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**From:** Vicky Holmes

**Sent:** Wednesday, February 28, 2024 10:04:44 AM

**To:** xxxxx.xxxxxx@xxxxxxxxxx.xxxx.xx <xxxxx.xxxxxx@xxxxxxxxxx.xxxx.xx>

**Subject:** Urgent: No surprises update on people leader meeting this morning

Kia ora Abbey

As discussed, later this morning (11am) People Leaders are going to be informed about the next steps ACC is taking to reduce cost and increase efficiency. Then, a wider message will be sent by Megan to all staff at 3pm. This messaging will make it clear that there will be an impact to headcount:

*While no decisions have been made, I want to let you know that because people are one of our largest investments, it's likely we'll need to consider options for reducing our headcount. No decisions have been made and any options that may affect our people would be subject to a good faith consultation process.*

I expect this message may result in interest publicly. The media team has been informed, and we will support your office if questions come your way.

Ngā mihi

Vicky

**Vicky Holmes, (She/Her)**

Manager, Ministerial Services 00510469, ACC

9(2)(a)

Ministerial Services-0682 / Wellington - Justice Centre  
ACC / 19 Aitken Street, Wellington, 6011  
PO Box 242 / Wellington 6140 / New Zealand



**He Kaupare. He Manaaki.  
He Whakaora.**  
prevention. care. recovery.

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**From:** Megan Main <xxxxx.xxxx@xxx.xx.xx >  
**Sent:** Wednesday, February 28, 2024 6:54 AM  
**To:** DL-MGMT-ACC Executive <xxxxxxxxxxxxxxxxxxxxxx@xxx.xx.xx >  
**Subject:** For Exec - email to People Leaders post our hui

Kia ora koutou

Below is the final version of an email that I will send out at 3pm tomorrow at 11:30am to People Leaders post our 1130am hui and then to all staff at 3pm. Michael will send a similar note to unions after he meets with the PSA at 3.30pm.

The content of the email will form the basis of the talking points for the hui, with time for Q&A.

Thanks to Michael, Lisa and the Internal Comms & Engagement team for pulling this together last night.

**All Staff Communication [FINAL]: To be sent from me on 28 February, 3pm**

Kia ora koutou

As you might know, the Government has set a clear direction for public sector organisations to embed a culture of expenditure restraint and fiscal discipline. ACC is a Crown Entity and we're very much part of the wider public sector. This means we need to do our part to respond.

We've been considering what the Government's direction means for ACC and importantly, how we use this moment to take us toward the aspiration of our strategy - Huakina te Rā.

What we also know is that despite the best efforts of all of us, ACC's rehabilitation performance continues to be challenging. Our clients are taking longer to recover, which in turn is placing the Scheme under increasing pressure. This is one of the reasons we established the [Rehabilitation Improvement Group](#) (RIG) last year – to help us understand how to make our rehabilitation system work better for our clients and all of us.

There's promise on the horizon as we get underway implementing findings from RIG and our recent review of health commissioning. These initiatives will make a real difference for our clients, our people, and the long-term sustainability of the Scheme. That said, it's going to take a while for the work to have real impacts and between now and then, it's important we have the resources available to invest in these initiatives to ensure they succeed.

**What's the plan?**

In the short term, our plan is to focus on becoming more efficient by finding opportunities to remove duplication, limit expenditure and stop work that isn't closely connected to improved outcomes for our clients.

Our initial target for this work is a saving of 6.5% of our operational costs over the next financial year (July 1, 2024 – June 30, 2025). You might notice that this is similar to targets set by Government for other public sector agencies. While ACC hasn't been given a specific target,

there's a very clear expectation that we'll make material cost savings.

Our objective isn't just to save money though. It's about how we direct our efforts towards working smarter to help our clients get better faster, how we make work easier for our people, and how we create the room to enable us to invest in the things that can have real impact for the Scheme and for New Zealand.

### **What happens next?**

We've already made good progress and we've identified considerable savings opportunities. That said, there's still more to do to realise the savings we need, to position ourselves for the future.

While no decisions have been made, I want to let you know that because people are one of our largest investments, it's likely we'll need to consider options for reducing our headcount. No decisions have been made and any options that may affect our people would be subject to a good faith consultation process.

We don't have further information to share at this stage but can commit to keeping you updated as we know more.

### **Supporting our people through change**

We've developed some initial Q&A and we'll keep adding to them as more information becomes available and as additional questions are raised. You can find these below and when we have more to share, we'll make it available via Te Pātaka and let you know where to find it.

As we navigate this period together, we need to take care of ourselves and each other. We have several support pathways available, and you can find information [here](#).

Thank you for your ongoing commitment to ACC. We'll talk again soon but, in the meantime, if you have questions, please reach out to your leader.

Ngā mihi nui  
Megan

**Megan Main, (She/Her)**  
**Chief Executive Officer, ACC**

Chief Executive 0900 / Wellington - Justice Centre  
ACC / 19 Aitken Street, Wellington, 6011  
PO Box 242 / Wellington 6140 / New Zealand / [www.acc.co.nz](http://www.acc.co.nz)

ACC cares about the environment – please don't print this email unless it is really necessary. Thank you.

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### **Questions and Answers**

[Why do we need to find cost savings?](#)

As a Crown Entity, ACC is part of the wider public sector and needs to respond to the direction

from Government for all public service organisations to become as efficient and effective as possible. There's also an expectation from Government that we'll find material cost savings while ensuring we continue to make a difference to New Zealanders.

What's just as important is how we make sure we're able to invest in key initiatives that will deliver better outcomes for our clients while helping to ensure the Scheme remains financially sustainable.

#### Will there be redundancies?

To achieve the savings we've committed to, we need to explore all opportunities. Because people are one of our largest investments, this includes looking at options for reducing our headcount. What's important right now is that no decisions have been made and any options that may affect our people would be subject to a good faith consultation process.

#### When will we find out more?

We'll work hard to keep you updated as we have information to share.

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OFFICIAL INFORMATION ACT

**From:** Vicky Holmes  
**Sent:** Wednesday, February 28, 2024 1:46 PM  
**To:** xxxxx.xxxxxx@xxxxxxxxxxxx.xxxx.xx  
**Subject:** Re: URGENT: data, media lines for the office  
**Importance:** High

Hi Abbey

ACC has been working closely with MBIE and Treasury to meet the Government’s fiscal objectives. Due to ACC’s status as a Crown Entity, decisions around structure and headcount at ACC are an operational decision for ACC’s Board.

The information I have immediately to hand is relatively old, but we’re working hard to provide up to date info.

**How has the headcount at ACC changed from now, since 2017?**

The following table shows the change in headcount from 2018/19 to 2022/23, with a split between frontline and back office staff.

**Staff numbers—FTE**

Year as at 30 June	Nominal		Percentage %	
	Frontline	Back office	Frontline	Back office
2018/19	2060	1294	61	39
2019/20	1884	1786	51	49
2020/21	1866	1764	51	49
2021/22	1959	1879	51	49
2022/23	2130	2032	51	49

**What areas/business units at ACC have had the most growth, headcount wise?**

We will need more time to provide a further breakdown of the specific areas/business units that have had the most growth.

**What are the current vacancy rates for FTE?**

ACC is advertising to fill approximately 150 front line rolls. I’ll confirm the actual number of vacancies ASAP.

**How many contractors/consultants are in employment at ACC?**

The table below provides the count of contractors, consultants and providers of professional services engaged and the total spend on those services for the 2022/23 financial year.

Contractors		Consultants		Professional Services		Total
(\$)	Number	(\$)	Number	(\$)	Number	(\$)
34,724,150	303	12,087,630	69	1,689,950	40	48,501,730

I’ll get you updated info asap.

**Are there likely to be impacts on clients, or services?**

ACC is mindful of ensuring this process does not affect our ability to deliver our core services of injury prevention and supporting New Zealanders if they've had an accident. We are actively recruiting for a number of frontline roles, which will continue.

**What will be done to support ACC's people?**

Today's session with people leaders was to ensure clear communication with staff about what is being considered. Some initial Q&A have been considered and these will be continually updated as more information becomes available. Staff will also have support from their leaders and externally through the Employee Assistance Programme

Ngā mihi

Vicky

**Vicky Holmes, (She/Her)**  
Manager Ministerial Services 00510469, ACC

9(2)(a)

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**From:** Abbey Mennie <[xxxxx.xxxxxx@xxxxxxxxxx.xxxx.xx](mailto:xxxxx.xxxxxx@xxxxxxxxxx.xxxx.xx)>  
**Sent:** Wednesday, February 28, 2024 12:25 PM  
**To:** Vicky Holmes <[xxxxx.xxxxxx@xxx.xx.xx](mailto:xxxxx.xxxxxx@xxx.xx.xx)>; Jason Hope <[xxxxx.xxxx@xxx.xx.xx](mailto:xxxxx.xxxx@xxx.xx.xx)>  
**Cc:** Marvin France <[xxxxxx.xxxxxx@xxx.xx.xx](mailto:xxxxxx.xxxxxx@xxx.xx.xx)>; Michelle Brooker <[xxxxxxxxxxxxxxxx@xxx.xx.xx](mailto:xxxxxxxxxxxxxxxx@xxx.xx.xx)>  
**Subject:** URGENT: data, media lines for the office

Kia ora koutou,

Following the office being made aware about the stirrings of a restructure, are you able to please provide information/answers about the following matters ASAP? While I absolutely appreciate that getting information together like this takes time, we need this **immediately** (i.e., within an hour) so the Min can be prepped before he goes to the House.

- How has the headcount at ACC changed from now, since 2017?
- What areas/business units at ACC have had the most growth, headcount wise?
- What are the current vacancy rates for FTE?
- How many contractors/consultants are in employment at ACC?
- Are there likely to be impacts on clients, or services?
- What will be done to support ACC's people?

For media:

- Reactive lines for if the Min or other Mins are approached about this
- Lines about the process – i.e., where things are at, how it's likely to look over the next few weeks, months etc

Ab



**Abbey Mennie**

Private Secretary (ACC) | Office of Hon Matt Doocey  
Minister for ACC, Minister for Mental Health, Minister for Tourism and Hospitality, Minister for Youth, Associate Minister of Health, Associate Minister of Transport

M: 9(2)(a)

Email: [abbey@xx](mailto:abbey@xx) Website: [www.Beehive.govt.nz](http://www.Beehive.govt.nz)  
Private Bag 18041, Parliament Buildings, Wellington 6160, New Zealand

**From:** [Marvin France](#)  
**To:** [Abbey Mennie](#); [Vicky Holmes](#); [Jason Hope](#)  
**Cc:** [Michelle Brooker](#)  
**Subject:** RE: URGENT: data, media lines for the office  
**Date:** Wednesday, 28 February 2024 2:05:53 pm  
**Attachments:** [Reactive messages - Cost savings.docx](#)

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Kia ora Abbey,

Please see reactive media messages as per the below request. FYI there's nothing further we can say re timeframes at this stage.

Happy to discuss further.

Thanks,  
Marvin

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**From:** Abbey Mennie <xxxxx.xxxxxx@xxxxxxxxxx.xxxx.xx>  
**Sent:** Wednesday, February 28, 2024 12:25 PM  
**To:** Vicky Holmes <xxxxx.xxxxxx@xxx.xx.xx>; Jason Hope <xxxxx.xxxx@xxx.xx.xx>  
**Cc:** Marvin France <xxxxx.xxxxxx@xxx.xx.xx>; Michelle Brooker <Michelle.Broxxxxx@xxx.xx.xx>  
**Subject:** URGENT: data, media lines for the office

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Kia ora koutou,

Following the office being made aware about the stirrings of a restructure, are you able to please provide information/answers about the following matters ASAP? While I absolutely appreciate that getting information together like this takes time, we need this **immediately** (i.e., within an hour) so the Min can be prepped before he goes to the House.

- How has the headcount at ACC changed from now, since 2017?
- What areas/business units at ACC have had the most growth, headcount wise?
- What are the current vacancy rates for FTE?
- How many contractors/consultants are in employment at ACC?
- Are there likely to be impacts on clients, or services?
- What will be done to support ACC's people?

For media:

- Reactive lines for if the Min or other Mins are approached about this
- Lines about the process – i.e., where things are at, how it's likely to look over the next few weeks, months etc

Ab



**Abbey Mennie**

**Private Secretary (ACC)** | Office of Hon Matt Doocey  
Minister for ACC, Minister for Mental Health, Minister for Tourism and Hospitality, Minister for Youth, Associate Minister of Health, Associate Minister of Transport

M: 9(2)(a)

Email: [abbey@xxx](#) Website: [www.Beehive.govt.nz](#)  
Private Bag 18041, Parliament Buildings, Wellington 6160, New Zealand

## ACC Cost Savings – Reactive Media Messages

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- ACC is committed to operating efficiently and effectively, while continuing to make a positive difference for New Zealanders.
- While most of ACC's funding comes from the levies and our Investment Fund, this is still public money. As part of the wider public sector, ACC is committed to supporting the Government's priorities and savings targets.
- ACC hasn't been given a specific target by the Government. However, there's a clear expectation that it will make material cost savings. ACC has set a savings goal of 6.5% of our operational costs over the next financial year (July 1, 2024 – June 30, 2025), in line with targets set for other public sector agencies.
- ACC plans to focus on becoming more efficient by finding opportunities to remove duplication, limit expenditure and stop work that isn't closely connected to improved outcomes for clients.
- It is too soon to say how this may impact ACC's workforce, although headcount reductions may be necessary given that people are one of its largest investments.
- No decisions have been made and any options that may affect ACC's people would be subject to a good faith consultation process.
- ACC is committed to ensuring this process does not negatively impact its ability to deliver its core services of injury prevention and supporting New Zealanders if they've had an accident. ACC is currently recruiting for a number of frontline roles, which will continue as planned.

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**From:** [Marvin France](#)  
**To:** [Nicky Grant](#)  
**Cc:** [x@xx](#); [Vicky Holmes](#); [Michelle Brooker](#)  
**Subject:** RE: Ministry reductions / redundancies  
**Date:** Thursday, 29 February 2024 5:32:51 pm

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Hi Nicky,

Please see below our response to Stuff, on a no surprises basis.

Let me know if you have any questions, otherwise I'll see you tomorrow.

Thanks,  
Marvin

Kia ora <sup>9(2)(a)</sup> ,

Thanks for your query. The following comments can be attributed to ACC chief executive Megan Main:

*As part of the wider public sector, ACC is committed to supporting the Government's priorities and savings targets while continuing to make a positive difference for New Zealanders.*

*ACC has set a savings goal of 6.5% of our operational costs over the next financial year (July 1, 2024 – June 30, 2025), in line with targets set for other public sector agencies.*

*Our plan is to focus on becoming more efficient by finding opportunities to remove duplication, limit expenditure and stop work that isn't closely connected to improved outcomes for our clients.*

*It is too soon to say how this may impact our people, although reducing our overall workforce may be one of the necessary options given that people are one of our largest investments.*

*We have outlined our savings target with our people and we're committed to being transparent throughout this process. It's important to note that no decisions have been made and any options that may affect our people would be subject to a good faith consultation process.*

**Ends**

If you are not happy with this response, you have the right to make a complaint to the Ombudsman. Information about how to do this is available at [www.ombudsman.parliament.nz](http://www.ombudsman.parliament.nz) or by phoning 0800 802 602.

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**From:** Marvin France  
**Sent:** Thursday, February 29, 2024 11:43 AM  
**To:** Nicky Grant <xxxxx.xxxxx@xxxxxxxxxxx.xxxx.xx>  
**Cc:** xxxxx.xxxxx@xxxxxxxxxxx.xxxx.xx; Vicky Holmes <xxxxx.xxxxx@xxx.xx.xx>; Michelle Brooker <xxxxxxxxxxxxxxxx@xxx.xx.xx>

**Subject:** FW: Ministry reductions / redundancies

Hi Nicky,

Just a heads up about the query below we've received from The Post/Stuff re yesterday's savings announcement.

I understand PSA National Secretary Duane Leo is commenting to media about it.

I'll share our response with you once it's been signed out.

Thanks,  
Marvin

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**From:** 9(2)(a)  
**Sent:** Thursday, February 29, 2024 11:31 AM  
**To:** Media <[Media@acc.co.nz](mailto:Media@acc.co.nz)>  
**Subject:** Ministry reductions / redundancies

You don't often get email from 9(2)(a) [Learn why this is important](#)

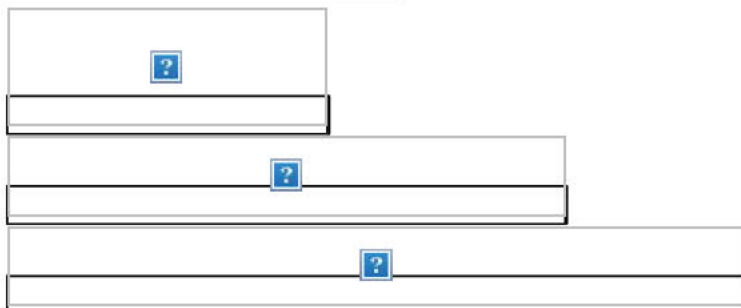
Kia ora,

Could I please have comment from the Ministry regarding if there is or if there are any proposed workforce reductions/redundancies/voluntary redundancies?  
Has there been any all-staff communications around this?

Can you please get back to me by midday tomorrow (Friday)? Give me a bell if you need any other information.

Thank you,

9(2)(a)



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**From:** [Marvin France](#)  
**To:** [Vicky Holmes](#); [Nicky Grant](#); [abbey.mennie@parliament.govt.nz](mailto:abbey.mennie@parliament.govt.nz)  
**Subject:** FYI: Statement request - NewstalkZB  
**Date:** Friday, 1 March 2024 1:35:41 pm  
**Attachments:** [010324 NewstalkZB cost saving targets.docx](#)

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Hi all,

Just an FYI that we've received another media query about this week's staff announcement and will be using the same statement as yesterday (attached).

Thanks,  
Marvin

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**From:** <sup>9(2)(a)</sup>  
**Sent:** Friday, March 1, 2024 11:05 AM  
**To:** Media <Media@acc.co.nz>  
**Subject:** Statement request - NewstalkZB

You don't often get email from <sup>9(2)(a)</sup> [Learn why this is important](#)

Kia Ora,

<sup>9(2)(a)</sup>

I was hoping to grab a statement on the cost-cutting measures announced for ACC - just around the cost-cutting target percentage, what these measures may look like - really just what you're able to say.

We'd use this for our hourly bulletins today.

Kind regards,

<sup>9(2)(a)</sup>



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## Media enquiry

<b>Date</b>	1 March 2023
<b>Reporter</b>	9(2)(a)
<b>From</b>	Newstalk ZB
<b>Contact</b>	9(2)(a)
<b>Timeframe</b>	1 March 2023
<b>Request</b>	<p>Kia Ora,</p> <p>9(2)(a)</p> <p>I was hoping to grab a statement on the cost-cutting measures announced for ACC - just around the cost-cutting target percentage, what these measures may look like - really just what you're able to say.</p> <p>We'd use this for our hourly bulletins today.</p> <p>Kind regards,</p>
<b>Data reference</b>	N/A
<b>Response</b>	<p>Kia ora 9(2)(a)</p> <p>Thanks for your query. The following comments can be attributed to ACC chief executive Megan Main:</p> <p><i>As part of the wider public sector, ACC is committed to supporting the Government's priorities and savings targets while continuing to make a positive difference for New Zealanders.</i></p> <p><i>ACC has set a savings goal of 6.5% of our operational costs over the next financial year (July 1, 2024 – June 30, 2025), in line with targets set for other public sector agencies.</i></p> <p><i>Our plan is to focus on becoming more efficient by finding opportunities to remove duplication, limit expenditure and stop work that isn't closely connected to improved outcomes for our clients.</i></p> <p><i>It is too soon to say how this may impact our people, although reducing our overall workforce may be one of the necessary options given that people are one of our largest investments.</i></p> <p><i>We have outlined our savings target with our people and we're committed to being transparent throughout this process. It's important to note that no decisions have been made and any options that may affect our people would be subject to a good faith consultation process.</i></p> <p><b>Ends</b></p> <p>If you are not happy with this response, you have the right to make a complaint to the Ombudsman. Information about how to do this is available at <a href="http://www.ombudsman.parliament.nz">www.ombudsman.parliament.nz</a> or by phoning 0800 802 602.</p>

<b>Who involved</b>	
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**From:** Vicky Holmes <xxxxx.xxxxxx@xxx.xx.xx>

**Sent:** Thursday, March 7, 2024 4:12 PM

**To:** xxxxx.xxxxxx@xxxxxxxxxx.xxxx.xx <xxxxx.xxxxxx@xxxxxxxxxx.xxxx.xx>;

xxxxx.xxxxxxxxxx@xxxxxxxxxx.xxxx.xx <xxxxx.xxxxxxxxxx@xxxxxxxxxx.xxxx.nz>;

xxxxx.xxxxxx@xxxxxxxxxx.xxxx.xx <xxxxx.xxxxxx@xxxxxxxxxx.xxxx.xx>

**Cc:** Marvin France <xxxxxx.xxxxxx@xxx.xx.xx>; Jason Hope <xxxxxx.xxxx@xxx.xx.nz>

**Subject:** No surprises update: Communication going to all staff today

Hi Abbey, Josef and Nicky

Later this afternoon, ACC staff will receive the below update on the plan for the financial year ahead.

In line with the update last week, no decisions have been made. However, as you'd expect, staff are keen to understand the timeframes that the Executive team are working to, particularly for any options that may involve proposals to reduce headcount.

The email, which will go to all staff, will advise that if options that include proposed headcount reductions proceed, consultation will occur in May. Decisions would then be made in June after careful consideration of feedback.

The communications make it clear that the options being explored do not involve any proposals to reduce the current headcount of our client-facing teams in Service Delivery. ACC is continuing to prioritise recruitment into these teams.

The full email is below. Please have a read and let me know if you have any further questions.

Ngā mihi

Vicky

**Vicky Holmes, (She/Her)**  
Manager Ministerial Services 00510469, ACC

9(2)(a)



## All Staff Communication from Megan Main for Issue 7 March 2024 – DRAFT FOR REVIEW

### Proposed Subject Header: Further Update on our Planning for the Financial Year Ahead FY24/25

Kia ora koutou

Last week I shared with you the commitment ACC has made to do our part to respond to the Government's clear direction for efficiency and effectiveness from the public service. I also said that we would use this moment to take us toward the aspiration of our strategy – Huakina te Rā.

While we're still early in the work, we made the decision to let you know that we're starting to identify and explore options to help us achieve a savings target of 6.5% on our operational costs over the next financial year; enable us to help our clients get better faster; make work easier for our people; and create headroom to invest in the initiatives that have a positive impact for the Scheme and for New Zealand.

As I said last week, we need to consider a range of options for achieving these objectives. It's likely that these options include reducing headcount.

Engaging you early was the right thing to do. What this means though is that we don't yet have answers to all of the questions that might be front of mind. We're committed to providing you with as much information as soon as we can.

One of the questions I know some of you have is about the timeframe we're working to, particularly for any options that may involve proposals to reduce our headcount. If we proceed with options that include proposed headcount reductions, we'll undertake consultation on those in May. Decisions would then be made in June after careful consideration of feedback.

Importantly, I want to be clear that the options we're exploring do not involve any proposals to reduce the current headcount of our client-facing teams in Service Delivery. We're continuing to prioritise recruitment into these teams.

We'll continue to keep you informed as there's more to share. In the meantime, we've set up an [Information Hub](#) on Te Pātaka and we'll build on this over the coming weeks.

Finally, it's important that we take care of ourselves and each other. We have several support pathways available and you can find them [here](#).

Thank you for all that you do for ACC. If you have any questions, please reach out to your leader.

Ngā mihi nui  
Megan

**1. SCHEME POLICY (MBIE)**

1.1 None.

**2. OPERATIONS (ACC)**

**2.1 ACC cost savings in the 2024/25 financial year**

In the weekly report on 8 February, ACC advised that it has begun work to embed a culture of fiscal discipline across the public sector.

Work is underway to understand and quantify potential cost savings in order to deliver a reduction in ACC's proposed budget for the 2024/25 financial year. In addition, some additional internal controls have been introduced around how vacancies are managed and filled.

ACC has started to identify and explore options to achieve a savings target of 6.5% on operational costs in the 2024/25 financial year. It is likely that these options include reducing headcount.

The options do not involve any proposals to reduce the current headcount of our client-facing teams in Service Delivery. We're continuing to prioritise recruitment into these teams.

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