ACC's turnaround plan to deliver better outcomes for injured New Zealanders: 2026/27

ACC's turnaround plan has delivered significant improvements over the last twelve months, building a strong foundation for our goal of delivering best-ever performance levels by 2030.

Injured New Zealanders are getting the care and support they need to return to work and independence earlier, delivering better outcomes for them, their families, and their communities. This is also reducing ACC's costs, delivering better value for tax and levy payers, and improving the Scheme's long-term financial sustainability.

This year, ACC will progress further activity to improve performance, aligned to the priority areas in our strategy. We'll continue to measure success through the targets in our 2026/27 Service Agreement and Statement of Intent 2026-2030.

Strategic priority one: Care that leads to lasting recovery

Action one: Improve how we commission services to deliver better client outcomes and value-for-money

Action two: Ensure decision-making around care reflects clinical evidence and consistent application of Scheme boundaries

Action three: Use targeted performance management to ensure rehabilitation services effectively support client recovery, independence, and return to work

Action four: Enhance how we proactively prevent, monitor and detect fraud, waste and abuse.

Strategic priority two: Timely return to work and independence

Action five: Identify clients at risk of delayed recovery earlier, so the right support is provided at the right time

Action six: Further strengthen ACC's recovery and rehabilitation case management, supporting a focus on faster and more sustainable returns to work and independence

Action seven: Reduce long-term dependence on ACC for clients with less serious injuries

Action eight: Support the efficiency and effectiveness of decision-making, through automation and digital services.

Strategic priority three: Efficient organisation, sustainable Scheme

Action nine: Embed a new operating model for ACC that supports long-term financial sustainability

Action ten: Improve the way we operate, by simplifying and modernising our technology, and lifting data quality and consistency

Action eleven: Embed a performance focus across everything we do, through improved frameworks, reporting, fiscal discipline, and ways of working.

Strategic enabler: Capable, enabled, empowered people

Action twelve: Embed and monitor recommendations from the Culture Review, to ensure that ACC is a safe and inclusive organisation that supports high performance

Action thirteen: Build the capability and capacity of our workforce to sustainably change and strengthen how we operate longer-term.

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

ACC's turnaround plan to deliver better outcomes for injured New Zealanders:

2026/27

Board Chair foreword

Over the past year, ACC's turnaround plan has driven a disciplined focus on what matters most — supporting injured New Zealanders to get timely access to the support they need for recovery.

This focus is delivering results. Guided by ACC's new strategy, turnaround plan and performance targets, more people are returning to work and independence, sooner.

This is a positive outcome for them, and for us all. We know that effective rehabilitation is good for individuals and New Zealand's wider productivity and economic growth.

Improving outcomes for ACC's clients is also good for the financial sustainability of the Scheme, delivering better value for tax and levy payers.

While the Board acknowledges the positive results ACC has delivered, and the efforts of its people in achieving these, we're clear there's more to do. Our 2026/27 turnaround plan represents a strategic, multi-year approach to achieving ACC's ambition of best-ever performance by 2030.

The Board will continue closely monitoring delivery and holding the organisation to account. We're also focused on ensuring ACC considers value-for-money and fiscal discipline across its operations.

ACC operates in a complex environment, with external pressures continuing to challenge the Scheme. We recognise that addressing these requires ongoing collaboration with our Minister, the government, providers, employers, and the wider system.

It also requires all New Zealanders to play a role. This includes by taking practical steps to reduce injuries and playing an active role in their recovery.

As stewards of the Scheme, the Board is committed to protecting its sustainability for future generations of New Zealanders. This turnaround plan continues the momentum built over the last 12 months and is a further step forward in that journey.

Jan Dawson

Board Chair
Accident Compensation Corporation

Introduction

ACC introduced a turnaround plan in 2025/26 that has delivered better outcomes for injured New Zealanders and improved financial results. This updated turnaround plan for 2026/27 builds momentum towards ACC's goal of delivering best-ever performance. ACC is focused on ensuring injured New Zealanders get the care they need and that the Scheme is financially sustainable for the future.

ACC's performance has significantly improved over the last twelve months

The Accident Compensation Scheme has been under pressure. Over the last decade, declining performance put its financial sustainability at risk. This trend had been expected to continue throughout 2025/26, with forecasts that more people would take longer to return to work and independence. However, ACC's turnaround plan has driven significant improvements.

More New Zealanders are recovering from their injuries at faster rates, reflecting ACC's focus on delivering the new targets set by our Board in January 2026. The long-term claims pool is now 24,454, down from a projected 26,180, driven by fewer people with less serious injuries relying on support long-term. People are also returning to work and independence sooner, with most clients (92%) no longer receiving income support from ACC one year after their injury.

Table one: impact of the turnaround plan on ACC's 2025/26 performance

Measure	Year-end result	Target	Forecast prior to the turnaround plan
Return to work rate			
28 days	37%	37%	n/a
Ten weeks	62%	63%	62.2%
Nine months	90%	91%	88.8%
One year	92%	92%	91.4%
Long-term claims pool			
Growth rate	-0.4%	n/a	+6.6%
Volume	24,454	24,000	26,180

Introduction

At the same time, ACC has maintained high levels of trust and confidence. Public trust and confidence remains high at 63%, client satisfaction has increased to 77%, and most formal reviews (73%) indicate ACC is making the right decisions for our clients. These results demonstrate our focus on consistent, evidence-based decision-making, in line with our legislation.

These results are strengthening the long-term financial sustainability of the Scheme and delivering improved value for tax and levy payers. Decreased spending on weekly compensation and key treatment costs (social rehabilitation and elective surgery) has significantly reduced the Scheme's liability[1]. We expect ACC's overall financial position will continue to improve, reducing the risk of future generations meeting today's costs.

Most importantly, these results represent better outcomes for injured New Zealanders. Providing timely and effective care, and supporting people back to work and independence, is at the heart of our turnaround plan. This is because accessing ACC support for longer than necessary isn't good for injured people, their family, community or employer, and New Zealand's wider productivity and economic growth.

These results reflect a disciplined focus on delivery, driven by the 2025/26 turnaround plan

The 2025/26 turnaround plan responded to our Minister's expectations that ACC deliver better rehabilitation outcomes and Scheme sustainability. It also addressed recommendations from three reviews into our performance: a Minister-commissioned review of ACC's approach to improving rehabilitation performance (the 'Finity review'); a Board-commissioned review into aspects of ACC's organisational culture; and a Treasury commissioned review of ACC's investment function.

The disciplined and targeted focus driven through the 2025/26 turnaround plan has underpinned the performance results we're now seeing. 79% of the 48 actions in the 2025/26 plan are now complete, including actions responding to all recommendations from the investments reviews and nine of ten recommendations from the culture review. Most (17 of 23) recommendations from the Finity review have also been addressed, with a small number continuing into this plan, as part of our longer-term approach to supporting Scheme sustainability.

1. This document contains ACC's provisional year-end results. The numbers in this document are provisional, subject to finalisation of claims liability valuation, final investment valuations, assessments of events subsequent to balance date and external audit. Final year-end results will be released in ACC's Annual Report.

Introduction

While this progress is positive, there's more to do

Our turnaround plan is focused on returning ACC to its best-ever performance levels by 2030. As stewards of the Scheme, ACC is focused on protecting its long-term financial sustainability and delivering excellent outcomes for our clients. The performance momentum built throughout 2025/26 provides a strong foundation for further improvements in coming years.

As signalled in the 2025/26 plan, ACC recognises that delivering its long-term performance targets will require significant changes in how we operate over time. This year's turnaround plan represents a shift from immediate, targeted actions to more strategic, multi-year delivery. We expect to update the actions in the turnaround plan later this year, when further work to design our future approach to supporting clients is complete.

In January 2026, ACC launched a new strategy to support a 'back to basics' approach, which protects the Scheme for future generations. This 2026/27 turnaround plan reflects the priorities and enabler included in *Our Strategy* (2026-29), ensuring ACC's effort and activity delivers on our vision of becoming a trusted and high-performing organisation.

ACC will continue to report publicly on the turnaround plan monthly, providing further transparency on how performance is improving over time. ACC's Board and Minister will also closely monitor the plan, to ensure ACC maintains organisational focus on its strategic priorities and targets.

External factors continue to put pressure on the Scheme

While ACC is focused on doing everything possible to turn around performance, the Scheme's financial position also reflects factors outside our control. Significant increases in sensitive claims[2] continue to put pressure on our long-term claims pool and Non-Earners' Account[3]. We're also experiencing wider cost pressures, including for acute hospital services and following conflict in the Middle East.

2. Sensitive claims are claims from people who have experienced sexual abuse or assault.
3. The Non-Earners' Account is funded through general taxation and covers the cost of supporting injured people who are not in employment, like children, beneficiaries and students.

Our Strategy 2026 - 2029

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 Priorities

Care that leads to lasting recovery

- Timely, fair and consistent access to care.
- Scheme boundaries are consistently applied.
- Services with a clear focus on client recovery and outcomes.
- Systems and processes to prevent and detect fraud, misuse, and waste.

Timely return to work and independence

- Effective and efficient case management.
- Early identification of clients at risk of delayed recovery.
- Clients and employers play their part in supporting lasting outcomes.
- Effective transition to independence.

Efficient organisation, sustainable Scheme

- Fit-for-purpose operating model supported by technology and data.
- Improved financial results.
- Commercial capability and performance culture.
- Promoting an injury prevention culture.

Strategic Enabler

Capable, enabled, empowered people

- Our people are supported and empowered in their roles.
- Diverse and high-performing people.
- Safe, positive, and inclusive culture enabled by our organisational values.
- Strengthened workforce capability.

Values

We are proud to serve

We are courageous and own our actions

We are better together

Strategic priority one: Care that leads to lasting recovery

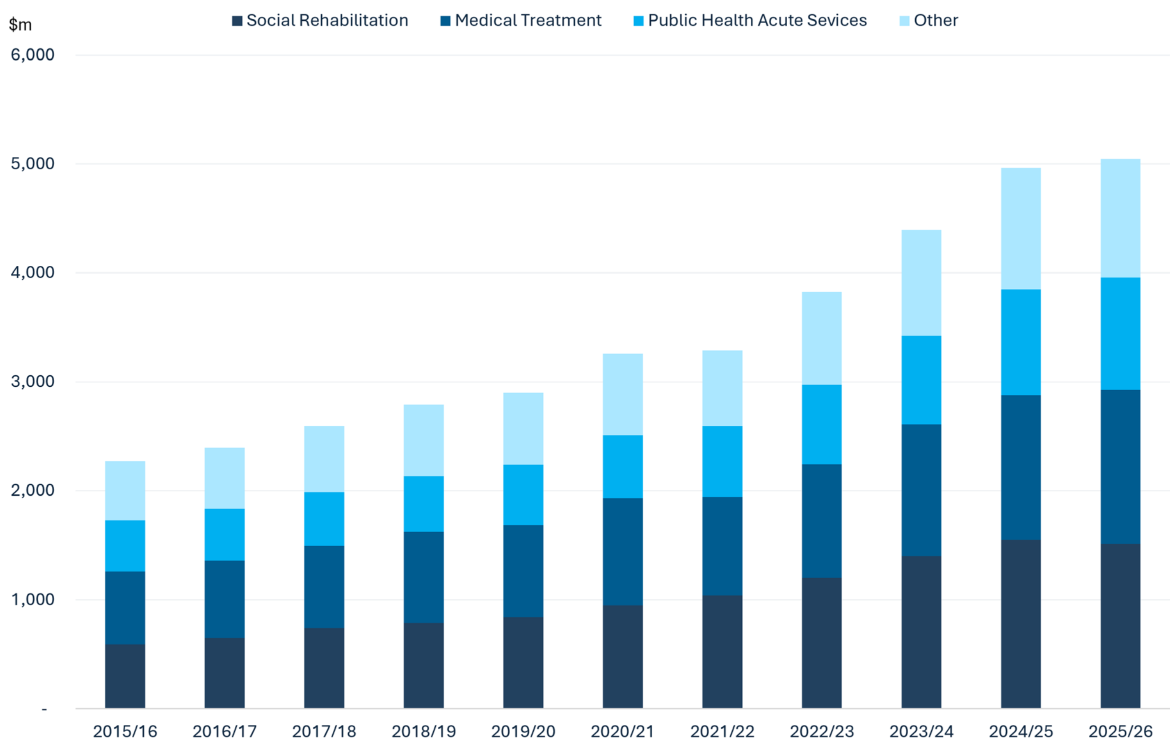
We invest in effective and appropriate care that supports people to recover from their injuries. Our decision-making is evidence-based, consistent, timely, and aligned with our legislative purpose. We commission outcome-focused services and ensure that providers play their part in achieving lasting recovery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

Why this priority area?

ACC has spent significantly more on rehabilitation and treatment support over the last ten years, with costs increasing from $2.3b to $5.0b, well above demand, population and inflation growth. While the rate of growth decreased over the last year, further effort is required to ensure this spending is effective and sustainable.

It's also critical that ACC makes decisions consistent with its legislation. This means continuing to ensure support is necessary and appropriate, cost-effective, and directly related to injury needs. We're focused on working with providers to ensure clients are getting the level and type of support they need to recover from their injuries.

Figure 1: total spending on rehabilitation and treatment over last ten years



Strategic priority one:
Care that leads to lasting recovery

By 2029/30, how will we know we are successful?

- 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 supports is necessary and appropriate.
- Services are designed, commissioned, delivered, and evaluated with a clear focus on client recovery and outcomes.
- We have systems and processes in place to prevent and detect fraud, misuse, and waste.

What will we measure?

Measure	Target [4]	
	2026/27	2029/30
Actuarial movement (influenceable)	-2% to -5%	0% to -5%

What will we deliver this year?

Actions	
Action 1: Improve how we commission services to deliver better client outcomes and value-for-money	
Action 1.1.	Develop and begin to implement a long-term commissioning approach for strengthening how we work with providers to sustainably improve performance, building on changes already underway.
Action 1.2.	Improve rehabilitation and treatment services with the greatest impact on client outcomes, including Primary Care, Secondary Care, and Needs Assessment.
Action 1.3.	Implement the tools, frameworks, capabilities and performance management approaches needed to become a high performing commissioning function.

4. 2026/27 targets throughout this plan are from ACC's Service Agreement, while 2029/30 targets are from the Statement of Intent.

Strategic priority one:
Care that leads to lasting recovery

What will we deliver this year?

Actions	
Action 2: Ensure decision-making around care reflects clinical evidence and consistent application of Scheme boundaries	
Action 2.1.	Define and begin implementing clearer service standards and clinical benchmarks for different injury types, to support more consistent and transparent decisions.
Action 2.2.	Strengthen ACC's clinical leadership and governance.
Action 2.3.	Implement clinical position statements for priority treatments, supporting accurate and consistent decisions, aligned with legislation.
Action 2.4.	Improve the consistency and quality of elective surgery decisions, through changes to end-to-end processes.
Action 2.5.	Ensure case managers can efficiently access timely, high-quality clinical advice to inform their decisions.
Action 3: Use targeted performance management to ensure rehabilitation services effectively support client recovery, independence, and return to work	
Action 3.1.	Performance manage key rehabilitation and treatment services, so they consistently deliver better client outcomes.
Action 3.2.	Strengthen controls for spending on high-cost social rehabilitation and treatment services.
Action 4: Enhance how we proactively prevent, monitor and detect fraud, waste and abuse	
Action 4.1.	Use data and analytics to enable early and proactive case management intervention in potential fraud, waste and abuse.

Strategic priority two: Timely return to work and independence

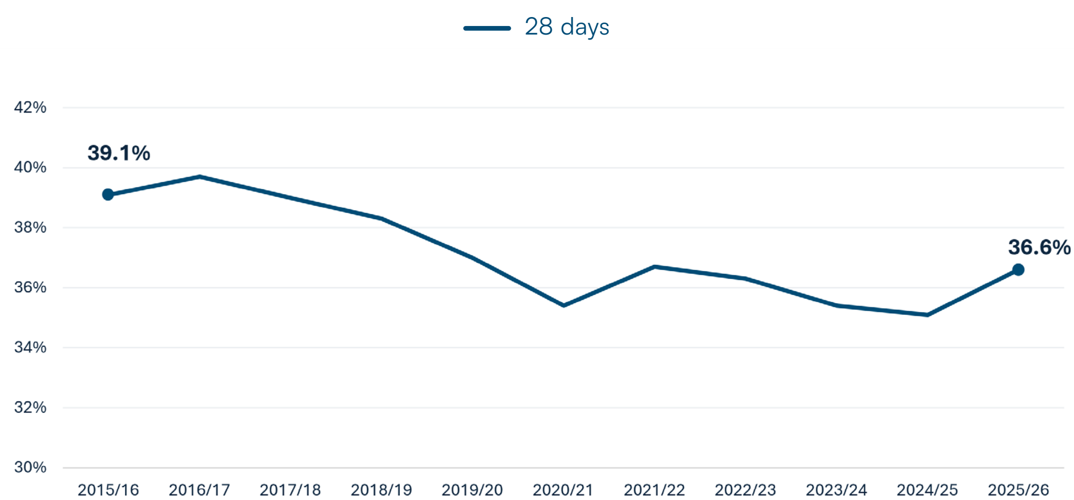
We are committed to excellence in rehabilitation. Our best-practice case management sees injured people return to lasting work or independence. We ensure that employers and clients play their part in achieving timely recovery outcomes.

Why this priority area?

ACC will always be there for people with serious injuries who need support throughout their lifetime. But over the last decade, more people with less serious injuries, like sprains and strains, have been taking longer to return to work and independence. This has widespread negative outcomes — both for the individual and wider society.

Over the last year, more people with less serious injuries have been supported to return to work and independence sooner. As a result, our spending and future liability on income support has reduced, with 2025/26 weekly compensation costs ~$250m lower than expected. We're focused on continuing to lift our performance, ensuring clients receive early and effective case management support that delivers better outcomes.

Figure 2: Short-term return to work rates (28 days)



Strategic priority two:
Timely return to work and independence

Figure 3: Short-term return to work rates (Ten weeks)

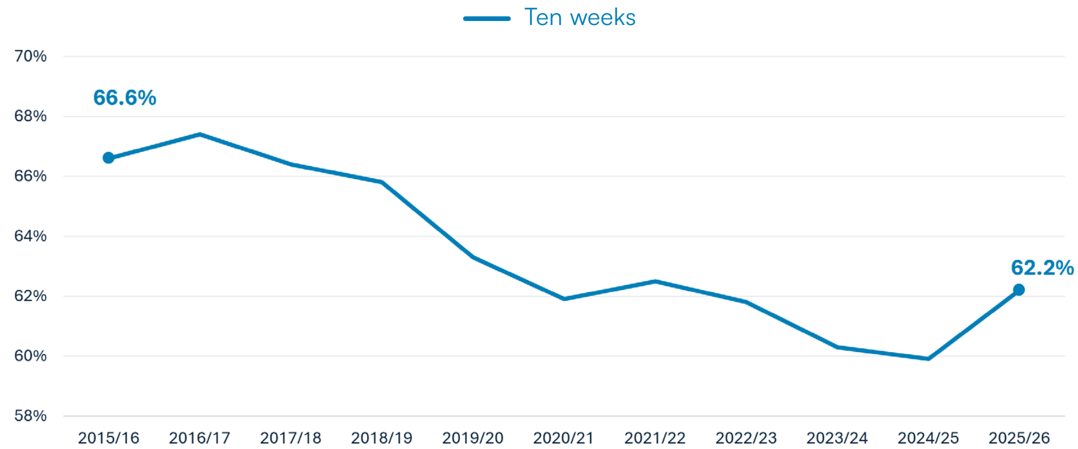


Figure 4: Short-term return to work rates (Nine months)

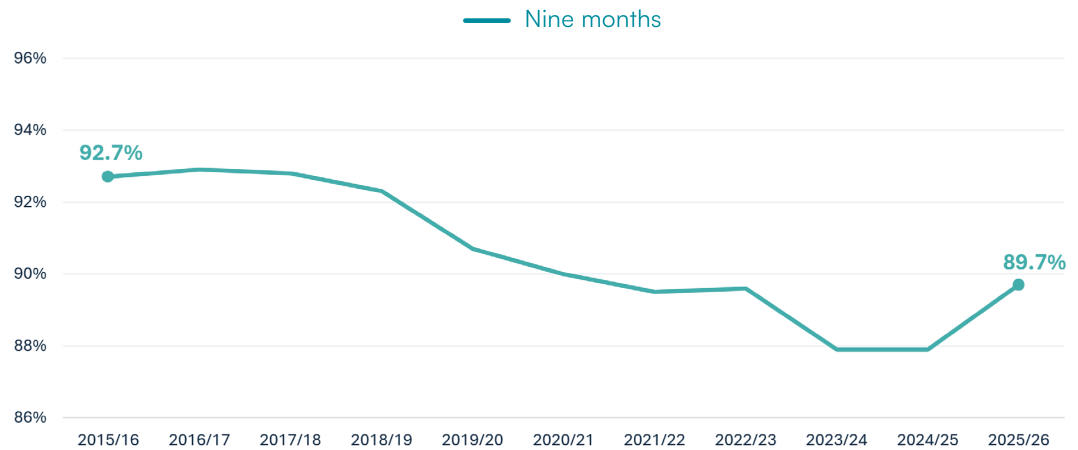
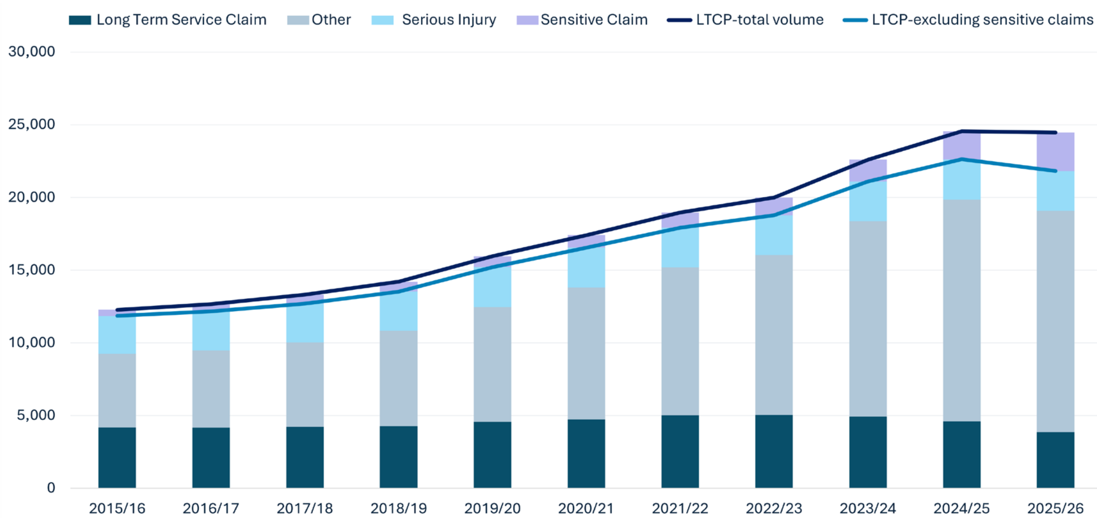


Figure 5: Long-term claims pool



Strategic priority two:
Timely return to work and independence

By 2029/30, how will we know we are successful?

- 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 early 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 our support and work effectively with other government agencies to do so.

What will we measure?

Measure	Target	
	2026/27	2029/30
Return to work: **28 days**	38.1% to 39.1%	> 41%
Return to work: **ten weeks**	64.4% to 65.4%	> 68%
Return to work: **nine months**	91.0% to 92.0%	> 93%
Return to work: **one year**	93.2% to 94.2%	> 95%
Long-term claims pool volume (excluding Sensitive Claims)	20,350 to 20,850	N/A[5]
Long-term claims pool total volume (including Sensitive Claims)	23,000 to 23,500	< 20,000

What will we deliver this year?

Actions	
Action 5: Identify clients at risk of delayed recovery earlier, so the right support is provided at the right time	
Action 5.1.	Define and begin to implement a long-term approach to identifying people at risk of delayed or poor recovery, to enable earlier intervention.

5. This is a new measure introduced in ACC's 2026/27 Service Agreement. As such, there is no corresponding measure in ACC's Statement of Intent 2026-2030, which was released in January 2026.

Strategic priority two:
Timely return to work and independence

What will we deliver this year?

Actions	
Action 6: Further strengthen ACC's recovery and rehabilitation case management, supporting a focus on faster and more sustainable returns to work and independence	
Action 6.1.	Design and begin to implement our future approach to strengthening recovery and rehabilitation management and clarify how and when ACC (and other third-party administrators and providers) intervene across the full claims journey.
Action 6.2.	Use insights from reviews and resolutions to improve ACC's processes and practices.
Action 6.3.	Implement and embed a case management capability framework and a new induction process, so expectations, support and development are consistent.
Action 6.4.	Enable case managers to efficiently and effectively access the knowledge they need for decision-making.
Action 6.5.	Continue to strengthen the connection between ACC and employers, helping injured people stay engaged with their workplace.
Action 6.6.	Transition and embed relevant initiatives from the 2025/26 turnaround plan, to ensure performance improvements are sustained.
Action 7: Reduce long-term dependence on ACC for clients with less serious injuries	
Action 7.1.	Redesign vocational medical services to improve the quality of referrals and ensure they are used efficiently.
Action 8: Support the efficiency and effectiveness of decision-making, through automation and digital services	
Action 8.1.	Design and begin to implement a long-term approach for using automation, digital integration and AI to reduce manual tasks.
Action 8.2.	Improve the consistency and quality of elective surgery referral and treatment plans, by enabling digital submission.

Strategic priority three: 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 priority area?

As stewards of the Scheme, ACC must deliver value for tax and levy payers, now and into the future. This requires ACC to leverage new technology, innovate our operations and seek opportunities to improve performance.

We're focused on continuing to embed a 'back to basics' approach, that sees us operate efficiently and deliver the fundamentals of the Scheme well.

By 2029/30, how will we know we are successful?

- 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 long-term liability.
- We have a strong performance culture and commercial capability, with a focus on value-for-money embedded in its decision-making.
- We promote an injury prevention culture which results in reduced claims.

What will we measure?

Measure	Target	
	2026/27	2029/30
New year costs' movement	-2% to -5%	0% to -5%
Investment performance (after costs) relative to benchmark	+0.15%	+0.15%
Return on Investment — Injury prevention	$1.78:$1 to $1.98:$1	$1.80:$1 to $2.00:$1

Strategic priority three:
Efficient organisation, sustainable Scheme

What will we deliver this year?

Actions	
Action 9: Embed a new operating model for ACC that supports long-term financial sustainability	
Action 9.1.	Finalise the detailed design of a future operating model for ACC, alongside implementing early changes.
Action 9.2.	Implement and embed ACC's new injury prevention operating model.
Action 10: Improve the way we operate, by simplifying and modernising our technology, and lifting data quality and consistency	
Action 10.1.	Design and begin to implement a long-term approach for simplifying our technology and data platforms, so they support a more effective and efficient claims management system.
Action 10.2.	Design and begin shifting to a comprehensive and complete view of customers, to improve decision-making and performance management.
Action 10.3.	Continue to upgrade and enhance ACC's core systems and platforms, to ensure they are modern and resilient.
Action 10.4.	Improve the efficiency and effectiveness of payments to suppliers, through moving to digital systems and processes.
Action 11: Embed a performance focus across everything we do, through improved frameworks, reporting, fiscal discipline, and ways of working	
Action 11.1.	Build an integrated and enhanced performance monitoring framework, based on a prioritised set of core measures and accountabilities leaders can easily access and action.
Action 11.2.	Implement changes to improve advice and decision-making within internal groups governing ACC's operations.

Strategic priority three: Efficient organisation, sustainable Scheme

What will we deliver this year?

Actions	
Action 11: Embed a performance focus across everything we do, through improved frameworks, reporting, fiscal discipline, and ways of working	
Action 11.3.	Provide advice to ACC's Board and Minister on options for managing wider Scheme boundary and sustainability pressures.
Action 11.4.	Improve our financial systems and processes, strengthen financial capability, and improve ACC's levy system.
Action 11.5.	Integrate and embed risk management practices, to support improved decision-making.

Strategic enabler: 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 priority area?

ACC's people are its most important resource. We know that strengthening our organisational culture and the capability of our people is key to ACC's performance turnaround.

We're focused on continuing to build a highly capable, enabled and empowered workforce, and ensuring ACC is a safe, positive and inclusive organisation.

By 2029/30, how will we know we are successful?

- 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 organisational values.
- We attract and retain diverse, high-performing people who support the communities we serve.
- We actively grow the capability of our workforce to support high-performance.

What will we measure?

Measure	Target	
	2026/27	2029/30
Employee engagement	73%	>73%

Strategic enabler:
Capable, enabled, empowered people

What will we deliver this year?

Actions	
Action 12: Embed and monitor recommendations from the Culture Review, to ensure ACC is a safe and inclusive organisation that supports high performance	
Action 12.1.	Embed our response to the Culture Review by lifting organisational engagement, collaboration and the effectiveness of core people processes, including performance development and recruitment.
Action 13: Build the capability and capacity of our workforce to sustainably change and strengthen how we operate longer-term	
Action 13.1.	Establish a long-term approach for actively managing the impact of change as we iteratively deliver a future rehabilitation system.
Action 13.2.	Enhance ACC's strategic workforce planning practices and introduce a new workforce strategy.
Action 13.3.	Lift leadership capability across ACC, through targeted development programmes.
Action 13.4.	Build key learning foundations, through a new learning strategy, updated ways of working, and technology.