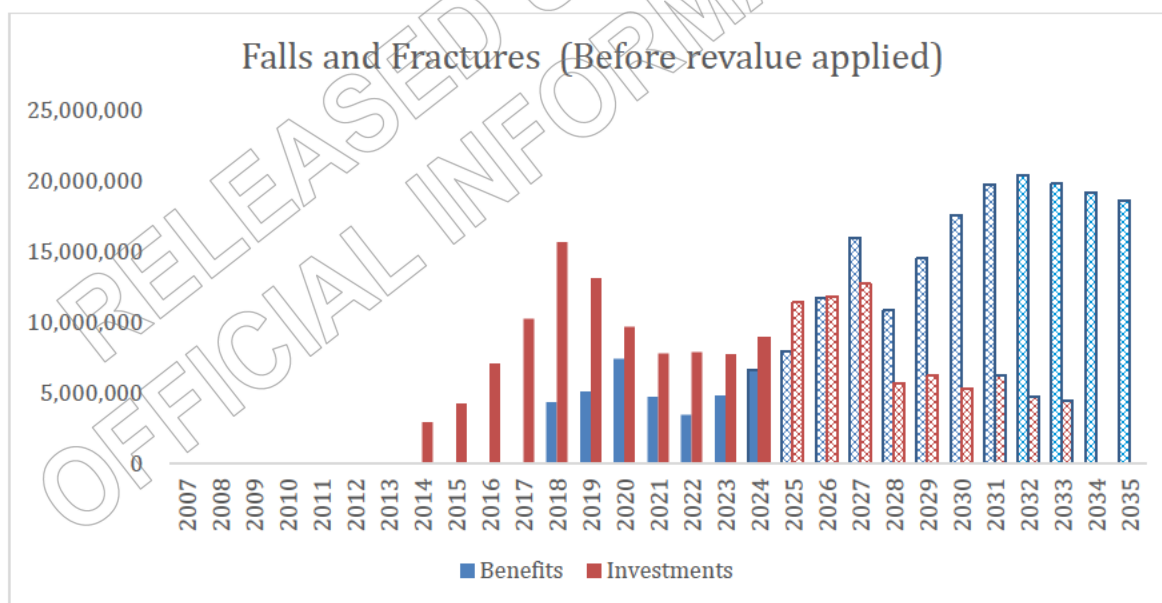
claim savings than it currently does and did not go to the PPGG. Given that it impacts on WorkSafe, this type of change should have governance over the decision, and PPGG is that group.

However, the purpose of this document is to revalue future claim savings and at this stage we think the future claim savings of the Forestry programme should remain the same at this stage. If there is a Forestry reinvestment paper in FY25, any changes to future claim savings could be calculated then, and this would give time for outstanding issue to be resolved.

Older Adult Falls - Neutral future outlook

Benefits		Investments	
Retrospective	\$36.2M since 2014	Retrospective	\$94.9M
Prospective	\$175.8M to 2035	Prospective to FY27	35.8M

Benefits Actual vs Expected in last five years	FY20	FY21	FY22	FY23	FY24
Expected	\$8.7M	\$10.4	\$13.5M	\$5M	\$6.4M
Actual	\$7.03M	\$4.5M	\$3.1M	\$4.4M	\$6.6M



This programme (one of the Big 5) was revised down for FY23. At the same time, it was considered that FY24 the paper going to the Board would be another opportunity to revisit the future claims benefits; and as a result the future values were adjusted down.

One of the key aspects in going to the Board, was the assumption that the Health sector would pick up this investment going forward as it, if succesful, has an impact on the number of hospital bed day stays. This was a Board action point, due for reporting back soon. Key to this ROI is that the future programme costs will be picked up by Health. This was a key assumption made at the recent business case to the Board. While there has been some progress on this, it needs to be escalated by PPGG to ensure that it isn't left off the agenda going forward.

This is a high risk, that the situation ACC finds itself in when this investment is nearing completion, will again be the case i.e., that additional investment is required on the hope that the Health sector will take over this initiative. This has been an assumption in this programme since inception in 2014 and when investment was first approved in 2016.

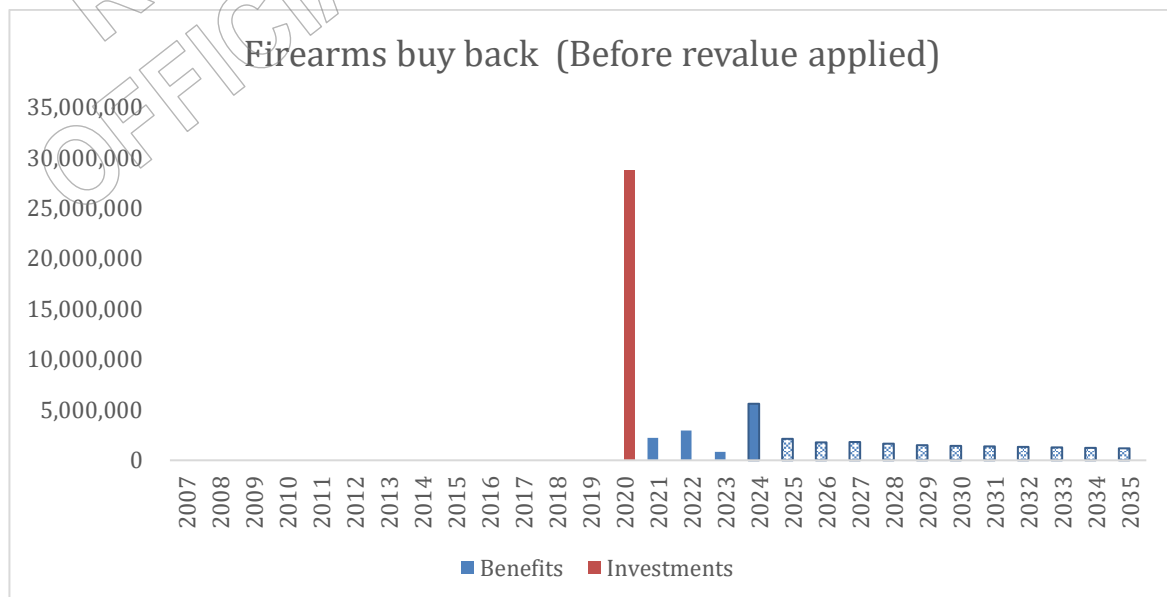
Another part of this programme is the Nymbbl app (depicted below as Digital Strength and Balance). This programme started in April 2023. The results have been mixed. While the results of Cohort 1 are similar to the pilot of about 20% efficacy, the reach, or the number of people signed up is much lower than expected. There is a lot of work occurring to change the approach to drive more people on to the Nymbbl app. Since February 2024, there has been a different approach taken to recruit people, and this has increased the number of new people using the app. This will translate into more claim savings (assume the efficacy still holds) in FY25 and not FY24. We note that while Cohort 1 is behaving like the Pilot, Cohort 2 is not.

While the Community strength and balance part of the Older Adult Falls programme is better than expected in FY24, this is offset by the Nymbbl app not achieving the expected results. This means the future claims, savings should not change as this stage.

Firearms buy back – Neutral future outlook

Benefits		Investments	
Retrospective	\$11.6M since FY21	Retrospective	\$28.8M
Prospective	\$22M to FY40	Prospective	\$0M

Benefits Actual vs Expected in last five years	FY20	FY21	FY22	FY23	FY24
Expected	N/A	\$4.7M	\$4.7M	\$4.7M	\$2M
Actual	N/A	\$2.1M	\$1.5M	\$0.8M	\$6.3M



This is the fourth year any claim savings are expected from this programme. It was one of the 'Big 5' but the results and the subsequent revaluation removes it from this list (results in FY22 were less than expected to date, and the annual target was 46 claims saved. It achieved 15 fewer claims saved and was put on a Negative future outlook). We thought at the time this was because the number of firearms targeted had not been collected. This remains the case, as recent data released from the Emergency Department is consistent with ACC claims data.

We continue to track reports where there have been subsequent seizures from Police raids; as well as these firearms used in shootings. Media reports would support that there are still a number of firearms in circulation.

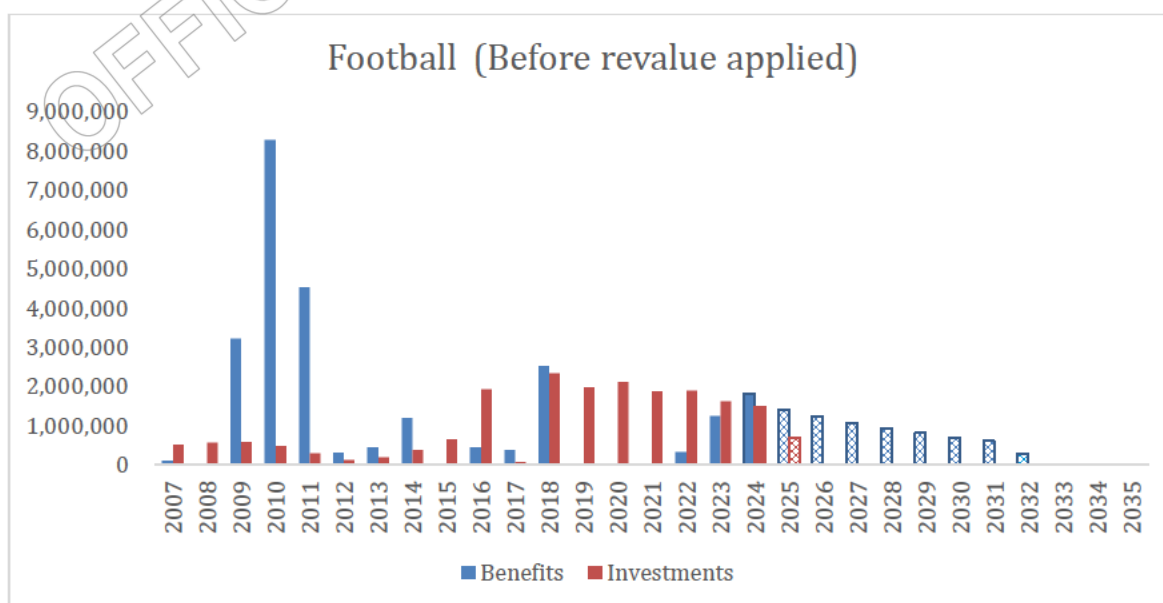
We also note that part of the model included the likelihood of a similar mass shooting occurring in New Zealand. Currently, this part of the model assumption is holding true. However, the initial costing of such an incident was much higher due to an estimate having had to be made at the time.

The biggest impact of this revaluation is not the change in cost to ACC of mass shootings, but the firearms claims were not reducing as expected and we lowered it last year. While it is ahead of this years expected we would like to see a more consistent result before any future values increase.

Football – Positive future outlook

Benefits		Investments	
Retrospective	\$24.8M since FY07	Retrospective since FY07	\$19.1M
Prospective	\$7M to FY32	Prospective to FY25	\$0.7M

Benefits Actual vs Expected in last five years	FY20	FY21	FY22	FY23	FY24
Expected	\$0.7M	\$0.6M	\$0.3M	\$1M	\$1.4M
Actual	\$0M	\$0M	\$0.3M	\$1.2M	\$1.8M



The Protection from Injury Value Stream Board reinvestment in Football had stage gates in November 2021. These have been met, the results for FY23 were in line with expectations. Football NZ have provided a full player database of the players and this has been used to show they are on track for the expected claims benefit this year which are higher. Last year the Sport programme team considered that a tentative corner has been turned and this year it seemed this had continued. At this stage it shouldn't change the future values but expect to next year.

Remaining programmes not considered

Roading long term programmes – not expected to deliver claim savings as yet.

The Roothing long term programmes take time for benefits to be realized and this has been outlined in the assumptions. There are three areas:

1) Roothing infrastructure

Benefits		Investments	
Retrospective	N/A	Retrospective since FY07	\$13.5M
Prospective	\$37M to FY39	Prospective to FY25	\$0.9M

Changes to roading take time to be included in future roading plans. Further, given the small number of claims on each road, a longer time period is needed to determine an effect. This is revised each year to ensure progress is being made. Progress is in line with expectations or better than expected but can change given the small numbers. The Road programme team is providing updates on the progress of this intervention, and it appears on track. In FY24 we received a list of roads that have been altered and we are now tracking the benefit of those.

However, two programmes, Coromandel loop and SH6 are due to be analysed. We are awaiting the data from the Police Crash Analysis System to analyse this, and this is likely by the end of 2024. We will provide updates.

2) Out of Context curves

Benefits		Investments	
Retrospective	N/A	Retrospective since FY16	\$0.5M
Prospective	\$21M to FY39	Prospective to FY24	N/A

This is another road infrastructure change to corners on roads where the speed is not suitable. This requires re-engineering the road. Given the small number of claims on each road, a longer time period is needed to determine an effect. This is revised each year to ensure progress is being made. Progress is in line with expectations or better than expected but can change given the small numbers.

3) Speed Management

Benefits		Investments	
Retrospective	N/A	Retrospective since FY07	\$4.8M
Prospective	\$20.5M to FY31	Prospective to FY23	N/A

This programme outcome was to lower the speed tolerance level. It was set at 10km/h. This meant if a person was over the speed limit by up to 10 km/h, Police have the discretion to not issue a ticket. This

programme was initially invested in with NZ Police in FY07 to test the appetite to lower the tolerance. It has taken some time for Police to make the decision (it did not need an act of Parliament). The tolerance has been lowered and we are now going to be using the Police Crash data to track the benefits. However, speeds have also been lowered for other reasons, so there is a re-establishment of a suitable methodology around attribution given other speed initiatives that have also happened.

Strategic Investments

The investments in the Strategic Investments portfolio, that covers most of the programmes in and around Sexual violence and Family violence, are included in the overall ROI, but do not have separate ROIs. This fits into the balanced approach for the ROI, where the overall ROI is positive it can allow for programmes to have ACC investment without an ROI. Some of this investment was for Mates and Dates before FY18.

The IPDDC in FY14 determined that the programme did not need a ROI as other programmes do. This was to allow time until the programme can be developed and understanding of the time needed to change behavior to impact on claims. The other Strategic Investment programmes since have started developing into programmes in their own right, such as Healthy Consensual Relationships; or are in a 'Design' phase.

However, it appears most of the programmes in Strategic Investments are in 'Design' (see table 2).

In FY24, we developed an ROI for a pilot in Family Violence; and a separate one for Sexual Violence (both in Auckland). We are using our Assault free text definition and while not perfect it has a lot of consistent elements we expected from this approach. This gives confidence that we will detect an impact and will be indicative that the programme is working. We are awaiting information for the Strategic Investment team to complete this.

For Sexual Violence, we have confidence in the date of first harm recorded in the system for sensitive claims. This means we can differentiate between claims after the programme is implemented. We can estimate how many claims we should expect to have received within 12, 24, 36 months and so forth, so will be able to detect an impact. Historical claims are the majority of claims to ACC. The upcoming change to the Integrated Services for Sensitive Claims may have an impact, as we understand date of first harm will still be collected.

Water Safety

This programme was put on pause in FY14, with Water Safety NZ invited to come to ACC to demonstrate work towards a sustainable funding model which involves a range of funding sources (government, lotteries/trusts and commercial partners). Some investment was approved in FY14, and this has been extended since every year since.

The Water Safety sector did have a large injection of investment from the Government of \$63M Budget2020 for mostly frontline rescue services. The ongoing investment by ACC played a part in that. The current agreement for ACC investment expired in FY24, but ACC has agreed to invest in FY25. This will allow IP to ascertain if any other parts of ACC are interested in supporting Water Safety from a promotion angle (similar to the situation IP found itself in with Paralympics); and if not, provide a suitable notice period, and to work with Sport NZ (the policy body for Water Safety) on our exit.

Given the high media attention on the drowning toll, the ACC Board always show interest in Water Safety. The drowning toll has not changed in recent years and includes drowning that are indoors as well as open waterways.

The retrospective investment by ACC is \$15.6M and we expected to further invest \$1M in FY25. All this investment is included in the overall ROI and is contained in the Sport ROI.

Surgical Mesh

This was an investment made by ACC to support the review of this injury and ongoing support for the taskforce group. The total investment in FY21 to FY23 was \$0.9M.

There is no ROI attached to this at the moment with the investment being included in the Treatment Safety ROI, as well as the overall ROI. We are analysing the data to establish a baseline as there will be changes to how Surgical Mesh is used and an impact on claims can be assessed, with a long lead time to detecting an impact.

Grants and Subsidies

There were two remaining programmes from Grants Round One and Two that were not considered because they are yet to start delivering claim savings. These are:

- Haumarū Tangata, a Kaupapa framework due to deliver in FY25. This was due to deliver in FY24, but they requested additional investment to implement the framework, which was approved.
- Accelerated Silicosis, which we are still setting the baseline, as this is a long-term claim type and in the early stages of detecting the claim and building the intervention.

Summary table of the impact of the SCE on the portfolios

As a summary table, assuming all recommendation in this paper are agreed to, the impact on portfolios are in Table 3.

Portfolio	Benefits (000,000)			Investments (000,000)			ROI		
	Total	Retrospective	Prospective	Total	Retrospective	Prospective	Total	Retrospective	Prospective
Targeted	\$ 989.5	\$ 470.2	\$ 519.3	\$ 527.0	\$ 439.4	\$ 87.6	\$ 1.88	\$ 1.07	\$ 5.93
Treatment	\$ 80.0	\$ 13.0	\$ 67.0	\$ 69.6	\$ 67.6	\$ 2.0	\$ 1.15	\$ 0.19	\$ 33.88
Strategic	\$ 0.0	\$ 0.0	\$ 0.0	\$ 117.2	\$ 117.2	\$ 0.0	\$ 0.00	\$ 0.00	NA
Workplace	\$ 237.9	\$ 101.8	\$ 136.1	\$ 108.0	\$ 95.4	\$ 12.6	\$ 2.20	\$ 1.07	\$ 10.82
Worksafe	\$ 12.2	\$ 12.2	\$ 0.0	\$ 91.1	\$ 91.1	\$ 0.0	\$ 0.13	\$ 0.13	NA
Total	\$ 1,319.6	\$ 597.1	\$ 722.5	\$ 912.9	\$ 810.7	\$ 102.2	\$ 1.45	\$ 0.74	\$ 7.07

Table 3. A breakdown by portfolio of the Benefit, Investment and ROI assuming this paper was approved.

Sections:

1. Weekly compensation claim trends
 2. Portfolio performance update
 3. Annual revaluation of programme benefits
-

1. Weekly compensation claim trends

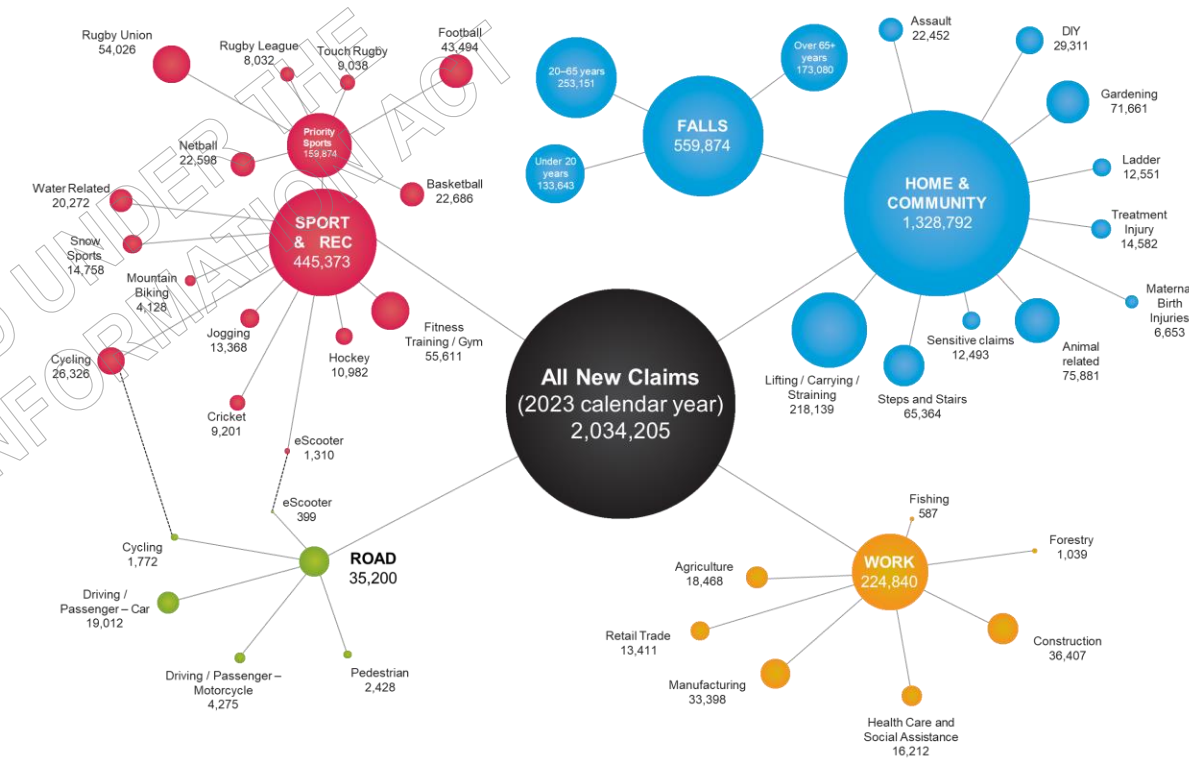
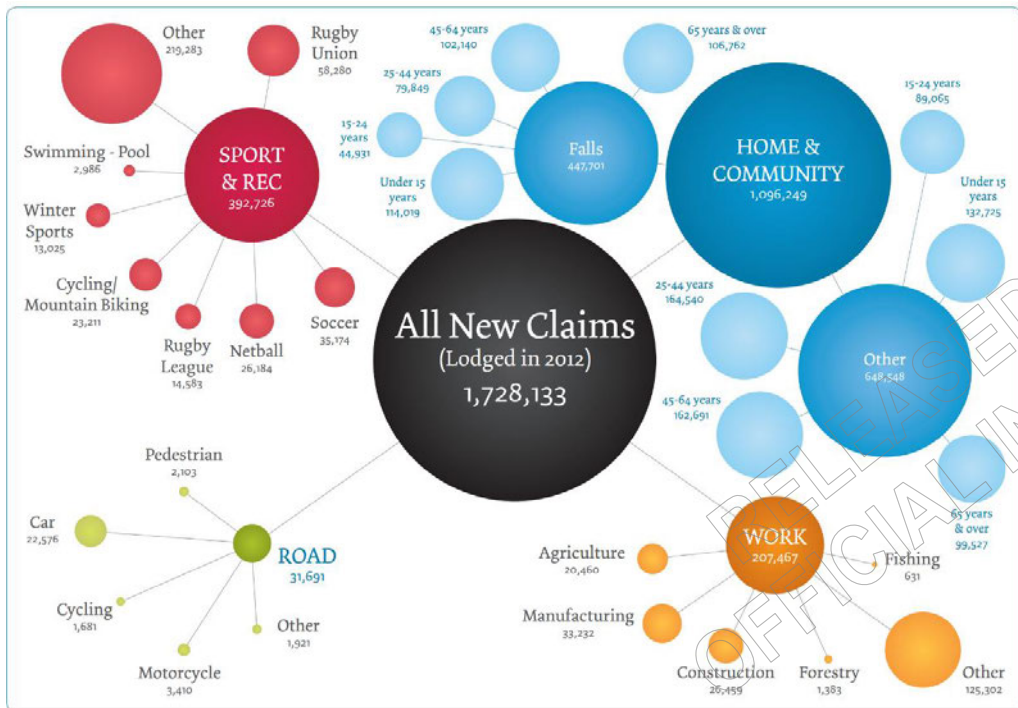
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Overall claim volumes have increased but the predominant injury settings have remained similar

2012

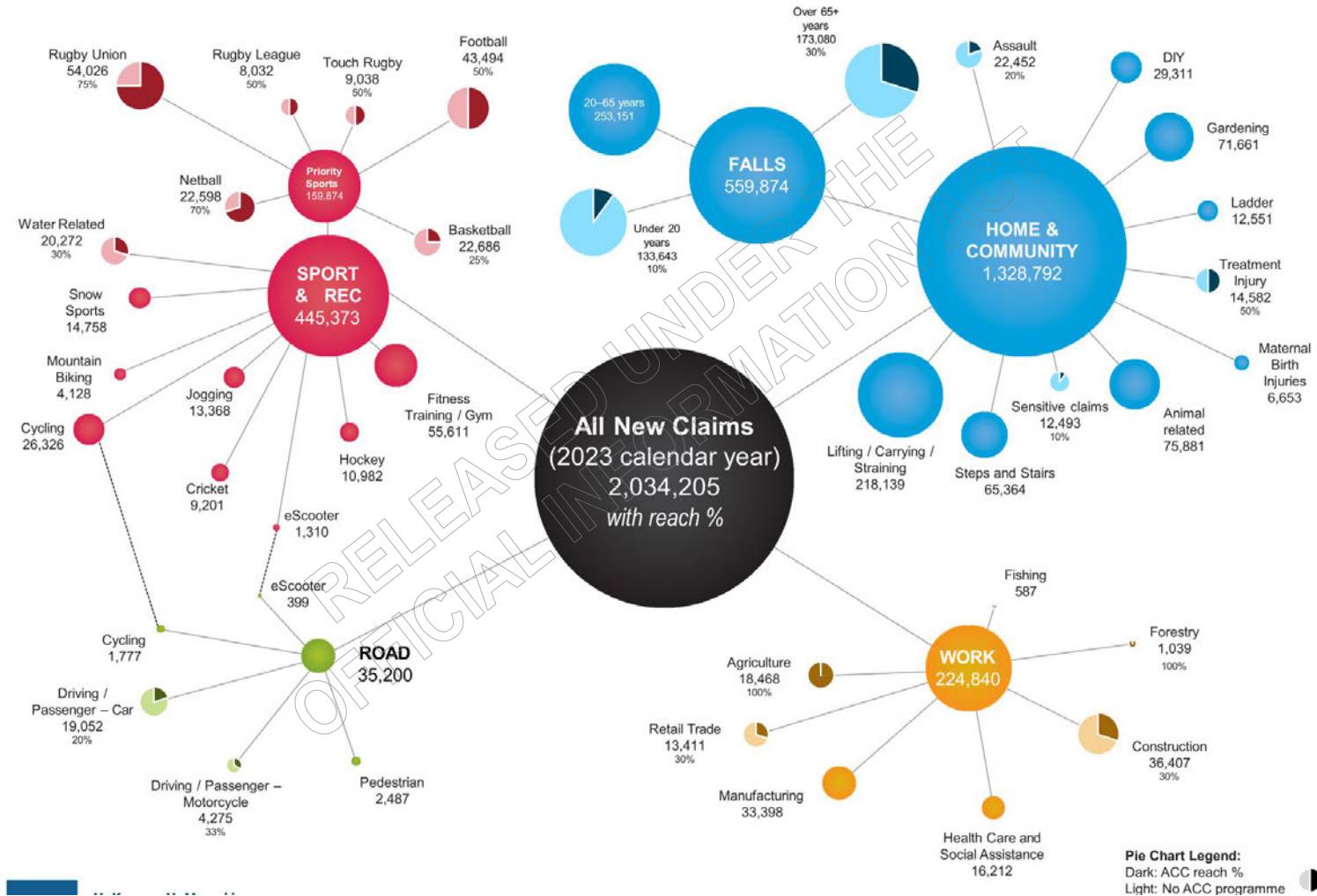
to

2023



There have been some decreases in real terms where IP programmes are in place, supporting the 50% reach hypothesis

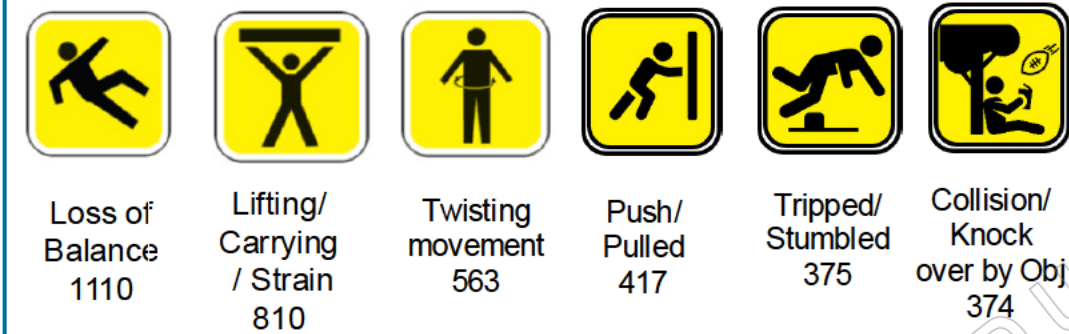
The reach of IP programmes as a percentage can be aligned to claim groupings



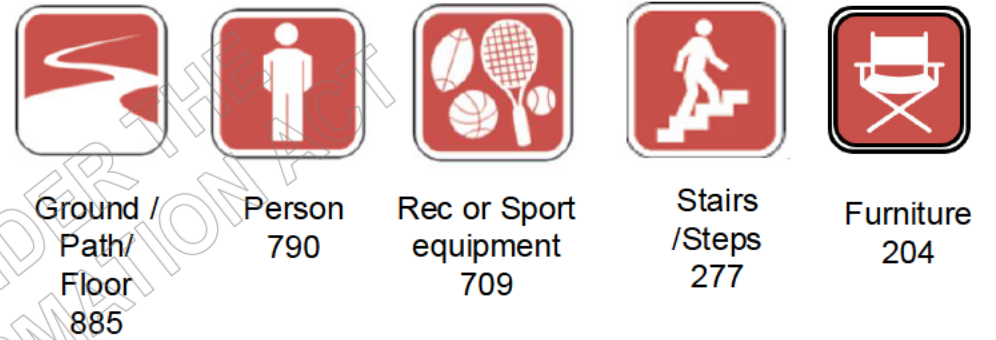
The darker shading in each bubble indicates where IP has coverage with the areas they are targeting

The top causes for weekly compensation claims in FY24 (~4100) remain largely consistent with earlier years

By cause - The action which was identified as the cause of the injury



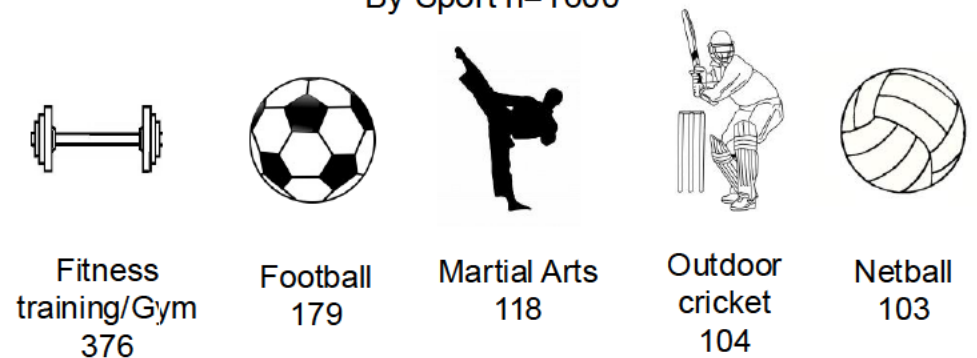
By external agency - The main factor contributed to injury



By activity prior - The activity the person was undertaking when the injury occurred



By Sport n=1600



Other weekly compensation claim trends of note comparing FY23 with FY24

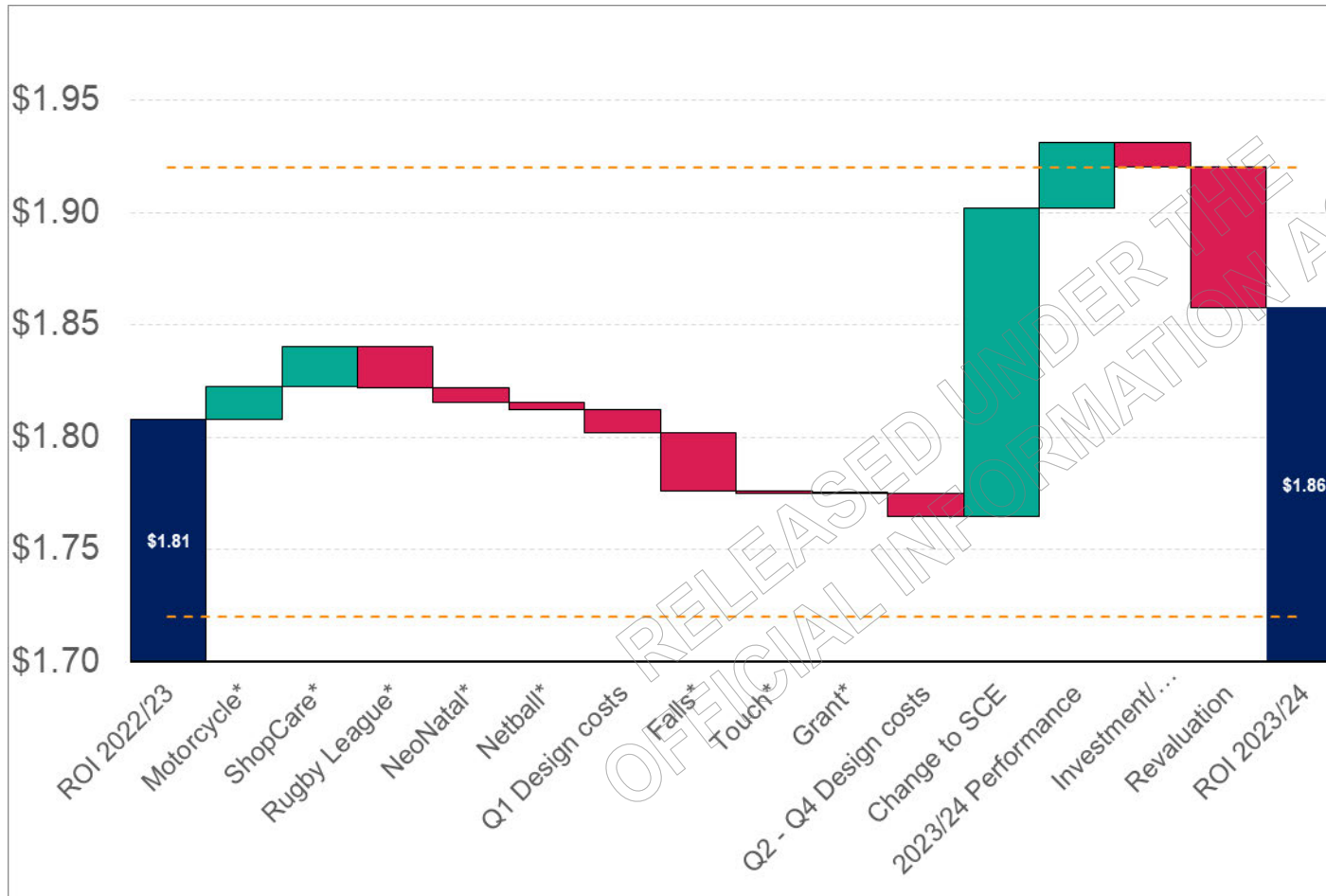
- There were fewer fractures (222), but more soft tissue injuries (3,650).
- Animal as an external agency stood out in the Earners' Account with Horse (74), Dog (71) and Sheep (16).
- In the Motor Vehicle Account, it appears that more two-wheel related injuries are driving the increase (motorcycles and cycling).
- There is an increase in weekly compensation claims in the main centres, including Northland (329) and Otago (316) with some differences in Work and Earners' Accounts across regions e.g. in Waikato an increase of 614 Earners' claims, but a decrease of 41 in the Work Account.
- When broken down by deprivation index (with least deprived being 1 and most deprived being 10), there were increases in Deprivation 1 to 8, with the largest increases in Deprivation 3 and 4 more (807 and 759 respectively). In the Work Account Deprivation 9 and 10 decreased.

2. Portfolio performance update

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The ROI was within target range of \$1.72 to \$1.92, supported by a favourable increase in the SCE

GOV-846006



Overall, controllable ROI factors by IP was an 8 cent decrease, with uncontrollable factors leading to a 13 cent gain – broken down as follows:

- The reinvestments and design costs were controllable by IP. This decreased the ROI from \$1.81 to \$1.77.
- The SCE increase has a 13.6 cent favourable impact on the ROI. This was much higher than expected.
- Programme performance, controllable by IP, lifted the ROI to \$1.93.
- Discount and inflation (uncontrollable) reduced it to \$1.92 due to large amount of future expected values
- Finally, the revaluation (controllable) reduced the ROI to the year end result of \$1.86.

FY24 claims prevented by programme

Portfolio (ROI)	Programme	Target FY24	Avoided FY24	RAG FY24	RAG FY23
Sport (\$1.74)	Rugby Union	2,746	0		
	Touch Rugby	109	0		
	Football	639	1,133		
	Netball	1,463	3,065		
	League	42	0		
Road (\$3.36)	Young Driver	463	735		
	Motorcycling	506	529		
Treatment (\$1.15)	MORSIM / NetworkZ	74	179		
	ICNet	100	0		
	Pressure Injuries	122	0		
Other	NYMBL	638	81		N/A
	Older Adult falls	1,700	2,567		
	Firearms	11	46		
	Preventable	0	21		

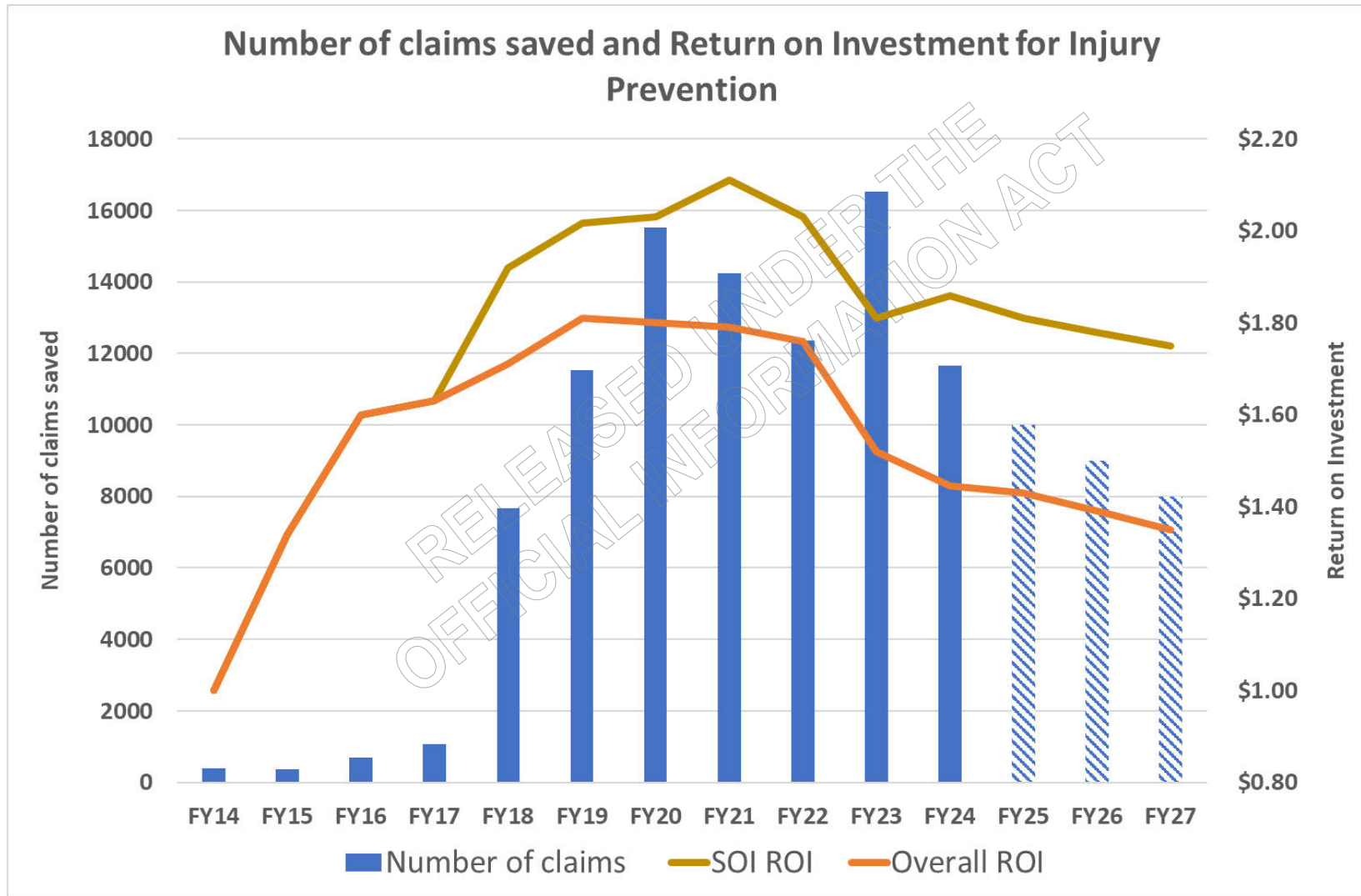
FY24 claims prevented by programme

Portfolio (ROI)	Programme	Target FY24	Avoided FY24	RAG FY24	RAG FY23
WorkPlace (\$2.20)	Farm strong	715	1,970		
	Wool	96	224		
	CHASNZ	741	204		
	ShopCare	225	0		
	DHB (Grant)	43	0		
	MarineSafe (Grant)	3	0		
	A W Trinder (Grant)	33	48		N/A
	Remaining Grants	150	0		
WorkSafe (\$0.13)	Forestry (50/50)	100	338		
	SafePlus (WorkSafe)	150	526		

Activity for claims savings in the coming years

FY25	FY26
Te Whare Wananga (G&S)	Silicosis (G&S)
Dairy NZ (G&S)	Horticulture (G&S)
Massey (G&S)	
BIMSafeNZ (G&S)	FY27
Farm without Harm (G&S)	NeoNatal
Trucking NZ (G&S)	Surgical Mesh
On Hire (G&S)	Roading infrastructure
Manufacturing (G&S)	
Waihanga Ora (G&S)	
Auckland SV	
Auckland FV	

The SCE increase created an ROI buffer for FY25, but claims prevented is trending down with little activity in the pipeline



3. Annual revaluation of programme benefits

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Final annual revaluation memo

Update on draft paper presented to PPGG in June.

The 'Big 5' have the biggest influence on the ROI going forward:

- Older Adult Falls reliance on Health picking up the programme. Created a PPGG action point.
- Young Driver/Motorcycles are the two that have most confidence in future benefits at this stage.
- Some questions around Grants and Subsidies, FY25 is a big delivery year for Grants Round Three and Four.
- Neonatal encephalopathy is reliant on the Health.

Design costs exceed cap

Already included in the ROI at 30 June 2024									Excluded from the ROI				
Portfolio	Programme	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	Total	Included in ROI (June 24)	Excluded from ROI
Treatment	Patient Safety		\$ 417,649	\$ 574,255	\$ 573,347	\$ 314,174	\$ 77,796	\$ 167,162			\$ 2,143,397	\$ 2,124,383	\$ 19,014
Treatment	Root Cause Analysis	\$ 2,060	\$ 235,678	\$ 318,575	\$ 464,551	\$ 538,518	\$ 339,430	\$ 262,402			\$ 2,161,214	\$ 2,161,214	
Treatment	Risk of Harm Reporting				\$ 65,588	\$ 330,329	\$ 185,886				\$ 581,803	\$ 581,803	
Strategic	Tuarai pilot project					\$ 452,541	\$ 730,181	\$ 734,659	\$ 1,499,620	\$ 1,180,975	\$ 4,597,976	\$ 1,917,381	\$ 2,680,595
Community	IP to Frontline					\$ 676,488	\$ 1,498,130	\$ 3,537,409	\$ 214,267	\$ 13,687	\$ 5,939,981	\$ 5,712,027	\$ 227,954
Road	Auckland Transport Partnership					\$ 977,731	\$ 801,296	\$ 730,574	\$ 60,588		\$ 2,570,189	\$ 2,509,601	\$ 60,588
Treatment	Private Surgical Hospital Initiatives					\$ 13,451	\$ 9,350	\$ 5,826			\$ 28,628	\$ 28,628	
Strategic	Nga Tini Whetu					\$ 5,653,707	\$ 5,785,658		\$ 495,228	\$ 5,693,986	\$ 17,628,580	\$ 11,439,365	\$ 6,189,215
Strategic	Healthy Consensual Relationships					\$ 325,656	\$ 1,872,801		\$ 3,245,326	\$ 5,583,590	\$ 11,027,372	\$ 2,198,457	\$ 8,828,916
Strategic	Child & Well being					\$ 23,636	\$ 1,391,537		\$ 803,243	\$ 655,052	\$ 2,873,468	\$ 1,415,173	\$ 1,458,295
Strategic	Prevention of Child Sexual Abuse					\$ 145,152	\$ 262,629		\$ 1,628,142	\$ 625,372	\$ 2,661,295	\$ 407,781	\$ 2,253,514
Community	Preventable					\$ 4,002,168	\$ 4,928,401		\$ 4,910,837	\$ 6,673,488	\$ 20,514,894	\$ 8,930,569	\$ 11,584,325
WorkSafe	WorkSafe DESIGN			\$ 502,070	\$ 4,891,966	\$ 10,586,475	\$ 9,019,742		\$ 1,298,464	\$ 9,388,286	\$ 35,687,003	\$ 25,000,254	\$ 10,686,750
Strategic	Cultural Capability IPMAOR							\$ 455,477	\$ 951,751	\$ 793,432	\$ 2,200,660	\$ 455,477	\$ 1,745,183
Strategic	Oranga Whakapapa							\$ 11,207	\$ 850,372	\$ 914,191	\$ 1,775,770	\$ 11,207	\$ 1,764,563
Community	IP Community connect							\$ 113,651			\$ 113,651	\$ 113,651	
Strategic	SafeKids Design									\$ 2,704,470	\$ 2,704,470		\$ 2,704,470
Falls	Taurite Tu								\$ 251,860	\$ 309,325	\$ 561,186		\$ 561,186
Workplace	Employers & Manufacturers									\$ 817,414	\$ 817,414		\$ 817,414
Strategic	Oranga Tikanga								\$ 2,790	\$ 247,323	\$ 250,113		\$ 250,113
Strategic	Sustainable PP System								\$ 127,263	\$ 41,164	\$ 168,428		\$ 168,428
Workplace	Taituara (Local Government)								\$ 377,252		\$ 377,252		\$ 377,252
Sport	Basketball									\$ 372,071	\$ 372,071		\$ 372,071
Treatment	Maternal Birth Injuries									\$ 343,885	\$ 343,885		\$ 343,885
Community	Principal Customer Record									\$ 1,555,956	\$ 1,555,956		\$ 1,555,956
Community	Secondary & Tertiary Prevention									\$ 1,222,086	\$ 1,222,086		\$ 1,222,086
Workplace	H & S System									\$ 390,100	\$ 390,100		\$ 390,100
	Total	\$ 2,060	\$ 653,327	\$ 892,829	\$ 1,605,557	\$ 8,195,198	\$ 24,378,863	\$ 29,279,137	\$ 16,736,016	\$ 39,525,855	\$ 121,268,842	\$ 65,006,971	\$ 56,261,871



Draft Revaluation FY25

Purpose

The purpose of this DRAFT paper is to outline likely changes to expected future claims savings for each programme in delivery.

This is an annual process to check the performance of each programme or variable to see whether they have changed such that we no longer believe the current estimate of claims savings for each business case is accurate. This paper is a **DRAFT FOR FEEDBACK ONLY**.

At the July 2025 PPGG meeting we will be presenting a final version (longer and more detailed) of this paper. However, given some of the changes recommended, additional information may need to be presented at the next PPGG meeting(s).

Teams from Performance and Intelligence, Injury Prevention, Finance and Actuarial Services have reviewed all programmes in delivery, considering their performance to date, historical performance and any knowledge gained through implementation of the programme.

Any changes to expected claims savings will impact on the return on investment (ROI) figure reported in the Statement of Intent and Service Agreement targets at the end of this financial year.

DRAFT Recommendations

1. **Note** the contents of the is DRAFT paper. In the July 2025 meeting a large paper will be presented with specific recommendations on each programme
2. **Note** as with every year, there are two technical adjustments that are likely to further impact the ROI this financial year – an updated Statistical Case Estimate (changes the value of each claim saved) and the final investment rates (changes how future claim savings are valued in today's dollars). The impact of these changes will be seen in the year end ROI result.

Background and Process

When a business case is presented for investment, several assumptions are made *vis-a-vis* determining claims savings. These assumptions are tested throughout the life of the programme comparing actual results with expected results. These are presented in the Outcomes Frameworks for each programme and these are updated monthly/quarterly where appropriate.

At the end of the financial year the performance of injury prevention programmes is confirmed. This performance examines the impact the programmes have had in reducing claims to ACC. This in turn finalises the Return on Investment (ROI) calculations for the Service Agreement (SA) and Statement of Intent (SOI).

Comparing actual with expected also provides the opportunity to revalue future claims savings based on observed performance. The assumptions at the time the business case is presented for investment could be conservative, overestimated or in the case of new programmes, untested and exploratory. Some programmes have a high level of participant information which makes this easier to extrapolate out than others. There is also an optimism bias in a large number of business cases. Hence the re-value downwards of the results in the last couple of years.

Part of this process is to determine if the performance of a programme justifies the future benefits as expressed by claims savings that calculate the ROI. This DRAFT paper outlines the most recent assessment of whether a programme is performing as expected in the business case. This assessment is confirmed at the end of the FY25 financial year when the number of claims reduced by each programme is known. The performance of the programme through FY24 does provide a starting point, as does the progress through the year, presented at PPGG.

This DRAFT assessment examines the reliability of the expected future claims savings based on current performance. The expected future claims savings is altered based on the decision from this paper. In its simplest form it is asking can the future values of each programme be relied upon given performance to date.

This paper remains in DRAFT. Given the quick turnaround between the FY25 results, PPGG meetings and the annual External Audit on the Statement of Intent measures, this signals intention to ensure decision makers have time and information.

ACC appears to be one of the few organisations around the world that undertakes this exercise to compare injury prevention results with assumptions on a regular basis. This is good practice and maintains the integrity of the IP investment and ROI methodology.

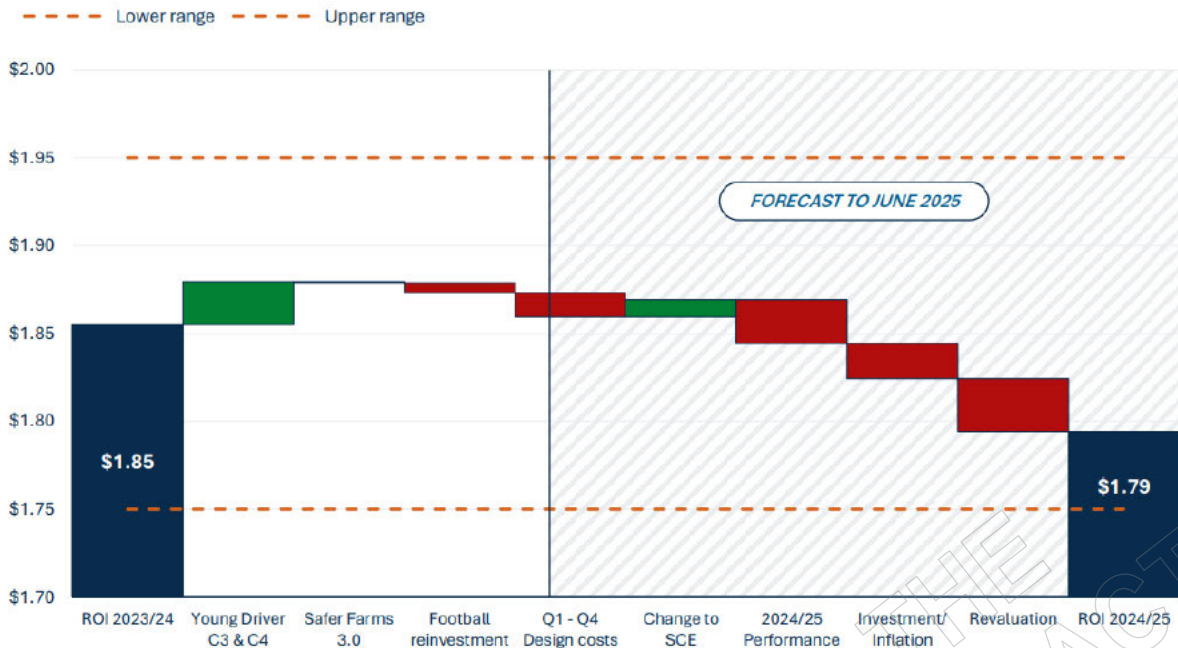
Claims savings for the purpose of determining the ROI is derived by calculating the number of fewer claims expected from each programme. The number of fewer claims is then modeled to determine the respective claim costs that have been avoided. This is then compared with the expected value of the claims saved.

While the results will not be known until the end of FY25, the results to the end of Q3 provides a strong indication as to the likely outcome.

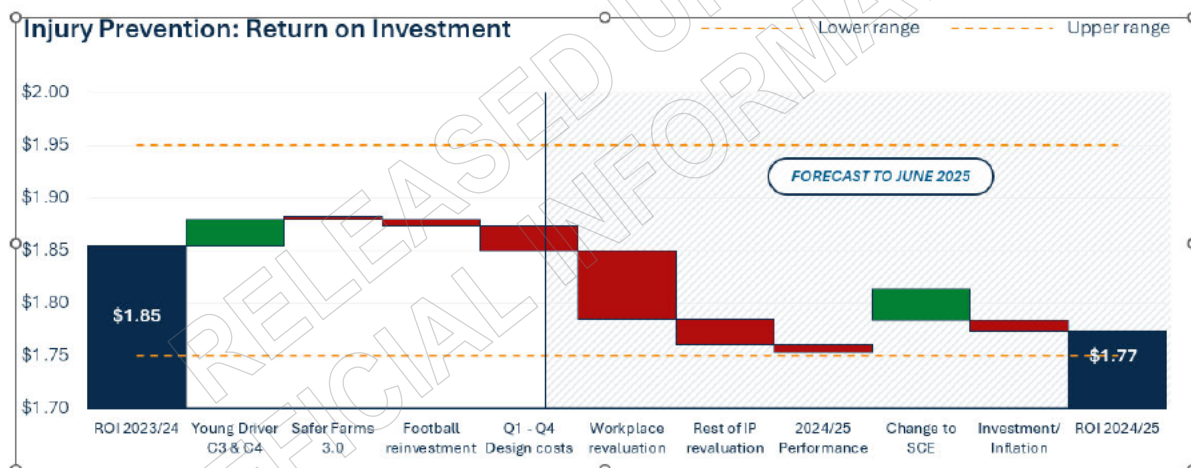
As a matter of procedure, the FY25 result is expected to be finalised in the first week of July 2025 as normal, but this will fall outside of PPGG meetings timelines. To mitigate this, we will put forward a provisional result in the SOI/SA in the first week of July 2025 and confirm the result after the PPGG meeting in July 2025. Part of the purpose of this paper is to raise any potential issues early so these can be addressed prior to year end.

Overview of likely results

At the end of Q3 FY25, the Statement of Intent ROI is below and is in the various Q3 Exec reports. The waterfall has a range of factors that will move it up and down and have been outlined at PPGG.



However, this year there will be a sizeable reduction in future claims benefits. This is still to go through the final stages but currently the waterfall graph below is a closer representative of the result at the present time.



These changes, while only decreasing the overall ROI by 2 cents from the reported Q3 results, are now closer to the lower bound of \$1.75. There are a couple of notable changes (A further breakdown is below in table 2 and table 3):

- There is a large decrease in values from the Workplace programme and this is shown as one bar above. This represents about a ~6.6 cent decrease on the ROI. This comes from a decrease in Grants Round One through Four based on results to date, plus revaluation of CHASNZ (Construction). Grants have been raised as a risk in the last two re-valuation papers.
- The Rest of IP revaluation is a ~2.5 cent decrease. Large changes were reducing the future values of Nymbly (fall app); Rugby Union; Rugby League; Touch Rugby; and MORSim (surgical simulator). Increases were in Netball, Motorcycles (RideForEver) and Young Drivers (DRIVE).

- The better performance in Road has limited the impact of the other programmes that, at the end of Q3, are unlikely to generate more claims saving in FY25.
- Improvements to the ROI are changes to the Statistical Case Estimate that values the number of claims saved. Last year this improved the ROI by 13 cents. This year from the preliminary work this is estimated to be ~3 cents. This could rise as the work is currently underway.
- Investment returns/inflation adjustment that occurs annually.

There are some business cases going to PPGG in April 2025. These will be included in FY26 ROI as these are re-investments that start in FY26.

Detailed breakdown: Design costs

The amount in 'Design' now exceeds \$94M at the end of Q3. It is above the \$50M cap. In this year's DRAFT revaluation about \$25.5M (present value of money) will be moved into Exit. This represents four programmes. Two (Taituara, IP Community connect) are already included in the ROI due to expenditure being older than two years. Nga Tini Whetu (\$23.5M) will be moved in Exit, as will Principal Customer Records (\$1.6M). This will lower the amount in Design to \$68.5M with spend in Q4 still to occur.

Moving these costs into Design creates only a small round error on the Statement of Intent ROI. This is because Nga Tini Whetu is excluded from the Statement of Intent ROI as are programmes from WorkSafe and Strategic Investment, but included in the overall ROI. This is rounding error is shown in Table 1 below.

Portfolio	Programme	Spend end of Q3 FY25	Amount already included into the ROI	Amount Excluded at end of Q3 FY25	SOI ROI from	SOI ROI to	Overall ROI from	Overall ROI to
Community	Principal Customer Records	\$ 1,605,127	\$ -	\$ 1,605,127	\$1.8494	\$ 1.8455	\$ 1.44127	\$ 1.43891
Workplace	Taituara (Local Government ir	\$ 389,174	\$ 389,174	\$ -	\$1.8455	\$ 1.8455	\$ 1.43891	\$ 1.43891
Strategic	IP Community connect	\$ 104,000	\$ 104,000		\$1.8455	\$ 1.8455	\$ 1.43891	\$ 1.43891
Strategic	Nga Tini Whetu	\$ 23,605,801	\$ 12,184,024	\$ 11,421,777	\$1.8455	\$ 1.8455	\$ 1.43891	\$ 1.42283

The biggest impact on the Statement of Intent ROI will be the re-value of programmes in 'Delivery' based on performance. There are more decreases (Table 3) than increases (Table 2).

Values for the Motorcycles (RideForever) and Young Driver (DRIVE) have been moved up. These programmes continue to do better than expected against their 'stretch' targets. Further there will be acceleration on training and better date collection supports this expected increase.

Netball will also be moved up in the continuation of beating its 'stretch' target. However, some caution needs to be applied to ensure it isn't too much of a stretch as the case with FarmStrong this year.

Portfolio	Programme	Claims Prevented		RAG Status			Future values		ROI	
		Expected FY25	Actual Q3 FY25	FY25	FY24	FY23	From	To	From	To
Road	RideForever (Motorcycles)	479	591				\$61.8M	\$69.6M	\$ 2.73	\$ 2.85
Road	DRIVE	525	619				\$67.3M	\$76.4M	\$ 4.10	\$ 4.28
Sport	Netball	2662	2004				\$18.7M	\$20M	\$ 4.00	\$ 4.08

There continues to be a number of programmes with decreasing values (Table 3). The biggest areas in the Grants space. The majority of the Grants are not delivering claims savings. This has been called out as a risk in the re-value report for the last few years, as almost all investment has occurred. The intention is also to move Forestry from being a Grant to being its own programme, discussed later at PPGG. This is moving this successful programme's values out on Grants but it remains within Workplace.

The information in Table 3 reflects Forestry being removed and the ~\$10M of benefit in which its has generated.

Another area is the NymbL programme, which is part of the Older Adult falls programme. The results of the NymbL pilot are not being replicated as it appears the programme is attracting people with a low risk of falls. This programmes investment is based on the number of people at risk and as a result there is little or no forward spend as in the Grants. This means while future expected values are re-valued down, it links to a corresponding reduction in investment, having some but not a large impact on the ROI. Further the other parts of the Older Adults falls programme are doing better than expected offsetting some of this result.

CHASNZ (Construction), is not performing this year and in previous years was a small proportion of expected returns and was re-valued down for FY25 and FY26. This is a further reduction of this. It is coming to the end of its investment cycle.

MORSim (A surgical simulator) has had mixed results and only a few years of expected returns remain. It started out not providing results for Cohort 1 & 2, but Cohort 3 provided results but has fallen away. We will still look for results going forward.

Rugby Union has been discussed at PPGG and the re-value reflects that and the other sports.

Table 3. Impact on the SOI ROI from decrease in the benefits of under performing programmes										
Portfolio	Programme	Claims Prevented		RAG status			Future values		ROI	
		Expected FY25	Actual Q3 FY25	FY25	FY24	FY23	From	To	From	To
Work	Grants	161	66				\$68.7M	\$21M	\$ 2.43	\$ 0.84
Falls	NymbL aspect of Older Falls	1150	96			N/A	\$200.6M	\$173.3M	\$ 1.46	\$ 1.39
Work	CHASNZ	419	0				\$26.3M	\$17M	\$ 2.44	\$ 1.50
Treatment	MORSim	78	0				\$4M	\$ -	\$ 1.33	\$1.05
Sport	Rugby Union	1236	0				\$10.6M	\$9.2M	\$ 3.29	\$ 3.19
Sport	Touch Rugby	59	0				\$0.4M	\$ -	\$ 0.95	\$ 0.80
Sport	Rugby League	28	0				\$0.8M	\$ -	\$ 1.09	\$ 0.97



Memorandum

TO	Primary Prevention Governance Group (PPGG)
FROM	[Out of Scope], Manager, Investment Performance and Intelligence
DATE	18 th June 2025
SUBJECT	Annual revaluation of IP programmes

Purpose

The purpose of this paper is to confirm the recommendations on expected future claim savings for each Injury Prevention (IP) programme in delivery, as part of an annual revaluation process.

Recommendations

- Note** a full breakdown i.e., technical report appears as Appendices.
- Note:** Further changes to the Return on Investment (ROI) will occur at the end of the financial year. These include: Statistical Case Estimate (SCE) - which changes the value of each claim prevented; claims saved converted into a value; final amount of FY25 investment; and the final investment rates (changes how future claim savings and the IP Investment are valued in today's dollars).
- Agree** to increase future claim savings for the Motorcycle programme (RideForever). This will increase the Motorcycle programme ROI from \$2.87 to \$2.98
- Agree** to increase future claim savings for the Young Driver programme (DRIVE). This will increase the Young Driver programme ROI from \$4.10 to \$4.24.
- Agree** to increase future claim savings for the Netball programme. This will increase the Netball ROI increases from \$4.01 to \$4.11.
- Agree** to decrease all future claim savings for the following Grants recipients: BECA, Thriving Manufacturing, One Scope and Massey Horticulture to zero (i.e. no claims saved is expected); DHBs, Te Whare Wananga o Awanuiarangi, Dairy NZ, Horticulture NZ, SaferMe, BIMSafe, NZ Trucking and Waihanga Ora Construction by 50% of future expected values. This moves the Grants ROI from \$2.38 to \$1.15.
- Agree** to decrease the NymbL aspect of the Older Adults falls programmes. The Older adult falls ROI decreases from \$1.46 to \$1.41.
- Note** the action point for PPGG to continue to make a case for the Health NZ sector to pick up the Fracture Liaison Service (FLS) investment from the Older Adult Falls programme from FY27. This is outlined as a key assumption in the Older Adult Falls business case and was agreed upon by PPGG.

9. **Agree** to decrease future claim savings for the Rugby Union programme. The Rugby Union ROI reduces from \$3.39 to \$3.29.
10. **Agree** to decrease all future claim savings for the Touch Rugby programme. The Touch Rugby ROI reduces from \$0.95 to \$0.80.
11. **Agree** to decrease all future claim savings for the Rugby League programme. This moved the ROI for Rugby League from \$1.09 to \$0.97.
12. **Agree** to decrease all future claims savings for MORSim/NetWorkz. This moves the MORSim/NetWorkz ROI from \$1.33 to \$0.98.
13. **Agree** to decrease future claim savings for CHASNZ (Construction). The ROI for CHASNZ reduces from \$2.44 to \$2.23.
14. **Agree** to move IP Community Connect investment from 'Design' into 'Exit' to reflect the investment ceasing in FY22.
15. **Agree** to move Principal Customer Records investment from 'Design' into 'Exit'.
16. **Agree** to move Nga Tini Whetu investment from 'Design' into 'Exit'.
17. **Agree** to move Taituara (Local government project) investment from 'Design' into 'Exit'.
18. **Agree** with the intention not to alter future claim savings of the programmes where that was the recommendation made in this paper.
19. **Note** At this stage of the process this paper changes the Service Agreement ROI from \$1.84 to \$1.79 (FY25 target is a range between \$1.75 to \$1.95); and the overall ROI from \$1.42 to \$1.37. The future value of claims from IP programmes from this paper decreases from \$736.6M to \$674.5M

Background and Process

To ensure a true and fair view, each year the future claims savings for each IP programme is reviewed. The purpose is to determine if based on performance, the assumptions in the business case need to be adjusted (up or down) or be kept the same. Altering the future claims savings will have an impact on the ROI.

Teams from Performance and Analytics, IP, Actuarial Services; and Finance have reviewed all the programmes in delivery, considering their performance to date, historical performance and any knowledge gained through the implementation of the programme. The programme teams in IP, for specific programmes, provided context on why future claim savings should or shouldn't be adjusted.

Excluded from this analysis is the updated SCE. The SCE is used to value the claims prevented and converts this into values in relation to claims saving. Updating the SCE is an annual process that is impacted by factors such as rehabilitation performance (and therefore claim costs) as well economic conditions. In FY25 we intend to apply the December 2024 valuation of the SCE; and attempt to apply the June 2025 valuation to be consistent.

For FY24 the SCE had a large impact on the ROI. This was largely due to deteriorating rehabilitation performance, resulting in an increase in the cost of claims, with the largest increase in the Work Account (increase ranged from 10-20%). This change to the SCE improved the Service Agreement ROI from \$1.77 to \$1.90, which was closer to the mid-point range of \$1.72 to \$1.92.

At the June 2025 PPGG meeting we will be able to present the impact of the December 2024 calculation of the SCE on the ROI. The estimate at the time of writing is that the ROI will improve by about 9-10 cents.

At the April 2025 PPGG meeting we presented a DRAFT paper to give members suitable time to raise any questions or if they needed further information about any of the likely changes. There were no questions, or subsequent discussions.

Impact of this revalue on the ROI

Table 1 below is a breakdown of ROIs at the portfolio level before the changes outlined in this paper were made; and Table 2 assumes all changed in the paper are agreed. At this stage of the process this paper changes the Service Agreement ROI from \$1.84 to \$1.79 (FY25 target is a range between \$1.75 to \$1.95); and the overall ROI from \$1.42 to \$1.37.

Portfolio	Benefits (000,000)			Investments (000,000)			ROI		
	Total	Retrospective	Prospective	Total	Retrospective	Prospective	Total	Retrospective	Prospective
Targeted	\$ 1,061.7	\$ 534.9	\$ 526.8	\$ 567.0	\$ 487.0	\$ 80.0	\$ 1.87	\$ 1.10	\$ 6.59
Treatment	\$ 81.3	\$ 15.6	\$ 65.7	\$ 71.8	\$ 71.8	\$ 0.0	\$ 1.13	\$ 0.22	NA
Strategic	\$ 0.0	\$ 0.0	\$ 0.0	\$ 142.2	\$ 142.2	\$ 0.0	\$ 0.00	\$ 0.00	NA
Workplace	\$ 262.5	\$ 118.4	\$ 144.1	\$ 123.3	\$ 107.7	\$ 15.6	\$ 2.13	\$ 1.10	\$ 9.23
Worksafe	\$ 12.6	\$ 12.6	\$ 0.0	\$ 93.3	\$ 93.3	\$ 0.0	\$ 0.13	\$ 0.13	NA
Total	\$ 1,418.1	\$ 681.5	\$ 736.6	\$ 997.6	\$ 902.0	\$ 95.6	\$ 1.42	\$ 0.76	\$ 7.71

Table 1. A breakdown by portfolio of the Benefit, Investment and ROI **before** the revalue was applied (April 2025).

Portfolio	Benefits (000,000)			Investments (000,000)			ROI		
	Total	Retrospective	Prospective	Total	Retrospective	Prospective	Total	Retrospective	Prospective
Targeted	\$ 1,043.7	\$ 532.9	\$ 510.8	\$ 551.7	\$ 485.4	\$ 66.3	\$ 1.89	\$ 1.10	\$ 7.70
Treatment	\$ 75.0	\$ 13.4	\$ 61.6	\$ 71.8	\$ 71.8	\$ 0.0	\$ 1.04	\$ 0.19	NA
Strategic	\$ 0.0	\$ 0.0	\$ 0.0	\$ 142.2	\$ 142.2	\$ 0.0	\$ 0.00	\$ 0.00	NA
Workplace	\$ 220.3	\$ 118.2	\$ 102.1	\$ 123.3	\$ 107.7	\$ 15.6	\$ 1.79	\$ 1.10	\$ 6.54
Worksafe	\$ 12.6	\$ 12.6	\$ 0.0	\$ 93.3	\$ 93.3	\$ 0.0	\$ 0.13	\$ 0.13	NA
Total	\$ 1,351.6	\$ 677.1	\$ 674.5	\$ 982.3	\$ 900.3	\$ 81.9	\$ 1.38	\$ 0.75	\$ 8.23

Table 2. A breakdown by portfolio of the Benefit, Investment and ROI **after** the revalue was applied (April 2025).

Design costs

As outlined in the DRAFT April paper we will be moving four investments from ‘Design’ to ‘Exit’ (Table 3). A more detailed breakdown is included in the Appendix. 1 At the end of March 2025, we reported that \$94.6M was in ‘Design’ and over the \$50M cap (Table 4). Moving these four investments into ‘Exit’ from ‘Design’ reduces the amount in “Design” to \$68.8M. We do not expect any benefits from these four programmes.

In July 2025 we will be moving the Tuarai into ‘Delivery’ and this will further reduce the ‘Design’ costs to \$63.3M. However, we expect more ‘Design’ costs in Q4 FY25.

While the intention is to start off a programme in ‘Design’ and move it into ‘Delivery’ once established, this has not always occurred. Instead, most programmes in ‘Design’ have been moved to ‘Exit’. This means that money invested in designing programmes does not always provide a return to ACC.

In addition to programmes in ‘Design’, some programmes in ‘Delivery’ have also been exited. There have been over 40 programmes moved into ‘Exit’ since FY18, when the IP Strategy was started. Overall, there is a total \$215M¹ of investments in such programmes, and \$50M benefits.

¹ This includes a \$90 million investment in WorkSafe and a \$25 million investment in Nga Tini Whetu.

Prog	Investment (Present value of money)						Portfolio ROI		SOI ROI		Overall ROI		Note
	FY21	FY22	FY23	FY24	FY25	Total	From	To	From	To	From	To	
IP Community Connect		\$ 117,243				\$ 117,243	\$0.56	\$ 0.56	\$ 1.85	\$ 1.85	\$ 1.44	\$ 1.44	Already included in ROI (2 year window)
IPPCRC-PCR Contribution				\$1,605,127		\$ 1,605,127	\$0.56	\$ 0.55	\$ 1.85	\$ 1.85	\$ 1.44	\$ 1.44	
Nga Tini Whetu	\$5,832,373	\$5,968,493	\$510,878	\$5,873,925	\$5,505,109	\$23,690,777	\$ -	\$ -	\$ 1.85	\$ 1.85	\$ 1.44	\$ 1.42	
Taituara (Local Government injury prevention project. (Regional Councils))			\$389,174			\$ 389,174	\$2.13	\$ 2.13	\$ 1.85	\$ 1.85	\$ 1.42	\$ 1.42	Already included in ROI (2 year window)

Table 3. A breakdown of four investments moving from 'Design' to 'Exit'.

The 'Big 5'

There are five programmes that represent the largest expected benefits to the overall ROI. These five tend to be selected for audit by the Auditor General through their intermediary Ernst and Young. The combined future value of the benefits of these five is \$423.6M (63%) of the \$674.5M of future benefits expected from IP (present value of money, assuming this revalue paper is approved).

These five, dubbed the 'Big 5', are:

1. Older Adult Falls (Falls, \$170.3M expected claim savings);
2. Motorcycle rider training (Road, \$78.4M expected claim savings);
3. Young Driver (Road, \$74.4M expected claim saving);
4. Neonatal encephalopathy (Treatment Safety, \$57.1M expected claim savings); and
5. Roothing infrastructure (Road, \$43.4M expected claims savings)

Changes to these programmes will have a bigger impact on the ROI.

As well as the 'Big 5', each programme is presented with analysis and recommendations in the Appendices.

Already included in the ROI at the 31 March 2025						Excluded from the ROI			Summary Table		
Portfolio	Programme	FY20	FY21	FY22	FY23 Q1-Q3	FY23 Q4	FY24	FY25 Q1-Q3	Total (@ Q3 FY25)	Included in ROI (@ Q3 FY25)	Excluded from ROI (@ Q3 FY25)
Strategic	Tuarai pilot project	\$ 466,842	\$ 753,256	\$ 757,875	\$ 1,160,257	\$ 386,752	\$ 1,218,295	\$ 828,872	\$ 5,572,151	\$ 3,138,231	\$ 2,433,920
Strategic	Nga Tini Whetu		\$ 5,832,373	\$ 5,968,493	\$ 383,159	\$ 127,720	\$ 5,873,925	\$ 5,420,133	\$ 23,605,801	\$ 12,184,024	\$ 11,421,777
Strategic	Healthy Consensual Relationships		\$ 335,947	\$ 1,931,984	\$ 2,510,912	\$ 836,971	\$ 5,760,039	\$ 4,933,444	\$ 16,309,297	\$ 4,778,843	\$ 11,530,453
Strategic	Child & Well being		\$ 24,383	\$ 1,435,512	\$ 621,470	\$ 207,157	\$ 675,753	\$ 922,392	\$ 3,886,666	\$ 2,081,365	\$ 1,805,302
Strategic	Prevention of Child Sexual Abuse		\$ 149,739	\$ 270,929	\$ 1,259,695	\$ 419,898	\$ 645,135	\$ 269,381	\$ 3,014,777	\$ 1,680,363	\$ 1,334,414
Community	Preventable		\$ 4,128,642	\$ 5,084,146	\$ 3,799,520	\$ 1,266,507	\$ 6,884,380	\$ 4,119,318	\$ 25,282,512	\$ 13,012,308	\$ 12,270,205
Strategic	Cultural Capability IPMAOR			\$ 469,871	\$ 736,371	\$ 245,457	\$ 818,506	\$ 531,735	\$ 2,801,940	\$ 1,206,241	\$ 1,595,698
Strategic	Oranga Whakapapa			\$ 11,561	\$ 657,934	\$ 219,311	\$ 943,081	\$ 935,398	\$ 2,767,285	\$ 669,495	\$ 2,097,790
Community	IP Community connect			\$ 117,243					\$ 117,243	\$ 117,243	\$ -
Strategic	SafeKids Design						\$ 2,789,935	\$ 787,598	\$ 3,577,533	\$ -	\$ 3,577,533
Falls	Taurite Tu				\$ 194,865	\$ 194,865	\$ 319,100	\$ 614,130	\$ 1,322,960	\$ 194,865	\$ 1,128,095
Workplace	Employers & Manufacturers						\$ 843,245	\$ 143,967	\$ 987,213	\$ -	\$ 987,213
Strategic	Oranga Tikanga				\$ 2,159	\$ 720	\$ 255,139	\$ 85,763	\$ 343,781	\$ 2,159	\$ 341,622
Strategic	Sustainable PP System				\$ 98,464	\$ 32,821	\$ 42,465	\$ -	\$ 173,750	\$ 98,464	\$ 75,286
Workplace	Taituara (Local Government)				\$ 291,880	\$ 97,293			\$ 389,174	\$ 291,880	\$ 97,293
Sport	Basketball						\$ 383,829	\$ 282,747	\$ 666,576	\$ -	\$ 666,576
Treatment	Maternal Birth Injuies						\$ 354,752	\$ 16,866	\$ 371,618	\$ -	\$ 371,618
Community	Principal Customer Record						\$ 1,605,127		\$ 1,605,127	\$ -	\$ 1,605,127
Community	Secondary & Tertiary Prevention						\$ 1,260,706	\$ 76,864	\$ 1,337,569	\$ -	\$ 1,337,569
Workplace	H & S System						\$ 402,428	\$ 64,979	\$ 467,406	\$ -	\$ 467,406
Workplace	Te Ropu Marutau Aotearoa							\$ 253,654			
	Total	\$ 466,842	\$11,224,339	\$ 16,047,614	\$ 11,716,684	\$ 4,035,471	\$31,075,840	\$ 20,033,587	\$ 94,600,378	\$ 39,455,480	\$ 55,144,899

Table 4. A breakdown of the programme costs in 'Design' (Present value of money)

Appendix 1: Design costs

Design costs

As outlined in the DRAFT April paper we will be moving four investments from 'Design' to 'Exit'

Not all programmes have an ROI. Programmes in the early stages of development are classed as 'Design' and have no ROI until a business case is formally approved and the programme is implemented (i.e., progressed into delivery). Then the costs of 'Design' are brought forward into the business case when it moves into 'Delivery'.

The concept of 'Design' being excluded from the ROI was to allow IP time to trial, test and innovate and to assist ACC improving its knowledge base.

To avoid programmes permanently being in 'Design' a two-year limit was put in place (IP Design and Delivery Committee, Minutes June 2018, predecessor to PPGG). This process means costs older than two years are included in the ROI on a rolling quarterly basis. On 1 July 2025 'Design' costs in FY24 and FY25 are excluded from the ROI, but 'Design' costs in FY23 and earlier are included (Table 4).

At the same time (June 2018) as a two-year limit, a dollar amount limit or 'cap' on the amount of money IP could have in 'Design' was placed at \$50M, with an annual review to make sure the cap was reflective of the issue IP was addressing. Having a 'cap' meant IP would have to choose which programmes should be in 'Design', be exited from or moved into 'Delivery'. In anticipation of the new IP strategy in FY19, several programmes were moved to 'Exit' to provide time and space to allow new investments to occur to support the new approach for IP.

The value of the programmes in 'Design' at the end of Q3 FY25 is \$94.6M (see Table 4).

As outlined in the DRAFT April paper (Table 3) we will be moving four investments from 'Design' to 'Exit'. At the end of March 2025 we reported that \$94.6M was in 'Design' and over the \$50M cap. The cap reduces to approximately \$68.8M by removing these four investments. In July 2025 we will be moving the Tuarai into 'Delivery' and this will further reduce the 'Design' cost to \$63.3M. Offsetting this will be more 'Design' costs in Q4 FY25.

Table 4 presents the 'Design' costs by programme at the end of March 2025. It is further broken down to costs that are included and excluded from the ROI at that time. A number of these investments have tapered off rather than stopped and should be moved into 'Exit'.

In addition to the spend in 'Design' there is another \$215M in 'Exit' since the 2018 IP Strategy was approved, with WorkSafe (\$90M) and Nga Tini Whetu (\$25M) being some of the bigger amounts in Exit.

Appendix 2: Analysis by programme

As with previous years we present the data for each programme before the revalue recommendation so that the PPGG can have similar data/information as the teams determining the revalue.

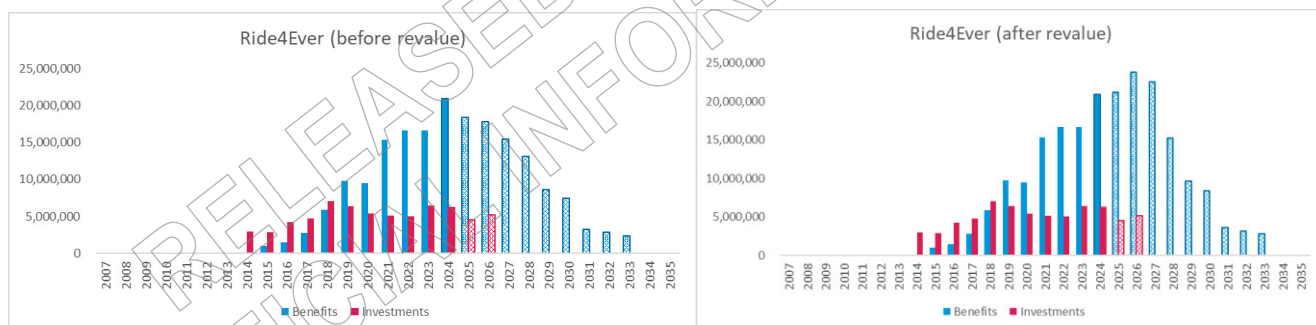
Programmes where the expected claim savings have increased.

As a general rule where the future values have been increased, as in this section, the new values should be treated as a 'stretch' target.

Motorcycles (Ride4Ever) – Positive future outlook

Benefits		Investments	
Retrospective	\$118.3M since Fy15	Retrospective	\$60.9M since FY13
Prospective	From \$70.8M to \$77.5M by FY33	Prospective	\$5.1M

Benefits Actual vs Expected in last five years	FY21	FY22	FY23	FY24	FY25
Expected	\$12.6M	\$14.6M	\$15.9M	\$17.3M	\$18.4M
Actual (FY25 is est based on Q3 results)	\$13.4M	\$14.5M	\$14.9M	\$20.3M	\$20.5M



This programme (one of the 'Big 5') has three cohorts that received the intervention at different times. Having cohorts means we are able to effectively measure the performance of each cohort to analyse where it is working and where it needs attention.

In FY21, we increased the expected future claim savings for Cohort 1 (trained from 2013 to June 2020) and it is delivering on this. Cohort 2 (July 2020 to 2024) was approved for investment by the Board in June 2020. Cohort 2 delivers a better claim rate than Cohort 1. However, Cohort 2 has not trained as many people as expected due to COVID. The expected efficacy of the programme was achieved, but the volume of claims saved is lower than expected due to the reach.

Cohort 3, which started in July 2023 is performing in line with early results we observed from Cohort 1 and 2 in the second year. There are also more people being trained than was expected.

Currently, we are observing an increase in claims benefit. This is in part due to better data collection, and this is resulting in a better match rate. We think this will continue and as a result will be increasing the benefits for this programme for FY26 and FY27. The expected claim savings in FY26 is \$13M and will be increased to \$20M which is line with the expected return for FY25, what was achieved in FY24. We will also be increasing

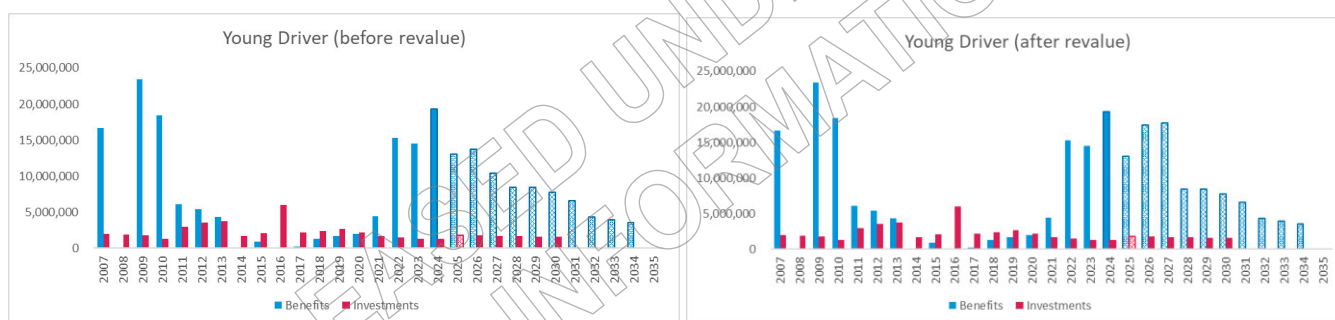
FY27 claim savings to \$20M. We will review this again for FY28 to determine if the better data collection is achieving the desired result. The Motorcycle programme ROI increases from \$2.87 to \$2.98.

We do note that the PPGG will be asked for further investment in FY26 for Cohort 4.

Young Driver programme – Positive future outlook

Benefits		Investments	
Retrospective	\$146.8M since FY07	Retrospective	\$43.7M since FY07
Prospective	From \$67.3M to \$78.2M by FY34	Prospective	\$8.4M

Benefits Actual vs Expected in last five years	FY21	FY22	FY23	FY24	FY25
Expected	\$4.6M	\$5.5M	\$7M	\$11.2M	\$11.7M
Actual (FY25 is est based on Q3 results)	\$4M	\$13.5M	\$13M	\$18.7M	\$17.5M



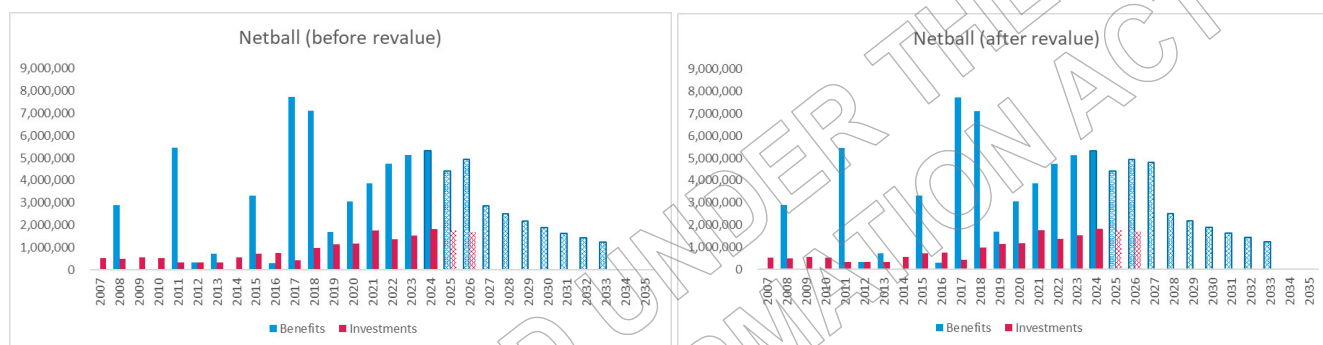
This programme has been invested in since 2003. A reinvestment was approved at the start of FY25 and will bring a larger cohort of people being reached by the programme. The Young Driver programme (one of the Big 5) is doing much better than expected. FY23 delivered twice the expected benefits and this was increased in the revaluation process. In FY24, it delivered on the 'stretch' target again, and this was better supported by improved data quality. There have been significantly more people undertaking the programme than expected. Last year we increased the expected returns from \$7.8M and \$7.5M to \$11.7M and \$11.3M respectively as the programme exceeded its 'stretch' target in FY25.

We believe the recent results should be extended to FY26 and FY27. However, the SCE is projecting an 11% decrease in the SCE for Young Driver. To reflect this we have taken the current results and reduced them by 11%. This is the only programme where the SCE was taken into consideration, and this was due to size. This will increase the Young Driver ROI from \$4.10 to \$4.24. This is one of the 'Big 5' programmes.

Netball - Positive future outlook

Benefits		Investments	
Retrospective	\$74.7M since FY07	Retrospective	\$17M since FY07
Prospective	From \$18.6M to \$20.6M by FY33	Prospective	\$1.7M

Benefits Actual vs Expected in last five years	FY21	FY22	FY23	FY24	FY25
Expected	\$0.8M	\$0.8M	\$1.6M	\$2.7M	\$4.4M
Actual (FY25 is est based on Q3 results)	\$3.5M	\$4.2M	\$4.6M	\$5.2M	\$5.4M



Netball continues to perform. Like other sports, it is a long-standing IP programme, in this case since 2003.

The sport team expect the future values to rise to be at a level of about \$5M, which is a stretch from the business case. This programme continues to exceed expected benefits outlined in the business case. Including this increase, the Netball ROI moves from \$4.01 to \$4.11.

Programmes where the expected claim savings have reduced

As a general rule where the future values have been decreased, as in this section, the new values should be treated as a 'reduced' target.

Grants and Subsidies - Negative future outlook

Benefits		Investments	
Retrospective	\$6.9M since FY19	Retrospective	\$29.7M since FY19
Prospective	From \$68.7M to \$29.3M to FY35	Prospective to FY26	\$1.4M

Benefits Actual vs Expected in last five years	FY21	FY22	FY23	FY24	FY25
Expected	\$1.2M	\$1.3M	\$1.6M	\$1.8M	\$2.3M
Actual (FY25 is est based on Q3 results)	\$0M	\$0.8M	\$1.3M	\$2.3M	\$3M

Despite a number of grantees within this programme spread over five rounds, only a few of these are returning any value at the moment. Unlike Nymb1 (Older Adult Falls) where spend is contingent on results, most investment has already occurred. This means that the opportunity to clawback or withhold investment has been lost. This is an investment risk to ACC and has been called out in previous revalue papers.

An internal audit on the Grants in FY24 stated, *“IP benefit measures are not well understood or managed at ACC. One reason is that benefits for IP programmes will be realised in the long term while the payout is upfront. Therefore, there is limited information to show whether the initiative paid for now will have the intended outcome”*.

Grants and Subsidies has been a “Big 5” programme since at least 2023. It has lost its spot this year following a reduction of its future values as part of the annual revaluation exercise.

Last year we revalued down a lot of grantees from rounds one and two, with the expectation that grantees from rounds three and four were due to deliver in FY25. However, this has not occurred, so we are moving faster to revalue down a number of grantees in these rounds.

As a result, we can divide the Grants into three categories; achieving the expected results with no change to future benefits; reduction of future benefits by half; and reduction of future benefits to zero.

Forestry (FISC), a current grantee, will be converted back to a standalone programme. At the April PPGG meeting reinvestment was approved and at the moment is included under the Grants, until 1 July 2025 (FY26). This is a similar process when previous grantees SaferFarms, CHANZ and ShopCare became programmes in their own right.

Forestry represents over 70% of the totals claims savings from Grants at the end of FY25. Its departure from the Grants and Subsidies programme portfolio is expected to impact the benefit performance of Grants and Subsidies and the ROI could drop below \$1, depending on the Dec 24 SCE.

No change to future benefits

- AW Trinder, delivering value, due to reach and a passive intervention.
- IMPAC Services Ltd (Silicosis), still determining the size of the accelerated silicosis claims
- MarineSafe, expected small benefit being achieved.

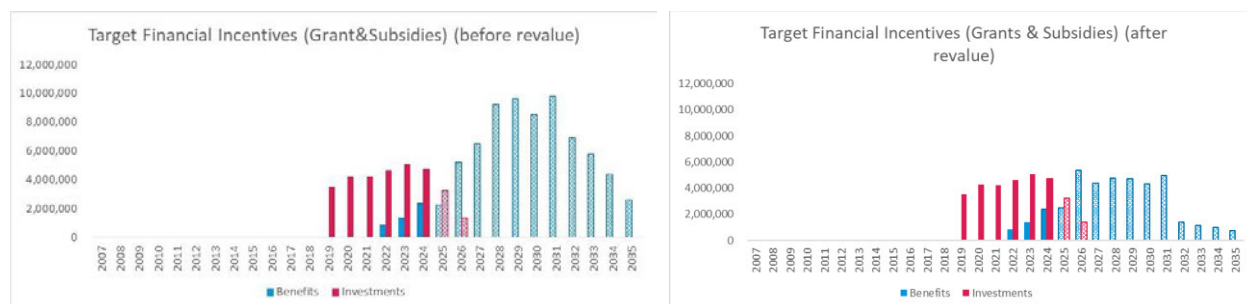
Reduction of future benefit by 50%

- DHB's, some claims saved but delivering about half of the expected benefits
- Te Whare Wananga o Awanuiarangi,
- Dairy NZ, no benefit to date but have changed focus of Grant (Passive) so a deep dive will occur
- Horticulture NZ
- SaferMe
- BIMSafe
- NZ Trucking
- Waihangā Ora Construction

Reduction of future benefits to zero

- BECA, low reach and can't identify any benefits of the technology
- Thriving Manufacturing, no result and unlikely to do so
- OneScope - On hire
- Massey horticulture, no benefits to date

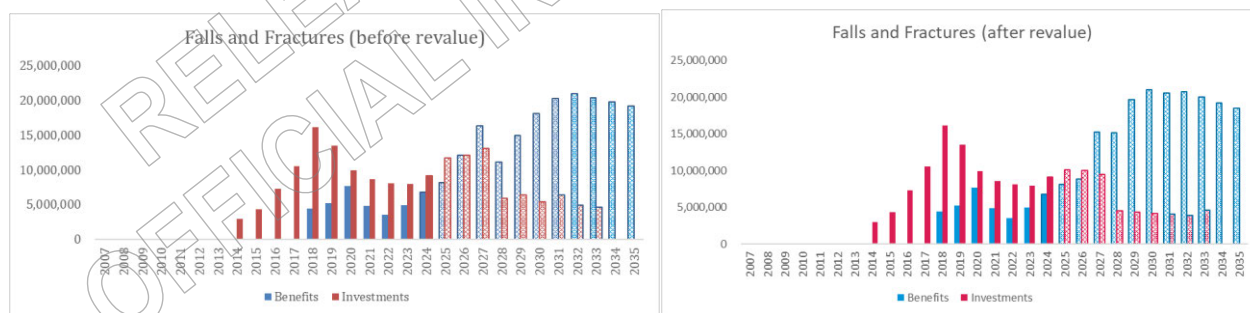
We will be assessing the ROIs for grant round five and reviewing assumptions using the experience of the four grants rounds as input. This will happen currently and will be adjusted in FY26, potentially improving the ROI. This is offset in part by less grants awarded in Round 5. This moves the ROI from \$2.38 to \$1.15.



Older Adult Falls - Neutral future outlook

Benefits		Investments	
Retrospective	\$45.5M since FY14	Retrospective since FY14	\$114M
Prospective	From \$200.6M to \$170.3M by FY35	Prospective to FY27	\$45M

Benefits Actual vs Expected in last five years	FY21	FY22	FY23	FY24	FY25
Expected	\$10.4	\$13.5M	\$5M	\$6.4M	\$8.2M
Actual (FY25 is est based on Q3 results)	\$4.5M	\$3.1M	\$4.4M	\$6.6M	\$7.9M



The Nymb1 aspect of this programme is being revalued down. The rest of the programme is performing better than expected and as a result are offsetting Nymb1.

The Nymb1 results as reported to PPGG have not followed the pilot. This is because the programme is attracting people with a low risk of having a fall (i.e., the ‘worried well’). As a result, they are not engaging with the programme and the results reflect this. We raised this in the FY24 revalue paper, but effort to turn this around have not been effective.

As a result, we have lowered the expected claims savings, and this also decreases the expected spend. This moves its ROI from \$1.46 to \$1.41

The business case that was approved by the ACC Board to recommend Health NZ fund the fracture liaison service from July 2027. This programme is expected to result in a reduction in the number of hospital bed day stays, resulting in a benefit for Health NZ. A key assumption in the Older Adult Falls business case is that the ROI relies on future programme costs being picked up by Health NZ. This matter needs to be revisited by the PPGG as an open action point.

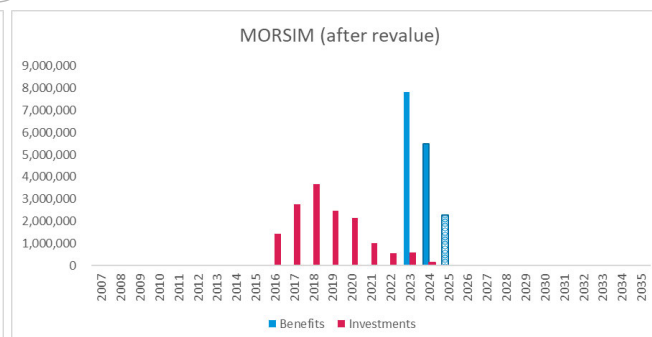
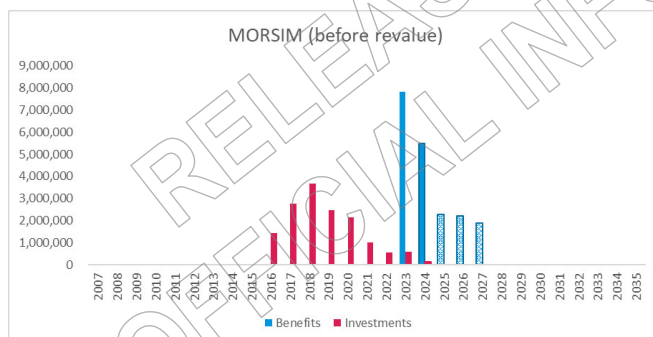
There is a high risk that ACC will find itself financially responsible for this programme if Health NZ does not take over funding this initiative. This would go against the assumption of the original business case of the programme in 2014 and when investment was first approved in 2016.

This is one of the 'Big 5'.

MORSim/NetWorkz - Neutral future outlook

Benefits		Investments	
Retrospective	\$12.9M since FY18	Retrospective since FY16	\$14.8M
Prospective	From \$4M to \$0M	Prospective	\$0M

Benefits Actual vs Expected in last five years	FY21	FY22	FY23	FY24	FY25
Expected	\$5.9M	\$5.1M	\$1.5M	\$1.2M	\$2.2M
Actual (FY25 is est based on Q3 results)	\$0M	\$0M	\$7M	\$5.3M	\$0M



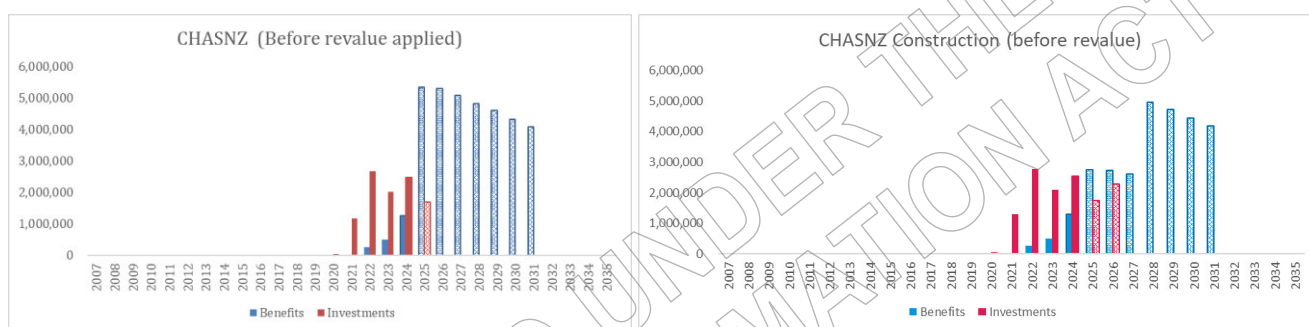
This programme was reviewed in FY21 and presented to the then approving body, the IP Design and Delivery Committee (IPDDC). The IPDDC decided to continue some small investment for FY21 and that the programme should be monitored. At the time there were few benefits due to a lack of reach and a further small investment was made to address this. A decision was made to reduce expected benefits by 50% for the remaining years at the revaluation.

As reported to Protection from Injury Value Stream Board (FY23) there was some benefit coming for Cohort 3 which has provided the benefits, much higher than expected. Cohort 1 and 2 which have been in place a lot longer are providing no benefit. At the time, it appeared Cohort 3, if it continued, would be in line with original expected benefits. The benefits did continue and the future claims in line with the original benefits i.e. \$2M per year for the next three years. However, this was short lived and the expected benefits are zero. This moves the MORSim/NetWorkz ROI from \$1.33 to \$0.98.

CHASNZ (Construction) – Negative future outlook

Benefits		Investments	
Retrospective	\$4.8M since FY21	Retrospective since FY20	\$10.5M
Prospective	From \$26.3M to \$23.6M to FY31	Prospective to FY26	\$2.2M

Benefits Actual vs Expected in last five years	FY21	FY22	FY23	FY24	FY25
Expected	N/A	\$1.6M	\$2.6M	\$4.9M	\$2.7
Actual (FY25 is est based on Q3 results)	N/A	\$0.2M	\$0.5M	\$1.3M	\$0



Benefits were expected to ramp up in FY24 based on the business case. The FY23 stage gate would have been the appropriate time to revalue, but the WorkPlace programme team considered the future values to still be achievable. The CHASNZ stage gate set by the IPDDC when seeking initial investment did not come to the Protection from Injury Value Stream Board in FY23.

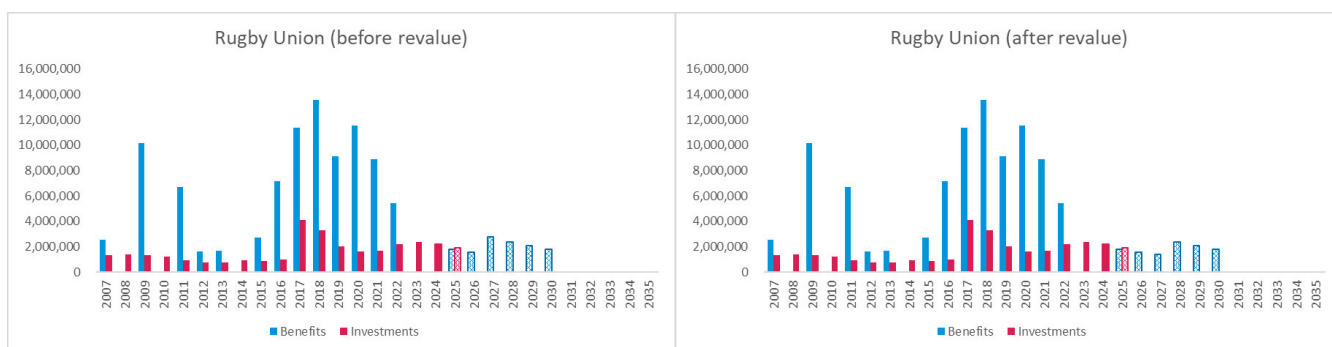
There was an improvement in the value of the claims saved for FY24 but was still below target. In FY25 one of the key parts of their programme is not performing meaning it is unlikely to have claims saved this year. Benefits should have been ramping up by now before tapering off as shown in the above chart. As a result, last year we lowered the future values for FY25 and FY26 by 50% to closer align with performance. We are extending this to the FY27 year as well. This reduces the CHASNZ ROI from \$2.44 to \$2.23.

Of note at the June 2025 PPGG meeting there is a paper on an RFP for the construction sector.

Rugby Union – Negative future outlook

Benefits		Investments	
Retrospective	\$94.3M since FY07	Retrospective since FY07	\$31.9M
Prospective	From \$10.5M to \$9.2M by FY31	Prospective	\$0M

Benefits Actual vs Expected in last five years	FY21	FY22	FY23	FY24	F25
Expected	\$5.2M	\$4.7M	\$4M	\$4M	\$1.8M
Actual (FY25 is est based on Q3 results)	\$7.8M	\$4.8M	\$0	\$0	\$0



Rugby was one of the regular performers since its inception in 2000. However, it has been underperforming in recent years.

In the current tranche of investment there has been an increased focus on ‘off-field’ prevention programmes rather than ‘on-field’ (e.g., physical conditioning, technique). As a result, there have been changes to the on-field initiatives. RugbySmart was compulsory for coaches, and teams were withdrawn from competition if the coach had not received RugbySmart training.

One of the changes to the on-field programme was removing the compulsory element from secondary schools initially and then all parts of the game. This is where the claims were under performing first and has moved into other groups of rugby claims. The focus of the programme team is to have rugby back on track and the Sport programme team were working with NZ Rugby to do so. Reported at PPGG IP have reduced the investment to some off-field prevention initiatives which was also taking time away from the on-field prevention initiatives.

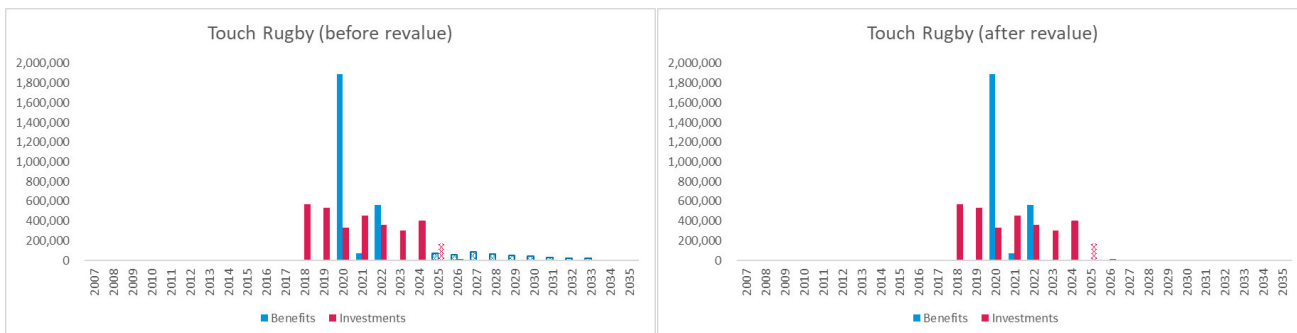
We put a negative outlook for FY24 onwards, and as a result we are reducing the values by 50% for FY25 and FY26. Rugby had planned to come to PPGG to seek reinvestment, but this is paused based on performance. We also have the player database (privacy and ethics approved) which we can apply the same type of analysis as we did for Football. This is proving very interesting and of value to both parties.

Based on performance we think it is prudent to reduce the FY27 future values by 50%. This moves the ROI for \$3.39 to \$3.29.

Touch Rugby - Negative future outlook

Benefits		Investments	
Retrospective	\$2.5M since FY18	Retrospective since FY18	\$2.9M
Prospective	From \$0.4M to \$0M	Prospective	\$0.2M

Benefits Actual vs Expected in last five years	FY21	FY22	FY23	FY24	FY25
Expected	\$0.4M	\$0.3M	\$0.2M	\$0.2M	\$0.1M
Actual	\$0.1M	\$0.5M	\$0	\$0	\$0

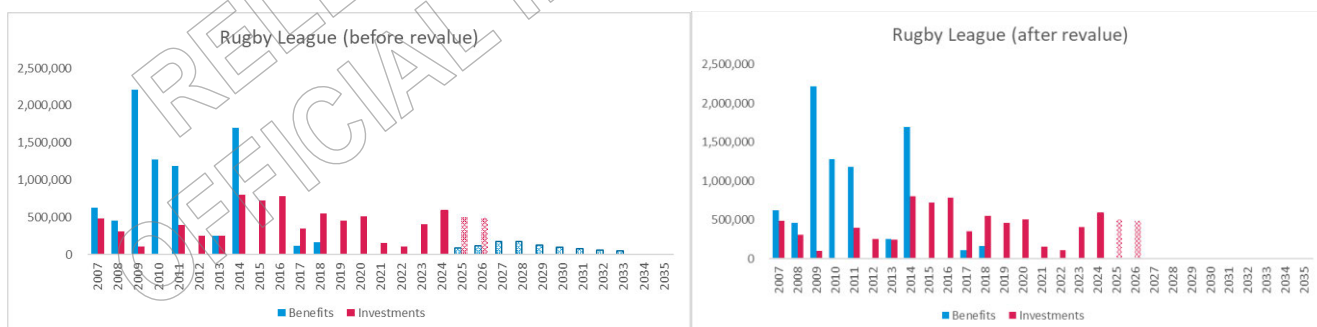


In FY24 we put this programme on a negative future outlook. The spend is small and the chart above does highlight that it has had some results, but it is variable. Based on performance, the future values should be reduced to zero. This moved the ROI for Touch Rugby from \$0.95 to \$0.80.

Rugby League - Negative future outlook

Benefits		Investments	
Retrospective	\$8.1M since FY07	Retrospective	\$7.7M since FY07
Prospective	From \$0.9M to \$0	Prospective	\$0.5M to FY26

Benefits Actual vs Expected in last five years	FY21	FY22	FY23	FY24	FY25
Expected	\$0.4M	\$0.3M	\$0.2M	\$0.1M	\$0.1M
Actual (FY25 is est based on Q3 results)	\$0.1M	\$0.5M	\$0	\$0	\$0



In FY22 Rugby League future values were written down to zero and it was decided that the programme will be moved to 'Exit' once investments ran out. In FY24, a new investment case was approved for Rugby League with an intention to return to the previous approach. The expected benefits from the reinvestment have not materialised. Based on performance, the future values should be reduced zero for all future years. This moved the ROI for Rugby League from \$1.09 to \$0.97.

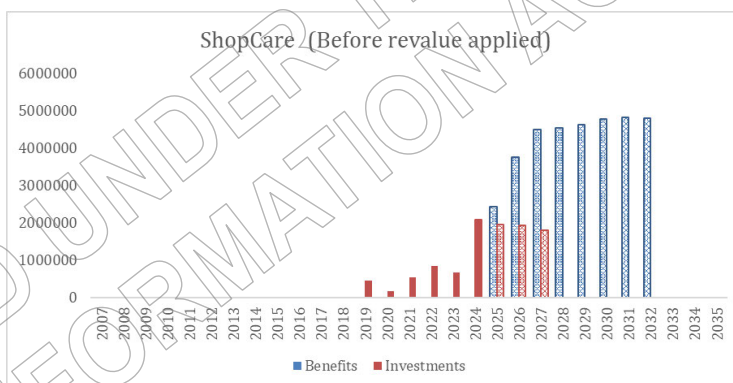
Programmes considered but not altered.

ShopCare – Negative Future outlook

Benefits		Investments	
Retrospective	\$0M since FY19	Retrospective since FY19	\$6.9M
Prospective	\$15.3M to FY32	Prospective to FY27	\$3.8M

Benefits Actual vs Expected in last five years	FY21	FY22	FY23	FY24	FY25
Expected	N/A	\$0.1M	\$0.1M	\$1.2M	\$0
Actual (FY25 is est based on Q3 results)	N/A	\$0	\$0	\$0	\$0

ShopCare started out as a grantee in grant round one. When investment was completed, it became a programme in its own right. However, ACC continued to support it financially over a few years while it developed its business case (with ACC paying the consultancy to write it).



It was scheduled to go to the Value Stream Board (VSB) in FY22 but was paused due to some risks identified. ACC continued to financially support ShopCare during this time. In FY24 it was approved by the Deputy Chief Executive of Prevention and Partnerships without going to the PPGG, despite a number of identified risks. It had its contract signed in October 2023.

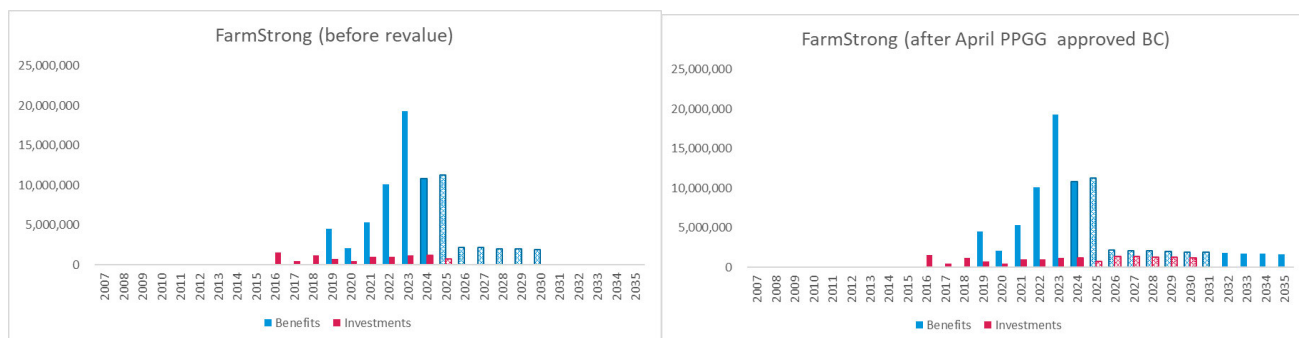
The stage gate is coming to PPGG in June 2025.

In the FY24 revalue paper future claim savings were decreased. A sliding scale was put in with claim savings increasing over the next few years. The expectation was no claim savings for FY25. We have started to receive information to detect benefits for FY26. At this stage we see no reason to adjust future claim savings. This keeps the ShopCare ROI at \$1.43.

FarmStrong – Positive future outlook

Benefits		Investments	
Retrospective	\$63.5M since FY18	Retrospective	\$9.4M
Prospective	\$18.9 M to FY35	Prospective to FY30	\$6.5M

Benefits Actual vs Expected in last five years	FY21	FY22	FY23	FY24	FY25
Expected	\$1.6M	\$1.5M	\$1.4M	\$4M	\$11.2M
Actual (FY25 is est based on Q3 results)	\$4.7M	\$9M	\$17.4M	\$10.5M	\$5.5M



This programme is in its fifth year of reinvestment and is providing higher-than-expected results. It was recently approved for another five years' worth of investment at the April 25 PPGG and this is reflected in the charts above. This will be the final amount for FarmStrong.

As there is another programme (SaferFarms) besides FarmStrong targeting the farming sector, benefits are shared between the two. Once it is clear whether funding two programmes for the farming sector is beneficial, estimates of expected benefits from the two programmes will be reviewed.

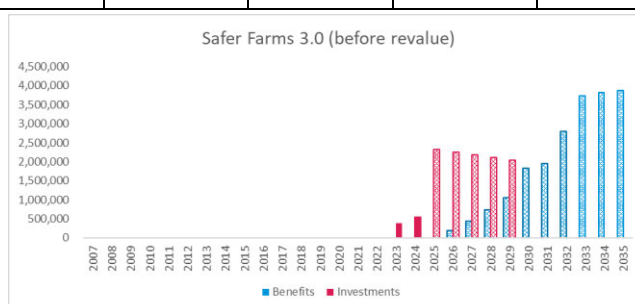
The additional investment approved in April 2025 decreased the FarmStrong ROI from \$7.15 to \$4.80 and will be included in the ROI from 1 July 2025 to be consistent with a minute that programmes are included in the ROI when investment commences.

SaferFarms – Neutral Future outlook

Benefits		Investments	
Retrospective	\$0M since FY23	Retrospective from FY23	\$3.4M
Prospective	\$22.8M to FY39	Prospective to FY30	\$8.1M

Benefits Actual vs Expected in last five years	FY21	FY22	FY23	FY24	FY25
Expected	NA	NA	NA	NA	NA
Actual (FY25 is est based on Q3 results)	NA	NA	NA	NA	NA

This was approved for reinvestment in in FY24 with FY26 being the first year of expected claims savings. Claims savings will be allocated between this programme and FarmStrong (see above) on a proportional basis (using investment amounts). The ROI will remain at \$1.99.

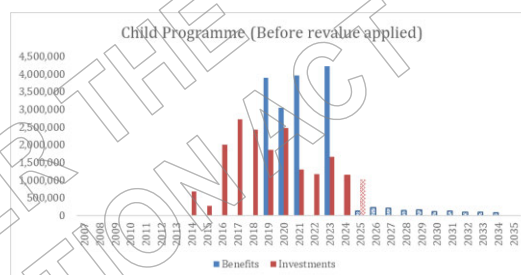


Child – Neutral future outlook

Benefits		Investments	
Retrospective	\$15.1M since FY18	Retrospective from FY18	\$21.9M
Prospective	\$1.2M to FY34	Prospective to FY26	\$0.3M

Benefits Actual vs Expected in last five years	FY21	FY22	FY23	FY24	FY25
Expected	\$2.8M	\$2.5M	\$0.9M	\$0	\$0.1M
Actual (FY25 is est based on Q3 results)	\$3.6M	\$0M	\$3.9M	\$0	\$0.1M

In April 2023 approved reinvestment in two parts. The first was to continue with an existing programme which is shown above; and allow two years of investment for SafeKids “to build foundations and evidence for long-term system and lifecourse approaches aligning to Huakina Te Rā”. It is likely this will come to PPGG before the end of 2025.



Neonatal encephalopathy - Neutral outlook

Benefits		Investments	
Retrospective	\$0M since FY16	Retrospective since FY16	\$13.2M
Prospective	\$57.7M to FY32	Prospective	\$0M

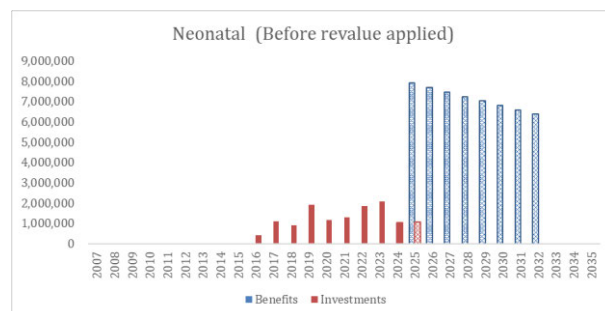
Benefits Actual vs Expected in last five years	FY21	FY22	FY23	FY24	FY25
Expected	N/A	N/A	N/A	N/A	N/A
Actual (FY25 is est based on Q3 results)	N/A	N/A	N/A	N/A	N/A

This is one of the “Big 5” and one of the reasons for IP to focus on treatment injuries.

Given the small number of claims a year, and the time it takes to confirm diagnosis (several years), the evaluation of the claims benefits is conducted every 5 years. This is sufficient time to detect an effect. It is planned for FY27.

However, an analysis by an external firm is underway to determine whether we will see an impact on claims by examining if the system has changed such that we can expect a positive result. The final report is expected in November, and we will be making an assessment on whether the expected claims savings is likely or not.

The ROI will remain at \$4.37 until the final report has been received.

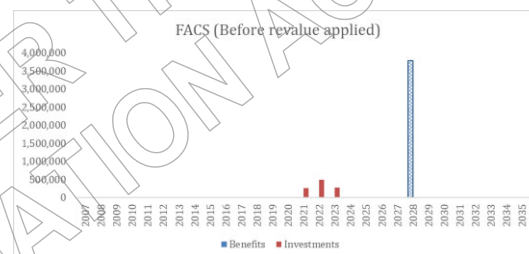


Foetal Anti-Convulsant Syndrome – Neutral future outlook

Benefits		Investments	
Retrospective	\$0	Retrospective since FY17	\$3.4M
Prospective	\$3.9M to FY28	Prospective	Nil

Benefits Actual vs Expected in last five years	FY21	FY22	FY23	FY24	FY25
Expected	N/A	N/A	N/A	N/A	N/A
Actual (FY25 is est based on Q3 results)	N/A	N/A	N/A	N/A	N/A

Since 2016, ACC has been contributing to sector-wide efforts to reduce the number and severity of the Foetal Anti-Convulsant Syndrome (FACS) cases in NZ. ACC partnered with MedSafe who were undertaking the programme since 2009. It was intended that the ACC investment would speed up the existing programme.



The intervention situates around reducing exposure to anticonvulsant (also known as antiseizure) medication during pregnancy as it is associated with congenital malformation and neurodevelopmental disorders that may meet the criteria for treatment injury. The most problematic medication is sodium valproate (SV) which has been approved in NZ to treat things like epilepsy and bipolar disorder.

The programme had been in 'Design' as there was no business case that went to the IPDDC for approval. Investment commenced in FY17 and currently \$3.3M has been invested in this programme. There is also a delay in claims being made, average time being 10 years after birth.

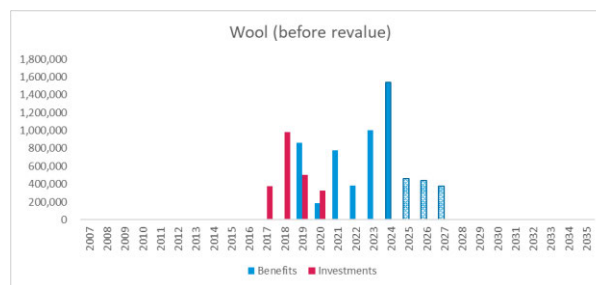
Two years ago, we analyzed the impact of the programme and created an ROI. It still is in line with these claim savings.

Wool/shearing – Neutral future outlook

Benefits		Investments	
Retrospective	\$5.2M since FY20	Retrospective since FY18	\$2.2M
Prospective	\$0.8M to FY27	Prospective	Nil

Benefits Actual vs Expected in last five years	FY21	FY22	FY23	FY24	FY25
Expected	\$0.4M	\$0.4M	\$0.4M	\$0.5M	\$0.5M
Actual (FY25 is est based on Q3 results)	\$0.7M	\$0.3M	\$0.9M	\$1.5M	\$0.1M

This is a programme where investment has been completed. The programme is performing approximately in line with expectations after a shaky start of the contract. In FY21, we outlined that they might be seeking reinvestment, but they have continued the programme without additional ACC investment, which is rare. The expected claim savings are in line with expectations, and no further investment is required. The Workplace programme team do not think the future claim savings should be altered.



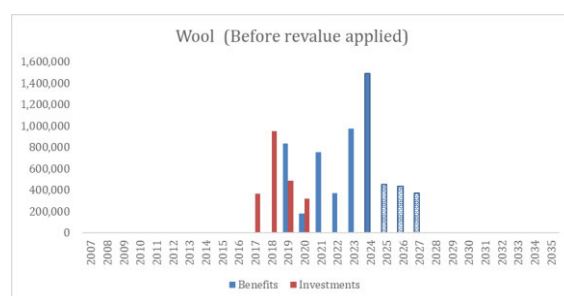
Forestry - Positive future outlook

Benefits		Investments	
Retrospective	\$18.3M since FY14	Retrospective	\$10.2M (including WorkSafe) since FY14
Prospective	\$9.1M to FY35	Prospective	\$3M

Benefits Actual vs Expected in last five years	FY21	FY22	FY23	FY24	FY25
Expected	\$0.1M	\$1.2M	\$1.2M	\$1.1M	\$1.1M
Actual (FY25 is est based on Q3 results)	\$1M	\$1.5M	\$1.7M	\$1.8M	\$2.6M

Note: The figures in the table represent ACC and WorkSafe investment into Forestry, one of 20+ sub-programmes within WorkSafe. WorkSafe invested from 2020 using ACC's investment into WorkSafe. The records from WorkSafe were not complete. ACC investment includes when Forestry was a Grant (FY19-FY24). It also includes the April 2025 PPGG approval for additional investment

Last year, we wrote that this programme had future claim savings winding down, but WorkSafe and ACC via Grants and Subsidies (G&S) had been investing in this area well after the initial ACC investment was completed. We undertook a new ROI in FY22, which will be split between WorkSafe and G&S on a pro rata basis. It is one of the few WorkSafe programmes that is providing claim savings. However we arguably would have provided the same claim savings without the ongoing investment (i.e., the benefit would have been tracked and could have been about the same amount without this additional investment as it was embedded in the sector). This programme, since the early days, was successful due to solid sector buy-in that has continued.



Last year we outlined that IP would want to keep investing in Forestry and a one-year memo has been put together for FY25 for ~\$496,000. This investment is unlikely to generate any additional claim savings than it currently does and did not go to the PPGG. We expected a business case for further investment which would tidy up a number of things. This was approved by PPGG in April 2025, removing the need to revalue.

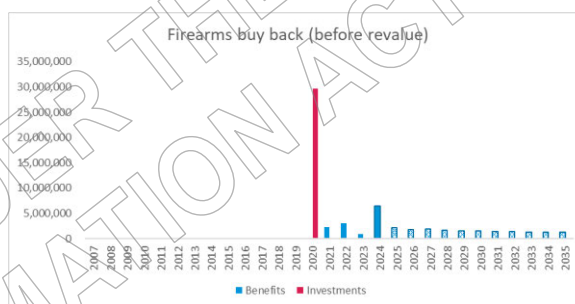
It has been difficult to calculate the ROI for Forestry given multiple funding stream changes and unreliable WorkSafe documentation. Therefore, the ROI of \$2.21 is based on known information for the purposes of audit.

Firearms buy back – Neutral future outlook

Benefits		Investments	
Retrospective	\$14.3M since FY21	Retrospective from FY20	\$29.7M
Prospective	\$20.4M to FY40	Prospective	\$0M

Benefits Actual vs Expected in last five years	FY21	FY22	FY23	FY24	FY25
Expected	\$4.7M	\$4.7M	\$4.7M	\$2M	\$2.2M
Actual (FY25 is est based on Q3 results)	\$2.1M	\$1.5M	\$0.8M	\$6.3M	\$1.8M

This is the fifth year of measuring the benefits with mixed results. It was one of the 'Big 5' but the results and the subsequent revaluation removes it from this list. Results in FY22 were less than expected to date, when it achieved 15 claim savings against the annual target of 46. We thought at the time this was because the number of firearms targeted had not been collected. This remains the case, as recent data released from the Emergency Department is consistent with ACC claims data.



We continue to track reports where there have been subsequent seizures from Police raids; as well as these firearms used in shootings. Media reports would support that there are still a number of firearms in circulation.

We also note that part of the model included the likelihood of a similar mass shooting occurring in New Zealand. Currently, this part of the model assumption is holding true. However, the initial costing of such an incident was much higher due to an estimate having had to be made at the time.

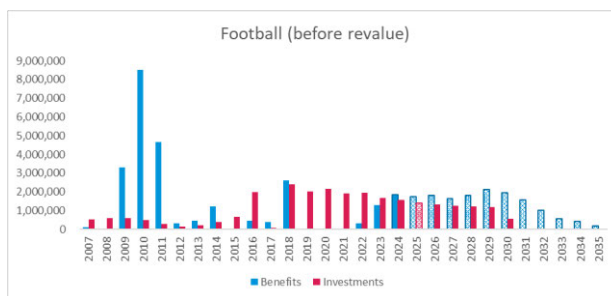
The biggest impact of this revaluation is not the change in cost to ACC of mass shootings, but the firearms claims were not reducing as expected and we lowered it last year. We would like to see a more consistent result before any future values increase.

Football – Neutral future outlook

Benefits		Investments	
Retrospective	\$24.8M since FY07	Retrospective since FY07	\$27.3M
Prospective	\$13M to FY32	Prospective to FY25	\$5.6M

Benefits Actual vs Expected in last five years	FY21	FY22	FY23	FY24	FY25
Expected	\$0.6M	\$0.3M	\$1M	\$1.4M	\$1.7M
Actual (FY25 is est based on Q3 results)	\$0M	\$0.3M	\$1.2M	\$1.8M	\$0.2M

Last year the Sport programme team considered that a tentative corner has been turned and this year it seemed this had continued. There has been some promising progress this year but not enough to meet expected claim saving this year. Football NZ have provided a full player database of the players, and this has been used to show they are working on the right areas but will take additional time. As a result at this stage we will keep the benefit where they are but put Football on a negative watch for FY26.



Remaining programmes not considered

Road long term programmes – not expected to deliver claim savings as yet.

The Road long term programmes take time for benefits to be realised, and this has been outlined in the assumptions. This is one of the 'Big 5'. Road long-term programmes are split in four areas:

1) Roding infrastructure

Benefits		Investments	
Retrospective	N/A	Retrospective	\$29.3M since FY07
Prospective	\$43.4M to FY39	Prospective	Nil

Changes to roading take time to be included in future roading plans. Further, given the small number of claims on each road, a longer time period is needed to determine an effect. This is revised each year to ensure progress is being made. Progress is in line with expectations or better than expected but can change given the small numbers. The Road programme team is providing updates on the progress of this intervention, and it appears on track.

In FY24 we received a list of roads that have been altered, and we are now tracking the benefits of those. We now have 2023 Police Crash data and have started to track these roads. Two programmes, Coromandel loop and SH6 are currently being analyzed. Crash data for 2024 will be available from August.

2) Out of Context curves

Benefits		Investments	
Retrospective	N/A	Retrospective	\$0.5M since FY16
Prospective	\$21M to FY39	Prospective	Nil

This is another road infrastructure change to corners on roads where the speed is not suitable. This requires reengineering the road. Given the small number of claims on each road, a longer time period is needed to determine an effect. The claim saving target is revised each year to ensure progress is being made. Progress is in line with expectations or better than expected but can change given the small numbers.

3) Speed Management

Benefits		Investments	
Retrospective	N/A	Retrospective	\$5M since FY07
Prospective	\$20.7M to FY31	Prospective	Nil

The expected programme outcome of Speed Management was to lower the speed tolerance level², which was originally set at 10km/h. This programme was initially invested in with NZ Police in FY07 to test the appetite to lower the tolerance. While it took some time for Police to make the decision (it did not need an Act of Parliament), the tolerance has been lowered and we are now going to be using the Crash data to track the benefits. However, speeds have also been lowered and recently increased for other reasons, so there is a re-establishment of a suitable methodology around attribution given other speed initiatives that have also happened.

4) Vehicle Technology

Benefits		Investments	
Retrospective	N/A	Retrospective since FY07	\$3.6M
Prospective	\$37M to FY40	Prospective	Nil

Based on ACC research and investment, legislative changes were made to make anti-lock braking system (ABS) compulsory on new motorcycles from November 2021. This will take some time to work its way through the motorcycle fleet, but faster than through the vehicle fleet.

Strategic Investments

The investments in the Strategic Investments portfolio, that covers Sexual Violence and Family Violence programmes, are included in the overall ROI. However, the individual programmes within this portfolio do not have ROIs set at an individual level. The recent legal opinion means that going forward, all programmes will require an ROI. We are currently developing them for this portfolio as most programmes are still in 'Design'.

Last year we started developing an ROI for a pilot family violence programme and a separate one for sexual violence. To ensure we could measure ROIs for these programmes, we had to ensure there was a way to monitor their impact. We have determined that this was possible through an assault-detection method using text data. We were awaiting information for the Strategic Investment team to complete this last years, and this is still the case.

For Sexual Violence, we have confidence in the date of first harm recorded in the system for sensitive claims. This means we can differentiate between claims after the programme is implemented. We can estimate how many claims we should expect to have received within 12, 24, 36 months and so forth, so will be able to detect an impact. Historical claims are the majority of claims to ACC. The upcoming change to the Integrated Services for Sensitive Claims may have an impact, as we understand date of first harm will still be collected. Some progress has been made on this and a greater focus by Strategic Investments during Q4 FY25.

² The speed tolerance level is the speed range above the speed limit and within which Police has the discretion to not issue a ticket.

Water Safety

This programme was put on pause in FY14, with Water Safety NZ invited to come to ACC to demonstrate work towards a sustainable funding model which involves a range of funding sources (government, lotteries/trusts and commercial partners). Some investment was approved in FY14, and this has been extended every year since.

The Water Safety sector did have a large investment injection from the Government of \$63M Budget2020 for mostly frontline rescue services. The ongoing investment by ACC played a part in that. The current agreement for ACC investment expired in FY24, but ACC has agreed to invest in FY25. This will allow IP to ascertain if any other parts of ACC are interested in supporting Water Safety from a promotion angle (similar to the situation IP found itself in with Paralympics); and if not, provide a suitable notice period, and to work with Sport NZ (the policy body for Water Safety) on our exit.

Given the high media attention on the drowning toll, the ACC Board always shows interest in Water Safety. The drowning toll does tend to reflect weather, as 2023 was very high but a decrease in 2024 but within statistical variances. It has been reported that Surf Lifesaving NZ, were proactively warning and targeting people about Rips etc and this is credited with the decrease.

The retrospective investment by ACC is \$17M and there is provision for \$800K in the IP budget for FY26. All this investment is included in the overall ROI and is contained in the Sport ROI.

There are no expected benefits from this programme.

Surgical Mesh

This was an investment made by ACC to support the review of surgical mesh injuries. ACC is a member of the Surgical Mesh Roundtable, a cross-agency group with oversight of surgical mesh work procedures in the country. The total investment by ACC in the programme from FY21 to FY23 is \$1M.

There is no ROI attached to this at the moment with the investment being included in the Treatment Safety ROI, as well as the overall ROI. We are analyzing the data to establish a baseline and more importantly if there are changes to how surgical mesh is used. Once this has occurred an impact on claims can be assessed, with a long lead time to detecting an impact.

In May 2025 it was reported that procedures using surgical mesh had been paused and an accreditation process was in place for surgeons wanting to use mesh in the future. The time for erosion of the mesh is 5-10 years so it will be some time (about 8 years) before observing an impact but we are actively monitoring it. Having it in this document serves as a timely reminder.

ICNet

Benefits		Investments	
Retrospective	\$0M since FY20	Retrospective since FY18	\$4.8M
Prospective	\$0	Prospective	\$0M

This programme replicated a successful process in Taranaki that had good results for a couple of years. The programme was to escalate the rollout of a system across the District Health Boards (DHBs). The Taranaki programme results have not continued.

We reported that about half (12) of the DHBs have put the system in place but there have been little results. The future value reflects that all DHB's will be implementing which is not reflective of what has. Further there have been no claim savings.

Last year we reduced the future values to zero, with the ROI moving from \$1.59 to \$0. At the time, we did state we would keep assessing if there are benefits and to date there have been none.

Pressure Injuries

Benefits		Investments	
Retrospective	\$0M since FY16	Retrospective since FY16	\$11M
Prospective	\$0	Prospective	\$0

Last year, we removed any future benefits based on performance. Like ICNet (above) we would continue to look for claim savings. None have been found as of yet. The sector was currently reviewing why pressure injuries are currently peaking in the system. It is still unclear whether this is connected to workforce issues.

There is some further work underway into whether a different approach to reducing pressure injuries is needed. If a new way is developed into a business case, it will need to offset the \$11M already invested.

Summary tables of the impact of the SCE on the portfolios

As summary tables, assuming all recommendations in this paper are agreed to, the impact on portfolios are below.

At this stage of the process this paper changes the Service Agreement³ ROI from \$1.84 to \$1.79 (FY25 target is a range between \$1.75 to \$1.95); and the overall ROI from \$1.42 to \$1.37.

The future value of claims from IP programmes from this process decreases from \$736.6M to \$674.5M

Portfolio	Benefits (000,000)			Investments (000,000)			ROI		
	Total	Retrospective	Prospective	Total	Retrospective	Prospective	Total	Retrospective	Prospective
Targeted	\$ 1,061.7	\$ 534.9	\$ 526.8	\$ 567.0	\$ 487.0	\$ 80.0	\$ 1.87	\$ 1.10	\$ 6.59
Treatment	\$ 81.3	\$ 15.6	\$ 65.7	\$ 71.8	\$ 71.8	\$ 0.0	\$ 1.13	\$ 0.22	NA
Strategic	\$ 0.0	\$ 0.0	\$ 0.0	\$ 142.2	\$ 142.2	\$ 0.0	\$ 0.00	\$ 0.00	NA
Workplace	\$ 262.5	\$ 118.4	\$ 144.1	\$ 123.3	\$ 107.7	\$ 15.6	\$ 2.13	\$ 1.10	\$ 9.23
Worksafe	\$ 12.6	\$ 12.6	\$ 0.0	\$ 93.3	\$ 93.3	\$ 0.0	\$ 0.13	\$ 0.13	NA
Total	\$ 1,418.1	\$ 681.5	\$ 736.6	\$ 997.6	\$ 902.0	\$ 95.6	\$ 1.42	\$ 0.76	\$ 7.71

A breakdown by portfolio of the Benefit, Investment and ROI **before** the revalue was applied (April 2025).

³ The Service Agreement ROI excludes the Strategic portfolio and the WorkSafe programme.

Portfolio	Benefits (000,000)			Investments (000,000)			ROI		
	Total	Retrospective	Prospective	Total	Retrospective	Prospective	Total	Retrospective	Prospective
Targeted	\$ 1,043.7	\$ 532.9	\$ 510.8	\$ 551.7	\$ 485.4	\$ 66.3	\$ 1.89	\$ 1.10	\$ 7.70
Treatment	\$ 75.0	\$ 13.4	\$ 61.6	\$ 71.8	\$ 71.8	\$ 0.0	\$ 1.04	\$ 0.19	NA
Strategic	\$ 0.0	\$ 0.0	\$ 0.0	\$ 142.2	\$ 142.2	\$ 0.0	\$ 0.00	\$ 0.00	NA
Workplace	\$ 220.3	\$ 118.2	\$ 102.1	\$ 123.3	\$ 107.7	\$ 15.6	\$ 1.79	\$ 1.10	\$ 6.54
Worksafe	\$ 12.6	\$ 12.6	\$ 0.0	\$ 93.3	\$ 93.3	\$ 0.0	\$ 0.13	\$ 0.13	NA
Total	\$ 1,351.6	\$ 677.1	\$ 674.5	\$ 982.3	\$ 900.3	\$ 81.9	\$ 1.38	\$ 0.75	\$ 8.23

A breakdown by portfolio of the Benefit, Investment and ROI **after** the revalue was applied (April 2025).

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