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Te Whare Māngai o Aotearoa

Education and Workforce Committee

Komiti Whiriwhiri Take Kuranga, Take Hunga Mahi

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**2024/25 Annual review of the Accident
Compensation Corporation**

**2024/25 Annual review of WorkSafe New
Zealand**

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2024/25 Annual reviews of ACC and WorkSafe

Recommendation

The Education and Workforce Committee has conducted the annual review of the Accident Compensation Corporation and WorkSafe New Zealand for 2024/25, and recommends that the House take note of its report.

The labour sector—about our consideration and this report

This report covers the 2024/25 annual reviews of the Accident Compensation Corporation (ACC) and WorkSafe New Zealand. Both receive Crown funding through Vote Labour Market. We also met with the Minister for ACC, Hon Scott Simpson, and the Minister for Workplace Relations and Safety, Hon Brooke van Velden, to discuss key issues and progress on their priorities for the labour market sector.

The Ministry of Business, Innovation and Employment (MBIE) also plays an important role in the sector, advising the Government on employment and immigration policy. Its annual review is conducted by the Economic Development, Science and Innovation Committee.

Immigration New Zealand, one of MBIE’s business units, regulates the immigration sector, processes visa applications, and supports refugee settlement. We have initiated a separate briefing to consider Immigration New Zealand’s performance in 2024/25. We held hearings with Immigration New Zealand, the Minister of Immigration, and the Associate Minister of Immigration on 4 March 2026. We will report on that briefing separately in due course.

Accident Compensation Corporation | Te Kaporeihana Āwhina Hunga Whara

The Accident Compensation Corporation (ACC) is a Crown entity governed by the Accident Compensation Act 2001. ACC administers New Zealand’s no-fault accident insurance scheme and runs injury prevention initiatives. The legislated purpose is “minimising both the overall incidence of injury in the community, and the impact of injury on the community (including economic, social, and personal costs)”. ACC’s annual report says it is working to get back to its core purpose of injury rehabilitation.

Dr Tracey Batten was board chair from March 2024 until her resignation in June 2025. David Hunt served as interim board chair until the appointment of the current chair, Jan Dawson, in October 2025. We thank Dr Batten and Mr Hunt for their contributions to ACC. Megan Main is the chief executive and has been in the position since 2021.

ACC had 4,536 full-time equivalent staff as at 30 June 2025, up 5.7 percent from June 2024.

Hon Scott Simpson became the Minister for ACC in late February 2025. In December 2025, we spoke with him about the year under review and his aspirations for the organisation.

Summary of 2024/25 performance and audit results

ACC is facing ongoing financial challenges. In 2024/25, it recorded an overall deficit of \$1.5 billion, and its outstanding claims liability (OCL) increased by \$3.3 billion, to \$63.6 billion. This result was, however, a significant improvement from the previous year's deficit of \$7.2 billion, which spiked because of two Court of Appeal rulings. The ACC board accepts that performance in recent years is unacceptable. It has worked with the Minister to develop a turnaround plan, which we discuss later in this report.

ACC is funded through a combination of levies and government appropriations. It invests a portion of both in funds that it manages to meet the future costs of previous accidents.¹ In 2024/25, earnings from these three revenue streams were as follows:

- Revenue from levies was \$4.3 billion, up from \$4.2 billion the previous year.
- Crown appropriations were \$2.4 billion, up from \$2.2 billion the previous year.
- Net investment income was \$4.4 billion, up from \$3.5 billion the previous year.

In its annual report, ACC noted an increase in cost pressures in 2024/25, with \$8.1 billion spent on rehabilitation support and weekly compensation for claimants, an increase of \$1 billion from the previous year.

The following table summarises ACC's results in recent years

Financial trends²

	2021/22 \$billion	2022/23 \$billion	2023/24 \$billion	2024/25 \$billion
Net surplus or (deficit)	(0.05)	0.91	(7.24)	(1.48)
Outstanding claims liability	(50.27)	(51.54)	(60.22)	(63.56)

Audit results

The auditor issued a standard audit report, indicating that the information audited fairly represented ACC's activities and financial position. The auditor rated ACC's management control environment and its financial information, systems, and controls as "very good". Its performance information and supporting systems and controls were rated "good", with some improvements recommended. As in the previous year, the auditor recommended that ACC develop additional output measures to better assess and report on the impact of its strategy.

¹ ACC has one of the largest investment funds in New Zealand, valued at \$51.1 billion on 30 June 2025.

² For more information, see the financial statements in ACC's annual report for 2024/25.

Non-financial performance

In 2024/25, ACC reported improved performance, achieving 88 percent of its service agreement targets and seeing key rehabilitation indicators stabilise and improve. We note that, where measures were not achieved, they were generally not far from being met.

Performance measures not achieved related to:

- the growth in the Outstanding Claims Liability
- the number of average weekly compensation days paid
- the return on injury prevention programmes
- the percent of reviewed declined decisions
- the increase to average treatment costs
- first presentations at Sexual Abuse Assessment and Treatment Services.

We discussed these themes with ACC as part of our hearing.

Improving ACC's performance

In 2024/25, three independent reviews were conducted: into ACC's organisational culture and its investment and insurance operations.

Culture review

The independent review into the organisation's culture concluded in August 2025.³ Its key findings were: ACC's strategy is unclear, it is hierarchical and siloed, staff experiences are mixed, and its culture is not positive overall. The review made 10 recommendations. We heard that implementation of 7 of the recommendations has started, while the remaining 3 need further scoping before work can commence. ACC emphasised that changing culture takes time and that it would not be "ticking off" actions but making sure change is embedded throughout the organisation. We asked for detail about the implementation work. ACC said it has been:

- engaging with all staff to develop a new set of organisation values
- working with its approximately 500 people leaders to ensure they are equipped to have appropriate conversations with team members
- developing a standalone policy on bullying and harassment (previously part of the behaviour policy).

It is also refreshing its "Speak Up" policy, which encourages staff to raise any concerns of wrongdoing that could potentially damage the integrity of the organisation. The review found that staff members did not trust the "Speak Up" process. Previously, people could share their concerns or complaints through various channels, which could be confusing. ACC says it has now clarified the points of contact for reporting concerns, and staff can navigate directly to the reporting tool from the intranet homepage. ACC acknowledges that this is just a first step, and longer-term cultural change is needed so staff are willing to report concerns.

We asked how ACC will measure the success of its culture reforms. We heard that the annual engagement survey in 2025 included eight baseline questions. It will use the

³ The report of the independent culture review of ACC can be found on [the ACC website](#).

responses to this to measure improvement of its culture reform against. It is also changing the survey provider so surveys can be run more often and questions can be more easily updated.

We understand that the recommendations are in their early stages of implementation. However, given the seriousness of the review's findings, we expect the changes to be implemented quickly and effectively. We will continue to monitor how cultural changes are imbedding through the rest of this Parliament.

Operational review of case management

In December 2024, an independent review was commissioned into operational matters. It was prompted by concerns about declining rehabilitation performance and increasing costs. The Minister informed us that the key finding of the review was the need to “get back to basics”. He reaffirmed that, at its heart, ACC is a no fault, no litigation scheme.

The review specifically looked at case management. In the past year, ACC has invested in one-on-one case management by creating 250 additional case manager roles. We heard that this was achieved through efficiencies rather than increasing spending; ACC moved capacity from behind the scenes to client-facing roles. The increase in case managers has meant long-term claimants are better supported.

ACC told us it can already see improvements thanks to the increase in case managers and other changes implemented as part of the review. We heard that in early 2025 the number of people with long-term claims had been increasing by 15.3 percent. This was down to 8.7 percent in June 2025, and 3.2 percent at the time of our hearing in early December 2025. This was the lowest rate of growth since 2017. We discuss later how this was achieved.

Improving value for money

During last year's annual review, we discussed the Government's request that ACC consider how the organisation is run and how it can achieve better value for money for taxpayers and levy payers. We asked for other examples of work to improve value for money, apart from reducing the number of people with long-term claims. It told us that its investment into frontline staff sent a strong signal to the rest of the organisation that all staff are there to support clients. ACC is working to ensure it stays within its operating budget for 2025/26 despite pressures on the scheme. It said this involves difficult conversations about funding priorities. We understand that injury prevention will be an area where some funding is reprioritised to other areas. We discuss this more below.

The Minister said he is encouraging ACC to make the procurement of equipment and services more efficient. For instance, it may be possible to align the procurement of equipment for ACC and Health New Zealand | Te Whatu Ora. He told us that getting better value for money is a key tenet of the turnaround plan.

We noted that the strategic outcome *increasing value delivered through treatment and rehabilitation services* was labelled “ongoing” rather than “achieved”. ACC is adopting value-based commissioning, including designing a new end-to-end commissioning model. We heard that this will transform how it commissions \$4.5 billion of procured services. It told us that this area would take time to change but there is now a good foundation to build on. ACC

has identified where there are opportunities to deliver more value—primary and secondary care—and focused on efficiencies in these areas. We intend to ask for an update on this later in 2026.

Publishing a turnaround plan

The Minister and the ACC board are worried about increased costs and pressures on the scheme. ACC received more than 2 million claims in 2024/25, 71,000 more than the previous year. The Minister is concerned that ACC is not currently achieving its aims and that costs have been increasing significantly faster than the rate of inflation. The estimated cost of future claims, the outstanding claims liability, has reached \$63 billion. Without any change, the Minister informed us, this number would increase to \$78 billion by 2028/29. In response to these concerns and the results of the reviews, a turnaround plan for ACC has been developed.

Hon Scott Simpson announced on 1 October 2025 that he would “shortly be announcing plans for a turnaround of ACC”.⁴ This announcement referred to setting a new direction which puts claimants first and delivers a fast and efficient scheme. At our hearing in December 2025, we asked why no plan had yet been publicly released. The Minister informed us that the plan was currently awaiting input from the board, which may have been delayed due to the chairperson changing.

We asked ACC how the review findings would feed into the turnaround plan.⁵ It explained that the turnaround plan was developed in direct response to the reviews and involves multiple steps to implement their recommendations. ACC described the turnaround plan as “essentially our business plan for the coming year”. It sets out over 40 actions and ACC has been reporting on it internally since July 2025. The board oversees progress against the turnaround plan through monthly monitoring. We heard that a new strategy to enact the turnaround plan would be shared with staff in December 2025.

The turnaround plan and new strategy were released in January 2026. Some of us were concerned by the delay in publishing the turnaround plan; it is our role to hold ACC to account and this is hard to do without knowing what measures ACC is holding itself to account on. We intend to follow progress against the turnaround plan in future scrutiny.

Reducing the number of long-term claims

Long-term claims decreased by about 8,000, or 20 percent. Comparatively, in the 2024/25 year there were approximately 7,000 people whose long-term weekly compensation ceased. “Long-term” is defined as longer than 12 months. We asked the Minister how the extra 1,000 people being removed from the long-term claims pool had been achieved. He told us that ACC has been intervening sooner and not leaving people in a holding pattern.

We heard that nearly two-thirds of long-term claimants (15,000 of 24,000) have non-serious injuries—ones that are medically relatively straightforward such as strains, sprains, fractures, and dislocations. The Minister sees people with non-serious injuries claiming long-term as

⁴ The announcement can be read in full on [the Beehive website](#).

⁵ The documents can be found on [the ACC website](#).

demonstrative of the scheme not serving people well. He would like claimants to be able to return to work and independence quicker.

Changes to case management

ACC's change to one-on-one case managers has helped a lot of people with non-serious injuries to access the right rehabilitation for them. It considers it beneficial to have one person who sees a claim through from start to finish. It is the single biggest change that has contributed to people leaving the long-term claims pool. Each case manager has targets they are required to achieve.

Impact on long-term liability

ACC recorded an outstanding claims liability (OCL) of \$63.6 billion as at 30 June 2025, up \$3 billion from 2024. This represents estimated future payments and handling costs associated with claims that have been accepted but remain unsettled, claims incurred but not yet reported to ACC, and closed claims that might reopen.

ACC told us that its improved deficit largely related to the \$3.6 billion liability recorded in its results for the 2023/24 financial year. It related to the liability resulting from the Court of Appeal ruling in the ACC v TN case.⁶ ACC is beginning to stabilise the growth in its outstanding claims liability. Some of that has flowed into 2024/25, but the weekly compensation growth and cost have slowed.

Noting the reduction in long-term claimants, we asked how it would affect liability calculations. ACC hopes to see a downward swing "quite soon". It conducts evaluations quarterly and said it is beginning to see a slowing of the growth of its OCL.

Rehabilitation and return-to-work process

Some of us sought reassurance that practices for removing people from long-term support remain robust. ACC explained that, to stop weekly support payments, both a case manager and their manager must sign off. To be in the long-term claims pool a claimant must provide regular medical certificates from a GP or nurse practitioner. Most people leave the scheme when their GP forms a view that they are fit to return to work. In some cases, where an injury seems relatively simple or something does not seem to add up, the case might be referred to an independent medical assessor or specialist.

ACC has 44 independent medical assessors who examine whether a person has been rehabilitated for the injury they made their claim for. They also assess whether a claimant can return to the type of work they were doing before their injury, or whether different work would be appropriate.

We sought clarity about the scenarios where weekly compensation may cease. There are three rehabilitation pathways:

- if a GP or nurse practitioner stops providing a medical certificate because the claimant is fit to return to work or independence

⁶ The ruling clarified that survivors of sexual abuse, if they are unable to work or study, can qualify for financial entitlements from when the abuse occurred, rather than when they first received treatment.

- if incapacity to work continues but it does not relate to the injury that the client was covered for originally
- if incapacity to return to their pre-injury work role continues but other work may be possible.

There may be other scenarios where weekly compensation is ceased. For example, a claimant may not meet their obligations or they may choose to return to work themselves.

Changes to funding for injury prevention

We were interested in ACC's changing approach to injury prevention. In 2024/25, ACC spent \$68 million, compared to \$80 million the previous year. The Minister said that it is not that there will be less focus on injury prevention, but a reduction in funding for programmes that have not demonstrated success in preventing injury. Injury prevention schemes will be assessed for their effectiveness and value for money. For example, the Minister told us that Farmstrong gets excellent, tangible results in reducing physical and mental harm for workers in rural settings. Therefore, its funding will continue.

We heard that ACC has a required rate of return on investment for its injury prevention activities. The return on investment rate for 2024/25 was \$1.92 for every \$1 spent by ACC, compared to \$1.86 in 2023/24. ACC acknowledged that it has to make difficult decisions about what to fund. It cannot fund everything and needs to make sure it delivers value for levy payers.

ACC informed us that it cannot prevent injuries fast enough to help with the sustainability of the scheme. For example, in 2024/25 ACC prevented around 10,000 claims, but this did not make much difference to the overall number of incoming claims, amounting to 2 million. To make a meaningful difference ACC would need to aim for about a 5 percent reduction in claims costs (120,000 claims). It will be working to improve how it influences the system, rather than looking at the amount of money spent. For instance, ACC focuses on working with industry groups to get its message out.

Most injuries occur in the home, and over the year under review ACC has seen growth in the number of injuries that occur at gyms. It is piloting work with several hundred people in their homes. Results of the pilot are expected in 2026.

Funding decisions for specific programmes

We discussed a couple of programmes that some of us are concerned ACC may pause or end funding for.

National Strategy to Eliminate Family Violence and Sexual Violence

Launched in 2021, the National Strategy to Eliminate Family Violence and Sexual Violence is a national strategy and action plan. We asked about the progress of this programme. ACC confirmed that it will be spending between \$6 million and \$7 million in 2025/26, and prevention of sexual violence is still a priority. It paused the rollout of this programme to reset and align all related work. ACC aims to have decisions made in regard to phase two of the work to achieve clarity going into 2026/27.

Water Safety New Zealand

ACC stopped \$1 million of funding it previously provided annually to Water Safety New Zealand, which promotes water safety to prevent drowning. We asked why this decision was made. ACC told us that it was not seeing a measurable improvement in the number of drowning-related incidents. It said that claims against drowning incidents had been trending flat for a long time. ACC also works with other organisations in this area, such as Coastguard | Tautiaki Moana and Surf Lifesaving NZ. The Minister emphasised that ACC needs to operate within its legislative boundaries, and that while water safety is important, it is, arguably, not within the purview of ACC.

ACC investments

The value of ACC investments increased by \$2.2 billion to \$51.1 billion as at 30 June 2025. This resulted in a net gain of \$4.4 billion. Investments achieved a weighted average return of 9.1 percent after costs. The fund overperformed by 0.28 percent after costs relative to its benchmark.

Last year, some of us expressed concern that ACC's approach was not consistent with its ethical investment policy. We asked whether it had developed its policies and guidelines for physical investments, particularly for screening and exclusions. ACC told us that the board had reviewed the application of its ethical investment policy following our comments in the 2023/24 annual review.⁷ The Treasury also commissioned an independent review into ACC's investments. It found that ACC has a responsible investment framework that aligns with legislative requirements and international standards. There were no significant recommendations, and policy has remained largely similar.

Some of us asked about ACC directly or indirectly investing in companies listed in the UNHRC (United Nations Human Rights Council) database of companies involved in illegal settlements in the Occupied Palestine Territories. In December 2024, ACC reviewed its investments to ensure it did not hold companies conducting activities associated with the territories.⁸

We noted that the NZ SuperFund publishes its investment portfolio every six months. We suggested that ACC should do the same to increase its level of transparency.⁹

⁷ Further detail can be found in ACC's response to our written question 69.

⁸ ACC detailed the companies on the UNHRC database which it has investments in, in its response to written questions 71–73.

⁹ ACC set out why it does not publish its investment portfolio in its response to written question 76.

Other matters considered

We also discussed the following matters. For more detail, refer to the pages noted below in the [Hansard transcript of our hearing](#), available on the Parliament website.

- **Claim acceptance rates**—ACC provided how quickly, on average for 2025, different types of claims were accepted by ACC; 55 percent of new claims were accepted within one minute, and 80 percent within 24 hours. (*Transcript p 2.*)
- **Sensitive claims**—We asked the Minister to expand on his May 2025 comments that ACC may not be the right place for sensitive claims, such as sexual abuse or mental injuries. We heard that ACC’s new sensitive claims service went live on 1 December 2025. Existing claimants will be transferred over by May 2026. (*Transcript pp 12–13.*)
- **Use of artificial intelligence**—We spoke about areas in which ACC is trialling AI, such as making notes during phone call and summarising case notes. ACC was clear that AI was not used in decisions about what support claimants can access. (*Transcript pp 4, 15–17.*)
- **Protection of private data**—We discussed how ACC ensures clients’ private data is being safeguarded, particularly in regard to its use in AI. (*Transcript pp 17–18, and response to written question 95.*)
- **Benchmarking ACC’s investment portfolio**—We discussed why there was a close correlation between ACC’s investment return and its benchmark, and the benchmark’s usefulness as a performance measure. (*Transcript pp 9–10.*)
- **Scheme boundaries**—We asked about the benefits of the accident compensation scheme having clear boundaries. (*Transcript pp 13–14.*)
- **Weekly compensation days**—We discussed why ACC’s target of the average number of weekly compensation days was slightly longer than its target. (*Transcript p 17.*)
- **Elective surgeries**—ACC informed us how it works with surgeons to identify trends in elective surgeries and return-to-work rates. We discussed how ACC sets the boundaries of the scheme when making decisions about whether to decline certain procedures. (*Transcript pp 22–23.*)
- **Costs of payments resulting from the ACC v TN Court of Appeal ruling**—ACC informed us it has paid about \$82 million in loss of potential earnings, that it believes are related to the TN case, but cannot be definitive. (*Transcript pp 26–27.*)
- **Funding reallocated from WorkSafe**—We asked why injury prevention money was moved from WorkSafe to ACC. We were told that ACC has spent a similar amount of money in the priority industries that WorkSafe would have done. (*Transcript pp 29–30.*)
- **Increasing access to the scheme for Māori**—We noted a slight increase in access for Māori and discussed why this was. (*Transcript p 31.*)
- **Effectiveness of the Hikitia! programme**—We requested an update on the Hikitia! programme. It is a primary prevention initiative working to address the underlying causes of sexual and family violence. (*Transcript pp 31–32.*)
- **Gender pay gap and staff diversity**—We discussed the representation of ethnic groups and gender across the ACC workforce, and its gender pay gap of 18.8 percent in an organisation that is 70 percent female in client-facing teams. (*Transcript pp 32–33.*)

- **Senior staff remuneration**—We asked about reasons behind some high senior staff remuneration when the organisation was cutting costs. We heard the highest-paid roles are in the investment team to retain appropriate talent. (*Transcript pp 33–34.*)
- **Staffing**—In September 2024, ACC implemented organisational restructuring, shifting investment from corporate functions to the frontline and appointing new members to the executive team. A total of 142 staff received redundancy or settlement payments. (*Transcript p. 34.*)
- **Equity of ACC claims**—We asked how ACC intends to address equity concerns, particularly about access to the scheme by Māori, Pacific, Asian, and disabled peoples. ACC explained how it is working to collect better data and embedding equity practices across the organisation. (*Transcript pp 37–39.*)
- **Accredited employer scheme**—We discussed reviews of the accredited employer scheme, and the consequent rise in standards. (*Transcript pp 39–41, and response to written question 96.*)
- **Reviews of ACC decisions**—Independent reviews are designed to ensure ACC’s decisions are of a high quality. We noted that, as long-term claims rates reduce, there has been an increase in the number of review applications. (*Transcript pp 39, 43–45, and response to written question 97.*)
- **Strike action by ACC staff**—We asked about the progress of collective bargaining. ACC said it was continuing to negotiate in good faith with the Public Service Association (PSA). (*Transcript pp 45–46.*)
- **Working from home options for staff**—ACC has paused changes to its working from home policy while it consults staff. We will be interested to hear an update in due course and how this relates to recommendations in the ACC culture review. (*Transcript p 46.*)

WorkSafe New Zealand | Mahi Haumarū Aotearoa

WorkSafe New Zealand is a Crown agent established under the WorkSafe New Zealand Act 2013. Its main objective is to “promote and contribute to a balanced framework for securing the health and safety of workers and workplaces”. WorkSafe’s role is provided for under the Health and Safety at Work Act 2015, with additional responsibilities for gas and electricity under other legislation. It is a key contributor to the Health and Safety at Work Strategy 2018–2028.

Jennifer Kerr was the board chair until October 2025. Murray Jagger took over the role in November 2025. Sharon Thompson has been the chief executive since October 2024. Steve Hazard was the interim chief executive from late 2023. WorkSafe is monitored by the Ministry of Business, Innovation and Employment (MBIE).

As at June 2025, WorkSafe had 562 permanent and fixed-term employees, 41 less than the previous year. Staff work across 18 locations. It underwent restructuring in March 2025.

Summary of 2024/25 performance and audit results

The following table summarises WorkSafe’s financial performance over recent years. WorkSafe reported a larger surplus than expected, largely due to lower spending overall.

Financial trends

	2021/22 \$million	2022/23 \$million	2023/24 \$million	2024/25 \$million	Change in 2024/25
Revenue	146.4	157.1	145.3	148.4	2.1%
Expenditure	146.1	156.9	142.0	124.8	(12.1%)
Net surplus	0.3	0.2	3.2	23.6	—

Audit results

The auditor issued a standard audit report, indicating that the information audited fairly reflected WorkSafe’s activities and financial position for the year. WorkSafe’s management control environment and its financial information systems and controls were rated “good”. The auditor’s rating for its performance information and supporting systems and controls was “needs improvement”, a downgrade from the previous year. The auditor recommends improvements to its performance measures including:

- setting performance measures with clear definitions
- establishing and maintaining clearly documented processes and internal controls for each performance measure
- regularly reconciling measures from underlying listings and reporting these in the Statement of Performance.

WorkSafe told us that this was a legacy issue and that measurements selected this year should have robust data to support them. We look forward to seeing future improvement.

Non-financial performance

Most of WorkSafe’s performance measures were reported as “achieved”. Two were not achieved: the percentage of authorisations processed within agreed timeframes (which was just below the target), and the percentage of authorisation applications and renewals processed according to WorkSafe’s quality standards (which was 10 percent below the target). The Minister informed us that backlogs have been significantly reduced. In 2024/25, WorkSafe completed over 13,000 assessments, an 8.3 percent increase from the previous year. We hope to see the timeliness of processing applications continue to improve.

Strategic shift from enforcement to proactive guidance

WorkSafe has been changing how it approaches prevention of harm in the workplace. It is moving from a focus on enforcement to proactively supporting businesses in managing their critical risks. The new strategy was released in May 2024. We were interested to hear how this work has progressed.

Some of us expressed concern that an internal WorkSafe review had found no evidence that the new strategy would reduce injuries or deaths. The Minister explained that she had heard from businesses that they felt uncertain and unconfident about how to keep staff safe. Site Safe, an industry body representing the construction sector, ran a survey which found 85 percent of respondents thought there needs to be more focus on critical risk. The Minister told us at our Vote Labour Market Estimates hearing in June 2025 that she intended to define “critical risk”. We sought an update in our December 2025 hearing, and the Minister said that legal drafters were working through the specifics of how to define the term in law. She noted that there are flow-on effects to regulations in mining and quarrying which need to be considered. In February 2026, the Minister introduced the Health and Safety at Work Amendment Bill which includes a definition of critical risk.¹⁰ The bill has been referred to us for consideration.

Increase in inspector numbers

We understand that part of WorkSafe’s strategic shift is to hire more inspectors. WorkSafe has over 200 inspectors, with a further 40 in training and 20 in the recruitment pipeline.¹¹ This will take it to its highest-ever number of inspectors. At the same time, WorkSafe has reduced the number of staff in supporting roles who do not work on the frontline.

We asked whether WorkSafe has a target ratio of inspectors to number of businesses. It explained that it does not—unlike Australia—because this approach is not recommended by the International Labour Organization. Inspectors in different countries operate in different ways, so ratios are not comparable.

Working with small businesses

We asked how small businesses have reacted to the strategy shift. WorkSafe told us that over 70 percent of people have said that they valued their interactions with WorkSafe and made a change as a result. It also told us it sees improving guidance as a big part of how it engages with and is accessible to small businesses.

The Minister mentioned that small businesses are more likely to struggle to understand their obligations, so we asked whether the strategic changes have led to any improvement. WorkSafe said it has seen statistical improvements but there is plenty more to do. One of the biggest challenges is to get businesses the right information at the right time. For example, a start-up might register as a company but not employ workers for some time, so health and safety guidance provided at the time of registration may be overlooked. WorkSafe is looking at how it could provide guidance in a more tailored way on its digital platforms, such as by suggesting links to related articles when someone is reading a particular webpage.

¹⁰ Clause 9 of the bill proposes to insert new section 22A into the Health and Safety at Work Act 2015. The bill can be read on [the Legislation New Zealand website](#).

¹¹ **Correction:** In our report on the 2025/26 Estimates for Vote Labour Market, we stated that WorkSafe had around 600 inspectors. That was incorrect. The figure referred to WorkSafe’s total staff. At our Estimates hearing in June 2025, WorkSafe told us it had around 600 employees, and fully staffed would have 675.

Changes to guidance

We explored the role guidance and codes of practice will play, as a major element of the strategy shift. The Minister told us how quickly codes of practice can be put in place compared to regulations. Even so, the work would take a long time. The Minister explained that each code requires thorough input from industry. WorkSafe sees updating and creating new codes of practice as codifying its guidance rather than imposing it; ultimately, it is businesses that have the duty to keep their workers safe. WorkSafe sees its role as supporting the creation of codes and guidance, which are owned by industry.

Codes for high-hazard areas are being prioritised: agriculture, forestry, construction, and manufacturing. We were pleased to hear this as we have noted for several years how outdated some codes are. For example, the code of practice for the forestry sector was signed about 10 years ago and has been overtaken by technological advances. The Minister confirmed that a new approved code of practice for the forestry sector was signed in 2025.

We inquired how businesses would be held accountable under the codes of practice. WorkSafe made clear that codes of practice are still enforceable. But rather than saying “you did not comply with a specific rule”, inspectors would be looking for businesses not meeting a general duty. We heard that this approach means it is important to have examples of what good practice looks like. The duty on businesses is not changing, but WorkSafe considers it would support people in evolving how they think about safety.

We asked what WorkSafe is doing to help businesses balance efficiency with good health and safety practices. It said that health and safety measures often do not have to be expensive and could be as simple as changing how a business organises its days. For instance, a daily on-site meeting with workers can make a difference. WorkSafe develops all its guidance in consultation with industry, so it learns what works well and what is cumbersome. WorkSafe also mentioned that part of improving its guidance is identifying areas of confusion and making them clearer. These areas could be identified by looking at areas of under- or over-compliance.

We are keen to hear more about guidance and codes of practice as they are updated and implemented. We intend to ask about it again in our future scrutiny activity. We would like to understand how WorkSafe will measure whether its new codes of practice are being effective in changing behaviour and addressing the areas of greatest need.

Monitoring the impact of changes

Given the strategic shift WorkSafe is undertaking, we consider it important that it has clear ways to report on progress and to monitor whether improvements are being seen. While the annual report showed progress towards WorkSafe’s priorities, it was not always clear to us what was tangibly being measured. WorkSafe told us it has 14 measures split across its different appropriations. To collect data on these measures, it seeks feedback from businesses it has interacted with about the quality, timeliness, and usefulness of interactions with WorkSafe’s personnel and guidance. We are concerned that, because businesses self-select whether to provide feedback, this may skew the results.

We heard that WorkSafe is working to improve its data and digital reporting, including data collection. It also reset its outcome measures at the start of 2025. We would like to see more detail about improvements to performance measures in the next round of financial scrutiny.

We also sought assurance that WorkSafe checks whether its advice is implemented. It informed us that when a recommendation is made to a business, WorkSafe later follows up by asking for confirmation and evidence that the recommendation has been implemented.

Targets for reducing injuries

Looking at new performance measures, we noticed that there appears to be less emphasis in the annual report on the targets for reduction of harm. WorkSafe explained that its view is that there are ethical issues for a regulator in putting a target number of fatalities or injuries. Instead, it is interested in seeing a downward trend.

WorkSafe added that reduction-of-harm targets are system targets; that is, WorkSafe is just one of several agencies that can affect the result. Some performance measures are under WorkSafe's control, and these tie into its outcomes framework.

We discussed how WorkSafe tracks fatality statistics. In 2024/25, New Zealand had 1.6 fatalities per every 100,000 workers. Australia sits at 1.3 fatalities. We would be concerned if WorkSafe directly compared these figures, as Australia's agriculture and forestry land is quite different to that of New Zealand's, which is often on hillsides. WorkSafe explained that, rather than a direct comparison, it monitors the trend in reduction, with the aim to keep this largely level with Australia.

Other matters considered

We also discussed the following matters. For more detail, refer to the pages noted below in the [*Hansard transcript of our hearing*](#), available on the Parliament website.

- **Board membership**—We asked what steps the Minister had taken to ensure the WorkSafe board included representation from minority groups and those who are currently workers. We also discussed how the board and leadership receive input from minority groups. (*Transcript pp 2–4, 32–34.*)
- **Multicultural workshops**—We discussed the workshops WorkSafe offers to migrant workers and other potentially vulnerable workers. Some of us are concerned that data collected is not detailed enough to show impacts on vulnerable groups. (*Transcript pp 10–11.*)
- **Engineered stone**—We heard that MBIE is working with the Minister on harm-minimisation strategies for workers exposed to dust during the process of engineering stone products. We asked what proportion of WorkSafe's visits to stone working sites are pre-notified. (*Transcript pp 11–12, 23–24, and response to written question 51.*)
- **Road cone tip line**—Having heard about aims for the road cone tip line in our Estimates hearing, we asked for an update. We heard that about 6 to 8 percent of sites WorkSafe has visited have been over-compliant in the number of cones they use. (*Transcript pp 18–20.*)

- **Contracting costs**—We noted a cost of \$1.1 million for a contract with 3Plus Consulting Limited. It supported WorkSafe in its strategic refresh and setting up its inspectorate pathways plan. (*Transcript p 22–23.*)
- **Permitting activities**—WorkSafe’s annual report highlighted its work on permitting and engagement activities. It has a 30-day service level agreement for processing permissions, and is largely on target. (*Transcript p 23.*)
- **Safety in the agricultural sector**—We discussed the disproportionate injury rates of workers in agriculture. WorkSafe sees the issue as one of industry culture, and noted that businesses can be hard to reach through its usual routes of industry bodies. (*Transcript pp 25–26.*)
- **Quadbike safety**—We are still concerned by the high rates of injury from quad-bike accidents, especially in farming. We discussed work that ACC and Safer Farms are doing, and Australia’s work to introduce mandatory rollbars on new and in-use quadbikes. (*Transcript pp 26, 28.*)
- **Health and safety in education**—We asked how WorkSafe provides guidance to schools and other educational institutions. We heard that it is not directly working on any curriculum changes. (*Transcript pp 26–27.*)
- **Prosecutions by WorkSafe**—We discussed ways WorkSafe can enforce regulatory requirements, including prosecutions, enforceable undertakings, and infringement notices and fines. In 2024/25, WorkSafe initiated prosecutions in respect of 38 businesses and issued 24 infringement notices totalling \$57,000 in fees. (*Transcript pp 30–31, and response to written questions 87–88.*)
- **Occupational Safety and Health Convention**—WorkSafe told us how it meets the requirements of the International Labour Organization’s convention No. 155. (*Transcript p 31.*)
- **Maruiti strategy**—The Maruiti strategy seeks to address the equity gap in the forestry sector for Māori. It will be absorbed into WorkSafe’s harm reduction action plan, along with the Pasifika strategy, Puataunofu | Come Home Safely. (*Transcript pp 33–34.*)
- **WorkSafe’s organisational culture**—Considering the restructuring WorkSafe has been through, we asked about the morale of its people. It told us that engagement in its surveys has increased by 9 percent in the last six months and that turnover is low. (*Transcript pp 34–35.*)
- **Use of artificial intelligence**—We discussed areas in which WorkSafe is considering using AI, such as providing tailored information to businesses. (*Transcript pp 35–36.*)
- **Mental health**—We asked about any observed trends in work-related stress or burnout, and whether it works on mental health matters in addition to physical. WorkSafe provided data that had been voluntarily reported to it, but explained that due to funding constraints it has to prioritise physical health. (*Transcript 36–38, and response to written question 90.*)
- **Gender pay gap**—We spoke about WorkSafe reducing its gender pay gap, which remains above the public service average. WorkSafe noted it currently has more men in senior inspector roles and is looking at longer-term workforce development as part of its employment strategy. (*Transcript p 38.*)
- **Asbestos and fire door concerns**—Some of us referred to news stories about asbestos in fire doors and play sand. WorkSafe is working with a cross-government team on both issues and is providing advice to businesses. (*Transcript pp 38–39.*)

Appendix

Committee procedure

We conducted an in-depth annual review for the Accident Compensation Corporation, hearing from the Accident Compensation Corporation on 1 December 2025 for 2 hours and 53 minutes. We also heard from Hon Scott Simpson, the Minister for ACC, on 1 December 2025 for 32 minutes.

We conducted a standard annual review, hearing from WorkSafe New Zealand on 3 December 2025 for 1 hour and 43 minutes. We also heard from Hon Brooke van Velden, Minister for Workplace Relations and Safety, on 3 December 2025 for 25 minutes.

We received advice from the Office of the Auditor-General for both reviews. We met again on 25 March 2026 to finalise this report.

Committee members

Katie Nimon (Chairperson)

Carl Bates (Deputy Chairperson)

Hon Ginny Andersen (from 25 March 2026)

Shanan Halbert

Francisco Hernandez (until 11 February 2026)

Grant McCallum

Dr Parmjeet Parmar

Hon Willow-Jean Prime (until 25 March 2026)

Hon Phil Twyford

Dr Vanessa Weenink

Dr Lawrence Xu-Nan (from 11 February 2026)

Camilla Belich, Mike Davidson, Stuart Smith, and Tim van de Molen also participated in the consideration of the Accident Compensation Corporation annual review.

Hon Jan Tinetti also participated in the consideration of the WorkSafe New Zealand annual review.

Related resources

2024/25 Annual review of the Accident Compensation Corporation

The following material is available on the Parliament website:

- [the Accident Compensation Corporation's annual report](#)
- [the briefing paper we received from the Office of the Auditor-General](#)
- [responses from the Accident Compensation Corporation to our written questions](#)
- [the structured agenda for our hearing with the Accident Compensation Corporation](#)
- [the Hansard transcript of our hearing](#)
- [a recording of our hearing.](#)

2024/25 Annual review of WorkSafe New Zealand

The following material is available on the Parliament website:

- [WorkSafe New Zealand's annual report](#)
- [the briefing paper we received from the Office of the Auditor-General](#)
- [responses from WorkSafe New Zealand to our written questions](#)
- [the structured agenda for our hearing with WorkSafe New Zealand](#)
- [the Hansard transcript of our hearing](#)
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