

Statement of Intent 2015-2019

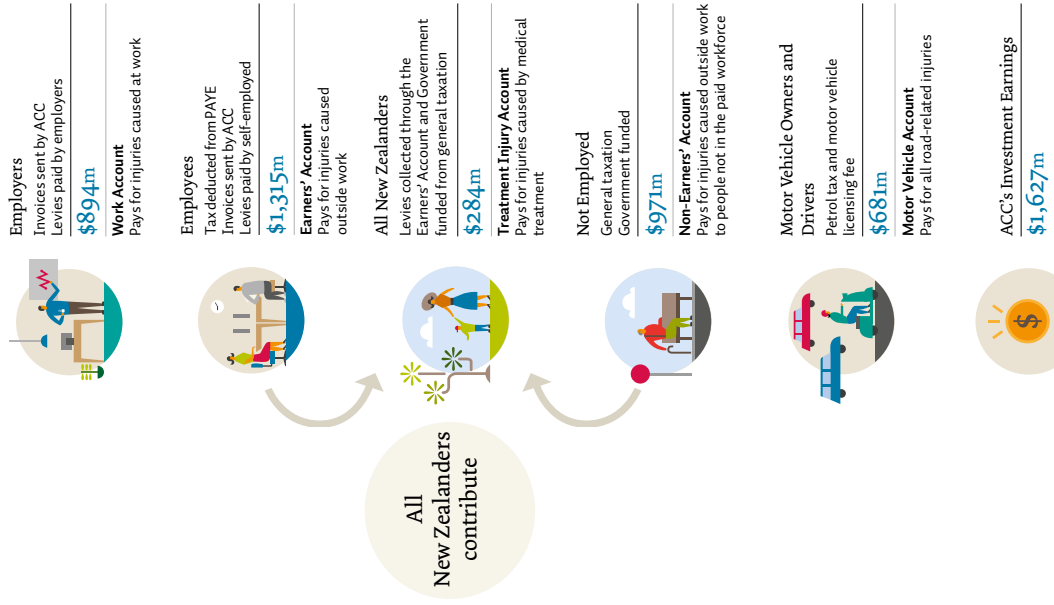
Accident Compensation Corporation



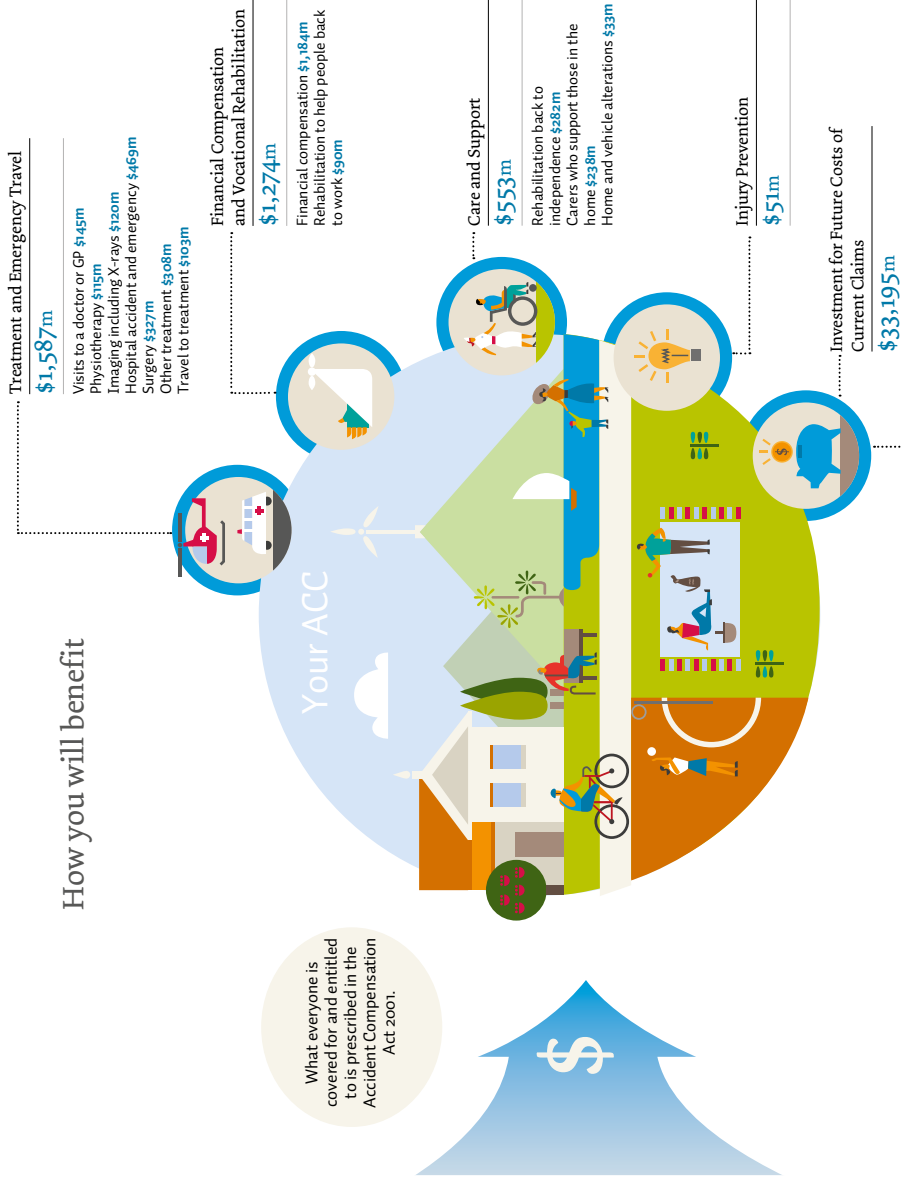
How the Scheme works for you

2015/16 Forecast

How you will contribute



How you will benefit



ACC's forecast financial position at 30 June 2016

\$33,758m	—	\$34,639m	=	-\$881m
Assets and investments that ACC has (net assets excluding outstanding claims liability)		The amount ACC needs to cover the cost of current claims (outstanding claims liability)		The gap between what ACC has and what ACC needs (net liabilities)

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Foreword from the Board

In 2014 we celebrated ACC's 40th anniversary and shared our new vision and values for the organisation.

Our new vision for ACC is to create a unique partnership with every New Zealander, improving their quality of life by minimising the incidence and impact of injury.

The values we have adopted as we set about realising this vision are: putting *People before process*, being *Good partners*, promoting *Safe Kiwis*, being *Responsible stewards* and being *Fair and open* in all our dealings.

In late 2013 we talked with more than 5,500 New Zealanders all over the country, who told us they wanted ACC to be more responsive, more transparent and easier to deal with. In response, we have started a transformation programme that will shape a new future for ACC and respond to the recommendations made in the 2014 'Performance Improvement Framework Review' of ACC.



ACC Board: (top left to right) Anita Mazzoleni, Professor Des Gorman, Professor Gregor Coster, Gillian Spooner, Kristy McDonald QC; (bottom left to right) James Miller, Paula Rebstock (Chair), Trevor Janes (Deputy Chair)

Building a more customer oriented and transparent ACC will touch nearly everything we do in the next four years. We are aiming to ensure that:

- New Zealanders understand what we're here to do for them and the unique contribution we make to their ways of life. Our communities value the work we do to help them live, work and play safely
- injured people know that we see them as individuals and that we understand how their injuries are affecting their everyday lives. We make fast decisions about their claims, pay them quickly and work closely with them to help them recover
- we have trusted partnerships with our providers, have little paperwork and make speedy decisions and payments
- levy payers receive timely and accurate invoices that they understand, have a range of options for doing business with us and fast resolutions of queries. Employers see the health and wellbeing of their staff as a top priority and that creating a safe workplace is good for business. They recognise their role in injury prevention, understand the levies they pay and see the system as fair.

The increased focus on our customers will not come at the expense of the good stewardship and financial sustainability of the ACC Scheme. After all, one of our roles is to protect the Scheme for future generations while meeting the needs of injured people today.

More efficient and effective systems, processes and partnerships will help us to deliver services to bring about better outcomes for our clients while maintaining the financial sustainability of the Scheme.

This Statement of Intent sets out our strategic intentions for the next four years. These intentions are best expressed as a commitment to achieve:

- more successful injury prevention activities
- improved outcomes and experiences for customers
- the protection of our customers' personal information
- the maintenance of the financial sustainability and governance of the Scheme.

Delivering improvements in these areas will help us achieve our new vision.

While there is a lot of hard work ahead, we're confident and excited about the future for ACC and how we can provide a better service to New Zealand and all our customers.



Paula Rebstock

Board Chair

Dated 23 June 2015



Trevor Janes

Deputy Chair

Dated 23 June 2015

Nature and scope of ACC

ACC is the Crown entity set up under the Accident Compensation Act 2001 (the AC Act) that manages and delivers New Zealand's Accident Compensation Scheme (the Scheme).

ACC contributes to the Government's goal of improving New Zealand's economic performance by reducing the incidence and severity of injury and providing an efficient and comprehensive, no-fault accident insurance scheme that supports injured people to return to work, independence or everyday life as quickly and safely as possible.

Our history

New Zealand was an early adopter of workers' compensation, having introduced a 'no-fault' workers' compensation scheme in 1900. The Scheme was established following the 1967 Royal Commission of Inquiry by the Rt Hon Sir Owen Woodhouse.

The Woodhouse Report led to a radical extension of no-fault accident cover to include all injuries to workers (for both work and non-work injuries) and motor vehicle injuries. The Scheme was then extended to cover those groups of people not previously covered (including students, non-earners and visitors to New Zealand).

Our purpose

The purpose of the Scheme is to deliver injury prevention initiatives and no-fault personal injury cover for everyone in New Zealand, including overseas visitors. The Scheme created a social contract whereby individuals gave up their right to sue for compensatory damages following injury, in exchange for comprehensive accident insurance cover and compensation.

The AC Act sets out three core functions for the Scheme: injury prevention, rehabilitation and compensation, and provides for a range of entitlements following injury.



As the manager of the Scheme, we have an obligation to deliver quality outcomes to clients, employers and providers in a fair and transparent way that reflects both the letter and the spirit of ACC's governing legislation.

Our outcomes

We have three outcomes that we aim to deliver for New Zealanders.

- Reduce the incidence and severity of injury.
- Rehabilitate injured people more effectively.
- Ensure New Zealand has an affordable and sustainable Scheme.

Our core activities

We aim to achieve the best possible delivery of New Zealand's unique accident compensation scheme through the following activities (also known as our outputs):

Injury prevention

We aim to reduce the incidence and severity of injury to reduce the economic, social and personal impacts of injury on individuals and to achieve a cost effective reduction in levy rates or government funding. We focus our efforts on high cost and high volume injuries that affect ACC's claim costs, outstanding claims liability and levies.

Levy setting and collection

In order for us to deliver services we must collect revenue. Through our levy setting process we calculate our future revenue needs for each Account. We recommend levies in line with the full funding requirements of the Scheme.

Investment management

We fully fund the cost of new injuries by collecting sufficient levies each year to provide for all the immediate and future costs of injuries occurring in that year. Because serious injuries will require ongoing expenditure for decades into the future, a portion of the levies collected each year is set aside to provide for future costs. We invest these funds to meet the future cost of claims.

Claims management

We deliver effective, high quality rehabilitation services so that injured people covered by the Scheme get appropriate medical treatment, social and vocational rehabilitation services and compensation to enable an early return to work, independence or everyday life.

Purpose of ACC's Statement of Intent

This Statement of Intent summarises ACC's strategy for the period 1 July 2015 to 30 June 2019, along with performance measures that will enable the public and all interested stakeholders to evaluate how effectively we have delivered against our outcomes.

This Statement of Intent should be read in conjunction with the annual Service Agreement. The Service Agreement sets out the initiatives we are pursuing to progress our strategic intentions, the outputs that we are funded to provide and the performance measures against which we will assess our operational performance, including targets, for the next four years. The Service Agreement can be found at www.acc.co.nz

We report against the performance measures in the Service Agreement to the Minister each quarter and in the Annual Report. Where appropriate, we report progress on key initiatives undertaken with our partners during the year.

Our contribution to Government priorities

The Government has four key priorities. They are:

- responsibly managing the Government's finances
- building a more competitive and productive economy
- delivering better public services
- rebuilding Christchurch.

Responsibly managing the Government's finances

We aim to collect sufficient levies each year to provide for all the immediate and future costs of injuries occurring in that year. Because serious injuries will require ongoing expenditure by ACC for decades into the future, a portion of the levies collected each year is set aside to provide for future costs. These funds are invested within a set of Investment Guidelines that ensure we get an adequate return for risk and that the assets best match the underlying claims liability.

Building a more competitive and productive economy

We help to build a more productive economy by working to prevent injuries and reduce the cost of injuries to society, lifting workforce participation and productivity, and reducing disputes and litigation.

Delivering better public services

We contribute to Result 9 and Result 10 of the Government's Better Public Services programme¹, both of which are focused on improving New Zealanders' interactions with government. To contribute to this objective we are investing in our capability to make it easier for our customers to engage with us and actively supporting all-of-government work programmes, including those that improve the privacy and security of information.

Rebuilding Christchurch

We support a safe rebuild through existing incentives, such as programmes that offer levy discounts to businesses that meet specified safety criteria.

We also assist anyone injured during the rebuild, so that they can receive appropriate rehabilitation and support to help them return to independence as quickly as possible.

¹ ACC contributes to Results 9 and 10 of the Better Public Services programme, which seek to improve businesses' and New Zealanders' interactions with government. Further information on this programme and these result areas can be found at www.ssc.govt.nz/bps-interaction-with-govt

Measuring our contribution to New Zealand

Public value framework

Public value is an organising principle for public service organisations that is equivalent to shareholder value for private companies. It has been adopted by public sector organisations worldwide.

The public value framework recognises that our activity should:

- create economic or social value for clients as individuals or society at large
- enjoy sufficient support from politicians and the wider public to attract the necessary resources
- be achievable given the capabilities available from ACC and external suppliers.

The public value that ACC generates

ACC creates economic value through:

- reducing the total cost burden on the productive portion of society to rehabilitate and compensate the injured
- providing effective injury management that pays benefits quickly, speeds returns to work (thereby lifting workforce participation and improving New Zealand's economic performance) and reduces the cost of health care and other government services for the injured
- lifting workforce participation by returning people to work who might not otherwise return to work
- reducing dispute litigation activity and cost because of the comprehensive, no-fault nature of the Scheme, and lowering administration costs because of the economies of scale of a single scheme.

ACC creates social value through:

- delivering evidence based programmes focused on reducing the number of accidents
- risk pricing that incentivises behaviours that reduce the frequency and severity of injuries
- increasing broad participation in sport and leisure activities by tourists and New Zealanders
- ensuring effective injury management for all that improves quality of life for injured people and their carers, families and friends
- effectively rehabilitating people
- providing injury compensation for all, thereby improving social inclusion and cohesion
- eliminating injury as a driver of poverty.

Measuring public value

We have identified four categories of measures that enable us to assess our performance in delivering public value.

- **Reach** – the proportion of the New Zealand population served.
- **Customer** – the quality and effectiveness of the services provided.
- **Impact** – how effective we are at delivering the desired outcomes.
- **Cost effectiveness** – value for money and financial sustainability.


Safe Work Australia (an Australian Government statutory agency) prepares an annual report comparing the performance of workers' compensation schemes in Australia and New Zealand. We have adopted its measures where relevant to enable comparison with the performance of our nearest neighbour.


Forecast performance at a glance



* Growth in new registered claims is closely aligned to changes in economic growth. We are forecasting the percentage of the population who receive our services to increase based on the gross domestic product forecast assumptions in the Treasury's Half Year Economic and Fiscal Update 2014.



Category	Measuring our contribution to New Zealand	Actual 2013/14	Actual 2014/15 to 31 March 15	Expected direction of travel
 Impact Have we delivered?	Return to work within 10 weeks	67.8%	67.4%	↑
	Return to work within nine months	93.3%	93.2%	↑
	Durable return-to-work rate	77%	Annual	↑
	Return to independence for those not in the workforce	86%	86%	→
	Number of long term clients returned to independence in the past 12 months	2,272	2,398	↑

 Cost Effectiveness Are we fair and affordable?	Percentage of total expenditure paid directly to clients or for services to clients	New	Annual	↑
	Percentage of total ACC levies to gross domestic product	2.2%	Annual	↓
	Health \$ per injury – change in average treatment cost per injury	4.7%	Annual	↑*
	Ratio of this year's total levies to the total claims incurred for this year's accidents over time	1.2	Annual	0.9-1.1
	Investment performance after costs relative to benchmark	0.10%	0.14%	↑
	Return on investment in injury prevention programmes	New	\$1.15:\$1	↑

* This is expected to increase in line with actuarial assumptions of superimposed inflation. Superimposed inflation is an increase in the usage and costs of services above general inflation rates.

The Service Agreement contains specific targets for each of the next four years, and can be found at www.acc.co.nz

Our strategic intentions

Our vision, values and outcomes are intended to remain constant over time, while our strategic intentions reflect the areas that we have identified as needing the most focus during the period of this Statement of Intent. There is a strong alignment between our outcomes and our strategic intentions.



We are embarking on a transformation of ACC to improve the services we provide to New Zealanders. Our Shaping Our Future strategy is all about us looking through the eyes of our customers in order to make ACC more effective and efficient, and building the public's trust and confidence. ACC's vision and values reflect the organisation we want to be.

Increase the success of our injury prevention activities

Why this is important

We invest in injury prevention because effective programmes will reduce harm to individuals and reduce long term costs, not only for ACC but also for other agencies providing responses to the consequences of injuries.

With support from the central agencies, we intend to engage more effectively across government. Working together we will develop a systematic approach to injury that will establish a clear view of what interventions are best used in each situation, informed by all agencies with responsibility for the relevant interventions.

Our ability to work with others to prevent injuries occurring in the first place will have positive impacts that go beyond the physical effects on individuals. We know that most injuries are preventable and we focus on the activities and drivers that contribute most to injuries occurring.

What we want to achieve



How we will know we are on track

Category	Measuring our contribution to New Zealand	Actual 2013/14	Actual 2014/15 to 31 March 15	Expected direction of travel
 <p>Cost Effectiveness Are we fair and affordable?</p>	Return on investment in injury prevention programmes	New	\$1.15:\$1	

Link to our outcomes and outputs

This strategic intention supports the achievement of ACC's outcome to reduce the incidence and severity of injury. Our activity is delivered through the injury prevention output.

Improve our customers' outcomes and experience

Why this is important

We ensure that people with injuries covered by the Scheme get the rehabilitation they need to return to full roles in society as quickly as possible. Research confirms that when people make a rapid return to independence after injury, their overall health and wellbeing is significantly improved and the adverse social and economic impacts of their injuries on their families, communities and New Zealand are greatly reduced. To this end, we are focused on ensuring that our clients receive the right care, at the right time.



More broadly, we want to improve the experience of those who interact with us, including injured people, levy payers and providers. This has been highlighted by customer feedback and the public's level of trust and confidence in ACC. We are also focused on ensuring that our services reflect the diversity of our communities within New Zealand so that all our customers have the opportunity to access our services in ways that meet their needs.

Improving customer outcomes and experiences will require a significant investment in the next four years. We will prioritise our investment to establish an effective technology foundation for the future and to develop a simplified, integrated, transparent and customer focused organisation that will deliver benefits to our customers.

What we want to achieve



How we will know we are on track

Category	Measuring our contribution to New Zealand	Actual 2013/14	Actual 2014/15 to 31 March 15	Expected direction of travel
 Customer Do we meet expectations?	Cover decision timeliness	1.2 days	1.2 days	➡
	Average time to commence weekly compensation payments	11 days	9.5 days	⬇️
	Formal reviews as a percentage of entitlement claims	3.3%	3.0%	⬇️
	Percentage of ACC reviews upheld	84.5%	84.2%	➡
	Average time to resolution for claims with reviews	91 days	94 days	⬇️
	Public trust and confidence	54%	60%	⬆️
	Customer satisfaction – clients	75%	76%	⬆️
	Customer satisfaction – levy payers	59%	68%	⬆️
 Impact Have we delivered?	Return to work within 10 weeks	67.8%	67.4%	⬆️
	Return to work within nine months	93.3%	93.2%	⬆️
	Durable return-to-work rate	77%	Annual	⬆️
	Return to independence for those not in the workforce	86%	86%	➡
	Number of long term clients returned to independence in the past 12 months	2,272	2,398	⬆️

Link to our outcomes and outputs

This strategic intention supports the achievement of ACC's outcomes to rehabilitate injured people more effectively and to ensure that New Zealand has an affordable and sustainable Scheme. Our activity is delivered through the claims management and levy setting and collection outputs.

Improve the way we protect our customers' personal information

Why this is important

We deal with confidential and sensitive information for a large number of people and entities, including clients, providers and employers. A 2012 Privacy Review of ACC highlighted significant concerns with how (at that time) we were managing the personal information we held on behalf of our clients and levy payers.

We have made significant improvements in the way we manage our customers' information since 2012, through our dedicated focus on privacy, and investment in people and improved processes. Our transformation programme gives us the opportunity to enhance our processes and technology further to ensure that we continue to protect personal information. Privacy by design is a foundation of our operations.

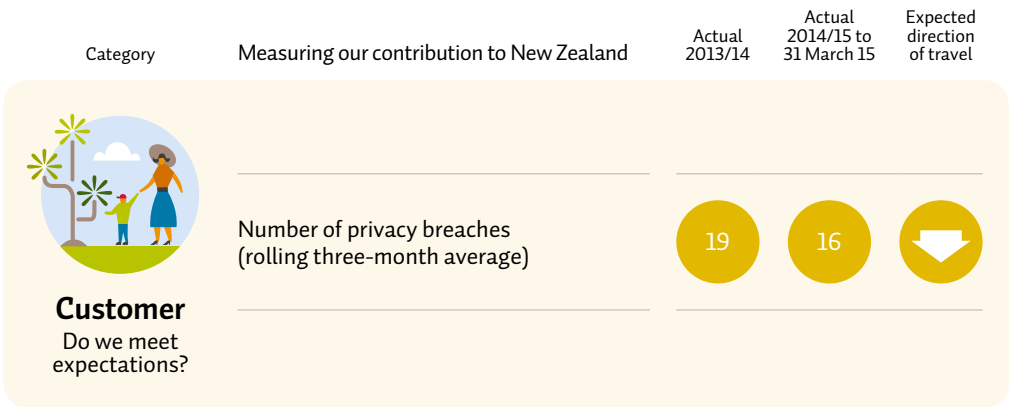
What we want to achieve

Our people respect and protect customer information as if it were their own.

Processes and systems are designed to minimise the possibility of privacy breaches occurring.



How we will know we are on track



Link to our outcomes and outputs

This strategic intention supports the achievement of all of ACC’s outcomes. Our activity is delivered through the claims management and levy setting and collection outputs.

Maintain the financial sustainability and governance of the Scheme

Why this is important

Through a consistent focus on the rehabilitation of clients, prudent cost management and good investment performance, ACC has significantly improved its financial position.

We have a strong platform from which we can provide high quality services to clients and levy payers and meet financial goals. The provision of quality outcomes for customers will lead to improved financial performance.

A core component of ensuring the financial sustainability of the Scheme is the principle of inter-generational fairness. The Scheme is operated under a fully funded model, meaning that future generations of levy payers will not be paying for injuries that happened years earlier as the cost of those claims will already have been collected. This also helps to ensure that levy payers face the right incentives to promote safety and avoid accidents.

We recognise the importance of a stable levy path that enables levy payers to have predictability and consistency in the levies they pay over time. By being responsible stewards of the Scheme, we support the achievement of a stable levy path.

What we want to achieve

We optimise our performance and resources are aligned with our strategic priorities.



We enable a stable and transparent levy path.

We maintain our investment performance above benchmarks.

Risk management is embedded in our culture and systems.



How we will know we are on track

Category	Measuring our contribution to New Zealand	Actual 2013/14	Actual 2014/15 to 31 March 15	Expected direction of travel
 Reach How many New Zealanders do we help?	Percentage of population who receive compensation or rehabilitation services	30%	30.4%	↑*
 Cost Effectiveness Are we fair and affordable?	Percentage of total expenditure paid directly to clients or for services to clients	New	Annual	↑
	Percentage of total ACC levies to gross domestic product	2.2%	Annual	↓
	Health \$ per injury – change in average treatment cost per injury	4.7%	Annual	↑**
	Ratio of this year's total levies to the total claims incurred for this year's accidents over time	1.2	Annual	0.9-1.1
	Investment performance after costs relative to benchmark	0.10%	0.14%	↑

* Growth in new registered claims is closely aligned to changes in economic growth. We are forecasting the percentage of the population who receive our services to increase based on the gross domestic product forecast assumptions in the Treasury's Half Year Economic and Fiscal Update 2014.

** This is expected to increase in line with actuarial assumptions of superimposed inflation. Superimposed inflation is an increase in the usage and costs of services above general inflation rates.

Link to our outcomes and outputs

This strategic intention supports the achievement of ACC's outcome to ensure that New Zealand has an affordable and sustainable Scheme. Our activity is delivered through all four of our outputs.

Collaborating for success

We want to work more effectively with our partners across government and the sector to help deliver our vision. We are focused on building effective long term relationships to deliver benefits for New Zealanders in seven specific areas.

Shaping Our Future – transforming ACC

We asked more than 5,500 of our customers what they think of us and this feedback formed the basis of our business case to transform ACC. Our best chance of success relies on designing and testing solutions alongside our customers. We are committed to taking this approach.

Reducing the cost for businesses of interacting with government

ACC contributes to Result 9 of the Better Public Services programme, which seeks to reduce the cost for businesses of interacting with government by 25% by 2017. We will continue to engage with and support the Result 9 programme. A key deliverable from this programme will be the New Zealand Business Number (NZBN). The intention of the NZBN is that businesses will spend less time and effort on administration and more time on business. We will meet our commitment to recognise the NZBN by the end of 2017.

Reducing workplace fatalities and serious injuries

The new legislative framework covering health and safety will provide greater incentives and penalties for employers. We work closely with agencies such as WorkSafe NZ and the Ministry of Business, Innovation and Employment so that we can support employers and employees to operate within a safety culture. This includes delivering an agreed workplace injury prevention action plan with WorkSafe NZ. We contribute to the Government's goal of reducing workplace fatalities and serious injuries by 10% by 2016 and 25% by 2020.

Using our partners' expertise and reach to deliver effective injury prevention programmes

We rely on our partnerships with government and community agencies to help prevent injuries. This is particularly important in areas where we do not deliver our own injury prevention programmes.

Through government agencies such as WorkSafe NZ, New Zealand Police, the NZ Transport Agency, the Ministry of Education and the Ministry of Health, and relationships with community partners such as St John, the New Zealand Rugby Union, New Zealand Rugby League (NZRL) and Sport New Zealand, we can access a range of delivery channels that help us to reach our target communities in the delivery of injury prevention initiatives. For example, we partner with the Ministry of Education, the Health Promotion Agency and New Zealand Police to contract NZRL to provide health and wellbeing programmes to players, supporters and the wider rugby league community. Existing programmes including Safe Communities will be rolled out using NZRL networks and infrastructure so that we can reach individuals and communities in this natural setting.

Improving health outcomes

Over \$400 million per annum is provided to the public health system to fund the costs of inpatient, outpatient and emergency department services that arise from claims covered by the Scheme. We are working with the Ministry of Health and the District Health Boards with a view to improving our ability to analyse the client pathway when it begins in the public health system in order to continue to improve customer outcomes and experiences.

We will also be working with the Ministry of Health and others in the sector to achieve quality health outcomes in areas of common interest, for example reducing treatment injuries.

Working alongside others on rehabilitation and treatment options

Successful rehabilitation requires the effective and efficient purchasing and provision of services for clients. We work with providers in the health sector to deliver value for money in terms of both cost and client outcomes. ACC remains accountable for the delivery of all services, including outputs that have been subcontracted to third parties.

Partnerships to support the Minister for ACC

We work closely with the Ministry of Business, Innovation and Employment and the Treasury to support the Minister for ACC, including on matters relating to both primary and secondary legislation governing the operations of ACC, the setting of levy rates, and the design and delivery of the Scheme, including its performance in the delivery of policy objectives.

Investing for the future

ACC's funding model

The money we need to provide our services comes from levies on people's earnings, businesses' payrolls, petrol and fees from vehicle licensing, as well as Government funding.

Until 1999 ACC operated under a 'pay-as-you-go' basis, collecting only enough levies each year to cover the cost of claims for that particular year. In 1999 the Government decided to change the Scheme from 'pay-as-you-go' to a 'fully funded' way of operating. That means we now collect enough money during each levy year to cover the full lifetime costs of every claim that occurs in that year.

Some people who are injured need ACC's help for 30 years or more, so significant reserves must be built up to fund these future costs. This money is invested and earns income that helps pay the cost of claims. This fully funded model means that future generations of levy payers will not be paying for injuries that happened years earlier as the cost of those claims will already have been collected.

Why we have investments

ACC's investment portfolio exists to ensure that we can meet the future costs of claims as a result of injuries that have already occurred without the need for any catch-up contributions from future levy payers. We tend to favour long-term investments that we expect to deliver relatively certain income streams for long periods of time. Such investments match our long-term cash flow requirements, and also help offset the risk of declines in interest rates. Interest rate declines mean that we need to put aside more money in the present to fund every dollar of future claims. Accordingly, if not offset by strong investment returns, a decline in interest rates may create a need for levy increases.

Our investment objective

We manage our investments with the objective of obtaining the best possible balance of return and risk. To this end, we:

- continue to review strategic asset allocations to ensure that the benchmark asset allocations provide the best possible balance of risk and expected returns for our objectives
- actively manage our investment portfolio with the objective of obtaining better risk adjusted returns from the portfolio than would be achieved from passive investment.

Measuring performance

Our investment performance should be evaluated by looking at the extent to which ACC's investment portfolio has achieved the objectives of enhancing returns and reducing risks. We compare our investment performance with what would have been realistically possible in the context of how investment markets have performed. We aim to achieve returns after costs greater than 0.30% above the benchmark for our investment portfolio. We measure our investment management costs as a proportion of total funds under management.

Ethical investment policy

We have an ethical investment policy that requires our investment activities to be conducted in an ethical manner that avoids prejudice to New Zealand's reputation as a responsible member of the world community.

Our Service Agreement has further details on how we manage our investment activities and can be found at www.acc.co.nz

Organisational health and capability

To deliver on our strategic intentions we want high performing, customer-focused teams that are supported by modern, reliable and secure systems.

Our people are engaged and feel empowered to make decisions so that we deliver a consistently great customer experience

Why this is important

Our organisational culture and capabilities underpin our ability to deliver on our strategic intentions. We want to develop and sustain high performing, customer-focused teams. Additionally, given our role and mandate in workplace health and safety, it is important to us that ACC demonstrates safety leadership and excellence in the workplace.

This will be achieved by attracting the right people, at the right time, into the right roles and by growing and developing our existing capabilities and talent.

What we want to achieve



ACC is powered by current, reliable and secure information technology



Why this is important

In order to deliver a better experience for customers, and to offer them more choice and less effort in their interactions with us, we need to ensure that our systems and technology enable us to do this.

What we want to achieve



How we will know we are on track

Category	Measuring our contribution to New Zealand	Actual 2013/14	Actual 2014/15 to 31 March 15	Expected direction of travel
 People	Staff turnover	10.3%	12.8%	➡
	High performer turnover	4.4%	9.1%	➡
	Ratio of engaged staff to actively disengaged staff	7.14:1	Annual	⬆
 Information Technology	Overall operational system availability	99.4%	99.7%	⬆

Governance

ACC Board and governance framework

ACC is governed by a Board of up to eight members appointed by the Minister for ACC.

The Board has the authority to exercise ACC's statutory powers and perform its functions. The Board may only act for the purpose of performing ACC's statutory functions.

Board members are accountable to the Minister and also to ACC for the performance of their duties.

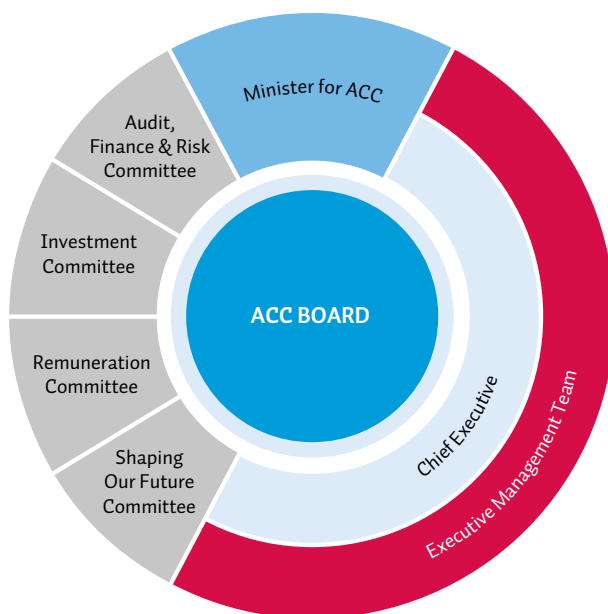
The Board's governance role is largely governed by the provisions of the Crown Entities Act 2004 (CE Act), the AC Act, the State Sector Act 1988 and the Public Finance Act 1989, and includes the following key elements:

- maintaining appropriate relationships with the Minister, the House of Representatives and the public
- ensuring ACC's compliance with the law, ACC's accountability documents and relevant Crown expectations
- ensuring that ACC is a good employer and creates a supportive environment that promotes the highest standards of safety and wellbeing, both for its staff and for the communities it serves
- setting strategic direction and developing policy on the operation and implementation of the legislation
- maintaining the financial viability and security of ACC and its investments
- appointing the Chief Executive of ACC
- monitoring the performance of ACC and of its Chief Executive.

All decisions relating to the operation of ACC must be made by, or under the authority of, the Board.

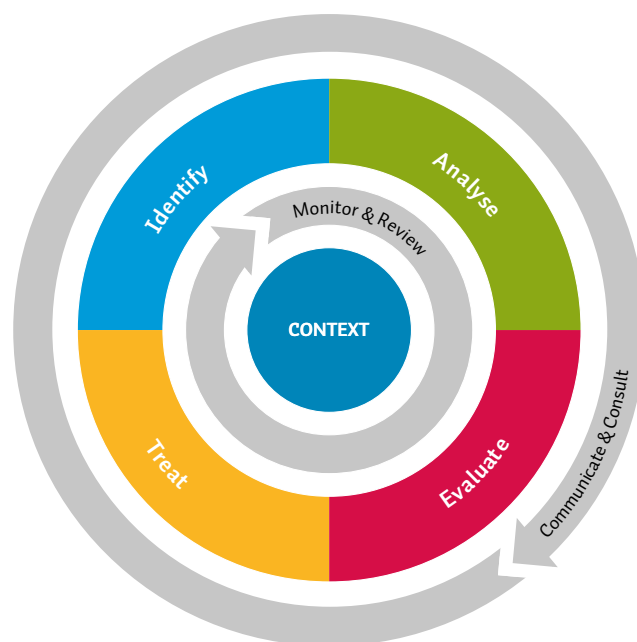
As approved by the CE Act, the Board delegates to the Chief Executive the day-to-day management and leadership of ACC. In particular, this includes matters relating to ACC's responsibilities as an employer.

ACC's governance and management structure is shown below.



Managing risks

Managing risk is instrumental in maintaining our organisational health and delivering on our objectives. Our approach to assessing and managing risk is based on international best practice (ISO 31000), which emphasises the ongoing dynamic nature of risk, and risk management.



A 'three lines of defence' model supports our approach. Staff are primarily responsible for identifying and managing risks within their business groups, and ensuring that risk management is fully integrated in all business activities, supported by our risk and compliance office. Assurance services provide independent assurance of risk management activities.



The Executive Risk and Compliance Committee, chaired by the Chief Executive, provides management oversight of the risk system. Reports on the status and management of our organisational risk profile are provided to the Executive Risk and Compliance Committee monthly and to the Board quarterly, with a focus on our strategic intentions. Our latest risk profile can be found in our quarterly reports to the Minister. These are published on our website at www.acc.co.nz

In the next four years, we will focus on lifting the maturity of risk management within ACC. In particular, we will:

- increase the reach and relevance of risk management across the organisation so that we have a consistent and cohesive view of risks and opportunities
- explicitly define and state our appetite to take on calculated risks that support us in achieving our strategic intentions
- ensure that a risk lens is applied to support good judgement in decision making.

Treaty of Waitangi

We recognise that the Treaty of Waitangi is a founding document of government in New Zealand and established the country as a nation. We aim to support the Crown in its Treaty of Waitangi relationships and deliver our services in ways that enable equitable outcomes for Māori.

Subsidiary companies

Shamrock Superannuation Limited, a wholly owned Crown entity subsidiary of ACC, was established in 1991 to act as the corporate trustee for the ACC Superannuation Scheme. Shamrock Superannuation Limited is a non-trading company.

We have no plans to acquire any further subsidiaries during the period of this Statement of Intent.





Te Kaporeihana Āwhina Hunga Whara

www.acc.co.nz
0800 101 996

New Zealand Government

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