

STATEMENT OF INTENT 2014-2018

FAIRWAY FORWARD

We are pleased to present this Statement of Intent, which sets out FairWay Resolution's priorities for 2014 - 2018.

Our priorities reflect our determination to make a difference to the experiences of New Zealanders and improve their trust in the sectors and organisations we work with.

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Our role and contribution

FairWay Resolution Limited (FairWay) is a specialist conflict management company providing services and systems to help people and organisations manage, resolve, learn from and prevent conflicts.

FairWay was established in July 1999 as a subsidiary of the Accident Compensation Corporation (ACC) to provide independent dispute resolution services for ACC.

On 1 July 2011, FairWay was incorporated under the Public Finance Act 1989 as an independent Crown-owned Company wholly owned by the New Zealand Government.

This Statement of Intent (SOI) is in respect of FairWay. It is submitted in accordance with Section 139 of the Crown Entities Act 2004. FairWay is incorporated under the Companies Act 1993.

The purpose of the SOI is twofold: firstly to enable the Crown to contribute to and confirm the company's objectives and strategies; and secondly to provide a base against which the company's actual performance can later be assessed.

This SOI outlines for Parliament, Ministers and interested stakeholders, FairWay's high-level operating intentions, objectives and outcomes for the next four financial years beginning 1 July 2014.

Board foreword

In preparing this SOI, we have been cognisant of the challenges ahead for our organisation as we adopt a new business model and diversification strategy. A well-managed transition towards a commercially robust company is still a critical goal for FairWay and consistent with the outcomes that the Government wants us to achieve.

In November 2013, the company changed its name to FairWay Resolution Limited and launched its fresh new brand to reposition the company as a professional services firm. This is a strong signal to the market that FairWay is stepping up its approach to delivering conflict management advice and services that help people move on with their lives.

FairWay has worked closely with the Accident Compensation Corporation (ACC) to initiate early resolution services (facilitation and conciliation) with its customers. The impact of this initiative has been a significant reduction in the number of applications for reviews over the past 18 months than in previous periods.

While this has affected our revenue we have begun to see the efforts of our focus on diversifying and growing our business. Our appointment by the Ministry of Justice as a nationwide supplier of Family Dispute Resolution (FDR) services is a good example of this success.

To deliver Family Dispute Resolution services to New Zealand families, we have worked closely with the Ministry of Justice to design and build effective and customer-focussed information technology systems and dispute resolution business processes. This has included investment in flexible infrastructure that we can leverage to quickly build new services for clients in the future.

Conflict has a negative influence on productivity and relationships in New Zealand. Whether the conflict is between organisations and their customers, between colleagues, or within families, the direct and indirect cost of conflict is high. Our priorities reflect our determination to make a difference to the experiences of New Zealanders and improve their trust in the sectors and organisations we work with.

We are fortunate to have a professional, expert and committed workforce, led by a talented CEO and senior leadership team. We strive continually to position the company for the future by building our capability and focussing our culture towards excellent client service.

The Board of Directors (the Board) of FairWay is accountable to the Shareholding Ministers (the Minister of Finance and the Minister for ACC) as set out in the Crown Entities Act 2004. The SOI fulfils our statutory requirements under the Crown Entities Act 2004. This SOI sets out a medium to long-term picture of the results FairWay is pursuing, how we intend to achieve and measure our progress towards those results, the challenges FairWay faces and the implications for capability.



Peter Blades
Chairman



Anita Chan
Director

Who we are

FairWay Resolution's vision, mission and values must continue to drive all that our business stands for. We deal with a wide range of people, and these values will provide a constant litmus test for our success. While we must make a range of changes to the business and the model we use to generate commercial revenue, our values will remain constant.



Our fundamental values are to pursue excellence in all we do through service excellence, fairness, integrity, empathy, and teamwork.

Each and every person in FairWay plays a significant role. A strong sense of teamwork (one of our values) is critical, as no individual can achieve excellence without the support and collaboration of team members. This applies to our staff and our network of contractor partners. As we grow, staff numbers will increase, as will the depth and breadth of our relationship with specialised contractors.

Our mission

Helping people in conflict move forward.

Our vision

To be the leading conflict management services provider by:

- protecting consumers' rights
- assisting people to resolve disputes themselves, and
- strengthening organisations' reputations by improving their conflict capability.

What we do

FairWay Resolution Limited is an independent, Crown-owned company providing specialist conflict management and dispute resolution services. FairWay employs 90 staff and contracts with over 190 specialist reviewers and mediators throughout the country so that we can offer our clients a nationwide service.

FairWay handles over 10,000 disputes each year — of all kinds and all levels of complexity, including medical, insurance, financial services, telecommunications, family and real estate. Our dispute resolution experience underpins our conflict management expertise in all parts of the conflict management cycle — prevention, management, resolution and analysis of conflict.

Prevent

- Diagnostic analysis
- System development
- Partnership plans
- Early intervention
- Advisory services

Manage

- Complaint management design
- Screening and assessment
- Capability building / training
- Dispute resolution system design
- Conflict surveys



Prevent

Manage

FairWay Resolution

Conflict Management
Cycle

Learn

Resolve

Learn

- Training
- Conflict coaching
- Data analysis

Resolve

- Mediation
- Reviews
- Adjudication
- Arbitration
- Conciliation
- Facilitation

Preventing conflict

A low level of conflict in organisations is neither unusual nor necessarily negative. Conflict can be a catalyst for positive change by enabling constructive discussion and challenging the status quo.

But not all organisations are competent at dealing with conflict. Often their culture and systems do not sit well with conflict at any level, whether it is low level and positive conflict, or open and destructive conflict. We work with organisations to prevent destructive conflict at the earliest possible point, using a number of strategies.

Our services in this area are tailored to each client's unique needs and include developing a positive conflict culture, implementing structures and procedures to manage destructive conflict as early as possible, skill development, coaching interventions and through the dynamics of collaborative problem solving.

Benefits of our conflict prevention services include reducing the number of internal and external complaints, preventing the escalation of complaints into costly disputes, reducing the cost of conflict to our client's organisations and the preservation and strengthening of relationships.

Managing conflict

We help enhance our clients' reputations by helping them design and implement fair, transparent, international best practice conflict management schemes that protect the rights of consumers. We also help organisations build internal conflict management capability.

Our services range from reviewing internal complaints processes, to designing external complaints review processes, to providing fully

outsourced 'end-to-end' dispute resolution schemes provided under a client's brand. Dispute resolution schemes are unique to each organisation or industry group, and usually include a complaints triage service, case management, facilitation to seek early resolution, communication of the scheme to targeted consumers, and analysis to identify systemic issues.

The benefit of 'best practice' conflict management systems and services provided by FairWay experts is largely measured by consumers' satisfaction with the accessibility and expediency of the service.

Resolving conflict

If unable to resolve a conflict with early intervention, FairWay offers clients and customers access to one or more dispute resolution services to resolve and or settle the dispute or complaint.

Our services include facilitation, mediation, conciliation, adjudication and arbitration. Our team provides services that cover the full dispute resolution continuum, which means that parties can start by using the most cost effective and most controllable service (facilitation), escalating to more directional services if their dispute remains unresolved. Within our ethical boundaries, we also provide specialist hybrid services to clients with unique needs.

All FairWay mediators and adjudicators have professional qualifications and are accredited members of professional dispute resolution bodies. Our peer review system ensures conflict resolution outcomes are consistent, robust and technically sound.

Learning from conflict

Conflict provides a rich opportunity for organisations to learn how to improve their relationships with internal and external stakeholders.

Customer complaints, particularly if centralised through a single gateway, can be a valuable source of business intelligence to organisations wanting to improve their customers' experiences. Our team helps clients by capturing, recording, analysing and reporting on complaints data. We gather and analyse critical intelligence to detect developing or entrenched issues that may not be uncovered by the usual channels of research.

FairWay's competitive advantage comes from our extensive experience in dispute resolution, our systems and processes for managing disputes, a commitment to protecting the privacy of all parties to a dispute, and a thorough understanding of technical and legislative issues that arise in different sectors that use our services.

The effect of conflict in New Zealand

Conflict in New Zealand is not a new or original problem. It affects all sectors, industries, organisations and human interactions.

Late in 2013, FairWay Resolution researched the extent, nature and cost of organisational conflict in New Zealand. The research found an overarching theme of workplace conflict seriously damaging relationships and the overall financial performance of organisations.

Here is a summary of the findings:

- **Conflict reduces productivity at work.** One quarter of workers have experienced at least one disagreement or argument at work which distracted or prevented them from doing their job in the last twelve months. 37% of these disagreements/arguments went on for more than one month.
- **Workers' conflict is usually about work – not personalities.** Conflicts are most often about differences in opinions about how to perform a task, procedures or policies not being followed, working conditions or hours or personality clashes and bullying.
- **Conflict affects workers' emotions and work performance.** The most common initial reaction to a dispute was anger, followed by stress. Work-related consequences of a disagreement were reported by most including losing focus, avoid communicating with other party, and reduced motivation.

- **It's hard to get good help from within the organisation.** 70% of those experiencing disagreements/arguments sought help or support from someone in their organisation. Of those who turned to a manager for help only 52% were satisfied with the support.

This research shows that conflict is not well managed in New Zealand organisations. But encouragingly, the most common type of conflict found in New Zealand workplaces can be modified to create healthy, high performing workplaces.

How we work

FairWay's business model mirrors a professional services firm as we strive to ensure our clients and the public see the quality and delivery of our services as equal to our private sector competitors.

As we transition from relying solely on high volume/low value dispute resolution schemes to providing bespoke conflict management advice and consultancy, our culture and approach is focused on delivering significant value to our clients.

For instance, Accident Compensation Corporation (ACC) is one of the company's key clients, and we are moving towards delivering early resolution services to assist ACC and its customers to reach agreement well before the formal review process is required. However, we continue to invest in our review capability to ensure we provide a high quality, independent and fair process for all ACC customers.

In the past few years our commercial success has required a diversification of both our client base and revenue. Therefore, we have added services to a range of industry sectors, including the telecommunication dispute resolution service (TDR), financial service sector dispute resolution service (FDRS) and the real estate sector. Most recently we began offering the Family Dispute Resolution service, which is designed to help families resolve their own parenting disputes out of court.

Through all our work, we strive to:

- ▶ Help organisations manage conflict appropriately and cost-effectively
- ▶ Increase public trust in the organisations and sectors we work with
- ▶ Build more productive sectors as a result of improved conflict management capability
- ▶ Help people resolve conflict constructively so they can move on with their lives.

Shareholder expectations

1 Ministers' priority 1: Contributing to government priorities.

The Government's four priorities are: building a more productive and competitive economy, managing the Government's finances, delivering better public services within tight financial constraints, and rebuilding Christchurch. A further consideration for FairWay is how it can contribute to the Government's Business Growth Agenda to support New Zealand businesses to grow in order to create jobs and improve New Zealanders' standard of living, by encouraging businesses to be more productive and competitive.

2 Ministers' priority 2: Deliver profitable and efficient dispute resolution services.

The strategy for FairWay in 2014 will be on continued financial growth as it transitions towards a "professional services" business model. It will look to achieve this in a number of new and innovative ways but underlying this will be delivering its core services to ACC and the Ministry of Justice as efficiently as possible.

3 Ministers' priority 3: Delivering better services and better value.

At the core of our business must remain a constant focus on our clients. By delivering an excellent high quality service that meets or exceeds our client expectations, we will deliver better and more sustainable value. FairWay will continue to focus on ensuring that the client experience is based on quality, timeliness, flexibility, and being responsive to their needs.

4 Ministers' priority 4: Broaden the customer base.

The future success of FairWay as a business will depend on raising its public profile and successfully growing and diversifying the business. FairWay will also be looking to develop depth in assisting clients with conflict prevention and/or early resolution as part of our full "end to end" conflict management service.

5 SOI 1 July 2014 – 30 June 2018

- A genuinely strategic document covering at least **four** years setting out the agreed strategic direction for FairWay.
- Provide a clear performance framework and support improved reporting to Parliament and the public on results.
- Collaborate with other relevant organisations, the business community, international agencies and Maori and other communities in order to achieve sector wide results.

General expectations of Crown-owned companies

The Government has a number of broad expectations that apply to all Crown-owned companies. These are set out below.

| | |
|--|---|
| Meeting financial forecasts | Boards are expected to monitor performance against forecasts, and inform officials as soon as possible if risks emerge that financial targets will not be met. |
| Shareholder returns | Over time, commercial entities are expected to deliver returns that meet or exceed their cost of capital. |
| Dividends and capital structure | Shareholding Ministers expect Crown-owned companies to operate with a capital structure and a dividend policy that are consistent with those of listed peers, and to maintain an appropriate balance between dividends and re-investment in the business. |
| Better Public Services | The Government has embarked on the Better Public Services programme that has three objectives: setting clear priorities, delivering high quality services, and reducing waste. |

The challenges for the year 2014-2018

1. Long term, profitable and mutually beneficial contracts with key clients must be established in order for FairWay to be able to invest in the resources it needs to continually improve its service delivery to those clients.

3. We need to fund capital expenditure from earnings, and there are a number of capital demands on the business as we invest in systems, products and people.

2. Diversification of our client base to support longer term growth, and to reduce reliance on some key contracts.

4. Continuing to focus on developing a strong customer service culture, while also transitioning the business to the professional services model and all the changes associated with that.

FairWay's Business Strategy

The business strategy reflects FairWay's transition towards a professional services business model. That transition requires a sound understanding of two key elements:

- the hourly cost and market value of each employee's time, and
- our current market's perceived value of our services, and the opportunities those and other new markets present to us in the year ahead.

FairWay is seeking to rapidly improve its knowledge in both these areas. Over time, we expect to be in a much stronger position to be able to predict future workloads, understanding our own levels of productivity and profitability, and to testing both market potential and our own revenue requirements during each business planning cycle.

At the core of our model must remain a constant focus on our clients. By delivering an excellent service that meets or exceeds our clients' expectations, we will achieve better and more sustainable results over time. We must maintain and improve our relationships with, and services to, existing clients, while also seeking to diversify our client base.

Our key focus is on our clients and customers, and ensuring that their experience of working with FairWay is based on quality, timeliness, flexibility and responsiveness to their needs. We have developed our customer service charter and each staff member and contractor who works with FairWay lives this statement.

As we diversify into new sectors, we must also continue to develop depth of expertise in assisting clients with conflict prevention and/or early resolution as part of our full 'end to end' conflict management service.

This will at times also involve a need to differentiate our services by investing in innovative conflict management techniques, products and services, and delivering these services to a high quality and always on time.

Our aim in delivering on these objectives is to provide leadership in the New Zealand conflict management market from a position of strength. This will be built on our values and a core professional services business model.

FairWay's business planning will become more robust, based on increasing understanding of client requirements, and improved business management, allowing us to deliver better results to all stakeholders.

FairWay's response and approach

Outcome approach to business planning

FairWay's business plan uses the criteria from the Minister's Letter of Expectations as the basis for its outcomes. In addition, the Board and senior management team carry out strategic planning through a visual outcomes model. The following high-level outcomes, and the priorities associated with them, have been developed to support the Minister's priorities.

The high-level outcomes

The Minister's priorities provide the foundation for the development of these outcomes.



Business Strategy

MEDIUM-TERM OBJECTIVES

Maintaining a well-run, profitable and effective company

Effective business transformation (through professional services model)

Successfully grow and diversify the business

Effective relationship with Government Shareholders and expectations met

Consumers aware of, and able to access, conflict management services

Conflict managed appropriately and cost effectively by FairWay

MISSION

To help people in conflict move forward

VISION

To be the leading conflict management services provider by:

- protecting consumers' rights
- assisting people to resolve disputes themselves, and
- strengthening organisations' reputations by improving their conflict capability.

OUTCOMES

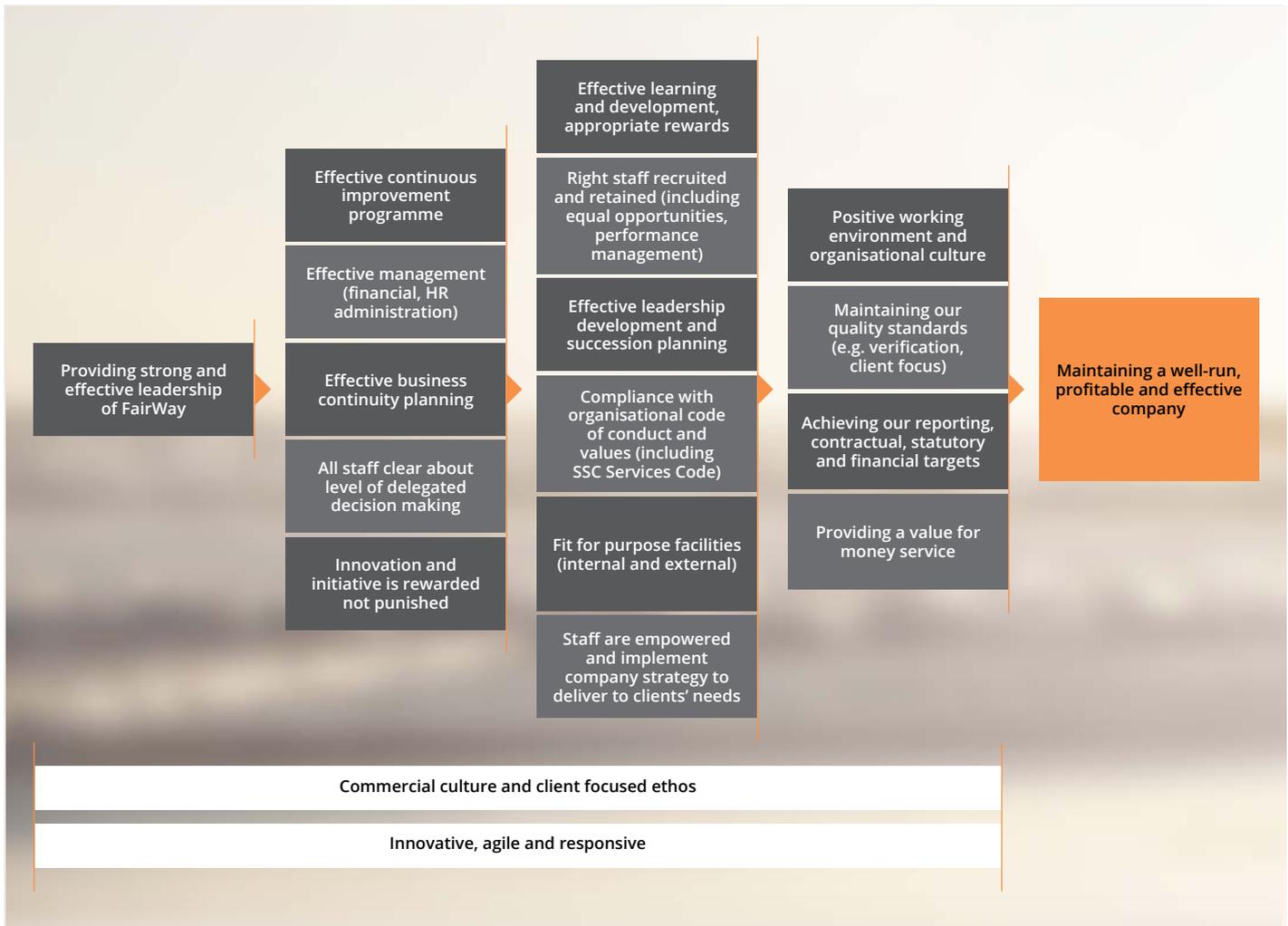
FairWay makes a contribution to the Business Growth Agenda

FairWay delivers profitable and efficient dispute resolution services

FairWay is delivering better services and better value

FairWay has broadened its customer base

Maintaining a well-run company



Maintaining a well-run, profitable and effective company is a critical foundation for the work that FairWay undertakes. A professional services company requires many elements to work seamlessly together in order to deliver a valuable service to its clients and customers.

There are a number of changes that FairWay is making in order to achieve this objective. This includes providing strong and effective leadership, improving our HR management and ensuring that staff are empowered to implement company strategy.

Our priorities over the next period will be focused on attracting, retaining and training the right people for each of the key roles in the company as we grow.

Contributes to:

- the Business Growth Agenda
- delivering profitable and efficient dispute resolution services
- delivering better services and better value
- broadening the customer base.

Effective business transformation



Our future growth will depend on our ability to effectively transform into a professional services firm, offering conflict management services that make a difference to our clients' organisations or lives. Critical to the successful adoption of this model is our investment in the core systems and processes that underpin an efficient professional practice.

FairWay has made good progress in its transformation, having adopted a new structure with new expectations of its people, new ways of working and of the value we must deliver to clients. Ensuring a deeper understanding of the drivers of professional services

success and continuous improvement of our foundation systems are priorities for the coming year.

Other priorities over the next four years will include ensuring we have sufficient research, monitoring, cost-effective analysis and risk management in place to evaluate our performance along with a workforce that strives for service excellence.

Contributes to:

- delivering better services and better value
- broadening the customer base
- delivering a quality of service that is undifferentiated from private sector competitors'.

Successfully grow and diversify the business



As we transition from relying on high volume /low value dispute resolution schemes to providing bespoke conflict management advice and services, our culture and approach is focussed on understanding each client's unique needs in order to design and deliver services that provide significant value. We are also taking a broader approach to partnering with experts with complementary skills and networks to target new business opportunities.

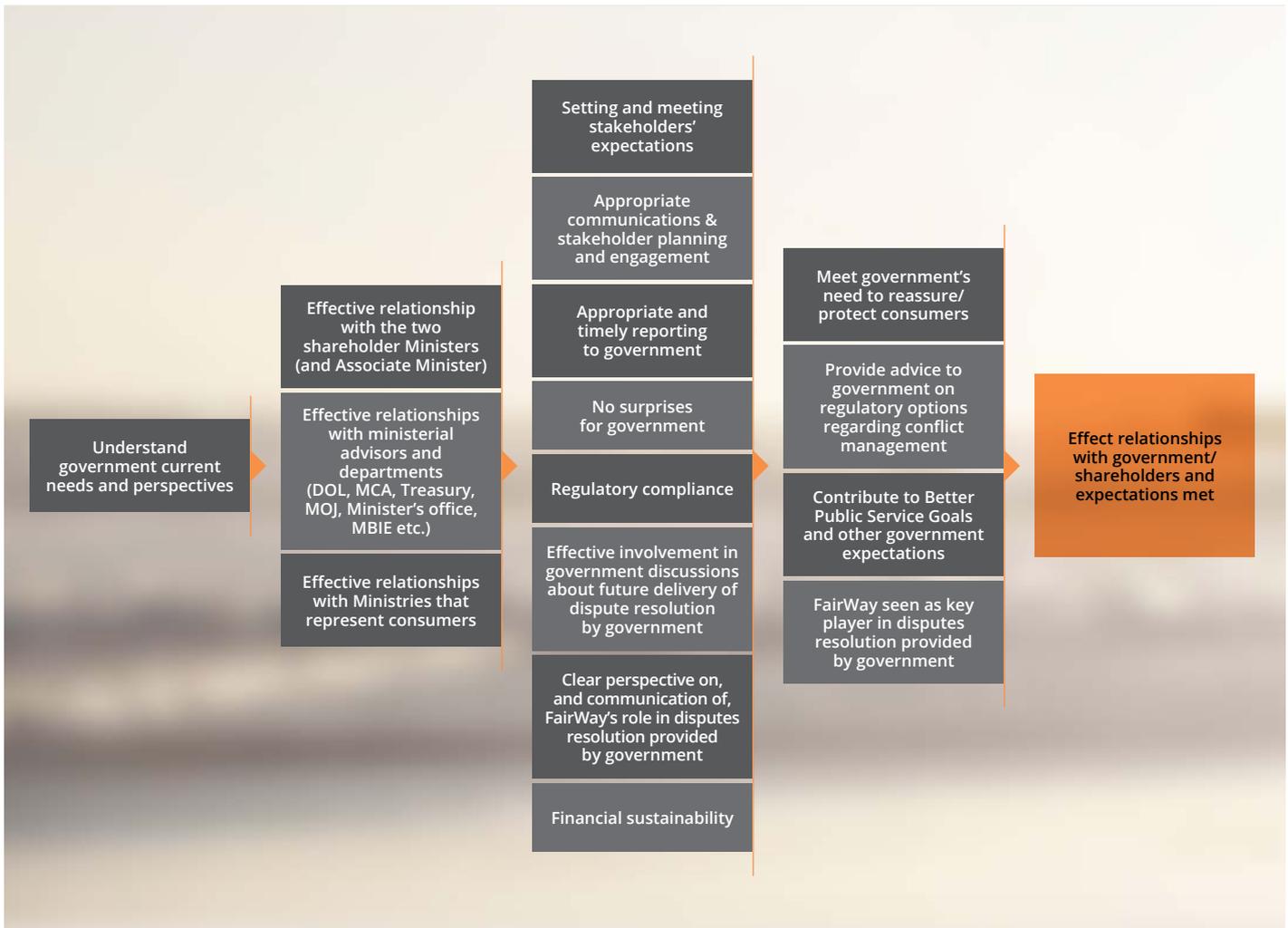
The future success of FairWay's business will depend on raising its profile in strategically important markets to win new work and diversify the business.

Securing long-term contracts with current clients is critical to developing a sustainable, profitable business for our shareholder.

Contributes to:

- broadening the customer base
- delivering profitable and efficient dispute resolution services
- delivering better services and better value.

Effective relationships with government and shareholders and expectations met



Clear, appropriate and timely communications with our shareholding Ministers and Ministries is important to ensure FairWay maintains strong and effective relationships with government and shareholders and to meeting their expectations.

Investing in raising the profile of the newly adopted FairWay brand through proactive and credible communications is a priority for the business. We have begun to work towards building the reputation as the government authority on dispute resolution by leveraging our significant

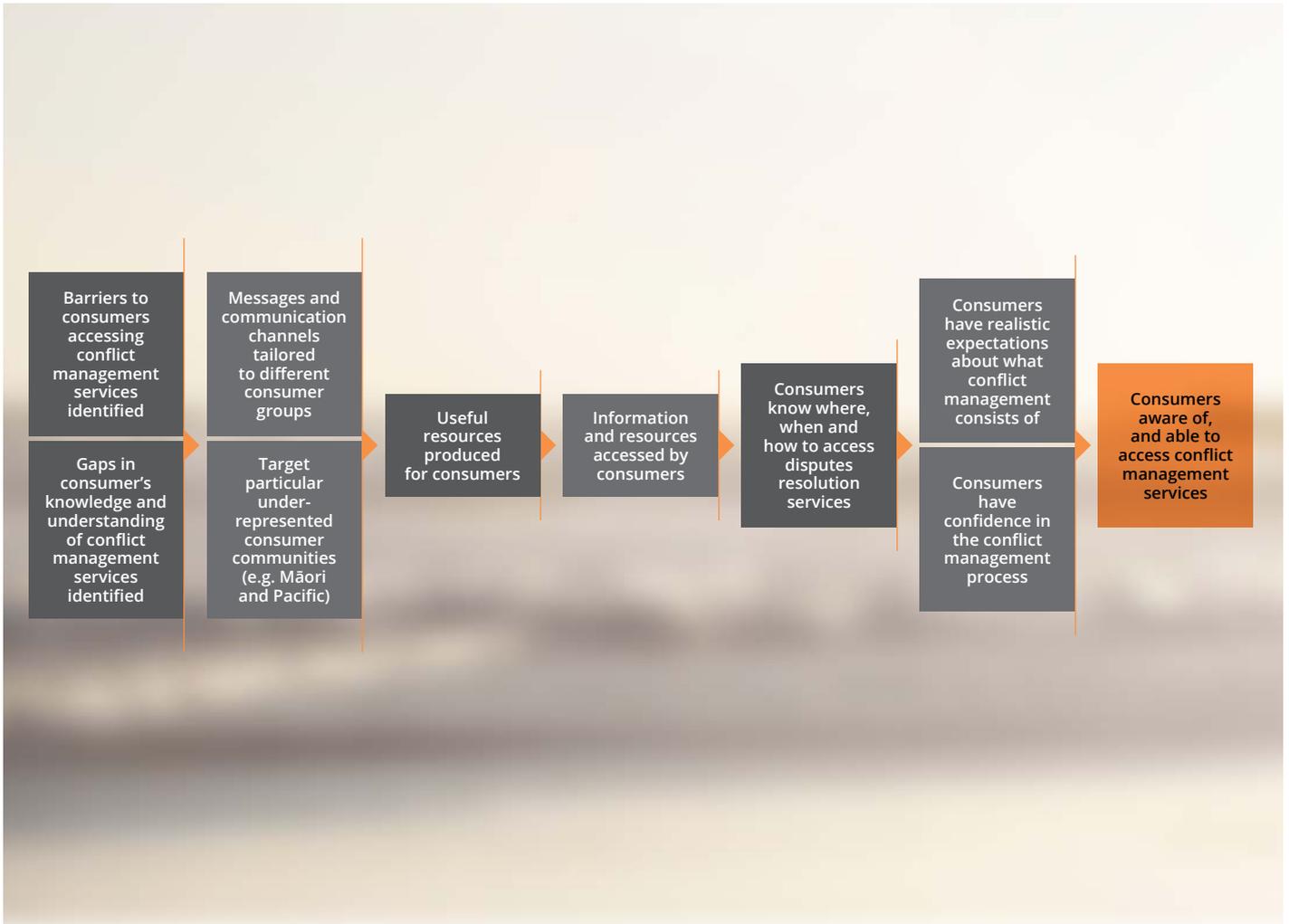
experience complemented by a research programme that provides evidence for our advice. This will enable to confidently contribute to all government conversations about dispute resolution.

The priority for the next four years is to broaden and deepen our relationships with the senior management of key government agencies.

Contributes to:

- government priorities
- delivering better services and better value.

Consumers aware of and able to access conflict management services



Following the rebranding of Dispute Resolution Services Limited to FairWay Resolution in November 2013, we are investing in raising the profile of the company and the end-to-end conflict management services we offer. Since the rebrand, visits to our website have almost doubled. We have also established a number of social media channels to cost-effectively engage with target markets.

External communications continue to focus on providing information on what options consumers have for access to dispute resolution processes and how FairWay can assist them.

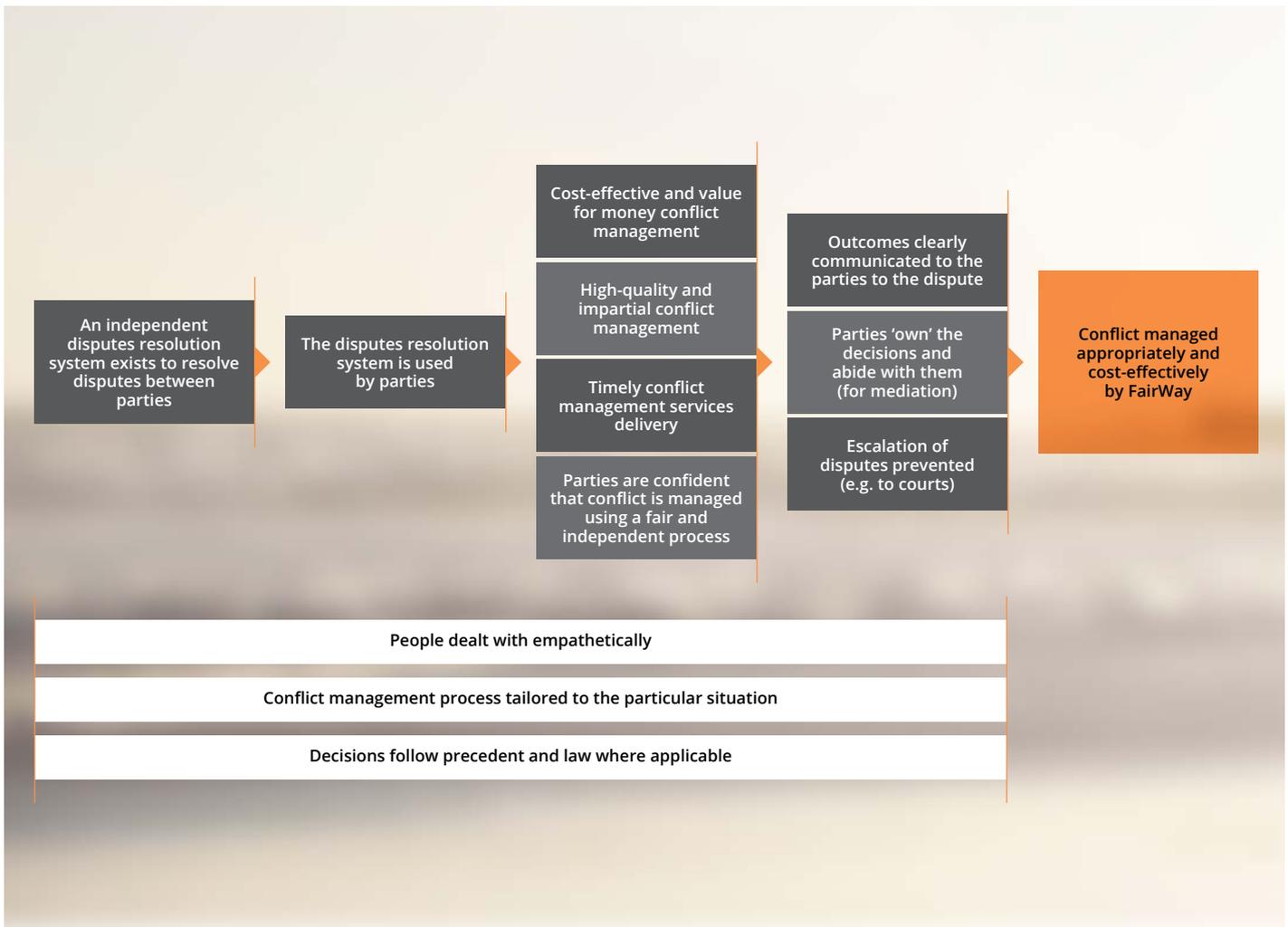
The independence of FairWay helps give consumers confidence about the fairness of conflict management processes.

In the next year, we will be focusing on using plain language in targeted communications to reach specific consumer groups.

Contributes to:

- delivering better service and better value
- broadening the customer base.

Conflict managed appropriately and cost effectively by FairWay



Consumer feedback tells us that FairWay's services are fair and independent, regardless of the outcome of their dispute. Our adoption of a service charter that all staff and contractors agree to, is fundamental to ensuring that our customer's experience of our service is positive.

As we develop new services for new markets, a priority is to ensure that we put the customer's experience at the heart of every decision. The implementation of the Family Dispute Resolution service has given us the opportunity to embrace this philosophy and we look forward to receiving performance feedback that reflects this.

Further exploration of clients' perceptions of whether our services are modern, responsive, business like and provide good value for money is required. As we mature as a professional services firm, we are adopting client relationship management systems that will provide better quality feedback loops.

Our priority for the next four years is to find ways to mesh the best elements of existing dispute resolution services into new services for our emerging markets. To be perceived as the leading provider of conflict management services, it is critical that we establish a track record in designing dispute resolution systems that are effective for the clients or industries they serve.

Contributes to:

- delivering better services and better value
- delivering profitable and efficient dispute resolution services.

Organisational health and capability

The Crown Entities Act 2004 requires that the SOI contains information on how the company proposes to manage its organisational health and capability.

FairWay's organisational capability is measured by the combination of:

- people, leadership and organisational culture
- breadth of strategic and operational relationships
- communications, knowledge, analysis, and information
- processes, technology, physical assets and structures that support employees in their work.

People and culture

FairWay aims to be an employer of choice that attracts and retains people with the skills and the motivation needed to achieve high-quality results.

As a professional services firm, people and culture are more critical to our success than anything else. In 2013, our People Strategy was prepared to address the key challenges and opportunities for how FairWay interacts with and manages its people. The strategy is aspirational and focuses on areas where FairWay has the potential to make significant gains.

Achievement of its business goals will require a considerable stretch in FairWay's capabilities and enhanced productivity. We need to engage our people and stakeholders in the creation of a compelling culture. The most significant changes need to be in our managers' capabilities and related aspects of FairWay culture, which is supported by HR.

FairWay has a strong culture and as such is difficult to change without great effort, time and possible substantial disruption.

At the heart of our culture will be our constant belief in and our consistent demonstration of our values through behaviour:

SERVICE EXCELLENCE ensuring we provide a high quality service to our customers, so that they trust us to provide a fair and independent environment in which to reach agreement or manage their conflict

FAIRNESS is at the heart of a successful dispute resolution and any long term valuable relationship

INTEGRITY creating an environment of openness through positive communication and transparency, and treating people fairly and impartially

EMPATHY encouraging our staff to identify people's needs by asking, listening and seeking clarification

TEAMWORK providing opportunities for staff to work cooperatively.

“Lifting the game” is central to FairWay’s People Strategy. The test of all aspects of this strategy is whether it supports FairWay to increase its performance. Timing is right as we have a burning platform for change. The 2013 restructure and rebranding of the organisation provides an environment ripe with opportunity to reposition all areas of the business for our future success.

A key aspect and observation underpinning the development of this People Strategy is that people management processes and practices at FairWay are fundamentally sound but have room for significant enhancement to meet the future business demands.

There is increased pressure on delivering good management practices driven by changes in the dynamics of our culture. Previously these practices were optional, but are increasingly becoming mandatory. Organisations are placing much greater focus on the quality of their people management, and FairWay too needs to do this to ensure that we create the environment where good performance is truly recognised and poor performance is dealt with appropriately.

While FairWay meets today’s requirements in these areas, continued development of these capabilities is required for the future positioning to maintain and enhance FairWay’s ability to attract and retain the right people, and ultimately maintain and develop its ability to deliver upon its objectives.

The strategy highlights five key themes that FairWay needs to focus on over the next few years. It outlines the current state in each of these areas, and the desired future state. Finally, the strategy outlines some high level initiatives which will form the basis of a more detailed implementation plan.

The five key themes in the People Strategy are:

- excellent managers
- attracting and keeping the right people
- developing our people
- managing technical skills and knowledge
- enhancing change agility.

Organisational change

FairWay restructured in early 2013 in order to better position itself to diversify its work and grow its business.

This new structure has provided a solid foundation for FairWay to improve the delivery of services to our clients, as well as allowing it to pursue the many opportunities that exist for future growth. As an organisation, we must continue to learn new skills, develop new competencies, and seek to stay at the forefront of dispute resolution. The company’s focus on the wider conflict management cycle, from prevent, manage, resolve and learn is opening up many more opportunities than were available under our previous narrower focus.

Being a good employer

FairWay is a good employer, providing an environment where employees feel valued and respected, where difference is celebrated and diversity encouraged. Policies and procedures are transparent, with opportunities for staff engagement and feedback. FairWay works to ensure it makes maximum use of the skills and strengths of all staff.

Risk management

Corporate risk is managed through the overall governance structure of FairWay, and through a specific system for identifying and managing risks, which is supported by the Risk and Assurance Committee.

The risk and assurance system

The Risk and Assurance Committee is appointed by the Board and consists of FairWay Board members. It meets quarterly. The Committee's primary purpose is to assist the Board in fulfilling its audit and risk assurance responsibilities.

The Committee receives reports from the General Manager, Strategy and Finance, and provides advice to the Chief Executive and the Board to help exercise oversight of the integrity of the financial, operational, internal control, risk management, and legislative compliance systems.

Reporting requirements

FairWay's reporting requirements are to produce:

- an SOI to cover the next four years
- a Statement of Performance Expectations annually
- an annual report
- quarterly reports of financial and operational performance.

FairWay strives to ensure strong working relationships and open communication with its Ministers, including regular discussions with the Minister for ACC or the delegated responsible Minister.

FairWay meets regularly with the Ministry of Business, Innovation and Employment, covering the quarterly reports, the performance information and commentary, emerging issues and major achievements.

FairWay's reporting includes maintaining a 'no surprises' policy, where early communication is provided on any material or significant events, transactions and other issues that could be considered contentious or attract wide public interest, whether positive or negative.

The environment in which the company will seek to contribute to this programme is characterised by:

- an increasing government and public interest in conflict management services
- a need to provide cost-effective, profitable services
- responsiveness to a significant reduction in the number of ACC reviews
- a need for a stand-alone, sustainable balance sheet
- the pursuit of quality, efficiency and effectiveness through innovation
- an increasing focus on new distribution channels, with a special emphasis on information technology (IT) enablement
- an increasing interest in non-judicial dispute resolution practices
- the need to contribute positively to the social and economic fabric of New Zealand.

Furthermore, FairWay sees opportunity to expand the range of services we provide to new sectors and markets. In particular, we are focused on developing relationships with key partners and clients in the private sector. The value that FairWay can add to the sector is in reducing the cost of doing business by helping our clients to better understand conflicts, help them build capacity to manage and prevent them, and where necessary, assist in resolving them in an independent and fair manner.

By the end of June 2014, the company will have been firmly established as a stand-alone entity. Disputes will have been dealt with appropriately and cost effectively; forecast profits are projected to be achieved; and the organisation will have maintained good health and capability.

We have broadened our business model to encompass a broader suite of conflict management services, and investing in our professional services and technology to assist in that diversification.

