

Statement of Intent

2026 – 2030



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Prevention. Care. Recovery.

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Purpose of Statement of Intent

The **Statement of Intent** summarises ACC's enterprise strategy for the period between 1 January 2026 to 30 June 2030. It includes details of how the public and all interested stakeholders can evaluate our effectiveness in delivering against our outcomes. This is a public accountability document required under the Crown Entities Act 2004 and the Accident Compensation Act 2001.

The Statement of Intent should be read in conjunction with the annual **Service Agreement**. The Service Agreement is the agreement between Accident Compensation Corporation (ACC) and the Minister for ACC. It sets out the key initiatives ACC is pursuing to achieve our strategic objectives. It also outlines the services and outputs ACC is funded to deliver, as well as the performance measures and targets we will use to assess how well we operate during the remainder of 2025/26, the forthcoming year (2026/27) and across the following three years.

ACC reports progress relative to the strategic objectives in the **Annual Report**. The Annual Report also provides a summary of actual results against the performance measures included in the annual Service Agreement and Statement of Intent.

ACC's corporate accountability documents can be found on our website www.acc.co.nz.

Contents

I	Overview	
	From the Board and Chief Executive	6
	Who we are	7
	Our operating environment	9
	Our key Government priorities	10
II	Our strategic intentions	
	Our strategic framework	12
	Care that leads to lasting recovery	14
	Timely return to work or independence	15
	Efficient organisation, sustainable Scheme	17
	Capable, enabled, empowered people	18
	Organisational health and capability	19
	Our information and systems	20
III	Our Governance and risks	
	ACC Board and governance framework	22
	Managing risks	24
IV	Appendices	
	Appendix 1: Glossary of terms	27
	Appendix 2: Glossary of performance measures	28
	Appendix 3: Our performance framework	30

I.

Overview

From the Board and Chief Executive	6
Who we are	7
Our operating environment	9
Our key Government priorities	10

From the Board and Chief Executive

ACC is a unique part of New Zealand society that has helped people recover from injuries for over 50 years. Every year, we accept more than two million personal injury claims — providing treatment, rehabilitation, and compensation to those who need it.

Ongoing challenge

The Accident Compensation Scheme (the Scheme) is under pressure. Over the last decade, ACC has been experiencing a sharp increase in claim volumes as more people are accessing the Scheme and taking longer to return to work or independence — particularly those with less-complex injuries, who should be able to recover faster with the right support. This is driving up costs. In 2024/25, ACC spent \$8.1 billion on rehabilitation, treatment and compensation, which is \$4.9 billion more than a decade ago. The time to act is now to ensure the Scheme remains affordable in the future.

The Board and Management acknowledge ACC's performance needs to improve. Returning balance to the Scheme's financial position requires focus on all aspects of financial performance, of which rehabilitation performance is one key element. While some challenges are outside ACC's control — including inflation, challenges in the wider health system, and Court decisions about the scope of the Scheme, many can be addressed by changing the way we operate.

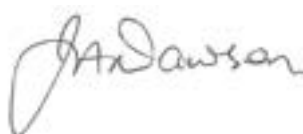
Looking ahead

In the first half of 2025/26, a stronger focus on proactive and targeted case management helped more clients recover and return to work or independence. These early shifts in performance give the Board and the Chief Executive confidence that ACC is moving in the right direction.

We recognise the medium-term challenges are significant. Lifting case management performance across the Scheme and securing long-term financial sustainability will take sustained effort. We are approaching this work with confidence and discipline.

An important part of our ambitious plan is our people. We are committed to building a trusted, high-performing organisation where leadership, accountability, and respect are central to how we work. We will support our people by growing their capability as well as through information and systems to deliver the right outcomes for our clients.

Guided by the Minister's priorities and the Board's commitment to getting ACC back to basics, every initiative is designed to strengthen rehabilitation as our core purpose while safeguarding the Scheme for future generations. We remain committed to delivering better outcomes for injured people, building public trust and ensuring the Scheme provides care, supports recovery, and prevents injury — now and into the future.



Jan Dawson
Board Chair

Dated 18 December 2025



David Hunt
Deputy Board Chair

Dated 18 December 2025



Megan Main
Chief Executive

Dated 18 December 2025

Who we are

ACC is a Crown entity set up to deliver a comprehensive no-fault accident insurance scheme (the Scheme) for New Zealand residents and visitors to New Zealand. This includes helping prevent injuries and getting New Zealanders and visitors back to everyday life if they have had an accident or personal injury.

ACC was established in 1974, following the Royal Commission of Inquiry on Compensation for Personal Injury in New Zealand chaired by Sir Owen Woodhouse. The 'Woodhouse Report' led to an extension of no-fault accident cover to include all injuries for workers (for both work and non-work injuries) and motor vehicle injuries. The Scheme was then extended to cover those groups of people not previously covered (including students, non-earners, and visitors to New Zealand).

Nature and scope

ACC is set up under the Accident Compensation Act 2001 and governed by the Crown Entities Act 2004.

'The purpose of the Act is to enhance the public good and reinforce the social contract represented by the first accident compensation scheme by providing for a fair and sustainable scheme for managing personal injury that has, as its overriding goals, minimising both the overall incidence of injury in the community, and the impact of injury on the community ...' Accident Compensation Act 2001.

The Scheme provides that individuals forgo the right to sue for compensatory damages following injury, in exchange for comprehensive accident insurance cover and compensation.

Each year ACC receives more than two million claims from people who rely on the Scheme when they are injured. Most claims are for relatively minor injuries, but a small proportion are serious injuries which require ongoing support for decades into the future.

The Scheme is managed by five Accounts, with each providing cover for a specific group of injuries. Each Account operates independently and cannot cross-subsidise. Levy collection is one of ACC's core functions. A portion of the levies collected, and appropriations received is invested in funds managed by ACC to meet the future costs of supporting injured people. ACC oversees one of the largest investment funds in New Zealand, valued at over \$50 billion.

All decisions relating to the operation of ACC must be made by, or under the authority of, the Board. The Board delegates the day-to-day management and leadership of ACC to the Chief Executive.

Enduring roles

ACC delivers the Scheme through four core activities (which also represent our outputs):

Injury prevention

ACC aims to reduce the incidence and severity of injury to reduce economic, social, and personal impacts of injury on individuals. In doing this, we must also achieve a cost-effective reduction in levy rates or government funding. We prioritise our efforts on high-cost and high-volume injuries that affect claim costs, outstanding claims liability, and levies.

Levy engagement and collection

To deliver services, ACC must collect revenue. As part of the levy-setting process, we calculate future revenue needs in line with the funding requirements of the Scheme and advise the Government on the setting of new levies for motor vehicle owners, businesses and employers, and workers. We collect levies directly from businesses and through our partnerships with Inland Revenue and New Zealand Transport Agency and receive government funding to cover the costs of claims in some Accounts.

Investment management

Because serious injuries will require ongoing expenditure for decades into the future, a portion of the levies collected each year is set aside to provide for future costs. ACC invests these funds to meet the future costs of these claims. In managing our investments, we seek to maximise investment returns over the long term while minimising unexpected mismatches between investment income and growth in the claims liability.

Claims management

ACC delivers and commissions effective, high-quality services so that people covered by the Scheme receive the help and compensation they are entitled to, and can make appropriate returns to work, independence, or everyday life.

Statutory obligations

ACC is governed by the ACC Board. Board members are appointed by the Minister for ACC on the advice of the Treasury in its role as monitoring agency for ACC. The Board has the authority to exercise ACC's statutory powers and to perform its functions. As a Crown entity, our guiding legislation includes:

- Accident Compensation Act 2001
- Crown Entities Act 2004
- Public Service Act 2020
- Public Finance Act 1989.

ACC is unique among statutory Crown entities as it is both a Crown agent and a Crown Financial Institution. As a Crown agent under the Crown Entities Act 2004, ACC must give effect to Government policy when directed by the Responsible Minister. We perform our day-to-day functions at arm's length from Ministers and government departments and adhere to the principle of 'no surprises', ensuring the Minister for ACC is promptly informed about matters of potential interest and significance. We are responsible for implementing policy in line with legislative requirements.

Our operating environment

Rising costs, slower rehabilitation rates, and more people needing support for longer are putting significant strain on the Scheme's long-term financial sustainability. This means the Scheme is under financial pressure and changes are needed to ensure the Scheme is affordable and able to support future generations of New Zealanders. To address these challenges, we are committed to improving performance in the near term and ensuring our case management capability is excellent. This is supported by ambitious performance targets to demonstrate the progress we are making.

To deliver the magnitude of performance improvement required, we are focusing on immediate actions to improve claims management and operational decision-making, engaging differently with health providers, and building a more positive organisational culture based on a clearer strategic direction.

ACC's operating environment is also shaped by external pressures impacting the Scheme and its performance, including:

- economic and labour market conditions
- demographic factors like an ageing population and increased prevalence of comorbidities
- Court decisions which necessitate changes to ACC's decision-making about the extent of cover and entitlements
- constant exposure to macro-economic challenges that include inflation and fluctuating interest rates impacting the cost of support, levies, and investment funding
- societal expectations of the Scheme
- levy and appropriation funding settings
- pressure in the health system
- incentives on employers, providers, and clients.

We are also keeping an eye on medium-term factors that will affect the operating environment, primarily climate change and the evolution of artificial intelligence.

Our key Government priorities

The ACC Board operates in line with the Government's priorities as set in the Enduring letter of expectations dated April 2024. These priorities are as follows:

- use reprioritisation as a tool to drive greater value from the funds and public assets we manage
- have a full understanding of ACC's cost drivers and performance against key outcomes
- improve efficiency and responsiveness of service through a continuous improvement approach for the activities and programmes we deliver.

The Minister for ACC and Minister of Finance also provide a Letter of Expectations each year, outlining their performance expectations for the financial year. This year ACC also received an interim Letter of Expectations in March 2025, noting that a further set of expectations would be provided later in 2025.

In November 2025, ACC received an updated Letter of Expectations for 2025/26. The key priorities that the Minister expects the ACC Board to focus on are:

- Putting clients first with care that leads to lasting recovery — rehabilitation must put clients at the forefront of decision-making, providing timely, clinically sound, and cost-effective treatment.
- Getting New Zealanders back to work and independence — return to work and independence outcomes must improve through effective case management and early interventions.
- Resetting ACC and getting back to basics — restoring tight financial discipline, robust governance, and refocusing the organisation on its core purpose of rehabilitation and Scheme sustainability.

In addition, the Minister expects the Board to develop an updated Turnaround Plan. Given the scale of the turnaround required, the Board is expected to demonstrate a concentrated approach across the following areas:

- performance and transparency
- strengthening case management
- partnership and evidence-based practice
- policy and legislative alignment
- financial discipline and strategic alignment.

The Government also communicates key priorities for ACC as a Crown Financial Institution. These priorities were provided in the interim Letter of Expectations for 2025/26.

II.

Our strategic intentions

Our strategic framework	12
Care that leads to lasting recovery	14
Timely return to work or independence	15
Efficient organisation, sustainable Scheme	17
Capable, enabled, empowered people	18
Organisational health and capability	19
Our information and systems	20

Our strategic framework

In 2025, we developed a new enterprise strategy to reflect ACC's legislative mandate, government priorities, and operating environment. It responds to the Minister for ACC's expectations, and the external reviews of ACC completed in 2025. The new strategy aims to refocus our efforts on our core role of delivering quality rehabilitation outcomes for injured people in New Zealand, while ensuring the Scheme is financially sustainable in the future.

ACC's strategic intentions are represented by our three current strategic objectives:

- Care that leads to lasting recovery
- Timely return to work or independence
- Efficient organisation, sustainable Scheme.

These objectives are underpinned by our desire to ensure our people are capable, enabled, and empowered. They reflect the areas that need the most focus over the period of this Statement of Intent. They also demonstrate where we intend to focus our efforts to deliver our vision, performance ambitions, and the Government's priorities for ACC.

Demonstrating our progress

To demonstrate the progress we are making to deliver our strategic objectives, we have a set of key performance measures aligned to both our strategic objectives and outputs. These measures best reflect the aspects of performance we can control across the breadth of the Scheme.

To ensure relevance and alignment with government priorities, we adhere to the Public Benefit Entity Financial Reporting Standard 48 (PBE FRS 48) for service performance reporting. Together, the measures in our Statement of Intent and Service Agreement offer a clear and comprehensive view of our performance. They also allow us to track the financial and non-financial measures that represent the many facets of the Scheme including organisational health and capability measures. The Service Agreement provides our forecast financial information each year.

For each measure included in this Statement of Intent we have provided a target for 2029/30. Delivering these targets will support ACC returning to a sustainable financial position over the next five years. These targets would see ACC return to its best-ever performance in the coming years, reflecting our strategic ambition for ACC to be a high-performing organisation that delivers excellent case management support to our clients.

Definitions of our performance measures are included in the Glossary of performance measures (page 28) and Our performance framework (page 30) sections. The detailed performance framework can be found in the Service Agreement 2025/26 (January 2026) document, available on our website www.acc.co.nz.

Purpose

To improve lives every day

Vision

ACC is a trusted and high-performing organisation, providing care, supporting recovery and promoting injury prevention, now and into the future



Strategic objectives



Care that leads to lasting recovery



Timely return to work and independence



Efficient organisation, sustainable Scheme

Organisational health and capability



Capable, enabled, empowered people



Information and systems

Outputs

Injury prevention

Levy engagement and collection

Investment management

Claims management

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.

Why this is important

We provide a fair and sustainable scheme to support people after injury — offering care, rehabilitation, and support to return to independence, with decisions that are consistent with legislation. We ensure that the support provided is necessary, appropriate, cost-effective, and directly related to injury needs.

In recent years, our approach to decision-making about cover and entitlements has been influenced by Court decisions, reviews, and changing societal expectations. As a result, our analysis shows that we are sometimes over-servicing clients, providing more expensive support than needed, providing it for longer than required, or funding services that are unrelated to a covered injury.

While many factors may sit outside our control, there are areas where we can make a difference, particularly in two key support areas — social rehabilitation and elective surgery.

We recognise that receiving support that is not fit for the injury can slow down recovery and inadvertently create ongoing dependence. It also drives up costs for levy payers and puts pressure on Scheme sustainability. To keep the Scheme fair and sustainable, we need to refocus our decisions and make sure we are funding the right support, at the right time for the right reasons.

How we will know we are on track

We will use the following measures to demonstrate the extent to which we are making a difference.

Measure	Actual 2024/25	Actual Sep 2025	Target 2029/30	Why this measure is important
Actuarial movement (influenceable)	+1.6%	-0.02%	Between 0% to -5%	By effectively managing the controllable costs of the Scheme, long-term sustainability is enhanced. Claims management practices have the potential to partially mitigate increases in the Outstanding Claims Liability.

What we want to achieve

Over 2025/26 and the next four years we will focus on achieving the following outcomes:

- Injured clients receive timely, fair, and consistent access to the care they need to quickly and sustainably recover from injury.
- Scheme boundaries are consistently applied to ensure that our spending on services and support is necessary and appropriate.
- Services are designed, commissioned, delivered, and evaluated with a clear focus on client recovery outcomes.
- We have systems and processes in place to prevent and detect fraud, abuse, and waste.

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.

Why this is important

Once an injury is sustained, treatment, rehabilitation, and a lasting return to work or independence will support the injured person to achieve optimal wellbeing. The benefits of prompt, effective rehabilitation extend to the injured person's family and community.

Currently, we are faced with a dual challenge: more people are accessing the Scheme, and many are taking longer to return to work and independence. As a result, over the last decade the cost of administering the Scheme has increased. The number of clients accessing weekly compensation for more than one year has now reached over 24,500. This growth has been driven largely by people with less-complex injuries, like sprains and fractures, who typically, should not need long-term support.

We know that accessing support for longer than necessary is detrimental to the client, their families, and the wider community. Long periods of disengagement from the workforce can negatively impact people's wellbeing, along with New Zealand's productivity and economic growth. Weekly compensation for clients who are out of work is also the lead contributor to the increased cost of the Scheme.

What we want to achieve

Over 2025/26 and the next four years we will focus on achieving the following outcomes:

- Clients experience a faster return to work and independence through effective and efficient case management, reducing long-term reliance on support.
- We identify clients who are at risk of delayed recovery and work with them to return to work and independence sooner.
- Clients and employers play their part in supporting lasting return to work and independence outcomes.
- We transition clients to independence when they are no longer eligible for ACC support and work effectively with other government agencies to do so.

How we will know we are on track

We will use the following measures to demonstrate the extent to which we are making a difference:

Measure	Actual 2024/25	Actual Sep 2025	Target 2029/30	Why this measure is important
Return to work: 28 days	35.1%	35.4%	>41%	
Return to work: 10 weeks	59.8%	60.2%	>68%	Research tells us that a rapid return to independence reduces the social and economic impacts of injury.
Return to work: nine months	87.9%	88.4%	>93%	We know that a rapid return to work makes a positive difference to people's health and wellbeing, while reducing the negative impacts of injury.
Return to work: one year	90.8%	91.2%	>95%	
Return to independence for those not in the workforce	83.0%	82.7%	83%	
Proportion of other claims ¹ in the long-term claims pool	63%	65%	<50%	Supporting injured clients back to independence is positive for them and can make a significant difference to the long-term sustainability of the Scheme.

¹ Other claims include injured people with claims that have not been identified as a serious injury, sensitive claim or long-term service claim. A full definition of this measure is provided on page 28.

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.

Why this is important

We must balance both client obligations and keeping levies fair and stable. In 2024/25, we recorded a net deficit of \$1.5 billion. The estimate of the present costs required to service existing claims (the Outstanding Claims Liability) increased to \$63.6 billion, while the value of our Investment Fund was \$51.1 billion. Financial pressure is expected to persist and needs to be addressed now to ensure both the long-term sustainability and intergenerational fairness of the Scheme. Materially improving the financial position of the Scheme is a key priority for ACC. We are taking urgent action to address the operational drivers of financial pressure. We need to 'get back to the basics' of efficient and effective claims management.

What we want to achieve

Over 2025/26 and the next three years we will focus on achieving the following outcomes:

- We have a fit-for-purpose operating model supported by modern technology and enabled by data.
- We reduce the gap between spend and revenue, and the value of investment assets matches our Outstanding Claims Liability.
- We have a strong performance culture and commercial capability, with a focus on value-for-money embedded in our decision-making.
- We promote an injury prevention culture which results in reduced claims.

How we will know we are on track

We will use the following measures to demonstrate the extent to which we are making a difference:

Measure	Actual 2024/25	Actual Sep 2025	Target 2029/30	Why this measure is important
New year costs' movement	+0.9%	+0.02%	Between 0% to -5%	By effectively managing the controllable costs of the Scheme, long-term sustainability is enhanced.
Investment performance (after costs) relative to benchmark	+0.42%	+0.36%	+0.15%	The quality of our investment management is an important factor in ensuring we have sufficient resources in the future, safeguarding the Scheme for future generations. We can gauge the quality by comparing our returns net of costs with that of a blended market average benchmark.
Return on investment — Injury prevention	\$1.92:\$1	\$1.85:\$1	\$1.80:\$1 and \$2.00:\$1	We invest in injury prevention initiatives to minimise the incidence and severity of personal injury. We estimate the return on investment to ensure our initiatives achieve a cost-effective reduction in levy rates or government funding.
Public trust and confidence	61%	62%	65%	The way the public views ACC is a useful indicator of how effectively we have delivered value to levy payers, clients, providers, and stakeholders.

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.

Why this is important

We are committed to building a high-performing organisation with a safe, positive, and inclusive environment. Our people, supported by strong systems and information, are central to helping injured people recover and thrive. We aim to foster a well-connected and collaborative workplace that promotes engagement, inclusivity, and productivity.

Our people are at the heart of delivering our purpose. We will invest in them and strengthen our organisational culture by responding to the recommendations of independent reviews, including the ACC Board-commissioned culture review undertaken in 2025. We will support people in their roles and ensure they understand how their work contributes to client outcomes.

We will grow the capability of our workforce to support high performance and professional growth. This includes embedding a strategic workforce planning practice that enables effective and efficient workforce decisions and supports future-focused capability development. We will enhance leadership capability across ACC, ensuring leaders are equipped to lead inclusive, high-performing teams and deliver on our priorities.

We will foster a mindset of continuous development, supported by a new learning strategy that enables our people to build skills in real time, on the job. This approach will create clearer career pathways, strengthen adaptability, and ensure our people are equipped to deliver high-value work and better recovery outcomes for our clients.

As a Crown entity, we are committed to being a good employer. We will provide safe working conditions, promote equal opportunities for employment and advancement, and attract and retain diverse, high-performing people who are engaged and committed to our purpose.

What we want to achieve

Over 2025/26 and the next three years we will focus on achieving the following outcomes:

- Our people are supported in their roles and empowered to improve client outcomes.
- We build a high-performance culture of leadership, accountability, collaboration, and inclusivity, enabled by our organisation values.
- We attract and retain diverse, high-performing people who support the communities we serve.
- We actively grow the professional capability of our workforce to support high-performance.

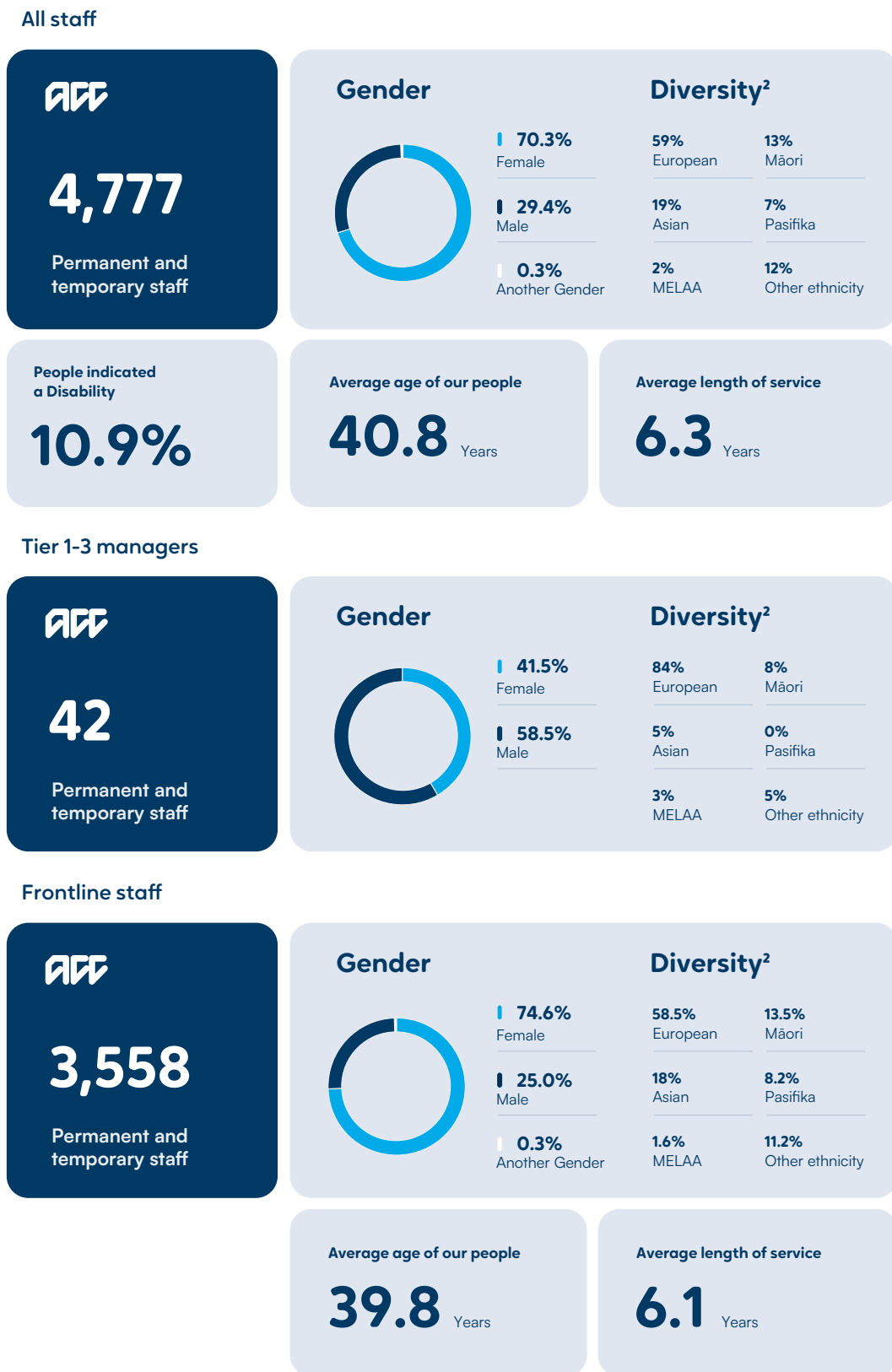
How we will know we are on track

We will use the following measures to demonstrate the extent to which we are making a difference:

Measure	Actual 2024/25	Actual Sep 2025	Target 2029/30	Why this measure is important
Employee engagement	4.14	4.01	4.20	Equipping our people with the right tools and capabilities enables them to be high-performing employees, engaged in their organisation and work.

Organisational health and capability

Figure 1 – Workforce profile as at 30 June 2025



² Diversity can add to more than 100% as employees were able to select more than one ethnicity. All percentages are calculated based on the employees who disclosed their diversity. All unknown diversity responses are excluded from the percentage calculations.

Our information and systems

Why this is important

ACC is the custodian of a wide range of personal, confidential, and sensitive information. Our customers have the right to know that their personal information is collected appropriately, stored securely, and only disclosed with appropriate authority. Customers must also be able to access and correct their information when needed.

At the same time, our technology must empower our people by providing them with the tools they need to deliver positive outcomes for our customers. Equally our use of customer, clinical, and provider data should support effective decision-making to deliver the right level of entitlements and service to customers. Further benefits will be achieved using smart technologies to support decision-making, enhance productivity, and modernise customer service via digital-first, self-service solutions, seamless integration, and increased automation. As a continually improving organisation, we also need to ensure that our organisation and customers are supported by reliable, safe, and secure information technology.

How we will know we are on track

We will use the following measures to demonstrate the extent to which we are making a difference:

Measure	Actual 2024/25	Actual Sep 2025	Target 2029/30	Why this measure is important
Number of privacy breaches (notifiable to the Office of the Privacy Commissioner)	2	0	0	Applying the principles of stewardship, we care for personal information of New Zealanders. Should a privacy breach occur, we aim to reduce harm.
Overall operational system availability	99.9%	99.9%	99.9%	Our systems need to be available so we can deliver the services our customers expect.



III.

Our Governance and risks

ACC Board and governance framework	22
Managing risks	24

ACC Board and governance framework

ACC is committed to excellent corporate governance processes and practices. ACC is governed by the ACC Board (the Board) of up to nine non-Executive members, each appointed by the Minister for ACC for up to three years. Board members are accountable to the Minister for performing their collective duties.

Minister for ACC		
ACC Board		
Risk, Assurance and Audit Committee	Investment Committee	People and Culture Committee
Chief Executive		
Executive		

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

All decisions relating to the operation of ACC must be made by, or under the authority of, the Board. The Board delegates responsibility to the Chief Executive for the day-to-day management and leadership of ACC, which includes matters relating to ACC's responsibilities as an employer.

The Board's governance role is guided and regulated by the Crown Entities Act 2004, the Accident Compensation Act 2001, the Public Service Act 2020 and any other legislation that provides authority for the powers and functions of ACC. These Acts include the following elements:

- maintaining appropriate relationships with the Minister, Parliament, and the public
- ensuring ACC's compliance with the law
- ACC's accountability documents and relevant Crown expectations
- ensuring that ACC is a good employer and creates an environment that promotes the highest standards of safety and wellbeing, both for its employees and the communities it serves
- setting strategic direction and developing policy on the operation and implementation of the legislation

- maintaining the financial viability and security of ACC and its investments
- appointing the Chief Executive of ACC
- monitoring the performance of ACC and its Chief Executive
- exercising due diligence to ensure that ACC complies with its obligations and primary duties
- all decisions about the operation of ACC must be made by, or under, the authority of the Board
- the Board delegates to the Chief Executive the day-to-day management and leadership of ACC.

Board committees

ACC has three standing Board committees to enhance the Board's focus in key areas. Each committee operates under its own Terms of Reference, which sets out the roles and responsibilities of the committee and its members.

- **Risk, Assurance and Audit Committee** — Assists the Board to fulfil its responsibilities for financial, investment, and operational service delivery controls, performance, monitoring, and reporting. The Committee has delegated authority to oversee, review, monitor, and provide recommendations to the Board on its responsibilities.
- **Investment Committee** — Assists the Board to monitor ACC's investment responsibilities. The Board has delegated to this Committee authority for investment decisions.
- **People and Culture Committee** — Assists the Board to review, approve, and make recommendations to the Board on people and culture matters, including diversity and inclusion, wellbeing, health and safety, and recognition, reward and remuneration. The Board has delegated to this Committee authority to approve the appointment of the Executive Team, approve gender, ethnic and pay gap reporting, and monitor the operations of Shamrock Superannuation Limited.

Te Tiriti o Waitangi | Treaty of Waitangi

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

Subsidiary company

Shamrock Superannuation Limited (Shamrock) is a wholly owned Crown entity subsidiary of ACC. It was established in 1991 to act as the independent corporate trustee for the mysuper Superannuation Scheme (mysuper).

Shamrock's role is to act in the best interests of members by serving as the independent trustee, manager, and custodian of mysuper's assets, as outlined in the mysuper Trust Deed.

Role of policy and monitoring agencies

ACC works closely with the Treasury and Ministry of Business, Innovation and Employment (MBIE) to ensure the effective delivery of the Scheme.

The Treasury represents the Crown's ownership interests in ACC and is a key advisor to the Minister for ACC. The Treasury advises the Minister of Finance on the performance and governance of ACC (including its investment function) and advises Ministers on policy matters, setting performance expectations and Board appointments. ACC's key engagements with the Treasury primarily relate to performance monitoring in relation to the Treasury's Crown Monitor role.

MBIE is the primary policy advisor on the Scheme and administers the Government appropriation that fund the Scheme. MBIE advises on both the primary legislation and the regulations governing the Scheme, the setting of levy rates, and the Scheme's performance on the delivery of its policy objectives. It also advises on future Scheme amendment opportunities.

Managing risks

ACC operates in a dynamic operating environment. Taking appropriate risks to achieve strategic objectives is a normal and necessary part of doing business. Risk management is integrated into our governance, business planning, and decision-making processes.

We adopt the Three Lines Model for how we manage risk across ACC. Our Enterprise Risk Management and Compliance Policy (the Policy) sets clear accountabilities and responsibilities for the management of risk, ensures clear separation of duties between first- and second-line risk activities, and supports the independence of internal and external assurance.

The Policy was refreshed and approved by the Board on 29 August 2024 along with our refreshed Enterprise Risk Management Framework. The framework supports staff to apply risk management in practice as part of their day-to-day operations. The framework is consistent with the principles set out in the ISO 31000:2018 Risk Management — Guidelines.

The Board Risk, Assurance and Audit Committee monitor and evaluate the maturity of ACC's risk management system and receives regular risk reporting.

The full refresh of our enterprise risks was approved by the Board on 11 June 2025. The view of enterprise risks is based on a top-down and bottom-up approach. It is informed by our strategic priorities, our focus on ensuring the Scheme is financially sustainable for future generations and that we maintain public trust and confidence. The descriptions of these enterprise risks may change over time, but the concepts reflect the enduring risks for ACC.

Individual risks are reviewed quarterly with functional Risk Leads, Subject matter experts and the respective Deputy Chief Executive Risk owner, to ensure they remain accurate and relevant. The risk profile is also reviewed quarterly to ensure it provides a complete view of our risk environment.

Note: the ordering of the risks does not denote risk rating or imply any form of ranking.

Scheme sustainability and long-term funding position

- **Claims 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.
- **Fee and levy management** — Risk that our fee and levy management systems and processes are not effective, efficient, and / or lack transparency.
- **Health system commissioning** — Risk that ACC fails to strategically partner with health system leaders and manage providers to deliver improved client outcomes, quality, and value for money.
- **Injury prevention impact** — Risk that we fail to deliver the culture change required across New Zealand to reduce the incidence, severity, and cost of injuries.
- **Investment performance** — Risk that investment performance does not materially offset economic assumptions of the Outstanding Claims Liability on a long-term basis.
- **Overhead cost management** — Risk that our forecasting, cost control, and financial reporting processes are not effective, efficient, and / or do not adhere to relevant laws, regulations, and standards.
- **Scheme boundaries** — Risk that changes to Scheme boundaries and services are not fully funded to manage Scheme costs in a sustainable way.

Strategic risks

- **Change delivery system** — Risk that ACC does not effectively coordinate, sequence, and manage change activity at an enterprise level to fully realise expected outcomes and benefits.
- **Climate change adaptation** — Risk that ACC fails to monitor, prepare, and adapt for known and future climate change impacts and opportunities.
- **Data governance** — Risk that ACC fails to manage data as a strategic asset to enable evidence-based decision-making and organisational priorities.
- **Mana Taurite | Equity** — Risk that ACC fails to improve access, experience, and outcomes for Māori and identified populations.
- **Strategic direction and alignment** — Risk that ACC fails to establish a clear strategic direction aligning our operating model, leadership, and resources to optimise delivery of strategic priorities.

Operational risks

- **Business continuity** — Risk that ACC does not effectively respond to, and recover from, a business disruption.
- **Cyber and information security** — Risk of loss of data, or other information security event, due to cybersecurity threats, including malicious acts, cybercrime, and misuse of emerging technologies.
- **Integrity and internal fraud** — Risk that ACC employees fail to uphold expected behaviours and / or “do the right thing”.
- **Operational control environment** — Risk that core operational processes and controls are not effective, efficient, and / or do not adhere to relevant laws, regulations, and standards.
- **Wellbeing, health and safety** — Risk that ACC does not take all practicable steps to ensure the wellbeing, health and safety of employees and those impacted by our work.
- **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.

Legal and compliance risks

- **Privacy** — Risk that our actions or decisions involving personal information are (or are perceived to be) unlawful, unethical, and / or do not maintain the trust and confidence of New Zealanders.

IV.

Appendices

Appendix 1: Glossary of terms	27
Appendix 2: Glossary of performance measures	28
Appendix 3: Our performance framework	30

Appendix 1: Glossary of terms

Accident Compensation Act 2001

The primary legislation which sets out the functions of the Accident Compensation Scheme and establishes ACC to deliver it.

Client

A person who makes a claim under the Scheme.

Crown entity

An organisation in which the Government has a controlling interest, as defined in the Crown Entities Act 2004.

Crown financial institution

A Crown entity that manages and invests significant financial assets that are held to pre-fund future expenditure, either for specific liabilities (as is the case with ACC) or expected future expenditure.

Entitlement claim

A claim that has received support in addition to medical treatment, such as weekly compensation, social or vocational rehabilitation for a covered injury.

Levies

Amounts charged, separate from general taxation, and used to cover the cost of injuries caused by accidents within the Motor Vehicle, Earners', Earners' portion of the Treatment Injury and Work Accounts.

Long-term claims pool

A long-term claims pool client has received weekly compensation for more than 365 days.

Non-Earners' Account

The Account for injuries of people not in employment that are not motor vehicle or treatment injuries, such as children and retirees.

Outstanding Claims Liability

An estimate of the present value of expected future payments on all existing ACC claims.

Return on investment

The return or benefit obtained from an investment over and above the original investment, commonly expressed as a percentage or ratio.

Scheme

New Zealand's no-fault accident insurance scheme that provides cover to all New Zealanders and visitors to our country.

Serious injury

Serious injuries include moderate to severe traumatic brain injuries, spinal cord injuries and comparable injuries. This includes injuries that have comparable severity e.g. multiple amputations, brachial plexus avulsion, severe burns, and complete blindness.

Statement of Intent

A statutory document that covers a four-year period and outlines our medium-term strategic intentions, represented by our three current strategic objectives.

Strategic intentions

The areas that ACC has identified as needing the most focus during the period of the Statement of Intent (2026–2030). These are represented by our three current strategic objectives.

Weekly compensation

Payments to compensate clients for injury-related loss of income from work. Weekly compensation pays up to 80% of a person's pre-incapacity weekly wages, up to a statutory maximum.

Appendix 2: Glossary of performance measures

Actuarial movement (influenceable)

The percentage growth in the Outstanding Claims Liability (balance at the start of the year) from actuarial gains or losses. Actuarial gains or losses arise from claim volumes, types, and costs differing from expectations.

Employee engagement

Employee engagement is the grand mean (average of averages) of results across 12 questions. The questions cover aspects of engagement on a scale of 1 to 5, including basic needs, management support, teamwork and belonging, and growth. This is measured annually using a survey tool.

Investment performance (after costs) relative to benchmark

A measure of ACC's investment performance after costs compared with the industry standard. Measured as the percentage above the blended market average benchmark. Presented as a rolling 10-year result.

New year costs' movement

Annual movements in the expected lifetime costs to ACC of new accidents, excluding the effects of legislation and policy changes and changes in economic conditions. Presented as a point-in-time result.

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

The number of privacy breaches notifiable to the Office of the Privacy Commissioner based on regulated criteria for mandatory notification. Presented as a year-to-date result.

Overall operational system availability

The percentage of time in which key applications and networks are available to perform required functions. Presented as a year-to-date result.

Proportion of other claims in the long-term claims pool

The number of other clients who have received weekly compensation for more than 365 days. Presented as a point-in-time result. 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, including injuries that have 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).

Public trust and confidence

The proportion of the public who report feelings of trust or high trust in ACC. Respondents rate their trust and confidence on a scale of 0 to 10. A rating of 7 to 10 corresponds to 'trust/high trust'. Presented as a rolling four quarter result.

Return on investment — Injury prevention

The return on investment from our injury prevention investments. This consists of two parts: the historical value of claims saved divided by the cost of the interventions to date, and the 10-year expected claims saved divided by the likely future cost of the interventions. The future investment and value of claims saved in the calculation of the return on investment are discounted using our expected investment rate of return. The measure excludes ACC's investment with WorkSafe New Zealand. Presented as an evaluation of the costs and savings at a point in time.

Return to independence for those not in the workforce

The proportion of clients (who have never received weekly compensation) who have returned to independence (ceased receiving any entitlement payments) in 12 months. Excludes serious injury claims. Presented as a rolling 12-month result.

Return to work: 28 days

The percentage of clients receiving weekly compensation who return to work within 28 days. A client is considered to have returned to work five weeks after the cessation of weekly compensation payments. Presented as a 52-week rolling average result.

Return to work: 10 weeks

The percentage of clients receiving weekly compensation who return to work within 10 weeks (70 days). A client is considered to have returned to work five weeks after the cessation of weekly compensation payments. Presented as a 52-week rolling average result.

Return to work: nine months





The percentage of clients receiving weekly compensation who return to work within nine months (273 days). A client is considered to have returned to work five weeks after the cessation of weekly compensation payments. Presented as a 52-week rolling average result.

Return to work: one year

The percentage of clients receiving weekly compensation who return to work within one year (365 days). A client is considered to have returned to work five weeks after the cessation of weekly compensation payments. Presented as a 52-week rolling average result.

Appendix 3: Our performance framework

Statement of Intent Measures

Strategic Objectives			Organisational Health and Capability
			
Care that leads to lasting recovery	Timely return to work or independence	Efficient organisation, sustainable Scheme	Capable, enabled, empowered people
1 Actuarial movement (influenceable)	2 Return to work: 28 days	8 New year costs' movement	12 Employee engagement
	3 Return to work: 10 weeks	9 Investment performance (after costs) relative to benchmark	13 Number of privacy breaches (notifiable to the OPC)
	4 Return to work: nine months	10 Return on investment — Injury prevention	14 Overall operational system availability
	5 Return to work: one year	11 Public trust and confidence	
	6 Return to independence for those not in the workforce		
	7 Proportion of other claims in the long-term claims pool		

Service Agreement Measures

Levy engagement and collection		Claims management	
1	Actuarial movement (influenceable)	2	Return to work: 28 days
8	New year costs' movement	2.1	Cover decision timeliness: non-complicated claims
Investment management		2.2	Cover decision timeliness: complicated claims
9	Investment performance (after costs) relative to benchmark	2.3	Weekly compensation setup timeliness
Injury prevention		3	Return to work: 10 weeks
10	Return on investment — Injury prevention	4	Return to work: nine months
Organisational Health and Capability		5	Return to work: one year
12	Employee engagement	6	Return to independence for those not in the workforce
13	Number of privacy breaches (notifiable to the OPC)	7a	Long-term claims pool volume
14	Overall operational system availability	11	Public trust and confidence
		11.1	Percentage of total expenditure paid directly to or for services to clients
		11.2	Proportion of reviews upheld in favour of ACC (in favour of ACC at hearing or resolved before hearing)
		11.3	Average time to resolution for claims with a review
		11.4	Claim lodgement rate for Māori

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