2025/26

Quarter Three Performance Report

March 2026

He Kaupare. He Manaaki. He Whakaora.
Prevention. Care. Recovery.

Contents

How to read this report

This report provides a summary of performance for the 2025/26 financial year. Quarterly reports should be read in conjunction with the Service Agreement, Statement of Intent, and the reports of any preceding quarters for additional context.

This quarterly report details results against the measures included in the Service Agreement 2025/26 (January 2026), updates on key initiatives, financial performance and any significant trends, risks or issues that impacted performance.

Performance summary

Improved performance this quarter reflects the early impact of our Turnaround Plan and our stronger focus on achieving better rehabilitation outcomes while managing treatment and rehabilitation costs more effectively.

Operational changes implemented over the year are now delivering measurable improvements in rehabilitation outcomes, and Scheme costs. While challenges remain, particularly in Sensitive Claims, the direction of travel is clear and positive.

At the end of December 2025, the Minister for ACC and the ACC Board agreed to an amended Service Agreement 2025/26, which came into effect in January 2026. This report is against the amended Service Agreement which reflects clear expectations to lift performance and includes more ambitious targets for many measures for the period from 1 January 2026 to 30 June 2026.

Our current performance

Return-to-work outcomes continue to improve across all durations and the one-year return-to-work rate is now in line with year-end target. Shorter-duration measures continue to improve but remain below target. While these short-term rehabilitation measures may not be fully achieved this year, recent performance is promising.

The long-term claims pool remains higher than target, however growth is now close to zero. The rolling 12-month growth rate has reduced significantly, now 0.3%, reflecting the focus on supporting the Other and Long-term service claim cohorts to return to work or independence. These gains are being partially offset by ongoing growth in Sensitive Claims.

Claims costs remain below budget, reflecting improved rehabilitation performance and tighter operational control. As a result, we have delivered a sizeable influenceable reduction in the Outstanding Claims Liability year to date. This demonstrates improved operational performance is improving Scheme sustainability. Pressure remains from non-influenceable factors related to Sensitive Claims.

Financial performance remains favourable to budget, driven by improved rehabilitation outcomes and tighter cost control. The year to date deficit of $62 million includes an influenceable $652 million reduction in the Outstanding Claims Liability (OCL). These gains are partially offset by ongoing pressure from Sensitive Claims.

The ongoing geopolitical uncertainty and elevated fuel prices increase risks to inflation, economic growth and market volatility, with flow-on impacts for ACC's claims costs, levy revenue and investment returns.

Our plans to continue improving performance

While progress to date is clear, focus remains on sustaining rehabilitation performance improvements, reducing the number of long-term claims, and embedding operational processes to ensure these improvements impact the current financial year and support the long-term sustainability of the Scheme.

While the current performance trajectory is positive, there is more work to do. To ensure the Scheme is affordable and future generations of levy payers do not carry the cost burden of injuries that occurred in earlier years requires deliberate focus and a return to our core purpose: providing timely, necessary and appropriate support to injured New Zealanders.

March 2026

Key Performance Measures

Care that leads to lasting recovery

MEASURE	RESULT	TARGET	TREND	OUTLOOK
Actuarial movement (influenceable)	**-1.0%** (-$652m)	Between -5% to -2%	Stable	A

Timely return to work or independence

MEASURE	RESULT	TARGET	TREND	OUTLOOK
Return to work: 28 days	**36%** (36.3%)	37%	Improving	A
Cover decision timeliness: Non-complicated claims	**0.88 days**	< 1.0 days	Stable	G
Cover decision timeliness: Complicated claims	**49.1 days**	< 70 days	Stable	G
Weekly compensation setup timeliness	**8.7 days**	< 9 days	Stable	G
Return to work: 10 weeks	**62%** (61.6%)	63%	Improving	R
Return to work: nine months	**89%** (89.2%)	91%	Improving	R
Return to work: one year	**92%** (92.0%)	92%	Improving	G
Return to independence for those not in the workforce	**83%** (82.7%)	83%	Stable	A
Long-term claims pool volume	**24,846**	24,000	Stable	A

Efficient organisation, sustainable Scheme

MEASURE	RESULT	TARGET	TREND	OUTLOOK
New year costs movement excluding legislation and policy changes	**-3.0%** (-$325m)	Between -5% to -2%	Improving	R
Investments performance after costs relative to benchmarks	**+0.43%**	+0.15%	Stable	G
Return on investment – Injury prevention	**$1.83**	$1.78 to $1.98:$1	Stable	G
Public trust and confidence	**62%**	> 61%	Stable	G
Percentage of total expenditure paid directly to or for services to clients	**90.7%**	90.4%	Stable	G
Proportion of reviews upheld in favour of ACC (in favour of ACC at hearing or resolved before hearing)	**93%** (92.8%)	> 86%	Deteriorating	G
Average time to resolution for claims with a review	**121.0 days**	<130 days	Deteriorating	G
Claim lodgement rate for Māori	**27.2%**	Greater than previous year	-	G

Capable, enabled, empowered people

MEASURE	RESULT	TARGET	TREND	OUTLOOK
Employee engagement	**4.01**	> 4.00	Stable	G
Number of privacy breaches (Notifiable to the Office of the Privacy Commissioner)	**0**	0	Stable	G
Overall operational system availability	**99.9%**	99.9%	Stable	G

Key to tables

TREND: **Improving** Sustained improving trend evident. **Stable** Performance trend is stable. **Deteriorating** Performance trend is deteriorating.

OUTLOOK 2025/26: G Tracking to meet or better than target. A Achieving target at year end is not certain. R Low probability of meeting target at year end.

Financial performance summary

- The **year-to-date deficit** was $62 million, $565 million favourable to a budgeted deficit of $627 million.
- We are forecasting a **full year deficit** of $2,158 million, favourable to budget by $726 million.
- The Operating Balance Before Gains and Losses (**OBEGAL**) is a $539 million deficit, $575 million favourable to budget. OBEGAL excludes investment and OCL gains and losses.

Levy income

- Levy income was unfavourable to budget by $259 million (7%), reflecting weaker labour market conditions, reducing both Work and Earners' account levy income.
- The full-year levy income forecast is $314 million (7%) lower when compared to budget, with lower-than-expected liable earnings, which drives levy receipts, continuing to reflect subdued economic activity and a weaker than anticipated labour market.
- This impacts the Work and Earners' accounts with the Motor Vehicle account levy income expected to remain close to budget levels.

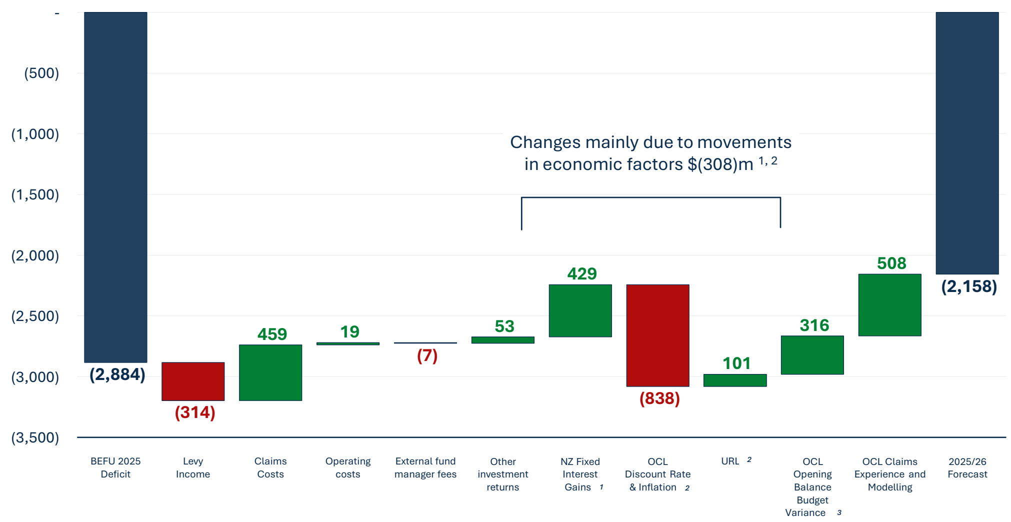
Claims costs

- Claims costs continue to track under the budgeted levels with much lower compensation costs from improved rehabilitation performance as well as a pull back of elective surgery levels. Year to date, claims costs are $380 million favourable to budget and are forecast to be $459 million favourable for the full year.
- Currently Social Rehabilitation costs are $80.7 million lower than budget. We forecast to achieve in excess of the $82 million full year target, however there are some emerging cost pressures relating to the oil price shocks. More information is provided on pages 7 and 8.

Operating costs

- Year to date operating costs are $34 million favourable to budget.
- While spending is forecast to increase over the remaining months, the current forecast indicates the full year costs will be managed within the budget of $985m and currently expected to come in under budget.

Statement of Financial Performance: Forecast to Budget Surplus $m



[1] Actual gains in the following investment portfolios: Reserves Cash, NZ Long Bonds, NZ Inflation Indexed Bonds, Interest Rate Derivative Asset Allocation Overlay, and Operational Cash. These gains are influenced by the economic drivers for the OCL (discount rates and inflation) although with lesser sensitivity.

[2] These are mainly caused by movements in economic factors but not entirely. For example, the URL is also influenced by changes in claims experience. Economic factors additionally affect levy income, other investment returns, and the OCL Expected, although to a lesser extent.

[3] This reflects the timing difference between the December 2024 OCL valuation (on February 2025 economic assumptions) used for the Budget and the June 2025 year end OCL valuation. This is an opening balance budget variance that will remain the same all year.

Financial performance summary

OCL

- The OCL has increased $2.4 billion to $66.0 billion year to date, largely due to the impact of economic factors.
- Included in this increase is a $652 million influenceable release in the OCL. This includes reductions of ~$930 million in weekly compensation and ~$130 million in social rehabilitation. Offsetting this is $214 million non-influenceable strain, the majority of which is Sensitive Claim related. Additional information is provided on page 8.
- Economic movements and other factors have resulted in an OCL net increase of $945 million, including:
  - $513 million decrease from an increase in the single effective discount rates to 5.34% (from 5.15% in June 2025)
  - $1,457 million net increase from inflation assumptions, driven by the increase in projected inflation in the short to medium term.

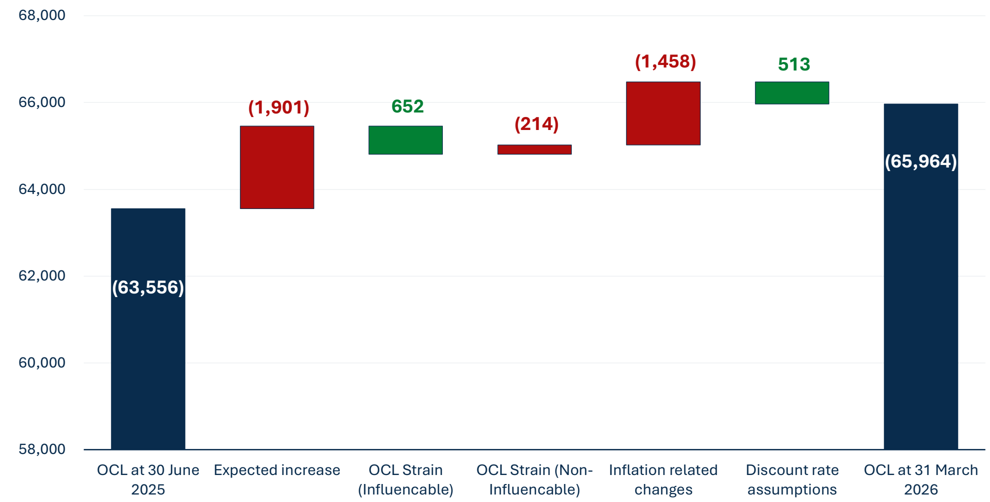
Investments

- Year to date, investment income (interest, dividend and rental income) is $574 million higher than budget, refer page 13.

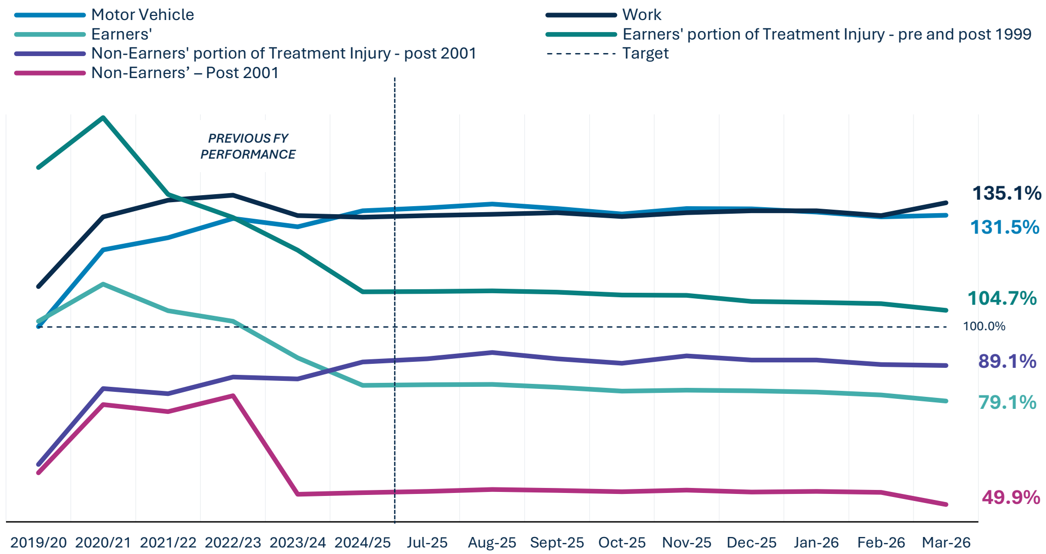
Funding ratios

- Funding ratios for the Earners' Account and the non-levied Accounts are below the funding policy target of 100%.
- The funding ratio for the Work Account has increased since June 2025. This is mainly driven by the favourable change to the OCL as a result of better-than-expected short- to medium-term rehabilitation rates.
- The funding ratios for all other Accounts have decreased since June 2025. This change in funding ratios is driven by net cash outflow and changes to the OCL that are only partially offset by favourable investment income.

Outstanding Claims Liability: 2025/26 movements $m



Levied and non-levied funding ratios



Care that leads to lasting recovery

We invest in effective and appropriate care that supports people to recover from their injuries. Our decision-making is evidence-based, consistent, timely, and aligned with our legislative purpose. We commission outcome-focused services and ensure that providers play their role in achieving lasting recovery outcomes.

Key activity to improve performance

Our focus continues on strengthening rehabilitation and treatment decision-making by tightening controls over high-cost social rehabilitation services and improving the consistency of elective surgery decision making.

Specifically, we are:

- Expanding provider performance monitoring across non-acute rehabilitation, home and community support, and training for independence services to identify provider overservicing and inappropriate servicing.
- Continuing to reassess client social rehabilitation supports reducing or stopping entitlements where clinical need was no longer evidenced, ensuring remaining supports were better targeted to recovery outcomes.
- Implementing improved cost controls across equipment, residential support, and training for independence services to improve frontline confidence and consistency in high-cost entitlement decisions for social rehabilitation.
- Rolling out and embedding elective surgery decision-support tools (shoulder, knee), lowering approval rates from historical baselines and improving alignment with evidence-based clinical practice.
- Completing a social rehabilitation capability uplift programme across operational teams, strengthening the consistency of frontline decision-making and reducing entitlement variation.

These efforts have helped deliver reductions in social rehabilitation and elective surgery claim costs.

Performance Summary

Key Performance Measures

Actuarial movement
(influenceable)

Actual
-1.0%

Target:
-5% to -2%

Outlook:

Trend

Performance Narrative

As a direct reflection of performance improvements made year-to-date, we are recording an influenceable actuarial reduction in the Outstanding Claims Liability of $652 million.

Specifically there are influenceable Outstanding Claims Liability reductions in weekly compensation (~$930 million) and social rehabilitation (~$180 million).

2025/26 Outlook

G
0 / 1
are on track to meet or better than target
On Track

A
1 / 1
are off track to meet target at year end
Off Track

R
0 / 1
are at risk to meet target at year end
At Risk

Outstanding claims liability: Claims costs

	Claims Costs			Performance summary
Weekly compensation	Weekly compensation	Actual	**$2,147m**	Actions to improve rehabilitation performance have resulted in a ~$227 million better than budget result and a further ~$66 million from lower volumes. • Offsetting these positive results are wage inflation ($93 million unfavourable) with the current wage inflation rate ~6.5% against the year-end budget of ~2.5%. • Large, backdated payments are increasing in both volume and costs, refer sensitive claims – page 8. A focus on supporting clients back to independence earlier has increased demand for Vocational Rehabilitation services, particularly vocational assessments. Additionally, vocational rehabilitation costs are $1 million unfavourable. The Assessments account for $2 million of the variance and are 32% higher than last year.
		Favourable:	7%	
OCL: Weekly compensation	Influenceable	Release:	**$930m**	**Non-serious, non-sensitive weekly compensation** ($952 million release, $549 million this quarter) from lower-than-expected active claim volumes due to better-than-expected short to medium-term rehabilitation rates (less than five years). Some of the improved experience has also been reflected into projected rehabilitation rates **Serious Injury – Weekly Compensation** ($22 million strain, $1 million release this quarter) from model refinement.
	Non-Serious / Non-Sensitive Injury	Release:	$952m	
	Serious Injury	Strain:	$22m	
Social rehabilitation	Care costs	Actual	**$754m**	**Care** Combined Home and Community Support Services care is $42 million (9%) under budget. The Maximise Independence service (contracted care) is under budget for both Serious Injury and non-Serious Injury. Within this, volumes (although softening) and cost per claim are under pressure in the Return to Independence service. Serious Injury non-contracted care is under budget with lower average cost per claim, resulting from our deliberate focus on this area. Residential Support Services is $1 million (2%) unfavourable as a result of ongoing high utilisation from clients being discharged from hospital .However, volumes have been gently reducing since July, although still ahead of budget. Non-Acute Rehabilitation is $8 million (6%) under budget. Work is underway with suppliers to improve compliance with eligibility criteria, particularly for low duration inpatient stays where admission is in the first couple of days post injury.
		Favourable:	6%	
	Capital costs	Actual	**$204m**	
		Favourable:	7%	
	Other	Actual	**$185m**	
		Favourable:	16%	
OCL: Social rehabilitation	Influenceable	Release:	**$179m**	**Serious Injury – Care:** ($282 million release, $143 million this quarter) largely concentrated in contracted care and provider travel for existing claims. **Serious Injury – Capital:** ($76 million release, $20 million this quarter) driven by lower than expected average payments for equipment, hearing aids and consumables. **Non-serious, non-sensitive – Care:** ($97 million strain, $70 million this quarter) driven by higher than expected average payments for clients receiving contracted care. A large proportion of the increase is in the Treatment Injury Non-Earners' Account. **Non-serious, non-sensitive – Capital:** ($82 million strain, $40 million this quarter) largely due to higher-than-expected volumes of clients.
	Serious Injury Care	Release:	$282m	
	Serious Injury Capital	Release:	$76m	
	Non-serious injury Care	Strain:	$97m	
	Non-serious injury Capital	Strain:	$82m	

Outstanding claims liability: Claims costs

Claims Costs				Performance summary
Sensitive Claims				Payments for claims related to changes made to operationalise the Court of Appeal decision relating to sensitive claims currently make up ~50 – 60% of the large backdated weekly compensation payments and are tracking to be double the budget ($50 million) for the year at ~$108 million. Counselling, psychologists, psychiatrist costs in the Sensitive Claims Service are below budget driven by lower volumes than expected, but still 12% higher than the prior year. Costs are 23% higher than the prior year and include the uplift in counsellor payment rates.
OCL: Sensitive Claims	**Influenceable**	Strain:	**$441m**	Counselling ($246 million strain, $180 million this quarter) from higher-than-expected hours per claims and a higher average hourly rate.
	Counselling	Strain:	$246m	
	Other	Strain:	$109m	Other ($109 million strain, $45 million this quarter) from higher-than-expected sensitive claim volumes receiving other payments and an increase in average cost per claim. Independence Allowance backdated payments have increased as has the average amount for those receiving regular Independence Allowance payments.
	TN IBNR	Strain:	$86m	
	Non-Influenceable	Strain:	**$213m**	TN Incurred but not reported ($86 million strain) provision has been updated, driven by the higher than expected counselling mentioned above.
	Weekly compensation	Strain:	$204m	
	TN IBNR	Strain:	$9m	**Non-influenceable: $204 million strain** This strain is primarily driven by a higher-than-expected number of sensitive claims receiving weekly compensation, likely linked to implementation of the TN decision.
Medical treatment	Treatment costs	Actual	**$1,048m**	Medical treatment costs are $59 million favourable (5%) year-to-date. The primary drivers are lower claim volumes and costs per clams for GPs and Urgent Care clinics ($8 million). There are also lower than budgeted costs of ~$11 million in Radiology, $5 million Client travel and $12 million in Integrated Care Pathways Musculoskeletal. Offsetting this is higher Pain Management costs (8%) and Medical Case Reviews (22%) than budget. Both are likely related to focus on the supporting long-term clients back to independence.
		Favourable:	5%	
OCL: Medical treatment	**Influenceable**	Release:	**$2m**	($2 million release, $5 million release this quarter)
Elective surgery	Treatment costs	Actual	**$469m**	Elective surgery expenditure is currently ~$36 million lower than budget. The average cost per claim is higher than expected. The change in cost per claim is driven in part by annual price uplifts but is also influenced by the types of surgery being undertaken Demand for surgery remains high (based on requests received) and lower paid volumes are more likely a reflection of available capacity in the sector reducing.
		Favourable:	7%	
OCL: Elective surgery	**Influenceable**	Strain:	**$6m**	($6 million strain, $3 million release this quarter)

Timely return to work or independence

We are committed to excellence in rehabilitation. Our best-practice case management sees injured people return to lasting work or independence. We ensure that employers and clients play their part in achieving recovery outcomes.

Key activity to improve performance

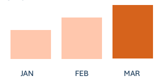
We continue to build frontline capability and operational capacity to accelerate early intervention for at risk clients and reduce the number of non-serious injury long-term clients.

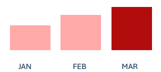
Specifically, we are:

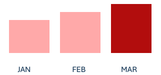
- Delivering learning campaigns to frontline case managers to strengthen return-to-work decision-making.
- Continuing to use stronger non-compliance processes to support appropriate suspension of weekly compensation where rehabilitation plans are not followed by clients.
- Completing the first recruitment phases to expand case management support capacity, providing a foundation for improved claims throughput and recovery support.
- Prioritising vocational medical assessments for entitlement to weekly compensation decisions to reduce waitlists and strengthen decision confidence for suspending weekly compensation where appropriate.
- Contracting with five primary care organisations to test approaches to improving medical certification and supporting return-to-work outcomes contracts.
- Progressing initiatives to improve the quality and speed of clinical advice to support claim decision making. Future decisions will consider moving toward broader deployment, reinforcing sustainability and efficiency gains.
- Launching a new medical certification dashboard to support more consistent general practice certification and earlier return-to-work outcomes for clients.

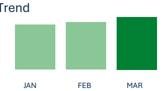
Performance Summary

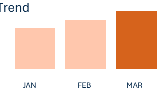
Key Performance Measures

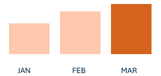
Return to work: 28 days
Actual 36%
Target: 37%
Outlook:
Trend


Return to work: 10 Weeks
Actual 62%
Target: 63%
Outlook:
Trend


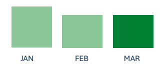
Return to work: Nine Months
Actual 89%
Target: 91%
Outlook:
Trend


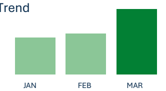
Return to work: One year
Actual 92%
Target: 92%
Outlook:
Trend


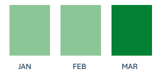
RTI for those not in the workforce
Actual 83%
Target: 83%
Outlook:
Trend


Long-term claims pool Volume
Actual 24,846
Target: 24,000
Outlook:
Trend


Supplementary Performance Measures

Cover decision timeliness: Non-complicated claims
Actual 0.88 days
Target: < 1.0 days
Outlook:
Trend


Cover decision timeliness: Complicated claims
Actual 49.1 days
Target: < 70 days
Outlook:
Trend


Weekly compensation setup timeliness
Actual 8.7 days
Target: < 9 days
Outlook:
Trend


2025/26 Outlook

G 4 / 9 are on track to meet or better than target — On Track

A 3 / 9 are off track to meet target at year end — Off Track

R 2 / 9 are at risk to meet target at year end — At Risk

Short term rehabilitation performance

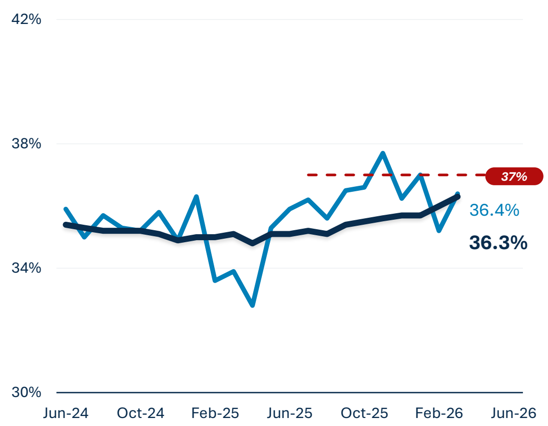
MEASURE	RESULT	TARGET	OUTLOOK
Return to work: 28 days	**36%** (36.3%)	37%	A
Cover decision timeliness: Non-complicated claims	**0.88 days**	< 1.0 days	G
Cover decision timeliness: Complicated claims	**49.1 days**	< 70 days	G
Weekly compensation setup timeliness	**8.7 days**	< 9 days	G
Return to work: 10 weeks	**62%** (61.6%)	63%	R
Return to work: nine months	**89%** (89.2%)	91%	R
Return to work: one year	**92%** (92.0%)	92%	G
Return to independence for those not in the workforce	**83%** (82.7%)	83%	A

- Rehabilitation performance this quarter reflected typical seasonal patterns. This is primarily visible in 13-week rolling results. We continue to expect volatility in results over the coming weeks as we approach Easter and Anzac Day.
- We are focused on ensuring performance each week continues to exceed the same period last year. This is driving improvements across all durations in the 52-week results. We forecast this to continue over the remainder of 2025/26.
- The return to work rate at one year duration is now at the end year target of 92%. At the other durations there is continued improvement although they remain below end year targets and the ten week and nine month targets in particular are unlikely to be achieved this year.

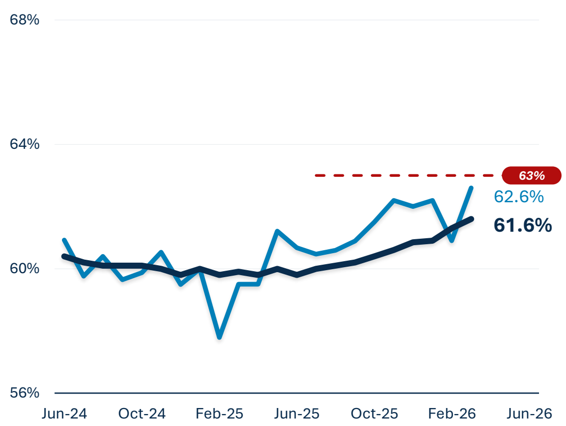
Return to work rates

52-Week Rolling 13-Week Rolling Target

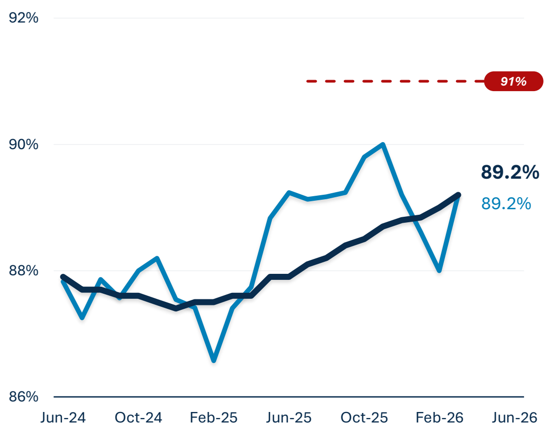
Return to work: 28 days



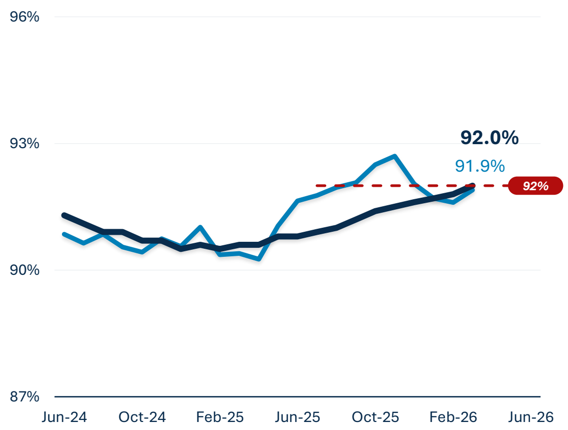
Return to work: Ten weeks



Return to work: Nine Months



Return to work: One year

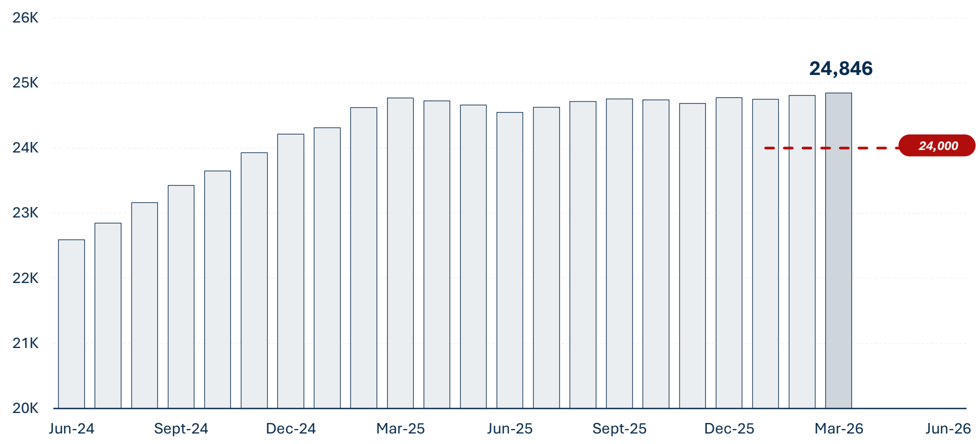


Long term rehabilitation performance

MEASURE	RESULT	TARGET	OUTLOOK
Long-term claims pool volume	**24,846**	24,000	A

- The rolling 12-month growth rate of the Long-term claims pool (LTCP) continues to reduce and as of March is at 0.3%. Within the 0.3% is a ~3% reduction in the LTCP for Other and Long Term Service Claims and ~34% growth in Sensitive Claims.
- While the LTCP increased by 74 claims over the quarter to 24,846, our forecasting predicts a reduction in the LTCP in the fourth quarter. Attention is focused on ensuring we are on the required trajectory to achieve target for year-end.
- Increasing Sensitive Claims (most of which will be TN-related) continue to put pressure on the LTCP, with net 161 additional claims this quarter (502 increase YTD). This is offsetting the performance impact of our focus on the Other and Long-term service claims, where there was a net 91 claim reduction in the LTCP this quarter (185 reduction YTD).
- As the net growth rate is lower than forecast, related weekly compensation costs are below budget.

Long term claims pool



Long Term Claims Pool YTD Movement

YEARS	1 – 2	2 – 4	4 – 7	7 – 10	10 +	TOTAL
Other [4]	(672)	410	343	196	149	**426**
Long Term Service Claim	(176)	(141)	(165)	(51)	(78)	**(611)**
Sensitive Claim	74	82	98	80	168	**502**
Serious Injury	(10)	(28)	(4)	21	1	**(20)**
Total	**(784)**	**323**	**272**	**246**	**240**	**297**

Long Term Claims Pool Volume: 31 March 2026

	1 – 2	2 – 4	4 – 7	7 – 10	10 +	TOTAL
Other [4]	4,985	5,247	3,189	1,239	1,093	**15,753**
Long Term Service Claim	258	245	538	594	2,285	**3,920**
Sensitive Claim	264	485	533	327	825	**2,434**
Serious Injury	109	235	315	253	1,827	**2,739**
Total	**5,616**	**6,212**	**4,575**	**2,413**	**6,030**	**24,846**

[4] ***'Other clients'*** *includes injured people with claims that have not been identified as a:*
- *serious injury claim (injuries include moderate to severe traumatic brain injuries, spinal cord injuries and comparable injuries, with comparable severity e.g. multiple amputations, brachial plexus avulsion, severe burns and complete blindness)*
- *sensitive claim*
- *long-term service claim (do not meet the criteria for serious injury however a return to work outcome has been deemed as unlikely).*

Common injury types for 'other clients' include fractures, ligament injuries, sprains and strains and pain-related injuries.

Efficient organisation, sustainable Scheme

We are focused on our core purpose and administer the Scheme responsibly and fairly, ensuring it is here for future generations. We better leverage technology and data to improve how we operate. We work with others to lift New Zealand's safety culture, promoting injury prevention to reduce harm.

Key activity to improve performance

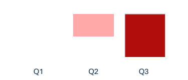
Our focus continues on progressing longer term changes and improvements, resetting its strategic direction and priorities, and delivering organisational effectiveness and efficiency.

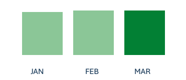
Specifically, we are:

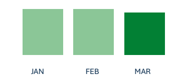
- Confirming the necessary key shifts to improve Scheme sustainability.
- Delivering public engagement across television and digital channels promoting active recovery following injury to support efforts around timely return to work and independence.
- Deploying ACC's levy management system, Guidewire, to the Cloud. This will ensure the platform remains stable, secure and fit for purpose.
- Implementing the five recommendations from the Independent Review of Investments, all of which are on track to be completed by June 2026.

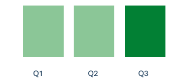
Performance Summary

Key Performance Measures

New year costs movement
excluding legislation & policy changes
Actual -3.0%
Target: -5% to -2%
Outlook: (red)
Trend


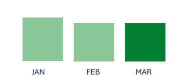
Investments performance
after costs relative to benchmarks
Actual +0.43%
Target: +0.15%
Outlook: (green)
Trend


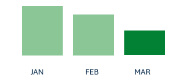
Return on investment Injury prevention
Actual $1.83
Target: $1.78 to $1.98
Outlook: (green)
Trend


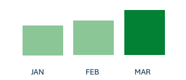
Public trust & confidence
Actual 62%
Target: > 61%
Outlook: (green)
Trend


Claim lodgement rate for Māori
Actual 27.2% (DEC 2025)
Target: > Prev Year
Outlook: (green)
Trend


Supplementary Performance Measures

Percentage of total expenditure paid *
Actual 90.7%
Target: 90.4%
Outlook: (green)
Trend


Proportion of reviews upheld in favour of ACC
Actual 92.8%
Target: > 86%
Outlook: (green)
Trend


Ave time to resolution for claims with a review
Actual 121.0 days
Target: < 130 days
Outlook: (green)
Trend


2025/26 Outlook

G 7 / 8 are on track to meet or better than target — On Track

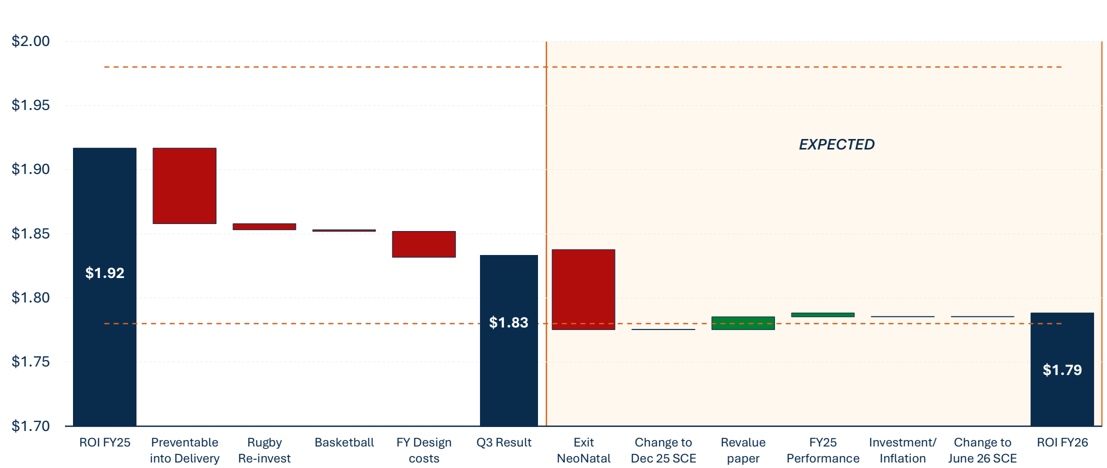
A 0 / 8 are off track to meet target at year end — Off Track

R 1 / 8 are at risk to meet target at year end — At Risk

Sustainable Scheme

MEASURE	RESULT	TARGET	OUTLOOK
New year costs movement excluding legislation and policy changes	**-3.0%** (-$325m)	Between -5% to -2%	R
Investments performance after costs relative to benchmarks *(rolling 10-years)*	**+0.43%**	+0.15%	G
Return on investment – Injury prevention	**$1.83**	$1.78 to $1.98:$1	G

Return on Investment



Investments performance

- The investments portfolio has returned 6.72% (after costs) and outperformed benchmark by 0.43% on a rolling 10-year basis.
- Year-to-date the investments portfolio has returned 4.66% (after costs). Returns in March were negative, marked by heightened volatility as geopolitical tensions. This means year-to-date performance has fallen back to levels last seen in December. Previous gains in the technology and materials sectors reversed in March, detracting from equity portfolios while upwards pressure on domestic yields eroded performance in NZ bonds.

New year costs movement

- The key drivers of this positive performance include improved rehabilitation performance in the Work and Earners' Account and lower weekly compensation claim volumes in the Work Account. This measure has a Red status to reflect the potential impact from an increase in Public Health Acute Services (PHAS) costs.

Return on Investment – Injury Prevention

- At the end of the third quarter, we estimate 8,146 injuries were prevented. Performance continues to remains strong across Drive, Ride4Ever, Netball, Older Adults Falls, and Forestry, representing 95% of the injuries prevented.
- We expect these five programmes to exceed full-year expectations with both Drive and Netball having achieved their 2025/26 targets already. Conversely, 10 programmes are at risk of missing their 2025/26 targets.
- Based on these movements, the ROI is expected to hit the lower end of the range ($1.79) by year-end.

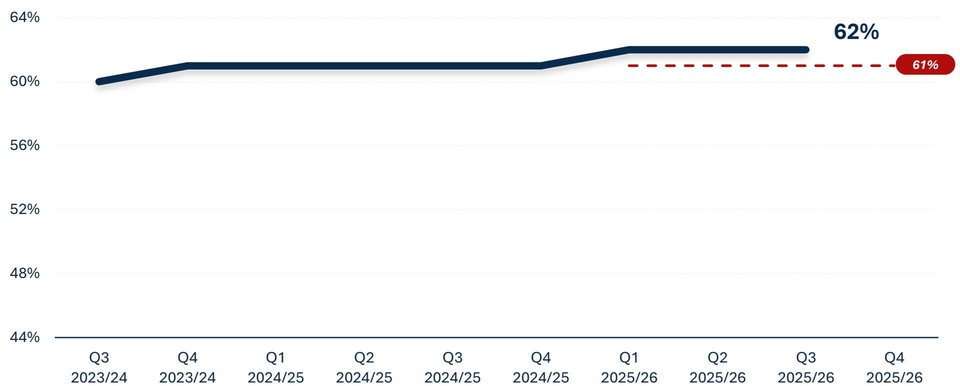
Efficient organisation

MEASURE	RESULT	TARGET	OUTLOOK
Public trust and confidence	**62%**	> 61%	G
Proportion of ACC reviews upheld in favour of ACC (in favour of ACC at hearing or resolved before hearing)	**93%** (92.8%)	> 86%	G
Average time to resolution for claims with a review	**121.0 days**	< 130 days	G
Claim lodgement rate for Māori (Dec 2025)	**27.2%**	Greater than previous year	G
Percentage of total expenditure paid directly to clients or for services to clients	**90.7%**	90.4%	G

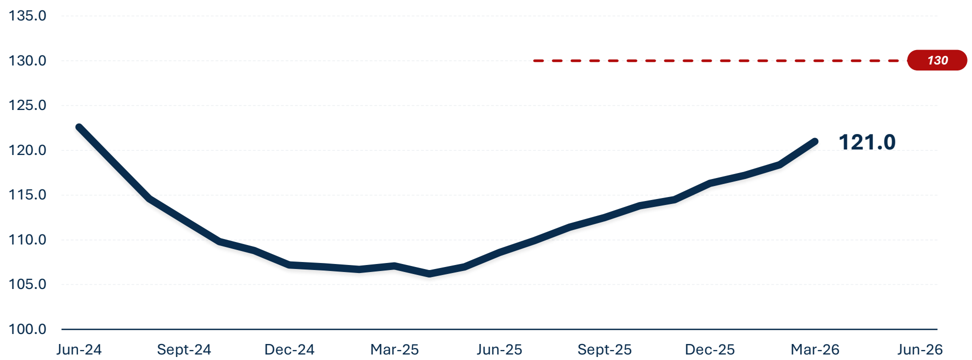
- Public trust and confidence in ACC remains stable at 62%.
- While this quarter's results do not show a deterioration in overall public trust, the tone and volume of negative feedback indicate a potential emerging risk. Given the high levels of decline decisions, reviews, and appeals, sustained negativity could translate into lower trust outcomes over time.
- Despite a high volume of review outcome decisions being made each month, the number of reviews awaiting an outcome continues to grow. The high volumes are placing increasing pressure on resolution timeframes, which have extended to 121 days (almost 14 days longer than the same period last year).
- Despite these pressures, the proportion of decisions upheld in ACC's favour remains strong at 92.8%, although it has gradually declined each month since January 2025.

Actual Target

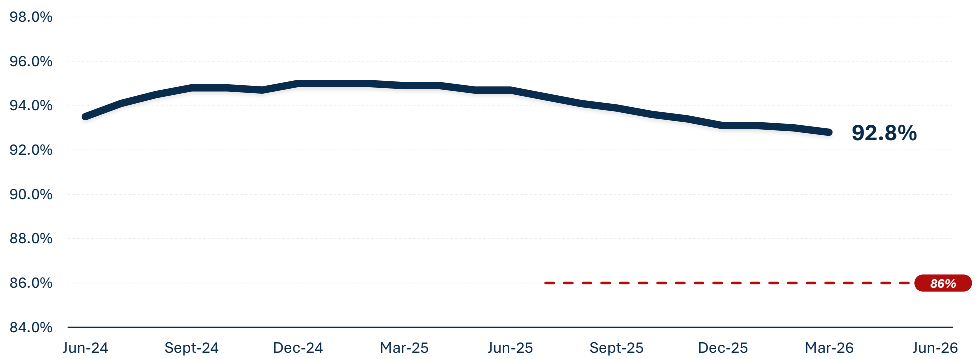
Public trust and confidence



Average time to resolution for claims with a review (Days)



Proportion of ACC reviews upheld in favour of ACC



Capable, enabled, empowered people

We are a high-performing organisation with leadership, accountability, and respect at our core. We have a safe, positive, and inclusive culture where staff feel connected to our purpose. Our workforce is motivated and trusted to deliver the right outcomes. We invest in our people, grow their capability, and foster inclusivity, engagement, and collaboration.

Key activity to improve performance

We continue to strengthen the design of internal processes to respond effectively to the recommendations of the external culture review and create a high-performing organisation with a safe, positive and inclusive culture.

Specifically, we are:

- Launching new policies and processes relating to inappropriate conduct and behaviour.
- Launching a new recruitment process to support managers to successfully recruit staff to the organisation.
- Progressing the detailed design to improve the induction process to support faster development of capability and key skills.
- Progressing improvements to case management remuneration and reward, and case management work design. This will increase staff engagement and retention in claims management roles.
- Implementing improvements to ACC's hybrid and remote working policy to support greater inclusivity, engagement and productivity.
- Developing a work-programme to foster greater collaboration and communication at ACC.

Performance Summary

Key Performance Measures

Employee engagement

Actual
4.01

Target:
> 4.00

Outlook: ●

Trend

Number of privacy breaches
(Notifiable to the Office of the Privacy Commissioner)

Actual
0

Target:
0

Outlook: ●

Trend

Overall operational system availability

Actual
99.9%

Target:
99.9%

Outlook: ●

Trend

Performance Narrative

Employee engagement has achieved year-end target following the annual survey completed earlier in the year.

There have been no notifiable privacy breaches year-to-date, noting the full-year target of zero.

Overall operational system availability remains stable and high.

2025/26 Outlook

G
3 / 3
are on track to meet or better than target
On Track

A
0 / 3
are off track to meet target at year end
Off Track

R
0 / 3
are at risk to meet target at year end
At Risk

Appendix 1:

Claims information: Volumes

MEASURE	RESULT	BUDGET	OUTLOOK
New claims registered	**2,110,484**	2,128,987	
New Weekly Compensation claims	**104,940**	112,458	

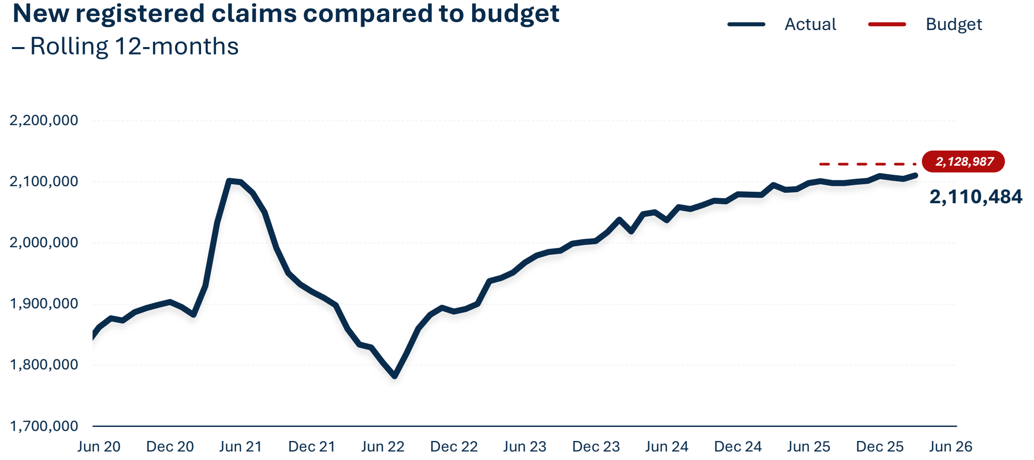
The volume of new registered claims has been stable at ~2.110k this calendar year to date. The annual growth rate is now 0.8%. As at February 2026, we are forecasting 2,131,770 new claims registered for 2025/26, marginally higher than Budget

New weekly compensation claims have also stabilised at ~105k this calendar year to date. Volumes are now 2.5% lower than the same period a year ago. The latest forecast projects new claim growth to have reduced by 2.7% in the year to 30 June 2026.

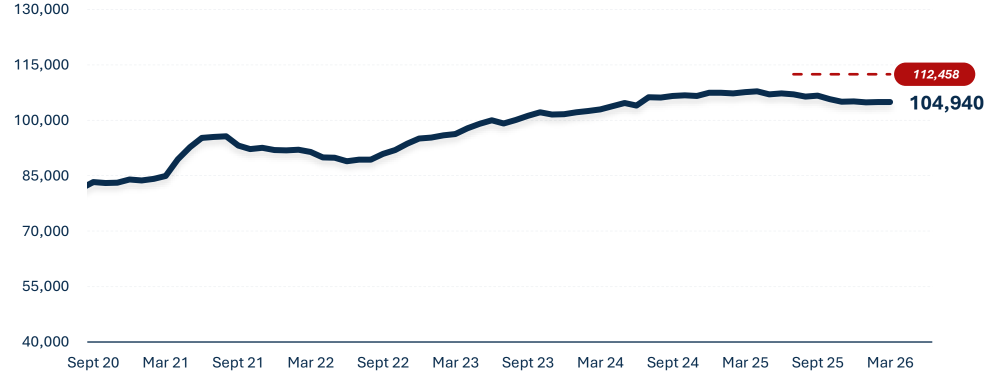
The conversion rate (proportion of new claims registered that receive WC) has remained just below 5% this calendar year to date. Current results are the lowest since March 2023, but remain high compared to historical data. The latest claim volumes forecast includes an expectation of a flat conversion rate over time.

The stabilisation of the conversion rate recently reflects our focus on ensuring weekly compensation decision-making is consistent with the legislation.

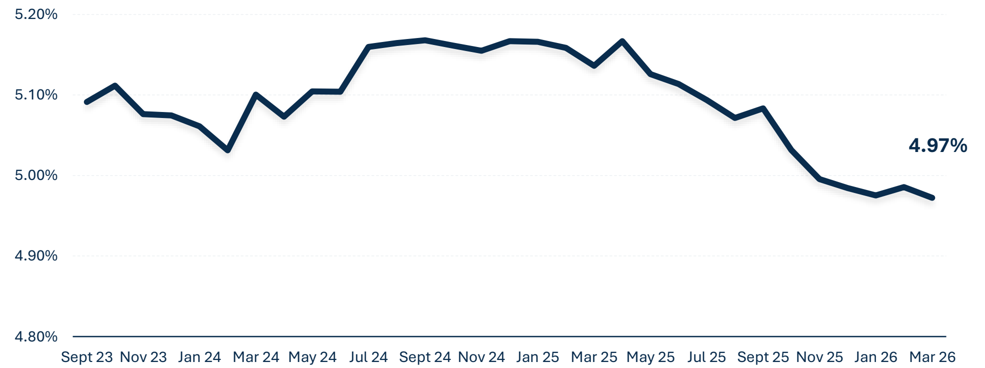
New registered claims compared to budget
– Rolling 12-months



New weekly compensation claims compared to budget
– Rolling 12-months



Conversion rate: New claims to weekly compensation
– Rolling 12-months



Appendix 1:

Claims information: Costs

Claims costs are currently lower than budget in key areas (weekly compensation, social rehabilitation and elective surgery), reflecting performance improvements and our deliberate focus on claims cost management.

This has translated into OCL influenceable releases year-to-date, specifically for weekly compensation (~$930 million) and social rehabilitation (~$180 million).

Payment Type $m	OCL (30 June 2025)	Expected Movement	Influenceable OCL Change	Non-Influenceable OCL Change	Economic changes	OCL (31 March 2026)
Non-sensitive, Non-serious injury claims						
Weekly Compensation	13,924	710	(952)	-	202	13,884
Care	1,838	60	97	-	28	2,023
Capital	882	12	82	-	14	990
Elective Surgery	4,668	177	6	-	67	4,918
Medical	2,239	81	2	-	30	2,352
Other	1,876	(4)	11	-	33	1,917
Serious injury claims						
Weekly Compensation	2,661	35	22	3	43	2,764
Care	19,327	480	(282)	(3)	271	19,793
Capital	2,876	43	(76)	2	42	2,888
Medical	384	8	(4)	-	6	395
Sensitive claims						
Weekly Compensation	3,433	126	-	204	66	3,828
Counselling	2,183	82	246	-	42	2,553
Other	1,185	17	109	-	23	1,333
TN Incurred but not reported	3,296	35	86	9	37	3,462
Other						
Claim Handling Expenses	2,783	40	-	-	42	2,865
Total	**63,556**	**1,901**	**(652)**	**214**	**945**	**65,964**

Appendix 2:

Financial statements to 31 March 2026

Statement of financial performance

$m	YEAR TO DATE - 31 MARCH 2026					
	ACTUAL [5]	BUDGET	VARIANCE ($m)	VARIANCE (%) [7]	PRIOR YEAR ACTUAL	FULL YEAR BUDGET
INCOME						
Levy income	3,230	3,490	(259)	(7)%	3,150	4,767
Non- Earners' and other appropriations	1,922	1,922	-	-	1,788	2,563
Interest, dividend and rental income [6]	1,409	1,304	104	8%	1,451	1,738
Other income	1	1	-	-	1	1
Total income	**6,561**	**6,716**	**(155)**	**(2)%**	**6,390**	**9,069**
COSTS						
Treatment	2,567	2,677	109	4%	2,477	3,597
Rehabilitation	1,227	1,326	100	8%	1,227	1,773
Compensation	2,340	2,514	174	7%	2,327	3,352
Miscellaneous	60	57	(3)	(5)%	46	76
Total claims paid	**6,194**	**6,573**	**380**	**6%**	**6,077**	**8,798**
Expected increase in the outstanding claims liability (OCL)	1,901	2,164	262	12%	2,889	2,885
Impact of claims experience and modelling on OCL	(438)	-	438	-	701	-
Expected increase in Unexpired Risk Liability (URL)	(1,710)	(1,629)	81	5%	(1,505)	(62)
OCL and URL movement	**(246)**	**535**	**781**	**146%**	**2,085**	**2,822**
Investment management costs (excl. external management fees)	26	26	(0)	(1)%	23	44
Injury prevention costs	40	59	20	33%	52	80
Enterprise change programme	56	53	(3)	(6)%	49	70
Depreciation & amortisation	23	24	1	2%	24	33
Core operating costs	518	535	17	3%	476	718
Total operating costs	**662**	**696**	**34**	**5%**	**625**	**946**
Total costs	**6,609**	**7,804**	**1,195**	**15%**	**8,788**	**12,567**
Performance from insurance operations	**(48)**	**(1,088)**	**1,040**	**96%**	**(2,398)**	**(3,497)**
Net gains / (loss) on investments (incl. external management fees)	931	461	470	102%	1,199	612
Net gains / (loss) from changes in discount and inflation rates on OCL	(945)	-	(945)	-	1,360	-
External factors	**(14)**	**461**	**(475)**	**(103)%**	**2,559**	**612**
					-	
Surplus / (deficit)	**(62)**	**(627)**	**565**	**90%**	**161**	**(2,884)**

[5] Actual – OCL adjustment is based on the full year valuation at 30 June 2025 and using the actual discount rate at 31 March 2026.
[6] Investment returns are budgeted at between 5.75% - 6.83% for each Account. ACC chooses to incur many of the market risk exposures through its investment portfolios, either because they provide a natural offset to risks inherent in the outstanding claims liability, or because it expects to enhance returns through prudent exposure to these risks.
[7] Percentage variances greater than 500% are presented as "-" as the variance is not meaningful

Appendix 2:

Financial statements to 31 March 2026

Statement of financial performance

$m	MOTOR VEHICLE ACCOUNT			WORK ACCOUNT			EARNERS' ACCOUNT			TREATMENT INJURY ACCOUNT			NON-EARNERS' ACCOUNT		
	YTD ACTUAL	YTD BUDGET	FY BUDGET	YTD ACTUAL	YTD BUDGET	FY BUDGET	YTD ACTUAL	YTD BUDGET	FY BUDGET	YTD ACTUAL	YTD BUDGET	FY BUDGET	YTD ACTUAL	YTD BUDGET	FY BUDGET
INCOME															
Levy income (net of write off and provisions)	374	372	500	798	828	1,133	1,970	2,194	3,005	87	95	129	-	-	-
Non-Earners' Appropriation	-	-	-	-	-	-	-	-	-	244	244	325	1,678	1,678	2,238
Interest, dividend and rental income	432	361	482	325	293	390	339	323	430	173	161	215	140	167	222
Sundry income	-	-	-	1	-	-	-	-	-	-	-	-	-	-	-
Total income	**806**	**734**	**982**	**1,125**	**1,121**	**1,524**	**2,309**	**2,517**	**3,436**	**504**	**500**	**668**	**1,818**	**1,845**	**2,460**
COSTS															
Total claims paid	**681**	**856**	**1,131**	**961**	**1,176**	**1,566**	**2,355**	**2,496**	**3,350**	**375**	**389**	**521**	**1,821**	**1,657**	**2,230**
Expected increase in the outstanding claims liability (OCL)	303	383	511	287	333	443	726	804	1,071	256	295	393	329	350	467
Impact of claims experience and modelling on OCL	(177)	-	-	(575)	-	-	(196)	-	-	78	-	-	433	-	-
Expected increase in Unexpired Risk Liability (URL)	4	-	-	(585)	(538)	2	(1,128)	(1,091)	(64)	-	-	-	-	-	-
Total operating costs	**64**	**70**	**97**	**167**	**161**	**219**	**248**	**267**	**361**	**50**	**51**	**70**	**132**	**146**	**198**
Total costs	**875**	**1,309**	**1,739**	**254**	**1,132**	**2,230**	**2,005**	**2,476**	**4,719**	**760**	**735**	**984**	**2,716**	**2,153**	**2,895**
Performance from insurance operations	**(69)**	**(575)**	**(757)**	**871**	**(11)**	**(707)**	**304**	**41**	**(1,283)**	**(256)**	**(235)**	**(316)**	**(897)**	**(308)**	**(435)**
Net gains / (loss) on investments (incl. external management fees)	162	130	173	249	102	133	202	114	151	155	60	81	163	55	74
Net gains / (loss) from changes in discount and inflation rates on OCL	(201)	-	-	(143)	-	-	(259)	-	-	(116)	-	-	(226)	-	-
External factors	**(39)**	**130**	**173**	**106**	**102**	**133**	**(57)**	**114**	**151**	**39**	**60**	**81**	**(63)**	**55**	**74**
Surplus / (deficit)	**(109)**	**(445)**	**(583)**	**977**	**91**	**(574)**	**247**	**155**	**(1,131)**	**(217)**	**(175)**	**(234)**	**(960)**	**(254)**	**(361)**

Appendix 2:

Financial statements to 31 March 2026

Statement of financial position

$m	AS AT 31 MARCH 2026				FULL YEAR 2024/25	FULL YEAR 2025/26
	ACTUAL	BUDGET	VARIANCE ($M)	VARIANCE (%)	ACTUAL	BUDGET
ACCOUNT RESERVES						
Motor Vehicle	1,889	951	938	99%	1,998	812
Work	2,965	1,956	1,009	52%	1,988	1,291
Earners'	(5,168)	(4,734)	(434)	(9)%	(5,415)	(6,020)
Treatment Injury	(2,595)	(2,595)	-	-	(2,378)	(2,655)
Non-Earners'	(11,002)	(10,440)	(562)	(5)%	(10,042)	(10,548)
Total reserves (deficit)	**(13,911)**	**(14,863)**	**952**	**6%**	**(13,849)**	**(17,120)**
ASSETS						
Cash and cash equivalents	66	200	(134)	(67)%	48	200
Cash pledged as collateral	72	31	41	130%	22	31
Receivables	215	273	(58)	(21)%	252	253
Accrued levy revenue	585	605	(20)	(3)%	3,835	4,310
Investments receivables	339	413	(74)	(18)%	434	413
Derivative financial instruments	676	692	(15)	(2)%	801	690
Investments	55,612	53,122	2,491	5%	54,490	52,923
Property, plant and equipment	30	33	(3)	(10)%	38	31
Intangible assets	14	7	7	91%	24	3
Total assets	**57,610**	**55,377**	**2,234**	**4%**	**59,944**	**58,854**
LIABILITIES						
Cash collateral received	23	153	130	85%	357	153
Holiday & Long Service Leave Liability	43	42	(1)	(2)%	47	42
Investment payables	3,777	3,145	(632)	(20)%	3,870	3,145
Other Payables and Accrued Liabilities	186	132	(54)	(41)%	247	125
Derivative financial instruments	1,090	710	(380)	(53)%	507	710
Unearned levy liability (ULL)[8]	192	180	(12)	(7)%	3,253	3,633
Unexpired risk liability (URL) [9]	247	251	4	2%	1,957	1,818
Total Outstanding Claims Liability	65,964	65,625	(339)	(1)%	63,556	66,346
Total liabilities	**71,521**	**70,239**	**(1,282)**	**(2)%**	**73,793**	**75,974**
Net assets (liabilities)	**(13,911)**	**(14,863)**	**952**	**6%**	**(13,849)**	**(17,120)**

$m	ACTUAL
Investments	55,612
Net cash collateral	49
Net derivatives	(413)
Short-term deposits	62
Investment receivables	339
Investment payables	(3,777)
Total funds under management	**51,872**

[8] ULL: The unearned portion of expected levy income for the financial year - reduces as the year goes by
[9] URL: The funding gap between the ULL and expected claims costs from claims to be incurred in the financial year

Appendix 2:

Financial statements to 31 March 2026

Funding ratios

The funding ratios represents the extent to which applicable net assets cover the value of the fully funded portion of the OCL (excluding risk margin) for each account.

It is presented as a percentage and calculated by dividing total assets, less payables, accrued liabilities, provisions and unearned levy liability by the outstanding claims liability (including additional liability for work-related gradual process claims not yet made) excluding any risk margin. The funding ratio for the Work Account excludes those claims, and equivalent assets, funded through the Accredited Employer Programme.

$m	AS AT 31 MARCH 2026			AS AT 30 JUNE 2025
	ACTUAL	BUDGET	Target	ACTUAL
LEVIED ACCOUNTS:				
Motor Vehicle	**131.5%**	121.9%	100.0%	132.8%
Work - Including gradual process claims incurred but not yet made	**135.1%**	120.5%	100.0%	131.0%
Earners’	**79.1%**	79.6%	100.0%	83.5%
NON-LEVIED ACCOUNTS:				
Treatment Injury				
Non-Earners’ fully funded portion	**89.1%**	84.2%	100.0%	90.1%
Non-Earners’				
Fully funded portion	**49.9%**	50.8%	100.0%	53.2%

Outstanding claims liability (OCL)

$m	YEAR TO DATE			2024/25	FULL YEAR 2025/26
	ACTUAL	BUDGET	PRIOR YEAR ACTUAL	ACTUAL	BUDGET
Opening balance – 1 July	**(63,556)**	**(63,462)**	**(60,220)**	**(60,220)**	**(63,462)**
MOVEMENT DUE TO:					
Expected movement	(1,901)	(2,164)	(2,889)	(3,924)	(2,885)
Model recalibration	-	-	-	70	-
Impact of claims experience and modelling	438	-	(701)	(1,501)	-
Impact of change due to other factors	-	-	-	(38)	-
(Increase) / decrease in OCL	**(1,464)**	**(2,164)**	**(3,591)**	**(5,393)**	**(2,885)**
Impact of discount rate assumptions	513	-	1,113	2,000	-
Impact of change in inflation assumptions	(1,478)	-	347	153	-
Impact of adjustments due to key inflation indicators	21	-	(99)	(96)	-
Impact of economic assumptions and other factors	**(945)**	**-**	**1,360**	**2,057**	**-**
Closing balance	**(65,964)**	**(65,625)**	**(62,451)**	**(63,556)**	**(66,347)**
Total OCL Movements	(2,408)	(2,164)	(2,231)	(3,336)	(2,885)
Long-term discount rate	*4.80%*	*4.30%*	*4.30%*	*4.80%*	*4.30%*
Single effective discount rate	*5.34%*	*4.95%*	*4.89%*	*5.15%*	*4.95%*

Appendix 2:

Financial statements to 31 March 2026

Statement of cash flows

$m	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	YEAR TO DATE VARIANCE ($m)	FULL YEAR 2025/26 BUDGET	PRIOR FULL YEAR ACTUAL
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash was provided from:					
Levy revenue	5,388	5,519	(131)	7,207	6,657
Investment income	1,153	1,304	(151)	1,741	1,093
Sundry income	1	1	-	1	2
	6,542	**6,824**	**(282)**	**8,949**	**7,752**
Cash was applied to:					
Payments to injured persons, suppliers and employees	6,976	7,263	287	9,745	8,975
	6,976	**7,263**	**287**	**9,745**	**8,975**
Net cash movement from operating activities	**(434)**	**(439)**	5	**(796)**	**(1,223)**
NET CASH FLOWS FROM INVESTMENT ACTIVITIES					
Cash was provided and applied to:					
Net purchase and sale of investments	457	444	13	803	1,217
Net purchase and sale of property, plant & equipment, and intangible assets	(5)	(6)	1	(7)	(14)
Net cash movement from investing activities	**452**	**438**	**14**	**796**	**1,203**
Net increase in cash and cash equivalents	**18**	**(1)**	**19**	**-**	**(20)**
Cash and cash equivalents – opening balance	**48**	**200**	**(152)**	**200**	**68**
Cash and cash equivalents – closing balance	**66**	**199**	**(133)**	**200**	**48**

Appendix 3:

Managing risks

ACC's current view of enterprise risks is outlined below, based on a top-down and bottom-up approach. The top-down approach focused on ACC's strategic risks and was informed by:

- ACC's strategic priorities and the associated measures that define what success looks like for each of the strategic priorities.
- Changes to the external environment identified by our Future Trends Analysis.
- Review of previous strategic uncertainties work performed, discussions with key stakeholders and ACC's Risk Library that includes potential sources of strategic risk.

Our enterprise risks focus on ensuring the Scheme is financially sustainable for future generations and that we maintain public trust and confidence. The Board and Management are aware of the interrelationship of these risks and that a combination could potentially leave the Scheme underfunded and raise questions regarding its long-term sustainability.

Scheme Sustainability and Long Term Funding Position

Injury Prevention Impact - Risk that ACC's injury prevention investments and system-level influence do not achieve the impact or scale required to reduce the incidence and severity of injuries across Aotearoa New Zealand.

Claim Management - Risk that ACC's claims management approach fails to deliver improved client outcomes in a way that ensures the long-term sustainability of the Scheme.

Health System Commissioning - Risk that ACC fails to effectively engage with the health sector and manage providers to deliver improved client outcomes, quality, and value for money.

Overhead Cost Management - Risk that our forecasting, cost control and financial reporting processes are not effective, efficient and/or adhere to relevant laws, regulations, and standards.

Fee & Levy Management - Risk that our fee and levy management systems and processes are not fair, effective, efficient and/or lack transparency.

Investment Performance - Risk that investment performance does not materially offset the economic assumptions of Outstanding Claims Liability (OCL) on a long-term basis.

Scheme Boundaries - Risk that judicial or Government policy-driven expansions to Scheme boundaries create unfunded increases in Scheme costs and liabilities.

Strategic Risk

Mana Taurite | Equity - Risk that ACC fails to improve access, experience and outcomes for Māori and identified populations.

Climate Change Adaptation - Risk that ACC fails to monitor, prepare and adapt for known and future climate change impacts and opportunities.

Strategic Direction & Planning - Risk that ACC does not establish and maintain a clear, coherent, and fit-for-purpose enterprise strategic direction and plan to achieve long-term goals and objectives.

Change Delivery System - Risk that ACC does not effectively coordinate, sequence and embed enterprise-wide change in a way the organisation can absorb and sustain to fully realise expected outcomes and benefits.

Data Strategy - Risk that ACC fails to manage data as a strategic asset to enable evidence-based decision-making and organisational priorities.

Operational Risks

Cyber & Information Security - Risk of loss of data, or other information security event, due to cyber security threats, including malicious acts, cybercrime, and misuse of technology (emerging or existing).

Business Continuity - Risk that ACC does not effectively respond to and recover from a business disruption.

Operational Control Environment - Risk that core operational processes and controls are not effective, efficient and/or adhere to relevant laws, regulations, and standards.

Integrity & Internal Fraud – Risk that ACC employees fail to uphold expected behaviours and/or "do the right thing".

Workforce - Risk that ACC does not have sufficient capacity of workforce, and / or is unable to attract, develop, and retain the capability required to achieve core objectives and priorities.

Wellbeing, Health & Safety - Risk that ACC does not take all practicable steps to ensure the Wellbeing, Health & Safety of employees and those impacted by our work.

Privacy - Risk that our actions or decisions involving personal information are unlawful, unethical, and/or do not maintain the trust and confidence of people in New Zealand.