

INDEPENDENT CULTURE REVIEW OF ACC

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A. EXECUTIVE SUMMARY

- 1 This independent culture review (**Review**) of the Accident Compensation Corporation (**ACC**) is required to assess ACC's current workplace culture and whether the organisation is providing a positive, inclusive and safe workplace. Workplace culture is important – a positive workplace has been shown to encourage employee engagement, loyalty and productivity (and in turn organisational performance and growth), while a poor workplace culture can hinder job satisfaction, wellbeing, professional development and performance.
- 2 At the outset, the Review team wishes to acknowledge and thank the approximately 700 current and former ACC staff / kaimahi (of the total 4,500 current ACC staff) who participated in this review and shared their personal experiences. Their views provided invaluable insights into ACC's workplace structures, systems and culture.
- 3 ACC is an organisation that provides important services to New Zealand residents and visitors in terms of helping to prevent injuries, provide rehabilitation and offer financial compensation for the injured, to allow them to return to their everyday lives. ACC is made up of committed individuals who are dedicated to making a difference through the services and support they provide.
- 4 It is important that these dedicated ACC staff are supported in the work they do by a positive and inclusive workplace, where they feel safe to raise concerns about behaviour and conduct, and feel confident that their concerns will be handled appropriately.
- 5 The Terms of Reference (**ToR**) for this Review (**Appendix 1**) state that the Review is to consider, make findings, and report on:
 - (a) The experiences of staff with respect to ACC providing a positive, inclusive and safe workplace;
 - (b) ACC's current workplace culture, the factors that may be contributing to it, and how the organisation is responding;
 - (c) Whether ACC has taken effective and appropriate steps to promote and create a positive, safe and inclusive workplace culture, in line with public service good practice, as well as the Public Service Commission's Positive and Safe Workplaces and Speaking Up Model Standards;
 - (d) Assess ACC's existing policies, systems and procedures relating to inappropriate conduct and behaviour, comparing them to good practice and identifying any actual or perceived barriers to reporting or making complaints about inappropriate conduct and behaviour. This assessment will be in accordance with the Public Service Commission's Positive and Safe Workplaces and Speaking Up Model Standards, as well as other relevant examples of good practice guidance, policies or practice;
 - (e) Consider whether ACC's recruitment and appointment systems and processes represent good practice, including ensuring they appropriately identify any issues related to conduct and behaviour. This includes ensuring they align with the standards set out in the Public Service Commission's Workforce Assurance Model Standards; and

- (f) Make recommendations, where appropriate, to improve:
- (i) How ACC promotes and maintains an open, inclusive and supportive culture for its people;
 - (ii) How ACC promotes and ensures the treatment of staff with respect and dignity; and
 - (iii) ACC policies, systems, and procedures for dealing with complaints about inappropriate conduct and behaviour. This includes processes for staff to speak up, and the effective management and resolution of complaints and concerns.

Summary of Findings and Recommendations

- 6 This report sets out findings and recommendations in relation to ACC's current workplace culture and where this can be improved to be more positive, inclusive and safe for all ACC staff. The findings and recommendations are informed by the feedback received from approximately 700 staff and a review of more than 60 ACC documents (outlining relevant policies, processes and systems) and previous reviews of the organisation.
- 7 The timing and phasing of the implementation of the recommendations will need to be carefully considered, to ensure the best opportunity for success. It will be a gradual process of strengthening the interrelated key parts of the organisation, to allow each to stand firmly and to constructively engage with each other.

Findings

- 8 The Review's findings, based on the five key areas set out in the ToR (see paragraph 5(a) to (e) above), are as follows:

(i) Staff experiences regarding ACC providing a positive, inclusive and safe workplace	
Finding 1	ACC has a strong purpose , with good people who are committed to the organisation's purpose. However, staff overwhelmingly said that ACC's strategy is unclear (and priorities often change) – making it hard for staff to feel that the workplace is inclusive or aligned.
Finding 2	ACC is a large organisation with a hierarchical and siloed structure , which kaimahi said makes workplace inclusivity challenging. This is exacerbated by ACC's Hybrid Working and Remote Working Policies and practices. Also, some parts of the organisation (such as clinical governance and parts of leadership) are not functioning optimally.
Finding 3	Staff experiences are "mixed" regarding ACC's workplace: <ul style="list-style-type: none"> (a) Many staff spoke of positive work experiences (for example, staff with long tenure and high enjoyment of their jobs). (b) However, a large number of those interviewed (or who sent in submissions) said: <i>"it depends on your manager"</i>. (c) Many staff gave examples of a reluctance or failure to call out poor behaviour <i>'in the moment'</i>.

	<p>(d) Frontline staff are under significant workload pressure.</p> <p>(e) HR complaint procedures need improvement and there is a lack of confidence in their effectiveness.</p> <p>(f) Engagement surveys are not well regarded or seen to be acted upon.</p>
(ii) ACC's current workplace culture	
Finding 4	<p>ACC's culture is not 'toxic' however, ACC's current workplace culture is not positive overall:</p> <p>(a) There are good people working throughout ACC, but pockets of inconsistent behaviour by leaders and some leadership gaps.</p> <p>(b) Lack of past accountability which has undermined confidence in decision-making.</p> <p>(c) A 'gossipy' organisation with low trust in internal complaints processes.</p> <p>(d) Inconsistent performance management / career progression systems.</p> <p>(e) A need to build a higher performing culture.</p>
Finding 5	<p>Factors contributing to ACC's culture not being positive overall are:</p> <p>(a) An unclear organisational strategy (with priorities often changing), alongside structural challenges that impact staff connection and engagement.</p> <p>(b) Unclear values.</p> <p>(c) A lack of some key HR policies / practices and historical inconsistent experiences with People and Culture (P&C).</p> <p>(d) A lack of diversity and some gaps in leadership.</p> <p>(e) "Restructure fatigue" and the ongoing impacts on morale resulting from the 2024 restructure.</p> <p>(f) Some generous benefits at ACC (such as employer contributions to superannuation and flexible working) make staff 'change resistant'.</p> <p>(g) Some challenges which make it hard for staff to feel aligned to 'one ACC':</p> <ul style="list-style-type: none"> • ACC is seen by many staff as having at least three different cultures: Corporate, Frontline and Investments; and • ACC has the challenge of wearing 'many hats': positioned between the private and public sector, part of the health system and an insurer.
(iii) What steps has ACC taken to promote and create a positive, safe and inclusive workplace culture, in line with public service good practice?	
Finding 6	<p>ACC's recent workplace culture initiatives (to create a positive, safe and inclusive workplace) are commendable, but there is more that needs to be done by ACC to fully meet public service good practice under the Public Service Commission (PSC) Standards of Integrity and Conduct, Model Standards and the Protected Disclosures (Protection of Whistleblowers) Act 2022 (PDA).</p>

(iv) Are ACC's policies, systems and procedures relating to inappropriate conduct and behaviour in line with public service good practice?	
Finding 7	<p>ACC's policies, systems and procedures relating to inappropriate conduct and behaviour are not fully in line with public service good practice:</p> <p>(a) ACC does not have a standalone bullying and harassment policy; nor procedures or training around raising concerns about inappropriate behaviour.</p> <p>(b) The current Speak Up channel is inadequate and does not appear to report into the right part of the organisation.</p> <p>(c) The policies that are in place are not always adhered to in practice.</p>
(v) Do ACC's recruitment and appointment systems represent good practice?	
Finding 8	<p>ACC's recruitment and appointment systems and practices do not consistently represent good practice:</p> <p>(a) Internal Audit's report on Recruitment / Onboarding (April 2025) found that ACC's recruitment and onboarding practices were "<i>not aligned ... with good practice frameworks in many aspects</i>" and were "<i>very high risk</i>".</p> <p>(b) Some recent leadership appointments have not been contestable processes (which does not set leaders up for success).</p> <p>(c) There are recent examples of 'shoulder tapping' and perceived 'favouritism' regarding appointments especially amongst leaders.</p> <p>(d) Overly high use of secondments and 'internal for five days' advertising.</p> <p>(e) Over-reliance on consultants / contractors.</p> <p>(f) Offboarding / exit interview processes are inconsistent.</p>

Recommendations

- 9 Based on the above Review findings (and in line with the three areas for recommendations in the ToR), the Review's recommendations are:

A. Recommendations to improve how ACC promotes and maintains an open, inclusive and supportive culture for its people	
Recommendation 1	<p>The Board and Executive Team need to publicly acknowledge (by an all-staff email) that:</p> <p>(a) While ACC has great people working for the organisation, it can (and will) do more to identify and respond to incidences of poor behaviour.</p> <p>(b) There were deficiencies in the 2024 restructure process (in terms of insufficient pre-engagement, under-resourcing of the expression of interest (EOI) phase, reactive communication and a lack of visible leadership, and inconsistent consultation / post-confirmation follow-up) and this continues to have a significant adverse impact on culture.</p>

Recommendation 2	ACC needs to develop a clear and aligned strategy (and goals) for staff to align to, to support its already strong purpose.
Recommendation 3	<p>Foster greater collaboration and communication at ACC through more cross-functional teams (and break down the organisation's hierarchies and silos):</p> <ul style="list-style-type: none"> (a) Develop and promote more open and transparent communication; (b) Develop trusted and safe communication channels, to build a supportive culture and reduce staff 'gossip' (particularly in Wellington), and to promote more open and transparent communication; and (c) Build greater trust in P&C: there are capable and caring people in P&C, but legacy issues have meant they have not always been seen to be 'there for the people'.
Recommendation 4	<p>Review ACC's workplace policies to build inclusivity / engagement / productivity, in particular:</p> <ul style="list-style-type: none"> (a) Hybrid Working policy (which currently requires staff to work only two days per week in the office); and (b) Remote working locations.
Recommendation 5	<p>Review some structures which appear to be dysfunctional and / or not operating optimally:</p> <ul style="list-style-type: none"> (a) Clinical governance and leadership structure (and appoint a Chief Clinical Officer (CCO)). (b) System Commissioning & Performance – which has recently lost leadership and health commissioning capability. (c) Māori team (which has also recently lost leadership).
Recommendation 6	<p>Adopt more generally (and monitor) contestable recruitment processes at ACC:</p> <ul style="list-style-type: none"> (a) Update ACC's recruitment and onboarding practices to meet the recommendations in Internal Audit's April 2025 report. (b) Ensure all appointments to senior roles are demonstrably: <ul style="list-style-type: none"> • Contestable processes; • Merit-based appointments / best person for the job. (c) Ensure a diversity lens is applied to appointments. (d) The Board needs to monitor Executive Team appointments (including ensuring that they are contestable processes). (e) Review and reduce the number of: <ul style="list-style-type: none"> • consultants / contractors; • secondments; and • 'acting up' appointments.

B. Recommendations to improve how ACC promotes and ensures the treatment of staff with respect and dignity	
Recommendation 7	<p>Review and reset ACC's values through an organisation-wide engagement process. Then:</p> <ul style="list-style-type: none"> (a) define the <u>behaviours</u> that underpin each value; (b) set out clear <u>accountabilities</u> in relation to the values and behaviours; (c) identify <u>consequences</u> for non-adherence to values and acceptable behaviour; and (d) provide <u>training</u> to support this.
Recommendation 8	<p>ACC then needs to undertake an organisation-wide culture change programme:</p> <ul style="list-style-type: none"> (a) Led by management with staff engagement (and union consultation), to: <ul style="list-style-type: none"> • transform the organisation's current beliefs, behaviours and systems to align with the strategic goals and values; • support the desired cultural shifts; and • build a higher performing culture. (b) Build a more consistently high performing culture. (c) Replace Gallup surveys with more modern and effective staff engagement measures.
C. Recommendations to improve ACC policies, systems and procedures for dealing with complaints about inappropriate conduct and behaviour	
Recommendation 9	<p>Redesign ACC's policies and procedures (and training) relating to 'inappropriate conduct and behaviour':</p> <ul style="list-style-type: none"> (a) Develop a standalone Inappropriate Behaviour policy (incorporating Bullying and Harassment): <ul style="list-style-type: none"> • define inappropriate behaviour (and then run training about this); • clarify how complaints can be reported: self-help; informal measures; escalated to formal complaints processes etc.; • introduce and train people at each location to be workplace 'champions' who staff can contact for assistance / support (select people with the appropriate interpersonal skills for these roles); • train managers in dealing with complaints and conflict resolution; • improve training on unconscious bias, neurodiverse workplaces and ensure all training has a diversity lens; and • build confidence in the confidentiality of the new policies and practices – to make them safe and trusted.

	<p>(b) Review the current Whistleblower line:</p> <ul style="list-style-type: none"> • develop a new Speak-up / Whistleblower policy and procedure that makes it clear that it covers employment concerns. This should be separate to Ok2Say, which should remain for integrity issues. The new channel could operate through P&C. <p>(c) Build a safer / more inclusive speak-up culture at ACC, which is led from the top and where people feel safe to raise concerns ‘in the moment’ and not need to gossip or complain externally.</p>
D. General Recommendations	
Recommendation 10	<p>(a) The Board needs to monitor (and close out) recommendations from Internal Audit reports and external reviews (such as this Review), engagement surveys, and other cultural health data (such as feedback obtained from exit interviews) more closely going forward, to build Executive Team accountability and ensure lessons are seen to be learned.</p> <p>(b) There also needs to be better monitoring / feedback to ACC going forward (where appropriate in relation to policy that informs culture) by the Ministry of Business, Innovation and Employment (MBIE) and the PSC.</p>

B. CONTEXT TO REVIEW

- 10 This Review has been commissioned by the ACC Board following a number of recent issues and allegations reported to the media about the conduct and behaviour of some executives at ACC.
- 11 On 17 March 2025, the Minister for ACC issued the ACC Board with a letter setting out his expectations for ensuring that ACC was providing a safe and positive workplace culture for its staff. These expectations included providing appropriate and confidential ways for staff to share concerns about inappropriate conduct and behaviour, and ensuring that these concerns were properly considered.
- 12 This Review is intended to provide insight into the extent to which ACC is meeting the standards required for a positive, inclusive and safe workplace, and to inform ACC's way forward in upholding these standards.
- 13 The ToR for this Review were issued on 20 March 2025. The Review was conducted by Phillipa Muir (Chair and Partner, Simpson Grierson). Doug Craig (Director, RDC Group) was a Reviewer from late March to until 2 July 2025, when he resigned for health reasons. Mr Craig provided valuable assistance, particularly in relation to public sector legal issues.
- 14 The Review was also assisted by Meg Vogel and Louise Goodwin (Solicitors, Simpson Grierson) who provided excellent legal support, and Sarah Gage (Project Manager) who managed logistics and seamlessly co-ordinated the hundreds of staff interviews.

Public sector considerations

- 15 ACC's status as a statutory Crown entity and, more specifically, a Crown agent, is a relevant contextual factor for this Review.
- 16 As a Crown agent, ACC is closely aligned with the Government, and is required to give effect to government policy when directed by its responsible Minister.
- 17 This Review has taken into account ACC's legislative obligations under the Accident Compensation Act 2001, the Crown Entities Act 2004, the Public Service Act 2020, and the Public Finance Act 1989.
- 18 Particularly, this Review has considered the Standards of Integrity and Conduct, and the various Model Standards set by the PSC that ACC is required to meet, as well as relevant Government workforce policy. Key PSC policies that are relevant to this Review include Positive and Safe Workplaces, Speaking Up, Workforce Assurance, Conflicts of Interest, and Flexible Working (Work from Home).
- 19 The Review has also taken into account the relationships ACC has with MBIE (which provides advice and administrative support to the Minister for ACC in relation to the requirements of the Accident Compensation Act 2001 and other regulations), and the Treasury (which oversees the Crown funding provided to ACC, and monitors ACC's performance and governance).
- 20 This Review comes at a time where the Government is particularly focused on improving the performance of the public sector, with proposed amendments to the Public Service Act 2020

due to be released soon.¹ Earlier this year, the Public Service Commissioner (**Commissioner**) noted that the public service is operating sub-optimally, within outdated, risk-averse models that are not conducive to growing and developing talent. To resolve this, the Commissioner has indicated that the public sector should:²

- (a) scale efficiently, removing duplication while retaining necessary resourcing;
- (b) improve the quality and timeliness of decision-making by optimising data and information systems;
- (c) adopt an innovative, growth mindset, challenging past operating models and thinking creatively about how best to serve the public today; and
- (d) develop and maintain talent and capability, to retain public trust and confidence.

21 While ACC is not directly subject to proposed public sector reform, this Review has taken into account the above recent Government indicators, as a guide for how ACC, as a Crown agent, should be seeking to operate.

Methodology for this Review

22 All current and former ACC staff were provided with the opportunity to provide information to the Review in a safe and confidential manner, by meeting in person or by providing written feedback. This was facilitated via an independent email address monitored by the Review Team.

23 ACC offered support and counselling services via the Employee Assistance Programme (**EAP**) to all staff who wished to participate in the Review.



The individuals who provided feedback were mainly current staff (with a few interviewees having recently left the organisation).

24 Feedback was received from individuals at all levels of the organisation, including engagement with the Board, interviews with all of the Executive Team and staff at all levels through to frontline workers - and they were based in ACC's workplaces across New Zealand. The Reviewers met with staff at ACC's locations in Manukau, Hamilton, Wellington and

1 Cabinet Paper "Amendments to the Public Service Act 2020 Paper 1 Clarifying the Role and Responsibilities of the Public Service" (6 May 2025); Cabinet Paper "Amendments to the Public Service Act 2020 Paper 2 Driving Improvements in Performance" (6 May 2025); and Cabinet Paper "Amendments to the Public Service Act 2020 Paper 3 Breaking Down Silos" (6 May 2025).

2 Public Service Commissioner "Sir Brian Roche on reorientating the Public Service" (13 February 2025) <publicservice.govt.nz>.

Christchurch (as well as hearing from other current and former staff across New Zealand through Teams calls and written submissions).

25 The Review also met with the Association of Salaried Medical Specialists (**ASMS**) and the Public Service Association (**PSA**) National Delegate Committee.

26 As part of the Review, a large number of relevant documents were examined, including:

- (a) ACC's Code of Conduct and other policies / guidelines;
- (b) Policies currently under revision;
- (c) Previous reports and reviews in ACC (internal and external);
- (d) Board and Executive Team papers; and
- (e) Organisational structure charts, strategy documents, staff survey responses, and change consultation documents.

Confidentiality and procedural fairness

27 All personal information collected for the purposes of this Review is subject to an obligation of confidence. The identities of all individuals that participated in the Review are strictly confidential.

28 All individuals who were interviewed or provided written feedback were advised that this report, its findings and recommendations are intended to be released publicly. However, the report is not intended to identify any individuals or make reference to facts that could reasonably lead to the identification of any individual.

29 The Review was conducted in a manner consistent with procedural fairness and the principles of natural justice.

Limitations and matters out of scope

30 This Review was conducted in a limited timeframe. The time taken has been primarily due to the significant numbers of ACC staff who sought to be heard. The Review is intended to be as comprehensive as possible within this timeframe.

31 The Review did not investigate individual past or current complaints. Individual complaints about conduct, behaviour and culture were only assessed to inform findings and recommendations on the matters set out in the ToR.

32 The Review also does not make any findings or make any comment on the conduct, performance or competence of any individual who may be a complainant or the subject of a complaint.

C. ACC BACKGROUND

- 33 New Zealand's no-fault accident compensation scheme (**Scheme**) has been in operation since 1900.³ However, it was not until 1974 that ACC was established to manage the Scheme as set out in the Accident Compensation Act 1972. That Act, and the creation of ACC, was a response to the recommendations of the Royal Commission established in 1967 to report on workers' compensation (**Royal Commission**), chaired by Sir Owen Woodhouse. When presenting the findings of the report, Sir Owen Woodhouse summarised the Royal Commission's recommendations as follows:⁴

“Injury arising from accident demands an attack on three fronts. The most important is obviously **prevention**. Next in importance is the obligation to **rehabilitate** the injured. Thirdly, there is the duty to **compensate** them for their losses.”

- 34 The Royal Commission's recommendations (which included extending the no-fault compensation to accidents arising outside the workplace) continue to underpin the Scheme today. However, in seeking to implement these recommendations effectively, ACC has undergone many significant changes that have influenced its structure and operation.
- 35 The frequency and scale of these changes has had an evident impact on ACC's workplace culture. Over the decades, ACC staff have had to operate in a state of ongoing change, to respond to new government directives, societal shifts, and comprehensive strategic and structural changes.

ACC has operated under four Governments (and eight different Ministers) in recent years

- 36 As a Crown agent, ACC's operational strategy is necessarily subject to the priorities of the government of the day – as set annually by the Minister for ACC in the service agreement with the ACC Board, and via Letters of Expectations.
- 37 Frequent government change, and Ministerial change within those governments, has meant that ACC's priorities over the years have at times moved from strategies primarily focused on financial sustainability, to strategies that are more focused on access / equity outcomes.
- 38 For example, in the past 11 years ACC has:
- (a) operated under four Governments, with eight different Ministers;
 - (b) pursued multiple comprehensive strategy changes;
 - (c) commissioned numerous internal and external reviews of its operational effectiveness; and
 - (d) undertaken a number of substantial restructures.
- 39 A high-level summary of some of these recent changes is set out in the sections that follow.

3 Workers Compensation Act 1900.

4 Woodhouse, O., Royal Commission into Workers' Compensation in New Zealand. 1967: Wellington.

Multiple comprehensive strategy changes

- 40 ACC has introduced some significant new strategies in the past decade (which to a greater or lesser extent have had an impact on ACC's workplace culture):
- (a) First, the launching of '**Shaping Our Future**' in 2014, which was intended to markedly improve customers' outcomes and experiences with the Scheme, and overall trust and confidence in ACC.
 - (b) In 2019 (with assistance from Bain & Company and 3Plus Consulting) ACC redesigned its case management model with the introduction of Next Generation ACC Case Management (**Next Gen**), with the aim (amongst other initiatives) of shifting from 'one-to-one' to 'many-to-many' case management for clients. However, alongside some positive impacts, it became clear that this model (considerably impacted by Covid-19) contributed to increased case backlogs and saw deteriorating rehabilitation rates.
 - (c) A new strategy, **Huakina Te Rā**, was introduced in 2023, setting overarching goals for ACC to provide more accessible services and improved outcomes, and to operate more sustainably, in partnership with New Zealand's communities.
 - (d) A financial sustainability action plan (**FSAP**) shortly followed, introducing a Rehabilitation Performance Improvement Programme (**RPIP**) (also designed with assistance from 3Plus Consulting), to replace Next Gen and deliver business change to achieve performance improvement, establish robust foundations for sustained performance improvement, and reduce outstanding claims liability.⁵
 - (e) In 2025, ACC is now in the process of developing '**Future State**', with a target operational model for 2030. The design work is still in its early stages; however, it appears that the Future State model aims to address ACC's performance challenges and rebuild the long-term operational sustainability of the Scheme.

Numerous internal and external reviews of ACC's operational effectiveness

- 41 To assess the effectiveness of the strategies, programmes and policies that ACC has introduced over recent years, ACC has commissioned numerous internal and external reports / reviews of its operational effectiveness, including in respect to its recruitment processes, hybrid working arrangements, clinical governance and case management. The reviews are discussed in further detail in Finding 4. Key reviews include:
- (a) **Performance Improvement Framework Review (PIF Review)** (2014)⁶ – An external review of ACC was undertaken by Dr Murray Horn and David Moore to assess ACC's Performance Improvement Framework. The PIF Review was tasked with providing recommendations for enhancing ACC's service delivery, customer focus, and operational efficiency.

5 RPIP was halted in June 2025, but several of its initiatives have been integrated into the ACC's Enterprise Strategy for 2025/26.

6 Dr Murray Horn and David Moore *Performance Improvement Framework: Review of the Accident Compensation Corporation (ACC)* (State Services Commission, the Treasury, and the Department of the Prime Minister and Cabinet, December 2014).

- (b) **Clinical Governance Review** (2019)⁷ – An external review was conducted by the consultancy firm KPMG, to assess ACC’s clinical governance structure.
 - (c) **Provider Hub Review** (November 2024)⁸ – An internal review was undertaken by ACC’s internal audit team in relation to the implementation of the Provider Hub digital platform, which was developed to provide online self-service capabilities for ACC health providers and partners.
 - (d) **Review of Recruitment & Onboarding** (April 2025)⁹ – An internal review also undertaken by ACC’s internal audit team in respect of ACC’s recruitment and onboarding processes.
- 42 Unfortunately, a significant number of findings and recommendations from the above reviews remain outstanding or unresolved today.

Recent Restructures

- 43 With each transformational change that ACC has undergone over the past decade (from Shaping Our Future to Next Gen and FSAP), there has been structural change in the organisation.
- 44 Most recently, in 2024, in response to the Government’s announcement for the public sector to cut costs and seek operational improvements,¹⁰ ACC undertook one of the most significant restructures to date.¹¹ The restructure directly impacted 425 staff across six business groups, seeking to reduce duplication across the organisation and focus resources on the most impactful workstreams aligned with ACC’s strategic priorities. However, the restructure process has had a significant adverse impact on culture and morale, with the majority of interviewees saying that the 2024 restructure was ‘done to them’ and that the process was unclear and under-resourced.
- 45 A ‘Lessons Learnt’ report was prepared by P&C following the 2024 restructure and it identified (through a post-restructure staff survey) that the restructure process “*faced challenges*” due to insufficient pre-engagement, a “*lack of proactive communication, leadership and role clarity*” in the EOI phase, and slow and inconsistent consultation / post-confirmation follow-up. The ‘Lessons Learnt’ report highlighted a number of areas which could have been improved during the consultation process. These included ensuring:¹²
- (a) end-to-end process mapping to clarify deliverables, capability requirements, and timelines;
 - (b) a designated programme lead, and possibly a change manager, to centralise accountability and decision making to support a “*more cohesive, informed and supportive experience for everyone involved*”; and

7 Bronwyn McGuire and Grace Nunn *Review of Clinical Governance* (November 2019).

8 Accident Compensation Corporation *Internal Audit Report: Provider Hub – Lessons Learnt* (November 2024).

9 Accident Compensation Corporation *Recruitment & Onboarding – Internal Audit Report* (April 2025).

10 Fiscal repair job underway (Government Press Release, Hon Nicola Willis, 20 December 2023).

11 Accident Compensation Corporation *Lessons Learnt: Transition – change consultation* (November 2024).

12 Accident Compensation Corporation *Lessons Learnt: Transition – change consultation* (November 2024).

- (c) improving early communication and empowering individuals to own processes to minimise delays, prevent overlooked details, and support a more collaborative and effective change process.

ACC's current financial position and renewed focus on performance

- 46 ACC's 2024 Annual Report shows that ACC continues to be in a strong financial position (with careful and robust decisions having been made by ACC's Investments team), and ACC's Board says that it is readily able to meet all claims as they fall due. Notwithstanding this, ACC's financial position has deteriorated over the past decade due to declining claim and case management performance, increased costs which have not consistently been matched by increased levies, and scheme boundary changes, mainly due to Court rulings. ACC is under pressure to arrest this declining financial performance and, as at 30 June 2024, its Assets of \$56.4 billion (primarily represented by the value of its Investment Fund) were exceeded by its Liabilities of \$68.8 billion (primarily represented by the value of its Outstanding Claims Liability – or its estimated future costs required to service existing claims), resulting in its aggregate negative equity position increasing to \$12.4 billion.¹³
- 47 Against this background, the Minister has recently issued a direction to ACC to improve the sustainability and performance of the Scheme, with a dedicated focus on reducing claimants in the long-term claims pool (the pool of individuals receiving weekly compensation payments from ACC for more than 12 months).¹⁴ These expectations are reflected in ACC's Service Agreement 2025/26, which sets ambitious targets, including to reduce the growth rate of the long-term claims pool from 13% to 6%.¹⁵
- 48 To achieve these desired performance improvements, and to enable the Scheme to be sustainable in the long-term, ACC needs to have a culture and environment where staff understand their employer's strategic goals (and how the organisation plans to achieve them) and feel valued, safe and supported. As discussed in the sections that follow, ACC's culture and workplace environment is currently not operating as effectively as it could to allow this. However, ACC's staff have shown a universal commitment to the purpose and importance of the Scheme (even the many staff who have raised concerns as part of this Review), so there is a strong platform for the successful implementation of these recommendations. This represents an opportunity for the organisation to build higher engagement, collaboration and wellbeing, and to enable higher performance to flourish.

13 Accident Compensation Corporation Annual Report 2024.

14 Hon Scott Simpson *Interim Letter of Expectations* (27 March 2025).

15 2025/26 Accident Compensation Corporation Service Agreement.

D. WORKPLACE CULTURE

- 50 The ToR at **Appendix 1** require this Review to consider and make findings on whether ACC's workplace culture is in line with public service good practice, and to make recommendations, where appropriate, on improvements.
- 51 Workplace culture is a reflection of accepted behaviours and norms. In the workplace, this is shaped by the vision, purpose, policies, procedures and behaviours of an organisation.¹⁶
- 52 Workplace culture is an essential component of organisational performance. A positive workplace culture has been shown to encourage engagement, loyalty and productivity amongst employees, which in turn improves organisational performance and growth.¹⁷ Conversely, a negative workplace culture has been identified as a hinderance to employees' job satisfaction, professional development, and performance.¹⁸
- 53 A 2025 BBC Workplace Culture Review noted that:¹⁹
- What is being rewarded, tolerated and punished influences psychological safety in the workplace, how people communicate, how people make decisions, which issues get raised, which do not, which problems get solved, which get pushed to one side, how prepared people are to take risks or challenge the status quo and go against the tide, who feels valued and who doesn't, and what the organisation's priorities really are.
- 54 Employee wellbeing and engagement also has important flow on effects for customer / client satisfaction. A 2019 Harvard Business Review study concluded that "a happier workforce is clearly associated with companies' ability to deliver better customer satisfaction."²⁰ This is particularly the case in sectors where workers and customers have close contact, as is the case in health care and financial services.²¹
- 55 Against this background, it is evident that cultivating a positive workplace culture should be viewed as essential for organisations looking to unlock maximal performance, for both employees and customers / clients.
- 56 A strong organisational culture can lead to a high-performance culture – the two are not mutually exclusive. To build this involves developing an environment where employees share a growth mindset, driven by a clear purpose and values, and are focused on shared outcomes.²²
- 57 Regardless of differences in the strategic priorities or the business model of an organisation, high-performance cultures are understood to have key traits in common. They are decisive, proactive, open and transparent, people-focused, and long-term orientated.²³ Employees operating in high-performance cultures feel empowered and engaged to achieve desired

16 Fiifi Duodo and others "Defining, Evaluating, and Developing a Positive Workplace Culture" (2024) 55 Stroke 121.

17 Aon Hewitt *Getting Real About Creating a High-Performance Culture* (October 2013); and Benjamin Laker "Culture is a Company's Single Most Powerful Advantage. Here's Why." (23 April 2021) Forbes <forbes.com>.

18 Fiifi Duodo and others "Defining, Evaluating, and Developing a Positive Workplace Culture" (2024) 55 Stroke 121.

19 Change Associates *BBC Workplace Culture Review: Respect at Work 2025* (April 2025) at 12.

20 Andrew Chamberlain and Daniel Zhao "The Key to Happy Customers? Happy Employees" (20 August 2019) Harvard Business Review <hbr.org>.

21 Andrew Chamberlain and Daniel Zhao "The Key to Happy Customers? Happy Employees" (20 August 2019) Harvard Business Review <hbr.org>.

22 Dean Curtis "The Importance of a Performance Culture" (28 October 2021) Forbes <forbes.com>; and HeartCount "What Is a High-Performance Culture – and How Do You Build One That Lasts?" (30 May 2025) <heartcount.com>.

23 Aon Hewitt *Getting Real About Creating a High-Performance Culture* (October 2013).

outcomes, and are supported by a foundation of trust and psychological safety.²⁴ High performance is enabled because employees feel appreciated, supported and heard in their work, which in turn encourages productivity, creativity, loyalty and retention.²⁵ A high-performance model is built by a number of factors, including those that follow.

(a) *Clear organisational purpose and values*

A high-performance culture starts with a clear organisational purpose and values. Without these, employees have no guide as to expected behaviours, and no overarching goals that unite them in their work. On the other hand, strong organisational values help employees to understand the “why” behind their work, which drives workforce engagement and motivation, and improves retention.²⁶

The findings in this Report show that ACC has a clear, well understood and approved purpose, but the organisation’s values and strategic goals are unclear, there have been pockets of poor behaviour, and inadequate policies to support appropriate behaviour.

(b) *Accountable leadership*

A high-performance culture must necessarily be driven from the top.²⁷ The messaging and behaviour of leadership sets the tone for the behaviour and attitudes of an organisation as a whole. In high-performing organisations, leaders are visible, transparent and accountable,²⁸ modelling the drive and enthusiasm that is desired of the organisation as a whole. Demonstrating this, research conducted by Aon Hewitt identified that the two most impactful factors in creating a high-performance culture are where senior leadership provides strategic clarity and a people focus.²⁹

The Review finds that ACC’s leaders have not always set the tone for accountable leadership: values and strategy are unclear, poor behaviour is not always called out, and lessons are not always seen to be learned.

(c) *Trust and autonomy*

To cultivate high-performance among employees, they must feel psychologically safe and trusting in the organisation.³⁰ Trust goes both ways, so an organisation must demonstrate the same trust in its employees as it wishes its employees to have in it. This is achieved by giving employees the autonomy and latitude to

24 Lattice “High-Performance Culture: What It Is and How to Create It” (25 July 2023) <lattice.com>.

25 Aon Hewitt *Getting Real About Creating a High-Performance Culture* (October 2013); and Wenny Desty Febrian and Agung Solihin “Analysis of Improving Organizational Culture Through Employee Engagement, Talent Management, Training and Development Human Resources” (2024) 4 SJAM 185 at 187-188.

26 HeartCount “What Is a High-Performance Culture – and How Do You Build One That Lasts?” (30 May 2025) <heartcount.com>; and Lattice “High-Performance Culture: What It Is and How to Create It” (25 July 2023) <lattice.com>.

27 Finity Consulting Pty Ltd *A Best Practice Workers Compensation Scheme: Insurance Council of Australia* (May 2015) at 50.

28 HeartCount “What Is a High-Performance Culture – and How Do You Build One That Lasts?” (30 May 2025) <heartcount.com>

29 Aon Hewitt *Getting Real About Creating a High-Performance Culture* (October 2013).

30 HeartCount “What Is a High-Performance Culture – and How Do You Build One That Lasts?” (30 May 2025) <heartcount.com>; and Lattice “High-Performance Culture: What It Is and How to Create It” (25 July 2023) <lattice.com>.

deliver on their job. When trust is placed in employees to do their job, they are more likely to feel ownership for their work, which in turn drives engagement, performance and growth.³¹

The Review finds that the vast majority of ACC staff love their work and are proud of what they do. However, many staff said that they do not feel sufficiently trusted, listened to, or supported in their work.

31 Lattice “High-Performance Culture: What It Is and How to Create It” (25 July 2023) <lattice.com>; and Wenny Desty Febrian and Agung Solihin “Analysis of Improving Organizational Culture Through Employee Engagement, Talent Management, Training and Development Human Resources” (2024) 4 SJAM 185 at 187-188.

E. FINDINGS

- 58 The ToR for this Review set out what the Review is to consider and make findings on. The below are the Review's findings (based on staff interviews / feedback and a comprehensive analysis of all information supplied).

(i) Staff experiences regarding ACC providing a positive, inclusive and safe workplace

Finding 1: The Review finds that ACC has a strong purpose, with good people who are committed to the organisation's purpose. However, staff overwhelmingly said that ACC's strategy is unclear (and priorities often change) – making it hard for staff to feel that the workplace is inclusive or aligned.

Strong Purpose

- 59 An important over-arching finding of this Review is that ACC's people understand (and are proud of) the organisation's purpose and the importance of the Scheme for New Zealanders. This shared sense of purpose is evident in the hardworking and committed staff throughout the organisation. Nearly every ACC staff member said that the reason they work at ACC is to support the Scheme and make a difference for injured New Zealanders. Many staff consider the Scheme is a taonga of Aotearoa – and they are motivated by a desire to work for an organisation that supports the prevention, care and recovery of all people in New Zealand who are affected by injury.
- 60 However, as set out below, despite there being a strong sense of purpose, ACC's strategy is not totally clear, with priorities often changing, making it hard for staff to feel that the workplace is inclusive or aligned.

"Almost everyone tries their very best to support ACC's clients and genuinely make a positive difference every day."

Good People

- 61 This shared sense of purpose is reflected in the large number of dedicated staff who work for ACC, particularly on the front line – all with the aim of achieving the best outcomes for New Zealanders under the Scheme.
- 62 It was evident from the interviews that ACC has good people working for it at all levels of the organisation. They are committed and caring and all feel proud of ACC's purpose.

"The people at ACC give it their all and are all driven by the same purpose – supporting everyone in NZ who needs our support, while also being responsible stewards of the scheme."

Strategy Unclear

- 63 ACC's current 10-year strategy, Huakina te Rā, was released on 1 July 2023.³² Most staff said that this is an aspirational document, but almost no one, including many senior executives, could articulate how this "strategy" could work, or is working, in practice.

32 Accident Compensation Corporation Statement of Intent 2023-27.

- 64 The lack of strategic underpinning to Huakina te Rā was identified by consulting firm Volte, in its Review of ACC’s Change Functions in December 2023 (**Volte Review**), which found that a layer of detail was needed below the strategy’s objectives.³³ One stakeholder reported that the strategy needed “*a lot more specifics coming out of the strategy to focus people on the right things – currently too high level to enable people to prioritise and start to focus on operational priorities*”. The Volte Review reported that further work was being undertaken to add more detail to the strategy. However, most staff who were interviewed for this review believe that nothing has demonstrably changed since the Volte Review and that the objectives of Huakina te Rā remain unclear.
- 65 The core purpose of ACC (to support the prevention, care and recovery of New Zealanders affected by injury) has remained the same since the Royal Commission, and this needs to be reflected in an anchoring organisational strategy, that minimises the impact of shifting priorities.
- 66 Over the years, ACC has moved between strategies primarily focused on customer service and equity outcomes (such as Shaping Our Future and Next Gen), and strategies focused on financial sustainability such as FSAP and RPIP. The changing strategic priorities have made it difficult for staff to build long term alignment to the organisation's direction and priorities.
- 67 This swing between strategic priorities has been recognised as a ‘pendulum effect’, and was observed in the PIF Review undertaken by Dr Murray Horn and David Moore in December 2014 (page 8):
- “ACC can only deliver a better experience for its customers while simultaneously delivering financial sustainability with levy stability by improving service quality and effectiveness. Trying to win the trust and confidence of customers and the public with a more generous administration scheme creates unnecessary tension between these goals. That tension leaves ACC chasing customer goals in one period and financial goals in the next. This ‘pendulum effect’ adds to scheme volatility in ways that undermines confidence in the scheme. It also makes ACC difficult to partner with and undermines partner and staff confidence that ACC will persist with any particular course of action”*
- 68 The key challenges Horn and Moore identified with ACC’s performance and change environment included that:³⁴
- (a) organisational culture is clearly an area that needs to be better aligned to deliver a more customer-centric ‘ACC way’ of behaviour;
 - (b) much of the organisation is reactive and hesitant of raising issues with management;
 - (c) there is a lingering perception that remuneration is linked to the Gallup poll;
 - (d) the union relationship is old fashioned and confrontational;
 - (e) cross-group decisions are not part of the organisation’s fabric;

33 Volte ACC Review of Change Functions, Phase One Interim Report (Full) (19 December 2023) at 12.

34 Dr Murray Horn and David Moore *Performance Improvement Framework: Review of the Accident Compensation Corporation (ACC)* (State Services Commission, the Treasury, and the Department of the Prime Minister and Cabinet, December 2014) at 16.

- (f) culture needs to focus on shared trust both internally and externally;
 - (g) ACC management recognises the need for cultural change to complement the required changes in the operating model;
 - (h) there will be a need for greater openness and a notion of shared trust; and
 - (i) management needs to start modelling desirable behaviours.
- 69 Unfortunately, despite the PIF Review setting out a road map over a decade ago, most interviewees in this Review believe that those challenges remain today – and this makes it hard for staff to feel the workplace is aligned, that positive change is occurring or that lessons have been learned.
- 70 It is acknowledged that the PIF Review and its recommendations pre-date the arrival of the current Executive and the Board, however accountability for resolving these previously identified challenges now lies with them.

Finding 2: ACC is a large organisation with a hierarchical and siloed structure, which kaimahi said makes workplace inclusivity challenging. This is exacerbated by ACC's Hybrid Working and Remote Working Policies and practices. Some parts of the organisation (such as clinical governance and parts of leadership) are not functioning optimally.

ACC is a very large organisation

- 71 ACC is a large organisation with over 4,500 staff who process around 5,500 new claims per day and work across 26 sites in 20 locations from the Far North of New Zealand to Invercargill. A large proportion of ACC's staff (over 3000) are in customer-facing ('**frontline**') roles within the Service Delivery business group. ACC defines 'frontline' to include staff in the client support roles in service delivery functions, such as technical and clinical services. The organisation also has a number of large support teams, including over 300 staff in Strategy, Engagement and Prevention, and 140 staff in P&C.

Hierarchical structure

- 72 Staff spoke of the organisation having a very hierarchical and siloed structure – and this makes it difficult to implement a unifying strategy across the large organisation, to build a positive culture that fosters inclusiveness.
- 73 ACC currently has eight operating divisions reporting to Deputy Chief Executives (then through to the Chief Executive):
- (a) Investments
 - (b) Corporate & Finance
 - (c) Service Delivery
 - (d) Strategy, Engagement & Prevention
 - (e) Māori
 - (f) System Commissioning & Performance

(g) People & Culture

(h) Technology & Data.

- 74 There are approximately 50 Enterprise Leaders (including 35 managers in Tier-3 “Head of” positions) and hundreds of Tier-4 managers who are responsible for national teams of staff across the country. Many staff members expressed concern about the organisation’s hierarchical structure, highlighting a lack of open communication channels or transparency across the different tier levels.
- 75 The perceived lack of openness between the organisation’s tiers has contributed to many staff feeling disengaged and undervalued, whilst also discouraging individuals from voicing concerns and sharing ideas, as they feel they will not be heard.
- 76 The hierarchical structure has also led to some slow decision making, with multiple approvals being needed, and a lack of agility to quickly adapt to change. For instance, many frontline staff said they had raised issues with the NextGen model either before (or shortly after its implementation), but their concerns appeared to be lost within the organisational layers and ultimately overlooked.
- 77 Many staff spoke of feeling disconnected from the organisation’s overall strategic direction, leading to a negative impact on their engagement and connection to ACC. This has been exacerbated by ACC’s Hybrid Working Policy (which only requires them to attend the office only two days per week) and remote working practices (discussed below), as well as some significant challenges and dysfunction in areas such as clinical governance.

Siloed

- 78 Many ACC staff members reported that different parts of the organisation operate as “islands” or silos and, as a result, they do not feel connected. In particular, the Investments team (which is itself universally seen as high performing) is seen to operate “under lock and key”, functioning completely independently from the other business groups, despite long-term sustainability being a core function of the Scheme.
- 79 ACC’s silos have led to a lack of cross-organisation collaboration, which has to some extent created inefficiencies. This leads to potential for missed opportunities for collaboration. It has also led to some business groups pursuing their own objectives at times, without always aligning to the ACC’s overarching strategy (which is also made difficult by the lack of a clear strategy as addressed in Finding 1 above).

“Leaders operate in silos looking after their own.”

Hybrid working

- 80 After undertaking a pilot of flexible working in 2020, in early 2022 ACC formally introduced a hybrid working framework which offered most staff the option of working from home up to three days per week.
- 81 Many staff interviewed for this Review said that they love the fact that they only have to go into the office two days per week and they highlighted hybrid working as one of the key benefits of working for ACC, as discussed further in Finding 4. Some staff even reported that they never go into the office. An internal report of Hybrid Working in May 2025 shows that

staff in one team were attending the office less than one day per week, as were 38% of staff in another team.³⁵

- 82 There were some strong views expressed by interviewees (especially leaders) about the adverse impact the Hybrid Working Policy has had on staff engagement, team culture, collaboration, connection and training. Many leaders said that the organisation needed to move staff to at least three days in the office each week. They said the Hybrid Working framework has exacerbated the siloed and hierarchical structure of the organisation, further limiting the opportunities for interactions and collaboration between teams and tier levels who are working in the same office.
- 83 Many staff during the Review also said that flexible work arrangements were applied unevenly, with some managers allowing generous work from home arrangements (more than three days a week), while other managers were more restrictive. Concerns were also raised by staff during this Review about the application of ACC's informal 'remote locations' policy, that allows some staff members to live in one region, but commute to work in another location around New Zealand.
- 84 In late 2024, in light of declining performance and various workplace studies demonstrating the benefit of face-to-face work time (as well as Government announcements that public sector organisations should be working fewer days from home), ACC's Executive Team sought a review of the Hybrid Working Policy. That report by Internal Audit³⁶ was considered by the Executive Team in December 2024. However, given this came off the back of the 2024 restructure and appreciating the impact that significant change had on staff, after some debate, the Executive Team elected to defer a decision on this matter.

Clinical structures not functioning optimally

- 85 Clinical support is an important part of ACC and there are many highly qualified and committed clinicians working for ACC. Unfortunately, many staff (including clinicians who were interviewed) see the clinical leadership area as currently not functioning optimally, lacking cohesion and in need of some rebuilding.
- 86 The KPMG review on clinical governance conducted in 2019 (**KPMG Review**) made similar findings.³⁷ Across the organisation, KPMG found there was a variable understanding of clinical governance, the value it could provide, and its role in ACC. The KPMG Review found that this was partially a result of the limited clinical representation on the Executive Team, with the CCO role having been disestablished from the Executive level. To resolve these issues, the KPMG Review recommended that:
- (a) the Board and Executive Team be informed of the role of clinical governance at ACC, including the link between clinical governance and financial and reputational risk, and the responsibilities in relation to clinical governance from the Board to frontline workers; and
 - (b) ACC consider the positioning of clinical governance within the organisation, the role of the CCO, and the need for a more comprehensive clinical audit and quality improvement programme.

35 Accident Compensation Corporation *In Office Presence* (March to May 2025).

36 Accident Compensation Corporation *Executive Paper – Hybrid Working* (10 December 2024).

37 Bronwyn McGuire and Grace Nunn *Review of Clinical Governance* (November 2019).

- 87 Since the KPMG Review, the issues with clinical leadership and governance appear to have grown at ACC, and in late 2024, the main union representing clinicians at ACC, the ASMS, approached ACC, expressing their serious concerns and seeking a review of clinical governance at ACC (ASMS even provided draft terms of reference). ASMS say they did not receive any meaningful response to this request, even after following up with P&C. In response to this comment, ACC disagreed and said that it has continued to engage with ASMS in seeking detail and examples of their concerns.
- 88 However, in late 2024, ACC appointed Dr Peter Watson to undertake a further review of clinical leadership in the organisation. Dr Watson was well-qualified to undertake this review (having been Chief Medical Officer at Counties Manukau DHB and then CEO of the DHB, after which he was appointed as inaugural Clinical Leader for Health New Zealand – Te Whatu Ora). Dr Watson interviewed various ACC stakeholders and prepared a presentation for the Executive Team that identified a number of the same issues as the KPMG Review, including:³⁸
- (a) poor integration of clinical leadership and governance across the business groups, and no clinical leadership presence in the Executive Team;
 - (b) a culture of reactivity rather than a proactive learning, quality improvement culture, and insufficient performance management across clinical workforce;
 - (c) an unbalanced focus on fiscal versus clinical outcomes; and
 - (d) a weak health sector inter-agency collaboration with limited insights and expertise into clinical risks and opportunity costs resulting in low-value decisions, poor productivity and excessive waste.
- 89 Dr Watson found that a new operating model for clinical leadership and governance was needed and made the following recommendations (similar to the KPMG Review):
- (a) define CCO accountabilities, functions, and resourcing, including participation in the Executive Team and other management and governance groups;
 - (b) review the accountabilities of all clinical roles to the CCO, creating both integration within DCE groups and a recognised horizontal clinician team across ACC; and
 - (c) develop approaches to optimise the performance of all clinical leaders within ACC.
- 90 The findings from these clinical reviews, which are supported by experiences shared by clinical staff and unions interviewed during the Review, make it clear that much needs to be urgently done in the clinical area of ACC.

Finding 3: The Review finds that staff experiences are ‘mixed’ regarding ACC’s workplace.

Many positive experiences

- 91 Many staff spoke positively about their work experiences at ACC, describing the culture as supportive and a great place to work. Notably, numerous long-tenured staff members who were interviewed and provided written submissions said that their experiences within the

38 Dr Pete Watson *Transforming Clinical Leadership and Governance at ACC* (11 February 2025)

organisation had been positive, citing kind and supportive colleagues, strong leadership, and an inclusive workplace culture.

- 92 However, a large number of those interviewed said ACC's work environment was not always positive or inclusive. While it is acknowledged that only 700 of the 4500 staff at ACC provided feedback, this is nevertheless a reasonably significant number of people who came forward, and the vast majority of those interviewees raised concerns and/or negative feedback.

"It depends on your manager"

- 93 Many staff who provided feedback regarding ACC's workplace culture said, *"it depends on your manager"*. It became evident, whether this was mentioned explicitly or implicitly, that staff experiences of ACC's culture differed greatly depending on who their manager was and the location of their workplace.

- 94 Staff who shared positive feedback generally enjoyed ACC's culture. However, staff who raised concerns about their managers, reported negative experiences and a lack of accountability for inappropriate behaviour.

"I am committed to ACC's mission and values, and I truly believe in the work we do. However, for ACC to retain and support its employees effectively, it is critical that leadership behaviour is consistent, staff concerns are acknowledged and actioned, and a fair, respectful working environment is upheld across all teams."

Failure / reluctance to call out poor behaviour 'in the moment'

- 95 A frustration raised by many staff was the fact that poor behaviour is not seen to be called out 'in the moment'. In particular, poor behaviour by leaders has been seen to be tolerated for too long, undermining trust and confidence of staff.
- 96 Some staff shared experiences of individuals who were known for exhibiting poor behaviour, and were transferred to other teams, rather than being dealt with through disciplinary processes. Other staff also shared that some poor behaviour by managers went unaddressed, having a negative impact on the entire culture of the team and creating created pockets of the organisation where inappropriate behaviour appeared to be tolerated (and not called out or addressed) and high standards of conduct were not enforced.

Frontline staff are under significant pressure

- 97 There was a difference in experiences between frontline staff and those in corporate roles. The concerns of staff in corporate roles predominantly related to people not being held to account for poor behaviour. For frontline staff, concerns reported were more varied, including:
- (a) difficulties with training and induction processes which are largely delivered through online modules rather than in-person sessions;
 - (b) a lack of support with using systems (even though ACC appears to have some well-resourced systems – such as Promapp, for frontline staff);

- (c) their performance being measured on the number of claims processed and not the quality of outcome of the claim;
- (d) feeling unsupported and having come under considerable pressure in recent years through changing case management models and targets; and
- (e) significant stress levels with high caseloads, concerns with the Genesis tracking system, pressures from the 'huntline' call system, dealing with difficult clients (which has been exacerbated by the growth in the long-term claims pool), and inconsistent management by some team leaders.

98 The Government's direction to improve the sustainability and performance of the Scheme³⁹ has been clearly communicated to the frontline staff who were interviewed. ACC says that in reducing the long-term claims pool, the focus is on more swiftly rehabilitating people that should not need support for that length of time (in particular, not serious injuries, not sensitive claims and not others who qualify for longer term support), and / or withdrawing cover for those who are no longer eligible for weekly compensation. Those staff are in no doubt that they need to be working to reduce the number of individuals in the long-term claims pool. Many staff cited the pressure they are experiencing to do this.

99 This is particularly the case given the targets in ACC's Service Agreement 2025/26 include reducing the growth rate of the long-term claims pool from 13% to 6.6% within the next year.⁴⁰ Setting these expectations without an underlying strong and supportive culture risks further impacting the wellbeing of staff, particularly frontline workers.

HR complaint procedures need improvement and there is a lack of confidence in their effectiveness

100 ACC has multiple channels in place that exist to enable staff to voice their concerns (for example, Ok2Say, Integrity Services, anonymous surveys, HR complaints processes). However, feedback from staff indicates that not only are these processes not well understood, they are also not well regarded or trusted.

"There is no one to run to internally... if you do, it will not be dealt with and you'll just get labelled."

101 During this Review, many staff reported that they were unaware of the avenues for raising concerns about inappropriate behaviour, with a perception amongst many staff that the purpose of the internal whistleblowing speak-up line (**Okay2Say**) administered by Deloitte is not for raising bullying complaints, but only integrity issues such as conflicts of interest, improper procurement and fraud.

39 Hon Scott Simpson "Interim Letter of Expectations" (27 March 2025).

40 2025/26 Accident Compensation Corporation Service Agreement.

102 A large number of staff also expressed a lack of confidence in ACC’s internal complaint processes. This appeared to be primarily historical, with examples of complaints that were not kept confidential, or staff who did not feel supported when raising concerns, including by being isolated and excluded from their team, being denied opportunities to participate and advance in the organisation, and being labelled as “troublemakers” or as “difficult”. A number of staff also recounted instances where supposedly confidential complaints or feedback (like engagement survey comments) were traced back to them and used against them, or discussed openly by managers.

“The fear of speaking up to / against management in our role is widespread and deeply rooted in personal experiences with management.”

103 There also appears to be inconsistent training in place for managers in respect of the complaints process, in particular for supporting the resolution of complaints, to prevent escalation and support complainants.

104 Many interviewees also said that they did not feel confident that if they were to raise a complaint, effective action would be taken. Several staff shared past experiences where they felt unsupported in cases involving concerns about their managers, and felt that P&C protected managers and the organisation, rather than being “there for the people”. However, having interviewed a number of staff working for P&C, it is clear that there are capable and caring people in P&C, who are committed to helping ACC’s staff. It will therefore be important going forward for P&C to rebuild confidence and trust, both in its people and processes.

Engagement surveys are not well regarded

105 The survey tool Gallup provides data and insights for engagement across ACC and between teams. ACC has been using Gallup to measure staff engagement since 2008 when it was introduced as a public sector initiative. The Gallup surveys are used by ACC to measure how individuals feel about their workplace and the survey results are used to shape an ACC-wide Action Plan led by the Executive Team.⁴¹

106 While recent Gallup engagement surveys show a high overall engagement score of 4.14 (out of 5),⁴² it was clear from the majority of feedback from staff that the Gallup engagement surveys are seen as unreliable and / or not fit for purpose (and it is understood that P&C is currently looking at alternative options for assessing staff engagement).

107 Many staff members doubted the anonymity of the engagement surveys, recounting instances where feedback given was traced back to them and used against them or discussed openly by managers.

108 Other front-line workers referred to the expression “5 to survive” (i.e. you have to rate your work area highly if you want to do well) and said in some areas there were pre-Gallup

41 Accident Compensation Corporation *Employee Engagement Survey Results, People and Culture Committee Overview* (10 February 2025).

42 Accident Compensation Corporation *Employee Engagement Survey Results, People and Culture Committee Overview* (10 February 2025).

meetings where managers “coached” staff on how to answer the questions (to garner positive reviews).

- 109 Accordingly, there is no current reliable measure of staff wellbeing or engagement at ACC and this is an opportunity for the organisation to make some positive change.

(ii) ACC’s current workplace culture

Finding 4: The Review does not find ACC’s culture to be “toxic”; however, ACC’s current workplace culture is not positive overall.

Culture is not toxic

- 110 Despite media reports to the contrary, the culture at ACC has not been found to be ‘toxic’, with many staff enjoying their work experiences and their pride in working at ACC.
- 111 A number of staff said that they had not observed or heard about the type of behaviour that had been reported in the media, and they emphasised how much they value working at ACC, where they feel they can make a contribution to supporting the purpose of the Scheme.
- 112 However, ACC’s culture is not positive overall, for the reasons outlined below..

Pockets of poor leadership

- 113 ACC has lots of very capable leaders and many staff spoke highly of the culture within their teams. However, there appear to be pockets of the organisation where negative experiences are prevalent, usually as a result of poor behaviour demonstrated by particular managers to their direct reports.

Leadership capability gaps

- 114 While there are talented and committed leaders at ACC, concerns were surfacing in 2024 about the Executive Team not operating as a cohesive team, not being able to align on some key strategies, and apparently openly undermining each other.
- 115 In late 2024, Inside Consulting was asked by P&C to undertake a survey of seven Enterprise Leaders (who report to the Executive Team at ACC). The purpose of the survey was for the Executive Team to understand how they could operate as a higher performing team. A summary of Inside Consulting’s survey was presented to the Executive Team on 5 December 2024 and included the following themes about the Executive Team:⁴³
- (a) *“No cohesive view of priorities and resources beyond the headline priorities. Need to continue clear communication and back up with clear and consistent action and behaviour that is shared by all members of the Executive consistently.”*
 - (b) *“Focus seems to be solely on Rehab Performance yet there is not an organisation wide approach to addressing it. Commitment to the other priorities feels academic.”*

43 Accident Compensation Corporation *Enterprise Leaders’ Session* (5 December 2024).

- (c) *“A prevailing culture that ‘everything is broken’ which creates a negative culture and is driving engagement down – accepting and owning new and inherited leadership challenges and opportunities is all part of the job. How we collectively show up as Senior Leaders to reset the culture for the organisation is crucial at this point in time.”*
- (d) *“Effective teamwork is an essential work on for the Exec team. Individual differences are well known and it creates noise across the organisation.”*
- (e) *“People hear Exec members speaking poorly of their colleagues and look after their own area rather than focus on the whole.”*
- (f) *“Individually the Exec members are approachable and good to work with. This does not translate to them fostering a collaborative culture. The Exec do not role model a collaborative, diverse and connected way of working.”*
- (g) *“While the team might work well together, that is not clearly visible to the organisation.”*

116 Later on 5 December 2024, the Executive Team met with the Enterprise Leaders and informed them that the Executive Team had considered the feedback, they would ‘own’ the findings of the survey and would work to turn things around. Unfortunately, it appears from the interviews held as part of this Review that most do not believe much has changed since this survey (except for some departures in the Executive Team).

Lack of past accountability which has undermined confidence in decision-making

117 Accountability amongst ACC’s leaders is also not always evident, contributing to a lack of confidence by many staff that leaders will take ownership of their actions and decisions.

“Too much is pushed under the carpet, placed in the bottom drawer / too hard basket.”

118 There have been numerous (costly) reviews and restructures over the past 10 to 15 years, and some of the findings and recommendations have unfortunately been repeated in subsequent reports. This has led staff to feel that lessons have been not learned and that people are not being sufficiently held to account. Many of those interviewed spoke of a culture where *‘nothing changes despite the damning internal audits’*, and *‘no lessons are being learned’*. The key reviews and recommendations are outlined below:

- (a) **PIF Review (2014)**⁴⁴ – in addition to highlighting the importance of a longer-term operational approach, the PIF Review identified a tendency for ACC to measure performance based on outcome indicators, overlooking critical behavioural aspects of performance. The PIF Review also recommended granting frontline workers greater discretion to make decisions informed by clinical advice and breaking down existing siloed operations to reduce delays and handover issues for customers. Further, the PIF Review identified that staff training and development

44 Murray Horn and David Moore Performance Improvement Framework: Review of the Accident Compensation Corporation (ACC) (State Services Commission, the Treasury, and the Department of the Prime Minister and Cabinet, December 2014).

was fragmented and inconsistently delivered, and opportunities for career development were limited.

Over a decade later, behavioural aspects of performance are still to be addressed; frontline challenges remain; silos still exist; and training and development / career pathways are still work-ons.

- (b) **KPMG Review (2019)**⁴⁵ – the KPMG Review found that across the organisation there was a variable understanding of clinical governance, the value it could provide, and its role in ACC. The KPMG Review recommended that the Board and Executive Team be informed of the role of clinical governance at ACC, and the responsibilities in relation to clinical governance from the Board to frontline workers; and ACC consider the positioning of clinical governance within the organisation, including the role of the CCO.

Dr Watson’s February 2025 review of clinical governance and leadership at ACC shows that 6 years on, the clinical governance concerns are still to be fully addressed.

- (c) **Next Gen (2022 and 2023)**⁴⁶ – ACC conducted Internal Audit reviews of Next Gen (which had been a \$74 million project to restructure case management) in 2022 and 2023. The 2022 review found that the running costs of claims had almost doubled and the benefits to clients were still “unclear”. It also considered that a clearer link between operational performance metrics and client outcome measures was required to properly assess the model’s performance. The 2023 review found that the initiative was still not working as intended, due to “gaps” between the “blueprint and the delivered product”.

Despite staff concerns being raised about Next Gen from implementation of the project in 2019 (particularly around moving thousands of claims from ‘one-to-one’ to ‘many-to-many’ case management), and the issues raised in the 2022 and 2023 internal reviews, Net Gen was not stopped by ACC (and personal case managers reinstated) until September 2024.

- (d) **Attrition Project (2023)**⁴⁷ – as a result of growing trends at ACC around attrition and retention, a project was initiated in 2023 to analyse ACC attrition trends between April 2022 and 2023. The key themes that emerged from the project included that: ACC’s organisational leadership needed to be strengthened; hybrid work was spoken about positively, but consistency was needed; frontline staff felt overwhelmed with high caseloads; there were inadequacies with the induction and training for frontline staff; and staff found it challenging to navigate their careers at ACC.

45 Bronwyn McGuire and Grace Nunn Review of Clinical Governance (November 2019).

46 Accident Compensation Corporation *Next Generation Case Management Post Implementation Review: Internal Audit* (April 2022).

47 Accident Compensation Corporation *Attrition Project: Findings and Recommendations* (2023).

The issues identified in the 2023 Attrition Project (including the need to strengthen leadership, issues with ACC's hybrid working framework, challenges frontline workers face, and inadequacies in career progression and in the training and induction processes) continue to be observable as unresolved areas of concern two years later in this Review.

- (e) **Provider Hub** (November 2024)⁴⁸ – the objective of this Internal Audit review was to assess how ACC could have improved its approach to implementing the Provider Hub digital platform, which was developed to provide online self-service capabilities for ACC's health providers and partners. The review found that the Provider Hub project lacked strategic alignment, which resulted in an ineffective build of the platform, causing significant costs and delays, well in excess of the project estimate (the project was initially estimated to cost \$7.8m, but as at May 2024, the build was estimated to have cost \$41.7m). Significantly, this review identified a failure to learn from previous reports, finding that issues with inadequate governance and decision-making accountability has been previously raised, but not effectively resolved and that the *"lack of effective success in corrective actions highlights that issues are cultural and behavioural rather than simply structural"*.

The historical issues identified in the Provider Hub review (particularly the failure to learn from the recommendations made in a number of past reports, as well as issues with inadequate governance) still remain evident.

- (f) **Hybrid Working Review** (December 2023)⁴⁹ – this Internal Audit review sought to assess the effectiveness of ACC's Hybrid Working Policy. The review found that greater clarity was needed regarding when formal changes to working arrangements are required to reflect hybrid working arrangements. This review recommended that ACC establish central monitoring of the application of hybrid working principles across business groups and teams, and clarify requirements for formal variations to working arrangements.

Despite the findings of this 2023 review and the concerns raised by many leaders about the adverse impact this policy is having on staff engagement, training and collaboration, when the Hybrid Working Policy was reviewed by the Executive Team in December 2024, no changes were made.

A 'gossipy' organisation with low confidence in internal complaints processes

- 119 The lack of confidence in ACC's internal complaints processes (particularly evident in that many staff say they do not see leaders being held to account) appear to have led to what many staff (particularly those in the Wellington Justice Centre) describe as a *"gossipy"* organisation. They reported that *"nothing stays confidential"* and *"it's not safe to speak up"*, because if you do you will be *"managed out"*. Another common phrase from interviewees was *"if you raise your head above the parapet, you'll be gone"*.

48 Accident Compensation Corporation *Internal Audit Report: Provider Hub – Lessons Learnt* (November 2024).

49 Accident Compensation Corporation *Internal Audit Report – Hybrid Working Review* (December 2023).

Inconsistent performance management / career progression systems

- 120 Regarding performance management, many staff felt that managers and P&C dealt with underperformance inconsistently (or avoided it), and rather than implementing performance improvement plans simply moved staff to different teams or moved their caseloads to higher performing staff. Some frontline staff expressed that they do not feel recognised for strong performance as this just results in them being ‘rewarded’ with higher caseloads.
- 121 Many frontline workers also said that while they were under constant pressure to meet high performance targets, poor performing managers were not held accountable. Manager coaching sessions were also referred to by many staff as disempowering, being used by managers to criticise staff rather than develop them.
- 122 Some staff also expressed concern about the lack of ‘real’ career progression for them (especially on the frontline). Some long-tenured staff noted that they had applied for multiple internal roles without success and had received little (or inconsistent) feedback. Staff advocated for clearer career pathways, more commitment to internal development and advancement (rather than engaging contractors and consultants to fill roles) and more transparency in recruitment and promotions – this is discussed further in this report at Finding 8.

A need to build a higher-performing culture

- 123 The Government has made clear that one of its key priorities is driving high-performance in the public sector. This is reflected in the Coalition Agreement between the New Zealand National Party and ACT New Zealand,⁵⁰ in statements from the Commissioner that “the overriding brief [he] was given was to improve the performance of the system”,⁵¹ and in the reforms being pursued to the Public Service Act 2020.⁵²
- 124 In this respect, the Government is requiring the public sector to operate more efficiently and effectively, demonstrating greater accountability to deliver on the agenda on the government of the day, and accountability to taxpayers regarding the investment of their money.⁵³ The Commissioner has said that the public sector must set “*the highest standards*”, including by “*being competent at what we do ... being efficient with taxpayers money ... and delivering outcomes for the people we serve.*”⁵⁴
- 125 While ACC has some already high performing areas (such as the Investments team and the hardworking frontline staff), there is more that can be done to build a consistent high-performance culture aligned with a core strategy and values.

50 *Coalition Agreement: New Zealand National Party & ACT New Zealand* (54th Parliament).

51 Public Service Commission “Sir Brian Roche on reorientating the Public Service” (13 February 2025) <publicservice.govt.nz>.

52 While these reforms will not directly impact ACC, they nonetheless serve as a guide for how ACC, as a Crown agent, should be seeking to operate, given they are a direct reflection of the Government’s desire for a higher performing public sector.

53 *Coalition Agreement: New Zealand National Party & ACT New Zealand* (54th Parliament); and Hon Judith Collins KC “Back to basics for public service” (1 April 2025) <beehive.govt.nz>.

54 Public Service Commission “Sir Brian Roche on reorientating the Public Service” (13 February 2025) <publicservice.govt.nz>.

- 126 In July 2025, P&C prepared a report for the Executive Team, that noted that currently in ACC:⁵⁵
- (a) There is no shared definition of high performance or the behaviours and capabilities that support it.
 - (b) Performance management focuses on compliance, not development or outcomes.
 - (c) Leaders lack clarity, accountability and tools to manage and coach performance effectively.
 - (d) Staff experience insights are underused in decision-making.
 - (e) Talent development and retention approaches are fragmented, especially for frontline and leadership roles.
- 127 While the Executive Team has not yet had an opportunity to consider this report, it presents a good opportunity for ACC to develop a strategy to build a consistently higher performance culture in the organisation.

Finding 5: Factors contributing to ACC's culture not being positive overall.

Unclear strategy, structural challenges, and hybrid working

- 128 As discussed above in Finding 1, one reason why ACC's culture is not strong is that ACC's strategy is unclear and the organisation often has changing priorities. This makes it hard for staff to feel that the workplace is inclusive or aligned.
- 129 ACC's siloed and hierarchical structure (discussed at Finding 2, above) has also impacted culture, leaving many staff feeling disconnected from the organisation's overall strategic direction, impacting staff engagement and sense of inclusiveness. This is compounded by some structural challenges (such as in clinical governance) and ACC's Hybrid Working framework (which only requires staff to work from the office two days per week).

Unclear values

- 130 ACC does not have one clear set of values to guide and motivate staff. This is a significant impediment to building a positive, inclusive and safe culture.
- 131 The Review understands ACC's current values are:⁵⁶
- (a) Haumaru Aotearoa | Safe Kiwis
 - (b) Hoamahi pai | Good partners
 - (c) Kaitiaki tōtika | Responsible stewards
 - (d) Ko te tangata i mua i te tukanga | People before process
 - (e) Mahi tōtika, ngākau tuwhera | Fair and open

55 Accident Compensation Corporation *People and Culture Big Rock Framework Report* (July 2025).

56 Accident Compensation Corporation "What We Do" <acc.co.nz>.

- 132 However, these values have not been reviewed or refreshed since Shaping Our Future in 2014, despite a recent significant shift in priorities from customer-focused and equity outcomes to the financial sustainability of the Scheme.
- 133 In addition, under ACC's strategy Huakina Te Rā,⁵⁷ there appear to be two further sets of goals / principles:
- (a) *Dual-framed goals:*
 - (ii) Mana taurite | Equity – for all people in Aotearoa to experience accessible services and improved outcomes.
 - (iii) Ringa atawhai | Guardianship – for the Scheme to be sustainable for present and future generations.
 - (iv) Oranga whānau | Safe and Resilient Communities – to partner and invest to help create safer and more resilient communities.
 - (b) *Guiding Principles:*
 - (i) Whāia te tika (we strive to do what's right).
 - (ii) Whāia te pono (we undertake to act justly).
 - (iii) Whāia te aroha (we are considerate of everyone).
 - (iv) Mō te oranga whānau (we improve the lives of whānau).
 - (v) Ki te ao mārama (we strive to grow and evolve).
- 134 While all staff who were interviewed (including some members of the Executive Team) were able to clearly articulate ACC's purpose, most were unable to list ACC's current values, and some noted the conflicting sets of values that are contained in different documents.
- 135 Organisational values are essential in establishing behavioural expectations, promoting respect and ensuring that all individuals (regardless of their role or seniority) are held to consistent standards, which are aligned to the organisation's vision or purpose.
- 136 Without clear and well-communicated values, the organisation lacks a bedrock foundation to guide behaviour and conduct. Where expected behaviours are unclear, or are not led from the top, this creates a culture that tolerates poor behaviour, and can become disconnected.

A lack of some key HR policies / practices and historical inconsistent experiences with P&C

- 137 ACC appears to lack key, comprehensive HR policies that provide guidance for raising complaints about inappropriate behaviour. While this will be discussed further in Finding 7, most notably, ACC has no standalone Bullying and Harassment Policy. While some definitions are provided in the Respectful and Inclusive Workplace Policy, interviewees were unclear on where to report bullying and harassment concerns when they arise, and what

57 Accident Compensation Corporation *Huakina Te Rā Strategy Presentation*.

steps the organisation will take to address and prevent bullying and harassment in the workplace.

- 138 There also appears to be some historical lack of confidence in P&C processes for reporting complaints, which has led to some staff saying they therefore did not feel safe to speak up. Without confidence in reporting processes, staff said they often opted to remain silent when they had experienced or witnessed issues that were negatively impacting ACC's workplace culture, which only compounds issues as they are not called out. A lack of confidence in internal reporting processes also appears to have been a driving factor in some staff escalating their concerns externally, including to the media.

A lack of diversity and some gaps in leadership

- 139 Diversity at the senior leadership level in ACC is noticeably lacking. There are currently only two women who sit on the 10-strong Executive Team, and no Māori or Pasifika.
- 140 There also appear to be some capability gaps at the Executive Team level (with two of the deputy Chief Executive roles currently vacant), and many staff pointed to the fact that ACC does not have a CCO or a Chief Actuary sitting on the Executive Team, despite the organisation having key roles in both health and insurance.
- 141 Beyond the actual make-up of leaders, there was a perception conveyed by a number of those interviewed about a 'boys club' in ACC at senior levels (particularly within the System Commissioning and Performance business group). However, others commented that this does appear to have dissipated in recent times.

***"Restructure fatigue"* and the ongoing impacts on morale resulting from the 2024 restructure**

- 142 As earlier discussed, ACC has undergone significant transformation over the past decade, from Shaping Our Future to Next Gen and FSAP. With each transformation there has been structural change.
- 143 The number of restructures has resulted in many staff, particularly long-serving staff, suffering from what they describe as *"change fatigue"* and has led to a mindset that *"any problem seems to be met with a restructure"*, leading many staff to constantly fear *"when's the next restructure?"*. This perpetual state of reorganisation has led to destabilisation of some teams and undermined trust.
- 144 Most recently, in 2024, ACC undertook one of the most significant restructures in its history,⁵⁸ directly impacting 425 staff across six business groups.
- 145 It was clear from interviews with staff at all levels that the 2024 restructure has had significant adverse consequences for culture, wellbeing and institutional knowledge at ACC. Most staff (including some senior leaders) described the restructure as being *"done to us"*, as opposed to there being any real collaboration or consultation on the rationale for and approach to change. Staff also felt that the restructure was poorly communicated and was carried out without proper evaluation of the likely impact on the overall operation of the organisation.
- 146 Overwhelming feedback from interviewees in this Review was that they did not understand this restructure (this related primarily to a lack of proactive communication and leadership,

58 Accident Compensation Corporation *Lessons Learnt: Transition – change consultation* (November 2024).

as opposed to the rationale for change). Many felt that it took too long, was stressful for all, and felt *“like the Hunger Games”*.

- 147 Following this restructure, a ‘Lessons Learnt’ report was prepared by P&C, highlighting several areas which could have been improved during the consultation process, as outlined above at paragraph 45.
- 148 In addition, as part of launching the new structure, the P&C team developed a paper for the Executive Team in December 2024 on how to improve ACC’s *“ways of working”*, in line with the objective of the restructure *“to do fewer things better, for more impact”*.⁵⁹ The paper identified that staff often did not have visibility of key work underway at ACC and its impact.
- 149 Accordingly, the paper recommended a strategy to improve communication and engagement with ACC staff, which included enhancing internal communications, particularly through targeting communications regarding key initiatives to improve ACC’s ways of working, and delivering this communication in a consistent, clear way, to build trust and confidence. This appears to be still under consideration by the Executive Team.

Some generous benefits at ACC make some staff ‘change resistant’

- 150 When staff raised concerns about ACC’s culture and/or poor treatment and were asked why they were therefore still working at ACC, many said it was because of the *“golden handcuffs”*, referring to what they see as generous benefits at ACC. The most notable benefits mentioned included 9% employer contributions to KiwiSaver and the Hybrid Working Policy (that allows staff to work from home three days per week). Many ACC staff also receive higher salaries than other parts of the health sector.
- 151 While these benefits are commendable, this has had (to an extent) an impact on culture, as some disengaged staff are only staying in their roles because of the benefits, rather than any enjoyment of their jobs.
- 152 These benefits have also contributed to a culture where staff are resistant to change, and any attempt to adjust benefits is likely to be met with strong pushback, even if it may be necessary to address the long-term sustainability of the Scheme.

Challenges that make it hard for staff to feel aligned to ‘one ACC’

- 153 There are also challenges for ACC that make it hard for all staff to feel aligned with the organisation as a whole, to ‘one ACC’.
- 154 First, ACC is seen by many staff as having three different cultures: corporate, frontline and investments. While the Investments team is high performing, it is siloed from the rest of the organisation, with staff describing it as operating *“under lock and key”*. On the other hand, frontline staff operate in customer-facing roles, meaning their experiences are significantly different from

“Sitting within the regions and travelling... it is clearly obvious there is a completely different and healthier culture outside Corporate Office.”

59 Accident Compensation Corporation *For Decision: Enhancing ways of working in support of structural changes* (10 December 2024).

those in corporate. All of these differences within the organisation present challenges for aligning ACC as a whole entity.

- 155 ACC also has the challenge of wearing ‘many hats’ to deliver its core functions as part of the health sector and as an insurer. ACC also sits somewhat in both the private and public sector; many staff that were interviewed were of the view that the organisation more closely resembles a private sector entity, given the previously strong financial performance of the Scheme, yet ACC is ultimately subject to government priorities and dependent on public funding.
- 156 This positioning of ACC between the public and private sectors was raised by some interviewees, observing that ACC is not held to the same standards as other Crown agencies, including in relation to its compliance with the PSC standards. It was suggested this has, to an extent, created a “*better than*” culture in the organisation, which is not aligned with ACC’s purpose or strategic priorities.

(iii) What steps has ACC taken to promote and create a positive, safe and inclusive workplace culture, in line with public service good practice?

Finding 6: ACC’s recent workplace culture initiatives (to create a positive, safe and inclusive workplace) are commendable, but the Review finds that there is more that needs to be done by ACC to fully meet public service good practice.

Steps ACC has undertaken recently to create a positive workplace culture

- 157 ACC has taken a number of steps to create a positive, safe and inclusive workplace. Some particular initiatives that ACC has recently introduced include:
- (a) Improving visibility of and access to the Executive Team by holding their hui at sites once a month and establishing a new platform, Viva Engage, to enable two-way communication with the Executive Team.
 - (b) Designing centralised induction and leader-specific induction processes to provide clear and consistent guidance for staff and leaders to improve their understanding of ACC’s culture, purpose, and their role in it.
 - (c) Establishment of a new Wellbeing, Health and Safety Committee as part of the Executive Team governance structure to oversee organisational health, safety and wellbeing activities, key areas of associated risk, and ensure that ACC is meeting its core legal obligations in this space.⁶⁰
 - (d) Allocation of funding to procure a new wellbeing incident management and reporting system, as well as a wellbeing measurement tool to understand staff wellbeing and evaluate the effectiveness of initiatives and interventions.
 - (e) Establishment of a Workplace Integrity Team, which holds responsibility for developing, implementing and leading strategies to minimise internal fraud,

60 ACC Executive Paper – Final design of updated governance landscape and change delivery governance (17 June 2025).

inappropriate / unethical behaviour, respond to allegations, and work across ACC to implement effective guidance, policy, practice and controls.

- (f) Development of a formal investigative response framework to enhance the Ok2Say process, which includes triage, assessment, and end-to-end management of complaints.
- (g) Delivery of regular integrity workshops to build awareness of key issues, strengthen ethical decision-making, and foster a shared understanding of integrity expectations across the organisation.

158 While these initiatives are a positive step in the right direction, it is clear from the reported experiences of staff that further steps need to be taken to build a consistently positive, inclusive and safe workplace at ACC that is in line with public service good practice.

Public service good practice

159 What is considered “public service good practice” for how an organisation operates is set out in various places – including the Public Service Act 2020, the standards set by the Commissioner under that Act, and additional public sector guidance and workforce policies issued by the Commissioner.

160 As a Crown agent, ACC must comply with minimum standards of integrity and conduct set by the Commissioner – including the Standards of Integrity and Conduct and various Model Standards.⁶¹

Standards of Integrity and Conduct

161 As a starting point, ACC is required to comply with the Standards of Integrity and Conduct (the **Code**). The Code applies to all organisations listed in s 17(2) of the Public Service Act 2020, which includes Crown agents.⁶²

162 The Code sets the standards of behaviours expected of all staff working in the listed organisations. They must be fair, impartial, responsible and trustworthy. This includes treating everyone with respect, remaining politically neutral, acting lawfully, and maintaining honesty and integrity.

163 To enable compliance with the Code, ACC is expected to maintain policies and procedures that are consistent with it.

Model standards

164 In addition to the Code, the Public Service Act 2020 enables the Commissioner to issue guidance on integrity and conduct to be followed by the organisations listed in s 17(2). In practice, this guidance is reflected in the Model Standards, which set minimum expectations for public sector staff and organisations in specific areas.

61 Public Service Act 2020, ss 17 and 19. Relevant standards include: Standards of Integrity and Conduct, Conflicts of Interest, Positive and Safe Workplaces, Speaking Up, and Workforce Assurance. The Board of ACC must also comply with the Code of Conduct for Crown Entity Board Members.

62 Noting the Code was first issued by the State Services Commissioner under s 57 of the State Services Act 1988, but continues to have effect under s 17 of the Public Service Act 2020.

165 Key Model Standards applying to ACC that relate to workplace culture include:

(a) **Positive and Safe Workplaces**⁶³ – these standards set minimum expectations for public service staff and organisations to ensure positive and safe workplaces. The standards are founded on three key elements:

1. **Providing strong leadership:** *creating diverse, inclusive and open workplace cultures; role modelling positive behaviours; recruiting and promoting people who demonstrate those behaviours; and taking action to prevent and respond to inappropriate behaviour;*
2. **Fostering good working relationships:** *developing shared expectations and understanding around what is, and is not, appropriate behaviour at work; ensuring people are aware of their roles and responsibilities in identifying and responding to concerns; promoting good management and employment practices; and*
3. **Having trusted policies and procedures:** *developing, implementing, using and maintaining appropriate policies and procedures. This requires monitoring their effectiveness and reviewing them to enable continuous learning.*

(b) **Speaking Up**⁶⁴ – these standards set minimum expectations for public service organisations to support staff to speak up about any concerns of wrongdoing that could damage the integrity of the public sector. The three key elements to these standards include:

1. **Getting the foundations right from the start:** *organisational commitment to leadership, raising awareness, and supporting staff and managers through regular communication and training.*
2. **Making sure processes are robust:** *taking concerns seriously when they are raised, by ensuring systems are in place for monitoring, reporting, investigation, and effectively communicating with those involved in a report or disclosure.*
3. **Keeping people safe:** *ensure they can feel safe in making reports and trust that organisations will act upon them, and ensure that organisations provide tailored and dedicated support and protections to staff to keep them safe from reprisal.*

166 The expectations set out in the Code and Model Standards have primarily informed what we consider to be “public service good practice” for the purposes of this Review.

ACC has done some good work in this space – but more needs to be done to meet public service good practice

167 ACC is aware of the importance of putting systems in place to create and promote a positive, safe and inclusive workplace. This is particularly evident in the recent initiatives that have been put in place, since this Review commenced, as outlined at paragraph 157 above.

63 Public Service Commission *Acting in the Spirit of Service: Positive and Safe Workplaces* (August 2019).

64 Public Service Commission *Acting in the Spirit of Service: Speaking Up* (June 2022).

- 168 While these initiatives are a good start, the experiences of staff discussed in previous sections demonstrate that a truly positive, inclusive and safe workplace is yet to be achieved at ACC, indicating that more needs to be done to achieve desired outcomes.
- 169 When considering the steps taken by ACC to date, it is clear there are a number of gaps where ACC is not meeting public sector good practice, including:
- (a) inconsistency of leadership and accountability;
 - (b) need for a better complaints process;
 - (c) good working relationships are not always evident; and
 - (d) a lack of diversity in leadership.
- 170 These gaps are elaborated on in the sections that follow.

Inconsistent leadership and a lack of accountability

- 171 The Positive and Safe Workplaces Model Standards make clear that positive and productive workplace behaviours must be role modelled by leaders, who should be open to and encouraging of discussions regarding workplace behaviour, and provide clear messaging and actions that demonstrate the behaviours that the organisation will and will not tolerate.
- 172 Inside Consulting's survey results (based on feedback from Enterprise Leaders) in December 2024 found that the Executive Team needed to "*collectively show up*", stop "*speaking poorly of their colleagues*" and start "*fostering a collaborative culture*". While not all of the Executive Team were individually responsible for the behaviour observed by some Enterprise Leaders, nevertheless the Positive and Safe Workplaces Model Standards require that messaging and behaviours are role modelled consistently (and collectively) by leaders, to make it clear to all staff what behaviours will and will not be tolerated within the organisation.

Need for a better complaints process

- 173 One of the core underpinnings of the Speak Up Model Standards is that public sector organisations should promote a 'speak up' culture, with strong processes in place to enable complaints to be made, investigations to occur, and complainants to be kept safe from reprisal.
- 174 The experiences and concerns of staff regarding ACC's existing complaints channels have been discussed at paragraphs 100-104. The result of these experiences is that while reporting processes exist, not all staff feel psychologically safe to use them and therefore opt to remain silent when they have experienced or witnessed issues that are negatively impacting ACC's workplace culture. This allows issues to persist, and also leaves staff feeling disempowered and unheard.
- 175 These issues demonstrate that existing reporting channels are falling short of meeting the Speak Up Model Standards, which require robust processes that enable complainants to report concerns with the confidence that their concerns will be heard and investigated adequately, and that they will be protected from reprisal.

Good working relationships are not always evident

- 176 Another core aspect of the Positive and Safe Workplaces Model Standards concerns fostering good working relationships. Staff should be aware of what appropriate workplace behaviour is (and is not), and demonstrate encouraged behaviours in their daily interactions with one another.
- 177 While many staff spoke highly of the culture within their teams, there appear to be pockets of the organisation where negative experiences are more prevalent, usually as a result of poor behaviour demonstrated by particular managers to their direct reports – discussed at paragraphs 96 and 113.
- 178 These experiences demonstrate a gap between what is expected in the Positive and Safe Workplaces Model Standards – demonstration of appropriate workplace behaviour, exemplified by leadership and followed by all staff – and the realities of working relationships in pockets of the organisation, where there appears to be a lack of respect and cooperativeness between managers and their direct reports.

There is a lack of diversity in leadership at ACC

- 179 The Positive and Safe Workplaces Model Standards recognise the importance of diversity in the workplace for fostering inclusivity and openness, and say that this diversity should be driven and encouraged from the top. The Standards note that *“creating an inclusive environment – where people are aware of, respect and value cultural and other differences and different communication styles – can reduce misunderstandings and promote tolerance.”* Having diversity in the workplace is a key aspect of this.
- 180 However, as elaborated on at paragraphs 139-141, greater diversity at the senior leadership level in ACC is needed, with only two women sitting on the Executive Team, and no Māori or Pasifika. The Positive and Safe Workplaces Model Standards emphasise the importance of diversity being driven and encouraged from the top, to set a standard of inclusivity for the rest of the organisation.

(iv) Are ACC’s policies, systems and procedures relating to inappropriate conduct and behaviour in line with public service good practice?

Finding 7: The Review finds that ACC’s policies, systems and procedures relating to inappropriate conduct and behaviour are not fully in line with public service good practice.

ACC’s Policies, Systems and Procedures

- 181 ACC has introduced a number of policies, systems and procedures relating to inappropriate conduct and behaviour. These include the:
- (a) Code of Conduct – governs the behaviours of all ACC staff in line with the Code under the Public Service Act 2020, to ensure ACC staff maintain *“the highest standards of integrity, discretion and ethical conduct”*.⁶⁵

65 Accident Compensation Corporation *Code of Conduct* (September 2022).

- (b) Respectful and Inclusive Workplace Policy – establishes principles and standards for how all people will be respected and included in ACC’s workplace and how any concerns will be responded to.⁶⁶
 - (c) Speak Up Policy and associated Speak Up Policy Guidelines – outline how ACC facilitates the disclosure and investigation of potential wrongdoing (serious or otherwise) in or by ACC (whistleblowing).⁶⁷
- 182 A summary assessment of the alignment of policies, systems and procedures with the Code and Model Standards is outlined below.

ACC does not have standalone bullying and harassment policy; nor procedures or training around raising concerns about inappropriate behaviour

- 183 The Speaking Up Model Standards require organisations to have clear and easy to understand policies and procedures on appropriate behaviour at work that explain what appropriate workplace behaviour is, how to raise concerns and the range of options for resolution that are available.
- 184 Notably, ACC does not have a clear bullying and harassment policy in place.
- 185 The Respectful and Inclusive Workplace Policy provides a start, noting that ACC will:
- (a) promote a shared expectation and understanding around what is and what is not appropriate behaviour at work;
 - (b) encourage our people to raise concerns about inappropriate behaviour at work; and
 - (c) respond to concerns of inappropriate behaviour promptly and in a way that is most likely to lead to resolution and restoration of a respectful and inclusive workplace.
- 186 The Policy also contains definitions regarding what a respectful and inclusive workplace is, as well as what constitutes discrimination, inappropriate behaviour, workplace bullying, harassment (with reference to relevant statutory definitions).
- 187 However, what this Policy lacks is clear guidance regarding how staff can raise any concerns in the event they experience or witness inappropriate behaviour, and the available options for resolution of any such issues. The Policy also does not provide guidance regarding any aligned policies – for example, it does not direct staff to the Speak Up Policy and associated Guidelines, addressed below. Beyond this, no other policies or training appear to be available, to inform staff of how they can go about raising any concerns.

The current Speak Up procedures are inadequate

- 188 Further to the above, the Speak Up Policy itself does not set out the reporting channels available to staff who wish to report concerns. The accompanying Speak Up Policy Guidelines do recognise that staff can report potential wrongdoing by contacting their people leader, calling or emailing integrity services or by using the independent service administered by

66 Accident Compensation Corporation *Respectful and Inclusive Workplace Policy* (17 March 2021).

67 Accident Compensation Corporation *Speak Up Policy* (8 September 2022); and Accident Compensation Corporation *Speak Up at ACC (including Protected Disclosures) Policy Guidelines*.

Deloitte Ok2Say. However, sufficient detail regarding the procedures of these reporting channels is not provided.

189 The Speak Up procedures and their application do not align with the Speaking Up Model Standards in many other respects:

- (a) Many staff reported during the Review that they were not aware of the options for raising a complaint about inappropriate behaviour and believed that the purpose of Okay2Say was not to raise concerns of bullying, but integrity issues, such as conflict of interests, improper procurement and fraud.
- (b) There is no guidance to clarify how the respective reporting avenues will manage reported concerns – for instance, through a formal investigation or informal discussions.
- (c) The Speak Up Policy provides procedures and protections consistent with the PDA for all reports of potential wrongdoing (not just serious wrongdoing protected under the PDA). However, the Policy does not outline a process for considering whether a report of potential wrongdoing falls under the PDA, or who is responsible for making this decision.
- (d) Roles and responsibilities in terms of ensuring compliance are set out in the Speak Up Policy. However, because there is no mention in the Policy regarding the reporting channels available, there are no well-defined roles for dealing with concerns raised through each channel. For instance, there are no defined roles regarding who is responsible for acting on a complaint when it is made, how the complaint should be dealt with (i.e. informally or formally), and when complaints should be elevated and to whom.
- (e) There are no provisions in the Speak Up Policy or Guidance that address how a manager or supervisor should appropriately respond to a concern raised. This lack of guidance is reflected in the experiences reported by staff interviewed during the Review.
- (f) There is no mention in the Policy or Guidelines about assessing the risk to people involved in a complaint or disclosure – for example, the risk of reprisal / being adversely impacted for raising a complaint. The Speak Up Policy provides that staff will not be retaliated against for raising a complaint. However, no process is outlined in the Policy or Guidance regarding how this will be ensured. The absence of any such processes is reflected in some staff experiences where they said that they were either unaware of the processes to use, or did not feel safe or supported when had raised complaints.

Policies that are in place are not always adhered to in practice

190 In addition to the gaps in ACC's existing workforce policies, even where aspects of the policies appear to be compliant with the public service good practice, many aspects of these policies are not consistently complied with in practice. For example:

- (a) The Speak Up Policy sets out the role/s responsible for ensuring that training is in place to support the implementation of the Policy. However, managers have reported that training and support for dealing with complaints of potential wrongdoing at ACC is insufficient / lacking.

- (b) While there is a commitment to confidentiality in the Speak Up Policy, many staff reported that they do not feel safe to raise concerns as they fear their complaint will not be treated confidentially. This fear is grounded in the past experiences of a number of staff who shared that confidentiality has not been maintained when they have previously made complaints, as earlier discussed.
- (c) The Speak Up Policy provides that staff will not be subject to any detriment or disadvantage for raising a complaint. However, a number of staff who were interviewed expressed a fear of retaliation if they made a complaint, having seen other staff managed out or isolated from their team after they raised concerns. While often well-intentioned, such decisions to move complainants to other teams was reported to leave staff feeling isolated and without support at a time when they were particularly in need of it.
- (d) Despite the existence of the Speak Up Policy and Guidelines, which promise that complaints will be taken seriously and investigated, many staff spoke of past complaints being inadequately investigated or resolved, if at all.

(v) Do ACC's recruitment and appointment systems represent good practice?

Finding 8: The Review finds that ACC's recruitment and appointment systems do not consistently represent good practice.

Workforce Assurance Model Standards

- 191 The Workforce Assurance Model Standards outline expectations for the public service (including Crown entities) when recruiting staff. These Standards provide expectations regarding recruitment policies and procedures and the processes for screening prospective employees (including conducting referee checks and serious misconduct investigation checks).
- 192 In summary, in many respects the Recruitment Policy does not align with the Workforce Assurance Model Standards. This has been identified not only in the course of this Review, but also in ACC's Internal Audit of its recruitment and onboarding processes completed in April 2025.

ACC's internal audit of recruitment and onboarding found that its recruitment and onboarding practices are not aligned with public sector assurance standards and are "very high risk"

- 193 ACC's April 2025 internal audit of its recruitment and onboarding processes found that these processes are "*not aligned ...with good practice frameworks in many aspects*" and present a "*very high risk*".⁶⁸ Key findings of the audit included:⁶⁹
 - (a) recruitment and onboarding processes are not aligned with ACC's Recruitment, Appointment and Engagement Policy, nor with good practice frameworks;
 - (b) the Policy is out of date and lacks supporting process documentation;

68 Accident Compensation Corporation *Recruitment & Onboarding – Internal Audit Report* (April 2025).

69 Accident Compensation Corporation *Recruitment & Onboarding – Internal Audit Report* (April 2025) at 2-3.

- (c) there is no recruitment or onboarding training for hiring managers, nor any diversity and inclusion training;
- (d) pre-employment checks were not being completed, documented, or stored consistently; and
- (e) there is no end-to-end monitoring of the recruitment or onboarding processes.

Observations of this Review regarding recruitment and onboarding processes

194 This Review has similarly identified a number of gaps where ACC's recruitment and appointment processes do not appear to be meeting public service good practice. Notable gaps include:

- (a) **Some recent Executive Team appointments have not occurred via contestable processes** – The Review heard that a number of recent Executive Team appointments have not occurred via contestable recruitment processes. While it is not currently a statutory requirement for ACC to run contestable appointment processes at senior (or any) levels, it is good practice (the process needs not only to be fair, but to be seen as fair) and is consistent with imminent Public Service Act reforms (to ensure the best person is seen to be appointed to the role). The way in which some individuals have been appointed does not always set them up for success in their role, as even though they may be the best person for the job, other staff question how the person came to be in the role, without a contestable process. The absence of contestable processes also denies other talented staff the development opportunity of applying for and going through the application process and receiving feedback, even if they are ultimately unsuccessful.
- (b) **Reports of favouritism and 'shoulder tapping'** – Various staff spoke of 'favourites' being selected for roles (over those with proven experience), leading staff to say that they did not have confidence in the robustness or independence of ACC's recruitment and appointment processes. Particularly, a number of staff cited instances of leaders hiring or promoting friends or former colleagues into key positions (often without a transparent process), leading to scepticism about fairness in appointments.

"If you aren't in the right clique, your voice doesn't count."
- (c) **Over-reliance on consultants / contractors** – while ACC is a large organisation and external support can and will be needed from time to time, a common theme from staff was concern about the significant recent consultant spend (and use of contractors) at ACC. For example, in the past year alone, ACC has spent approximately \$5 million on consultants / contractors.
- (d) This reliance on consultants and contractors can have considerable adverse impacts on the capability of the organisation. For example, institutional knowledge can be lost where work is regularly being undertaken by individuals outside the organisation, work is often duplicated (or repeated), and at additional cost. In addition, this can lead to a lack of internal accountability and a risk that lessons will not be learned.

- (e) **Perceived lack of opportunity for career progression within the organisation** – as a result of the organisation's over-reliance on consultants / contractors, combined with high rates of external appointments and experiences of favouritism and 'shoulder tapping', many staff reported feeling that there are few opportunities for career progression for them within the organisation. This is reinforced by staff experiences that where roles are advertised internally, they are only advertised for extremely short periods (*"internal for five days"*), indicating to staff that the candidate had already been selected.
- (f) **Inconsistency in offboarding / exit interview processes** – the Leaving ACC Policy does not provide for exit interviews. While some exit interviews are undertaken, many departing employees reported having had no formal exit interview, and felt that any feedback they did provide was not passed to the relevant people to be considered and/or addressed. The result is that ACC is overlooking a key avenue for receiving feedback regarding its internal operations and management of staff. Feedback from departing staff can provide valuable, unfiltered insight into how staff feel about the workings of the organisation and should be considered by ACC going forward.

F. RECOMMENDATIONS

196 Based on the above findings (and in line with the three areas for recommendations outlined in the ToR), the Review's recommendations are set out below:

A. *Recommendations to improve how ACC promotes and maintains an open, inclusive and supportive culture for its people*

Recommendation 1

197 As a starting point, in relation to ACC's workplace culture (which has been identified in the Findings section as not being strong), the Board needs to **publicly acknowledge** (by an all-staff email) that:

- (a) While ACC has good people working for the organisation, it can (and will) do more to identify and respond to incidences of poor workplace culture and the negative impact(s) this can have on some staff;
- (b) There were deficiencies in the 2024 restructure process and the majority of staff said that the change was 'done to them' (not in consultation with them) – this continues to have an adverse impact on culture. For any future restructures:
 - (i) there needs to be greater pre-consultation at senior levels, more resourcing for any EOI phase, proactive communication and visible leadership, clearer consultation on rationale, and better post-confirmation follow-up; and
 - (ii) the organisation needs to avoid rehiring staff / appointing contractors soon after a restructure, as this can undermine the credibility of the process.

Recommendation 2

198 ACC needs to develop a clear and aligned **strategy** (and goals) for staff to align to, to support its already strong purpose:

- (a) In recent years the sustainability of ACC's Scheme has come under significant financial pressure, which is adversely impacting staff wellbeing. Clear strategic goals (aligned to purpose and values) will assist to turn this around.
- (b) The Board should lead the strategic realignment, to promote and maintain an open, inclusive and supportive culture for ACC's people.

Recommendation 3

199 Build greater **collaboration and communication** at ACC through more cross-functional teams (breaking down the organisation's hierarchies and silos) and trusted and safe communication channels:

- (a) To achieve greater collaboration, ACC needs to develop and promote more **open and transparent communication**, through authentic townhalls (involving storytelling), milestone celebrations, updates etc (and genuinely

‘own’ / acknowledge where things could be done better – for example, lessons learned from Next Gen and the 2024 Restructure).

- (b) Develop **trusted and safe communication channels**, to build trust and reduce staff ‘gossip’ (particularly in Wellington), and to promote more open and transparent communication.
- (c) **Build greater trust in P&C**: there are capable and caring people in P&C, but legacy issues have meant that they have not always been seen as ‘there for the people’.

Recommendation 4

200 Undertake a refresh of those of ACC’s workplace policies that are seen by many staff as hampering inclusivity / collaboration, in particular:

- (a) **Hybrid Working Policy** – the current policy of requiring staff to work a minimum of two days per week in the office does not foster collaboration, engagement or a positive work environment (noting the 2024 Internal Audit report recommended a more consistent approach be developed to implementing and monitoring this policy across ACC).
- (b) **Remote locations arrangements** – ACC has 26 sites in 20 locations, and with many staff living in regions some distance from where they work, this has had an impact on cross-collaboration and engagement.

Recommendation 5

201 Review some structures that appear to be not operating optimally:

- (a) **Clinical governance and leadership structure** – appoint a CCO at Tier 2 to rebuild confidence in ACC’s clinical leadership and governance. The CCO will need to have proven leadership and clinical expertise and be empowered to review and rebuild the currently parts of the area that are not operating optimally.
- (b) **System Commissioning and Performance** – which has lost leadership and health commissioning capability; and
- (c) **Māori team** – which has also lost leadership.

Recommendation 6

202 ACC needs to adopt more generally (and monitor) **contestable recruitment processes**:

- (a) Update ACC’s recruitment and onboarding practices to meet the recommendations in Internal Audit’s April 2025 report.
- (b) Contestable recruitment processes have not always occurred in recent years. This is especially important with senior appointments:
 - (i) so that people are seen to ‘walk the talk’ and the best person is appointed to the role through a competitive, merit-based and transparent process; and

- (ii) to ensure a diversity lens is applied to appointments.
- (c) The Board needs to monitor Executive Team appointments, in more than just a notional way, i.e. ensure that all appointments at senior levels are run through contestable processes. Any deviations from recruitment / appointment policies should be approved by the appropriate level of leadership (e.g. DCE P&C).
- (d) ACC needs to review and, where appropriate, reduce the number of:
 - (i) consultants;
 - (ii) secondments; and
 - (iii) 'acting up' appointments.

B. Recommendations to improve how ACC promotes and ensures the treatment of staff with respect and dignity

Recommendation 7

- 203 Review and reset ACC's **values** (which are currently unclear), through an organisation-wide engagement process. Then:
- (a) Define the **behaviours** that underpin each value;
 - (b) Set out clear **accountabilities** in relation to values and behaviours; and
 - (c) Identify **consequences** for non-adherence to values and acceptable behaviours (i.e. build a culture where people are seen to be held to account and leaders 'walk the talk'); and
 - (d) Provide **training** to support this.

Recommendation 8

- 204 ACC then needs to undertake an **organisation-wide culture change programme**.
- (a) This programme should not be designed or led by consultants (as has happened too often in the past at ACC) but should be jointly designed and led by management and staff, with input from unions (and only supported by external expert advice where needed) to:
 - (i) transform the organisation's current beliefs, behaviours and systems to align with strategic goals and values;
 - (ii) support the desired culture shifts; and
 - (iii) build a consistently higher performing culture.

- (b) As identified by P&C in its July 2025 report to the Executive Team, to build a **consistently higher performing culture**, ACC needs to:
- (i) Hold clear and safe performance conversations, with focused targets and development goals (with clear expectations, accountabilities and support for leaders).
 - (ii) Ensure staff feel heard, valued and connected (to boost trust, engagement and retention).
 - (iii) Hire (or train) more leaders to be agile and trust / empower them to make appropriate decisions.
 - (iv) Ensure there is an enterprise approach to success, with Executive Team buy-in and connections.
 - (v) Build a Wellbeing Health and Safety strategy (as recommended by P&C in its July 2025 report) that:
 - acknowledges that wellbeing can be a key enabler of performance and productivity;
 - clarifies leadership responsibilities;
 - enables the organisation to align and manage critical risks consistently, with strong controls, regular reviews and which helps prevent harm and protect ACC's people;
 - addresses frontline issues such as case management workloads and psychosocial harm;
 - improves wellbeing reporting to the Board / Executive Team (not just to the Head of Service Delivery) which includes frontline caseloads and wellbeing / psychosocial harm incidences;
 - ensures more rigorous diversity and inclusion practices, e.g. recruitment at senior executive level and help to reduce the perception of a 'boys club'; and
 - calls out poor behaviour at the time it occurs (through training and building a safe and inclusive culture).
 - (vi) As part of this, ACC will need to:
 - Review its strategic goals (and where Huakina te Rā sits within this) to ensure that there are strategies underpinning this aspirational document, so that it can drive the behaviours to enable a performance culture and a values-led organisation to flourish.
 - Build more consistent performance management / career progression systems (as the current gaps have led to concerns about favouritism and a lack of opportunities for career progression). The

adequacy and consistency of the performance review process should be a focus.

- (c) Replace Gallup surveys with more effective and regular staff engagement surveys, such as pulse surveys, and ensure staff feel safe to provide honest feedback and develop action plans that respond to this.

C. <i>Improve ACC's policies, systems and procedures (relating to inappropriate conduct and behaviour)</i>

Recommendation 9

205 Redesign ACC's policies and procedures (and training) relating to inappropriate conduct and behaviour. ACC needs to:

- (a) Develop a standalone Inappropriate Behaviour Policy (including bullying and harassment). This should:
 - (i) Define inappropriate behaviour (and then run training about this).
 - (ii) Clarify how complaints can be reported: self-help; informal measures; escalation to formal complaints processes; etc.
 - (iii) Introduce and train people at each location to be workplace 'champions' who staff can contact for assistance/support (select people with the appropriate interpersonal skills for these roles);.
 - (iv) Train managers in dealing with complaints and conflict resolution.
 - (v) Improve training on unconscious bias, neurodiverse workplaces, and ensure all training has a diversity lens.
 - (vi) Build confidence in the confidentiality of the new policies and practices, to make them safe and trusted.
 - (vii) Build better accountabilities into position descriptions, delegations, etc.
- (b) Review the current Speak Up / Whistleblower line:
 - (i) Develop a new Speak Up / Whistleblower policy and procedure that makes it clear that it covers employment concerns (not just integrity issues) and sets out procedures to follow, that makes it clear that it covers employment concerns. This should be separate to Ok2Say, which should remain for integrity issues. The new channel could operate through P&C.
- (c) **Build a safer / more inclusive speak-up culture:** This needs to be led from the top, where people feel safe to raise issues internally 'in the moment' and do not need to gossip or complain externally / to the media.

C. General Recommendations

Recommendation 10

- 206 The Board and Executive Team need to **monitor (and close out) recommendations** from Internal Audit reports and external reviews, engagement surveys, and other cultural health data (such as feedback obtained from exit interviews) more closely going forward, to build Executive Team accountability and ensure lessons are seen to be learned.
- (a) As part of building accountability in leaders, there needs to be greater Board monitoring of recommendations from key external and internal reports / reviews. Staff do not see sufficient change occurring (or recommendations being implemented) following reviews. To ensure staff no longer feel that *'lessons are never learned'* and *'history is always repeating itself at ACC'*, the Board (and, where relevant, the Executive Team) need to more rigorously monitor report recommendations (and then close them out, when completed) and be seen to hold people to account.
- 207 There also needs to be better monitoring / feedback (where appropriate in relation to policy that informs culture) from MBIE and the PSC going forward.



Phillipa Muir

TERMS OF REFERENCE FOR INDEPENDENT CULTURE REVIEW OF ACC

Purpose

The purpose of the independent culture review of ACC (the Review) is to provide assurance as to whether ACC meets good practice for providing a positive, inclusive and safe workplace. The Review will also consider whether ACC has robust systems, practices and processes for responding to staff concerns about inappropriate conduct and behaviour within the organisation.

Context

ACC is committed to fostering an inclusive and values-based culture where leaders role model good behaviour to create a positive and safe workplace culture. This includes a culture that enables staff to feel that they can raise concerns about conduct and behaviour safely, and one that ensures concerns will be handled appropriately.

Recently, there have been reported issues and allegations about some senior executive conduct and behaviour within ACC. Issues of this nature are potentially serious. In response to these concerns, the ACC Board Chair has confirmed with the Minister of ACC that the Board will commission an independent culture review.

On 17 March 2025, the Minister for ACC issued the ACC Board with a letter setting out his expectations for ensuring that ACC is providing a safe and positive workplace culture for its staff. This letter of expectation included providing appropriate and confidential ways for staff to share concerns about inappropriate conduct and behaviour, and ensuring that these concerns were properly considered.

The Review is an important and necessary step to understand whether ACC is meeting the standards required for a positive, inclusive and safe workplace.

The ACC Board has appointed Doug Craig (Director, RDC Group) and Pip Muir (Chair and Partner, Simpson Grierson) as the Independent Reviewers (the Reviewers) to conduct the Review.

Scope of Culture Review

The Review is to consider, make findings, and report on the following:

- the experiences of staff with respect to ACC providing a positive, inclusive and safe workplace
- ACC's current workplace culture, the factors that may be contributing to it, and how the organisation is responding
- whether ACC has taken effective and appropriate steps to promote and create a positive, safe and inclusive workplace culture, in line with public service good practice, as well as the Public Service Commission's Positive and Safe Workplaces¹ and Speaking Up² Model Standards

¹ [Model-Standards-Positive-and-Safe-Workplaces-v3 \(1\).pdf](#)

² [Model-Standards-Speaking-up.pdf](#)

- assess ACC's existing policies, systems and procedures relating to inappropriate conduct and behaviour, comparing them to good practice and identifying any actual or perceived barriers to reporting or making complaints about inappropriate conduct and behaviour. This assessment will be in accordance with the Public Service Commission's Positive and Safe Workplaces and Speaking Up Model Standards, as well as other relevant examples of good practice guidance, policies or practice
- consider whether ACC's recruitment and appointment systems and processes represent good practice, including ensuring they appropriately identify any issues related to conduct and behaviour. This includes ensuring they align with the standards set out in the Public Service Commission's Workforce Assurance Model Standards
- make recommendations, where appropriate, to improve:
 - how ACC promotes and maintains an open, inclusive and supportive culture for its people
 - how ACC promotes and ensures the treatment of staff with respect and dignity
 - ACC policies, systems, and procedures for dealing with complaints about inappropriate conduct and behaviour. This includes processes for staff to speak up, and the effective management and resolution of complaints and concerns.

Out of scope

The Review will not be investigating individual past or current complaints. Individual complaints about conduct, behaviour and culture will only be assessed to inform findings and recommendations against the Terms of Reference.

The Review will not make any findings or make any comment on the conduct, performance or competence of any individual who is a complainant or the subject of a complaint. If there are allegations made to the Reviewers that indicate the need for a separate employment investigation related to any current employee, the Reviewers may refer the matter to the Chair of ACC, subject to appropriate consultation with relevant parties.

Approach and methodology

The Review will ensure that there are safe and confidential processes for any ACC staff member to provide information to the Reviewers. Appropriate support options will be made available to those participating in the Review, including the provision of support through the Employee Assistance Programme (EAP).

All ACC staff will be advised of the Review and will be provided guidance on the steps they can take to participate in a safe and confidential way.

A confidential email address will be established to enable any staff member within ACC to provide information or raise concerns within the context of the Terms of Reference to the Reviewers. Staff will be able to request a confidential discussion with the Reviewers. The Reviewers will also consider the use of confidential small group listening sessions to seek staff insights and input from across the organisation.

Those who take the opportunity to share their experiences will be given details of avenues of available support, counselling services or other pathways for the resolution of such complaints.

Staff, management and board members who are interviewed will be provided with the opportunity to share their perspectives by outlining in person, or in writing, their experiences relating to ACC's workplace culture, including how concerns about how inappropriate conduct and behaviour has been handled.

The Review will engage with any relevant external agencies and experts as the Reviewers consider necessary.

The Reviewers may, at their discretion, interview any persons who have conducted employment investigations into recent complaints about conduct and behaviour at ACC to provide insights and observations about complaint-handling practices and culture to inform the Review, without impacting confidentiality and privacy obligations.

The Review will examine all relevant policies and any other material relevant to the Terms of Reference. The Review will also have access to strategies, plans, data and reporting, and any other relevant information necessary to form views on the matters within the scope of the Review.

Confidentiality and Protection of Privacy

All personal information collected through the Review is subject to an obligation of confidence.

All people interviewed or spoken to as part of this Review will be advised that notwithstanding the above commitment to confidentiality, the Reviewer's report, its findings and recommendations are intended to be released publicly. However, findings will not identify any individual or make reference to facts that could reasonably lead to the identification of any individual.

The Review will be conducted in a manner consistent with procedural fairness and the principles of natural justice.

Deliverables

The Reviewers will provide a final report against the matters within the scope of the Terms of Reference by 2 June 2025 to the ACC Board. An interim report on the initial findings will be provided to the ACC Board no later than the end of April 2025. Updates on progress with the Review, including interim and final reports will be provided to the Minister of ACC.

The Chair may agree with the Reviewers to extend the timeframe for the interim and final report, if necessary to achieve the objectives of this Review. These Terms of Reference are approved and signed by:



Dr Tracey Batten
Chair
Accident Compensation Corporation

Date: 20 March 2025