

Vote ACC

APPROPRIATION MINISTER(S): Minister for ACC (M1)

APPROPRIATION ADMINISTRATOR: Ministry of Business, Innovation and Employment

RESPONSIBLE MINISTER FOR MINISTRY OF BUSINESS, INNOVATION AND EMPLOYMENT:
Minister for Economic Development

Summary of the Vote

Overview

Part 1 - Summary of the Vote

The Minister for ACC is responsible for appropriations in the Vote for the 2014/15 financial year covering the following:

Departmental appropriations of just under \$120,000 for purchasing services to manage the residual long-term responsibility related to the Crown's ongoing risks resulting from the introduction of the competitive accident insurance market during 1999/2000.

Non-departmental appropriations consisting of:

- a total of just under \$112 million to cover the estimated cost of injury prevention, claim processing, assessment, payment services and case management on the Non-Earners' Account
- a total of just under \$10 million to cover the cost of injury prevention, claim lodgement and management, investment management and appropriation setting for claims by non-earners on the Treatment Injury Account
- a total of just under \$300 million to fund public health acute services for claims on the Non-Earners' Account
- a total of just over \$1 million to fund public health acute services for claims by non-earners on the Treatment Injury Account
- a total of just under \$440 million to cover the estimated cost of purchasing medical services, social rehabilitation, elective health care and contracted services on the Non-Earners' Account, and
- a total of just over \$72 million to cover the cost of purchasing medical services, social rehabilitation and elective health care services and contracted services for claims by non-earners on the Treatment Injury Account.

Benefits or related expenses consisting of:

- a total of just over \$23 million to cover the cost of income maintenance, independence allowance, and other compensation payments for claims on the Non-Earners' Account, and
- a total of just over \$7 million for provision of income maintenance, independence allowance, and other compensation payments for claims by non-earners on the Treatment Injury Account.

Multi-category expenses and capital expenditure of under \$3 million to provide policy advice and other support relating to the accident compensation scheme and ministerial servicing.

Details of these appropriations are set out in Parts 2-4.

Estimates of Appropriations

Details of Appropriations and Capital Injections

Annual and Permanent Appropriations

Titles and Scopes of Appropriations by Appropriation Type	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Departmental Output Expenses			
Regulatory Services (M1) This appropriation is limited to the management of the residual long-term responsibility related to the Crown's ongoing risks resulting from the introduction of the competitive accident insurance market during 1999/2000.	116	116	119
Policy Advice and Related Outputs MCOA (M1)	2,912	2,912	-
<i>Ministerial Services</i> This output class is limited to the provision of services to Ministers to enable them to discharge their portfolio (other than policy decision-making) responsibilities.	509	509	-
<i>Policy Advice - ACC</i> This output class is limited to the provision of advice (including second opinion advice and contributions to policy advice led by other agencies) to support decision-making by Ministers on government policy matters relating to the accident compensation system.	2,403	2,403	-
Total Departmental Output Expenses	3,028	3,028	119
Non-Departmental Output Expenses			
Case Management and Supporting Services (M1) To cover the cost of injury prevention, claim processing, assessment, payment services and case management on the Non-Earners' Account.	106,873	106,873	111,995
Case Management and Supporting Services - Treatment Injuries for Non-Earners' (M1) This appropriation is limited to cover the cost of injury prevention, claim lodgement and management, investment management and appropriation setting for claims by non-earners' on the Treatment Injury Account.	16,726	16,726	9,107
Public Health Acute Services (M1) To fund public health acute services for claims on the Non-Earners' Account.	286,172	286,172	296,853
Public Health Acute Services - Treatment Injuries for Non-Earners' (M1) This appropriation is limited to fund public health acute services for claims by non-earners' on the Treatment Injury Account.	718	718	1,197
Rehabilitation Entitlements and Services (M1) To cover the cost of purchasing medical services, social rehabilitation and elective health care services on the Non-Earners' Account and contracted services.	507,060	507,060	438,593
Rehabilitation Entitlements and Services - Treatment Injuries for Non-Earners' (M1) This appropriation is limited to cover the cost of purchasing medical services, social rehabilitation and elective health care services and contracted services for claims by non-earners' on the Treatment Injury Account.	129,308	129,308	72,300
Total Non-Departmental Output Expenses	1,046,857	1,046,857	930,045

Titles and Scopes of Appropriations by Appropriation Type	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Benefits or Related Expenses			
Compensation Entitlements (M1) This appropriation is limited to the provision of income maintenance, independence allowance, and other compensation payments for claims on the Non-Earners' Account.	49,040	49,040	23,323
Compensation Entitlements - Treatment Injuries for Non-Earners' (M1) This appropriation is limited to the provision of income maintenance, independence allowance, and other compensation payments for claims by non-earners' on the Treatment Injury Account.	16,727	16,727	7,134
Total Benefits or Related Expenses	65,767	65,767	30,457
Multi-Category Expenses and Capital Expenditure			
Policy Advice and Related Outputs MCA (M1) The overarching purpose of this appropriation is to provide policy advice and other support to Ministers in discharging their policy decision-making and other portfolio responsibilities. <i>Departmental Output Expenses</i> <i>Ministerial Services</i> This category is limited to the provision of services to Ministers to enable them to discharge their portfolio (other than policy decision-making) responsibilities. <i>Policy Advice - ACC</i> This category is limited to the provision of advice (including second opinion advice and contributions to policy advice led by other agencies) to support decision-making by Ministers on government policy matters relating to the accident compensation system.	-	-	2,502
Total Multi-Category Expenses and Capital Expenditure	-	-	2,502
Total Annual and Permanent Appropriations	1,115,652	1,115,652	963,123

Supporting Information

Part 1 - Vote as a Whole

1.1 - New Policy Initiatives

Policy Initiative	Appropriation	2013/14 Budgeted \$000	2014/15 Budget \$000	2015/16 Estimated \$000	2016/17 Estimated \$000	2017/18 Estimated \$000
Formation of Ministry of Business, Innovation and Employment Savings	Regulatory Services Departmental Output Expenses	-	(1)	(1)	(1)	(1)
	Ministerial Services Multi-Category Expenses and Capital Expenditure Policy Advice and Related Outputs	-	(8)	(8)	(8)	(8)
	Policy Advice - ACC Multi-Category Expenses and Capital Expenditure Policy Advice and Related Outputs	-	(38)	(38)	(38)	(38)
ACC Non-Earners' and Treatment Injury Accounts Appropriation Changes	Case Management and Supporting Services Non-Departmental Output Expenses	-	9,693	2,717	(10,732)	(22,522)
	Case Management and Supporting Services - Treatment Injuries for Non-Earners' Non-Departmental Output Expenses	-	(21,218)	(12,225)	(20,104)	(28,241)
	Public Health Acute Services Non-Departmental Output Expenses	-	(3,158)	(3,828)	(4,407)	(5,052)
	Public Health Acute Services - Treatment Injuries for Non-Earners' Non-Departmental Output Expenses	-	1,197	1,182	1,383	1,473
	Rehabilitation Entitlements and Services Non-Departmental Output Expenses	-	(105,935)	(42,515)	43,329	128,737
	Rehabilitation Entitlements and Services - Treatment Injuries for Non-Earners' Non-Departmental Output Expenses	-	(27,668)	(30,337)	3,052	35,882
	Compensation Entitlements Non-Departmental Benefits or Related Expenses	-	(5,649)	5,252	27,606	40,813

Policy Initiative	Appropriation	2013/14 Budgeted \$000	2014/15 Budget \$000	2015/16 Estimated \$000	2016/17 Estimated \$000	2017/18 Estimated \$000
	Compensation Entitlements - Treatment Injuries for Non- Earners' Non-Departmental Benefits or Related Expenses	-	(20,745)	(9,630)	(15,683)	(22,112)
Total Initiatives by Year		-	(173,530)	(89,431)	24,397	128,931

1.2 - Trends in the Vote

Summary of Financial Activity

	2009/10	2010/11	2011/12	2012/13	2013/14		2014/15			2015/16	2016/17	2017/18
	Actual \$000	Actual \$000	Actual \$000	Actual \$000	Budgeted \$000	Estimated Actual \$000	Departmental Transactions Budget \$000	Non- Departmental Transactions Budget \$000	Total Budget \$000	Estimated \$000	Estimated \$000	Estimated \$000
Appropriations												
Output Expenses	1,205,229	1,167,252	1,075,067	1,077,419	1,046,973	1,046,973	119	930,045	930,164	1,051,741	1,156,747	1,254,659
Benefits or Related Expenses	57,822	54,730	13,478	50,468	65,767	65,767	N/A	30,457	30,457	39,555	48,379	55,001
Borrowing Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Capital Expenditure	-	1,335	-	-	-	-	-	-	-	-	-	-
Intelligence and Security Department Expenses and Capital Expenditure	-	-	-	-	-	-	-	N/A	-	-	-	-
Multi-Category Expenses and Capital Expenditure (MCA)												
<i>Output Expenses</i>	3,313	4,206	4,615	3,316	2,912	2,912	2,502	-	2,502	2,452	2,727	2,727
<i>Other Expenses</i>	-	-	-	-	-	-	-	-	-	-	-	-
<i>Capital Expenditure</i>	-	-	-	-	-	-	N/A	-	-	-	-	-
Total Appropriations	1,266,364	1,227,523	1,093,160	1,131,203	1,115,652	1,115,652	2,621	960,502	963,123	1,093,748	1,207,853	1,312,387
Crown Revenue and Capital Receipts												
Tax Revenue	-	-	-	-	-	-	N/A	-	-	-	-	-
Non-Tax Revenue	-	-	-	-	500	500	N/A	500	500	500	500	500
Capital Receipts	-	-	-	-	-	-	N/A	-	-	-	-	-
Total Crown Revenue and Capital Receipts	-	-	-	-	500	500	N/A	500	500	500	500	500

Note - where restructuring of the vote has occurred then, to the extent practicable, prior years information has been restated as if the restructuring had occurred before the beginning of the period covered.

Adjustments to the Summary of Financial Activity Table due to Vote Restructuring

	2009/10 Adjustments \$000	2010/11 Adjustments \$000	2011/12 Adjustments \$000	2012/13 Adjustments \$000	2013/14 Budgeted Adjustments \$000	2013/14 Estimated Actual Adjustments \$000
Appropriations						
Output Expenses	(3,313)	(4,206)	(4,615)	(3,316)	(2,912)	(2,912)
Benefits or Related Expenses	-	-	-	-	-	-
Borrowing Expenses	-	-	-	-	-	-
Other Expenses	-	-	-	-	-	-
Capital Expenditure	-	-	-	-	-	-
Intelligence and Security Department Expenses and Capital Expenditure	-	-	-	-	-	-
Multi-Category Expenses and Capital Expenditure (MCA)						
<i>Output Expenses</i>	3,313	4,206	4,615	3,316	2,912	2,912
<i>Other Expenses</i>	-	-	-	-	-	-
<i>Capital Expenditure</i>	-	-	-	-	-	-
Total Appropriations	-	-	-	-	-	-
Crown Revenue and Capital Receipts						
Tax Revenue	-	-	-	-	-	-
Non-Tax Revenue	-	-	-	-	-	-
Capital Receipts	-	-	-	-	-	-
Total Crown Revenue and Capital Receipts	-	-	-	-	-	-

As a consequence of the 2013 Amendment to the Public Finance Act, Multi Class Output Expense Appropriations were converted to Multi-Category Appropriations.

1.3 - Analysis of Significant Trends

Total Vote: All Appropriations

The changes in total appropriations are mainly due to the periodic valuation of costs and services for non-departmental activities, which are undertaken by the Accident Compensation Corporation.

Output Expenses and Benefits and Related Expenses

The fluctuating trend in the output expenses reflects the annual revaluation of ongoing liabilities, assets, and forecasted costs based on updated historical performance and economic factors to meet the funding needs of the Non-Earners' Account portion of ACC.

Multi-Category Expenses and Capital Expenditure

The following are the key changes that are reflected in these trends:

- 2011/12 contained one-off funding for additional policy work in relation to the investigation of choice in scheme provision
- from 2011/12 there was additional funding of \$482,000 as a result of internal structural changes in corporate and policy functions within the Department of Labour
- from 2012/13 there was a decrease as a result of efficiency savings of \$129,000
- in 2012/13 the function of monitoring the Accident Compensation Commission (ACC) was transferred to the Treasury, and
- 2013/14 reflects the full decrease of the transfer of the monitoring function.

1.4 - Reconciliation of Changes in Appropriation Structure

		Old Structure		New Structure		
2013/14 Appropriations in the 2013/14 Structure	2013/14 (Current) \$000	Appropriations to which Expenses (or Capital Expenditure) have been Moved from or to	Amount Moved \$000	2013/14 Appropriations in the 2014/15 Structure	2013/14 (Restated) \$000	2014/15 \$000
Departmental Output Expense						
Policy Advice and Related Outputs MCOA	2,912	From Policy Advice and Related Outputs (MCOA)	2,912	To Policy Advice and Related Outputs (MCA)	2,912	2,502
Total Changes in Appropriations	2,912		2,912		2,912	2,502

The above changes reflect the implementation and restructure of Multi-Class Output Expense appropriations (MCOAs) to Multi-Category Appropriations (MCAs) as per the Public Finance Act amendments.

Explanations of the reasons for changing the appropriation structure are noted in the details of each appropriation in Parts 2-4.

Part 2 - Details of Departmental Appropriations

2.1 - Departmental Output Expenses

Regulatory Services (M1)

Scope of Appropriation

This appropriation is limited to the management of the residual long-term responsibility related to the Crown's ongoing risks resulting from the introduction of the competitive accident insurance market during 1999/2000.

Expenses and Revenue

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	116	116	119
Revenue from the Crown	116	116	119
Revenue from Others	-	-	-

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve timely policy advice that manages the Crown's risk and contributes to skilled and safe workplaces, and trusted, competitive and well-functioning markets, as measured by our response to enquiries.

How Performance will be Assessed and End of Year Reporting Requirements

	2013/14		2014/15
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Assessment of Performance			
The Accident Insurance Regulator responds to all complaints and enquiries, including notices of insurers failing to comply with their obligation under the Accident Insurance Act 1998, within five days of receipt.	100%	100%	100%

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Accident Compensation Corporation in its annual report.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2013/14 Budgeted \$000	2014/15 Budget \$000	2015/16 Estimated \$000	2016/17 Estimated \$000	2017/18 Estimated \$000
Reprioritisation Across Votes to Meet Cost Pressures	2015/16	-	-	(2)	-	-
Formation of Ministry of Business, Innovation and Employment savings	2014/15	-	(1)	(1)	(1)	(1)
Efficiency Savings	2012/13	(4)	(4)	(4)	(4)	(4)
Vote Realignment to Reflect Changes in Cost Allocation and Reprioritisation	2012/13	7	11	14	14	14

Reasons for Change in Appropriation

The decrease in this appropriation for 2014/15 is mainly due to budget initiatives relating to a prior year vote realignment and formation of Ministry of Business, Innovation and Employment savings.

Part 3 - Details of Non-Departmental Appropriations

3.1 - Non-Departmental Output Expenses

Case Management and Supporting Services (M1)

Scope of Appropriation

To cover the cost of injury prevention, claim processing, assessment, payment services and case management on the Non-Earners' Account.

Expenses

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	106,873	106,873	111,995

Components of the Appropriation

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Claims handling costs	102,705	102,705	106,421
Other expenses	4,168	4,168	5,574

What is Intended to be Achieved with this Appropriation

This appropriation is intended to contribute to reducing the incidence and severity of injury to non-earners in New Zealand, and to ensure that injured non-earners covered by the scheme receive case management and supporting services that ensure a swift return to independence or everyday life.

How Performance will be Assessed and End of Year Reporting Requirements

	2013/14		2014/15
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Assessment of Performance			
Injury prevention, and case management and supporting services, will be delivered according to the performance measures set out in the Service Agreement between the Minister for ACC and ACC (see Note 1).	New measure	New measure	All measures achieved

Note 1 - Performance assessment information will be updated in the Supplementary Estimates with appropriate measures and standards from the Service Agreement for the year commencing 1 July 2014 that is presented to the House under Section 271 (5) of the Accident Compensation Act 2001.

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Accident Compensation Corporation in its annual report.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2013/14 Budgeted \$000	2014/15 Budget \$000	2015/16 Estimated \$000	2016/17 Estimated \$000	2017/18 Estimated \$000
ACC Non-Earners' and Treatment Injury Accounts Appropriation Changes	2014/15	-	9,693	2,717	(10,732)	(22,522)
Non-Earners' Account Appropriation for 2013/14	2013/14	47,579	42,522	48,600	58,597	69,669
Non-Earners' Account Appropriation for 2012/13	2012/13	(10,023)	(9,537)	(9,331)	(8,195)	(8,195)
Forecast Change Between Non-Departmental Output Expenses and Other Unrequited Expenses	2011/12	410	410	410	410	410
Productivity Commission	2010/11	(150)	(150)	(150)	(150)	(150)

Reasons for Change in Appropriation

The increase in this appropriation for 2014/15 is as a result of the actuarial review of future costs.

Case Management and Supporting Services - Treatment Injuries for Non-Earners' (M1)

Scope of Appropriation

This appropriation is limited to cover the cost of injury prevention, claim lodgement and management, investment management and appropriation setting for claims by non-earners' on the Treatment Injury Account.

Expenses

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	16,726	16,726	9,107

What is Intended to be Achieved with this Appropriation

This appropriation is intended to contribute to reducing the incidence and severity of injury to non-earners in New Zealand, and to ensure that injured non-earners covered by the scheme receive claim lodgement and management services that ensure a swift return to independence or everyday life.

How Performance will be Assessed and End of Year Reporting Requirements

Assessment of Performance	2013/14		2014/15
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Injury prevention, claim lodgement and management, investment management, and appropriation setting will be delivered according to the performance measures set out in the Service Agreement between the Minister for ACC and ACC (see Note 1).	New measure	New measure	All measures achieved

Note 1 - Performance assessment information will be updated in the Supplementary Estimates with appropriate measures and standards from the Service Agreement for the year commencing 1 July 2014 that is presented to the House under Section 271 (5) of the Accident Compensation Act 2001.

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Accident Compensation Corporation in its annual report.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2013/14 Budgeted \$000	2014/15 Budget \$000	2015/16 Estimated \$000	2016/17 Estimated \$000	2017/18 Estimated \$000
ACC Non-Earners' and Treatment Injury Accounts Appropriation Changes	2014/15	-	(21,218)	(12,225)	(20,104)	(28,241)
Non-Earners' Account Appropriation for 2013/14	2013/14	2,296	15,811	9,612	17,747	26,343
Non-Earners' Account Appropriation for 2012/13	2012/13	5,508	5,592	5,558	5,761	5,761
Forecast Change Between Non-Departmental Output Expense and Benefits and Other Unrequited Expenses	2011/12	8,922	8,922	8,922	8,922	8,922

Reasons for Change in Appropriation

The decrease in this appropriation for 2014/15 is as a result of the actuarial review of future costs.

Public Health Acute Services (M1)

Scope of Appropriation

To fund public health acute services for claims on the Non-Earners' Account.

Expenses

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	286,172	286,172	296,853

Components of the Appropriation

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Public Health Acute Services	286,172	286,172	296,853

What is Intended to be Achieved with this Appropriation

This appropriation is intended to ensure that injured non-earners covered by the scheme receive public health acute services that ensure a swift return to independence or everyday life.

How Performance will be Assessed and End of Year Reporting Requirements

Performance assessment information for public health acute services will be updated in the Supplementary Estimates. Performance information for this appropriation will be reported by the Accident Compensation Corporation in its annual report.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2013/14 Budgeted \$000	2014/15 Budget \$000	2015/16 Estimated \$000	2016/17 Estimated \$000	2017/18 Estimated \$000
ACC Non-Earners' and Treatment Injury Accounts Appropriation Changes	2014/15	-	(3,158)	(3,828)	(4,407)	(5,052)
Non-Earners' Account Appropriation for 2013/14	2013/14	(1,600)	(97)	513	286	16,061
Non-Earners' Account Appropriation for 2012/13	2012/13	9,953	22,289	36,211	51,501	51,501
Forecast Change Between Non-Departmental Output Expenses and Benefits and Other Unrequited Expenses	2011/12	(26,904)	(26,904)	(26,904)	(26,904)	(26,904)

Reasons for Change in Appropriation

The increase in this appropriation for 2014/15 is as a result of the actuarial review of future costs.

Public Health Acute Services - Treatment Injuries for Non-Earners' (M1)

Scope of Appropriation

This appropriation is limited to fund public health acute services for claims by non-earners' on the Treatment Injury Account.

Expenses

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	718	718	1,197

What is Intended to be Achieved with this Appropriation

This appropriation is intended to contribute to reducing the incidence and severity of injury to non-earners in New Zealand, and to ensure that injured non-earners covered by the scheme receive public health acute services that ensure a swift return to independence or everyday life.

How Performance will be Assessed and End of Year Reporting Requirements

Performance assessment information for public health acute services will be updated in the Supplementary Estimates. Performance information for this appropriation will be reported by the Accident Compensation Corporation in its annual report.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2013/14 Budgeted \$000	2014/15 Budget \$000	2015/16 Estimated \$000	2016/17 Estimated \$000	2017/18 Estimated \$000
ACC Non-Earners' and Treatment Injury Accounts Appropriation Changes	2014/15	-	1,197	1,182	1,383	1,473
Non-Earners' Account Appropriation for 2013/14	2013/14	1	(886)	(914)	(1,134)	(1,134)
Non-Earners' Account Appropriation for 2012/13	2012/13	(337)	(168)	(33)	80	80
Forecast Changes Between Non-Departmental Output Expenses and Benefits and Other Unrequited Expenses	2011/12	1,054	1,054	1,054	1,054	1,054

Reasons for Change in Appropriation

The increase in this appropriation for 2014/15 is as a result of the actuarial review of future costs.

Rehabilitation Entitlements and Services (M1)

Scope of Appropriation

To cover the cost of purchasing medical services, social rehabilitation and elective health care services on the Non-Earners' Account and contracted services.

Expenses

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	507,060	507,060	438,593

Components of the Appropriation

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Ambulance Services	34,828	34,828	35,828
General Practitioner Services	69,635	69,635	69,916
Radiology Services	32,469	32,469	33,277
Physiotherapy Services	36,295	36,295	41,976
Other Medical and Vocational Rehabilitation Services	57,595	57,595	38,062
Elective Surgery Services	84,356	84,356	70,669
Social Rehabilitation - Serious Injuries	117,309	117,309	71,503
Social Rehabilitation - Non-Serious Injuries	74,573	74,573	77,362

What is Intended to be Achieved with this Appropriation

This appropriation is intended to ensure that injured non-earners covered by the scheme receive medical services, social rehabilitation and elective health care services, and contracted services that ensure a swift return to independence or everyday life.

How Performance will be Assessed and End of Year Reporting Requirements

	2013/14		2014/15
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Assessment of Performance			
Medical services, social rehabilitation and elective health care services, and contracted services will be purchased and delivered according to the performance measures set out in the Service Agreement between the Minister for ACC and ACC (see Note 1).	New measure	New measure	All measures achieved

Note 1 - Performance assessment information will be updated in the Supplementary Estimates with appropriate measures and standards from the Service Agreement for the year commencing 1 July 2014 that is presented to the House under Section 271 (5) of the Accident Compensation Act 2001.

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Accident Compensation Corporation in its annual report.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2013/14 Budgeted \$000	2014/15 Budget \$000	2015/16 Estimated \$000	2016/17 Estimated \$000	2017/18 Estimated \$000
ACC Non-Earners' and Treatment Injury Accounts Appropriation Changes	2014/15	-	(105,935)	(42,515)	43,239	128,737
Non-Earners' Account Appropriation for 2013/14	2013/14	(103,856)	(60,266)	(34,111)	(36,155)	(55,616)
Non-Earners' Account Appropriation for 2012/13	2012/13	(15,668)	(21,790)	(27,950)	(37,836)	(37,836)
Forecast Change Between Non-Departmental Output Expenses and Benefits and Other Unrequited Expenses	2011/12	(98,580)	(98,580)	(98,580)	(98,580)	(98,580)

Reasons for Change in Appropriation

The decrease in this appropriation for 2014/15 is as a result of the actuarial review of future costs.

Rehabilitation Entitlements and Services - Treatment Injuries for Non-Earners' (M1)

Scope of Appropriation

This appropriation is limited to cover the cost of purchasing medical services, social rehabilitation and elective health care services and contracted services for claims by non-earners' on the Treatment Injury Account.

Expenses

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	129,308	129,308	72,300

Components of the Appropriation

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Social Rehabilitation - Serious Injuries	121,808	121,808	68,632
Other	7,500	7,500	3,668

What is Intended to be Achieved with this Appropriation

This appropriation is intended to ensure that injured non-earners covered by the scheme receive medical services, social rehabilitation and elective health care services, and contracted services that ensure a swift return to independence or everyday life.

How Performance will be Assessed and End of Year Reporting Requirements

Assessment of Performance	2013/14		2014/15
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Medical services, social rehabilitation and elective health care services, and contracted services will be purchased and delivered according to the performance measures set out in the Service Agreement between the Minister for ACC and ACC (see Note 1).	New measure	New measure	All measures achieved

Note 1 - Performance assessment information will be updated in the Supplementary Estimates with appropriate measures and standards from the Service Agreement for the year commencing 1 July 2014 that is presented to the House under Section 271 (5) of the Accident Compensation Act 2001.

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Accident Compensation Corporation in its annual report.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2013/14 Budgeted \$000	2014/15 Budget \$000	2015/16 Estimated \$000	2016/17 Estimated \$000	2017/18 Estimated \$000
ACC Non-Earners' and Treatment Injury Accounts Appropriation Changes	2014/15	-	(27,668)	(30,337)	3,052	35,882
Non-Earners' Account Appropriation for 2013/14	2013/14	(9,653)	(41,205)	(18,171)	(34,076)	(49,902)
Non-Earners' Account Appropriation for 2012/13	2012/13	(14,907)	(12,695)	(10,921)	(10,036)	(10,036)
Forecast Change Between Non-Departmental Output Expenses and Benefits and Other Unrequited Expenses	2011/12	153,868	153,868	153,868	153,868	153,868

Reasons for Change in Appropriation

The decrease in this appropriation for 2014/15 is as a result of the actuarial review of future costs.

3.2 - Non-Departmental Benefits or Related Expenses

Compensation Entitlements (M1)

Scope of Appropriation

This appropriation is limited to the provision of income maintenance, independence allowance, and other compensation payments for claims on the Non-Earners' Account.

Expenses

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	49,040	49,040	23,323

What is Intended to be Achieved with this Appropriation

This appropriation is intended to ensure that injured non-earners covered by the scheme receive income maintenance, independence allowance, and other compensation entitlements that ensure a swift return to independence or everyday life.

How Performance will be Assessed and End of Year Reporting Requirements

	2013/14		2014/15
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Assessment of Performance			
Income maintenance, independence allowance, and other compensation entitlements will be administered and delivered according to the performance measures set out in the Service Agreement between the Minister for ACC and ACC (see Note 1).	New measure	New measure	All measures achieved

Note 1 - Performance assessment information will be updated in the Supplementary Estimates with appropriate measures and standards from the Service Agreement for the year commencing 1 July 2014 that is presented to the House under Section 271 (5) of the Accident Compensation Act 2001.

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Accident Compensation Corporation in its annual report.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2013/14 Budgeted \$000	2014/15 Budget \$000	2015/16 Estimated \$000	2016/17 Estimated \$000	2017/18 Estimated \$000
ACC Non-Earners' and Treatment Injury Accounts Appropriation Changes	2014/15	-	(5,649)	5,252	27,606	40,813
Non-Earners' Account Appropriation for 2013/14	2013/14	(2,281)	(15,649)	(15,002)	(22,728)	(30,113)
Non-Earners' Account Appropriation for 2012/13	2012/13	15,738	9,038	1,070	(5,470)	(5,470)
Forecast Change Between Non-Departmental Output Expenses and Benefits and Other Unrequited Expenses	2011/12	(209,825)	(209,825)	(209,825)	(209,825)	(209,825)
Injury, Prevention, Rehabilitation and Compensation Act 2001: Changes	2010/11	(4,240)	(4,240)	(4,240)	(4,240)	(4,240)

Reasons for Change in Appropriation

The decrease in this appropriation for 2014/15 is as a result of the actuarial review of future costs.

Compensation Entitlements - Treatment Injuries for Non-Earners' (M1)

Scope of Appropriation

This appropriation is limited to the provision of income maintenance, independence allowance, and other compensation payments for claims by non-earners' on the Treatment Injury Account.

Expenses

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	16,727	16,727	7,134

What is Intended to be Achieved with this Appropriation

This appropriation is intended to ensure that injured non-earners covered by the scheme receive income maintenance, independence allowance, and other compensation entitlements that ensure a swift return to independence or everyday life.

How Performance will be Assessed and End of Year Reporting Requirements

Assessment of Performance	2013/14		2014/15
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Income maintenance, independence allowance, and other compensation entitlements will be administered and delivered according to the performance measures set out in the Service Agreement between the Minister for ACC and ACC (see Note 1).	New measure	New measure	All measures achieved

Note 1 - Performance assessment information will be updated in the Supplementary Estimates with appropriate measures and standards from the Service Agreement for the year commencing 1 July 2014 that is presented to the House under Section 271 (5) of the Accident Compensation Act 2001.

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Accident Compensation Corporation in its annual report.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2013/14 Budgeted \$000	2014/15 Budget \$000	2015/16 Estimated \$000	2016/17 Estimated \$000	2017/18 Estimated \$000
ACC Non-Earners' and Treatment Injury Accounts Appropriation Changes	2014/15	-	(20,745)	(9,630)	(15,683)	(22,112)
Non-Earners' Account Appropriation for 2013/14	2013/14	(422)	13,195	9,473	17,463	24,692
Non-Earners' Account Appropriation for 2012/13	2012/13	9,736	7,271	5,396	4,195	4,195
Forecast Change Between Non-Departmental Output Expenses and Benefits and Other Unrequited Expenses	2011/12	7,413	7,413	7,413	7,413	7,413

Reasons for Change in Appropriation

The decrease in this appropriation for 2014/15 is as a result of the actuarial review of future costs.

Part 4 - Details of Multi-Category Expenses and Capital Expenditure

Multi-Category Expenses and Capital Expenditure

Policy Advice and Related Outputs (M1)

Overarching Purpose Statement

The overarching purpose of this appropriation is to provide policy advice and other support to Ministers in discharging their policy decision-making and other portfolio responsibilities.

Scope of Appropriation

Departmental Output Expenses

Ministerial Services

This category is limited to the provision of services to Ministers to enable them to discharge their portfolio (other than policy decision-making) responsibilities.

Policy Advice - ACC

This category is limited to the provision of advice (including second opinion advice and contributions to policy advice led by other agencies) to support decision-making by Ministers on government policy matters relating to the accident compensation system.

Expenses, Revenue and Capital Expenditure

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	-	-	2,502
Departmental Output Expenses			
Ministerial Services	-	-	501
Policy Advice - ACC	-	-	2,001
Funding for Departmental Output Expenses			
Revenue from the Crown	-	-	2,502
Ministerial Services	-	-	501
Policy Advice - ACC	-	-	2,001
Revenue from Others	-	-	-
Ministerial Services	-	-	-
Policy Advice - ACC	-	-	-

Comparators for Restructured Appropriation

Vote, Type and Title of Appropriation	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Vote ACC			
Departmental Output Expenses			
Ministerial Services	509	509	501
Policy Advice - ACC	2,403	2,403	2,001
Total	2,912	2,912	2,502

The previous MCOA Policy Advice and Related Outputs has been converted to a MCA.

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve effective and efficient ministerial services and high quality policy advice that contribute to skilled and safe workplaces, and trusted, competitive and well-functioning markets, through an effective accident compensation system that seeks to prevent injury and rehabilitate those who are injured.

How Performance will be Assessed for this Appropriation

Performance will be assessed by ministerial feedback on policy advice, external review of policy advice, cost of policy advice, timeliness of ministerial service, and managing appointments to Board and other advisory groups as specified in the following table for each MCA category.

What is Intended to be Achieved with each Category and How Performance will be Assessed

Assessment of Performance	2013/14		2014/15
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Policy Advice and Related Outputs			
Departmental Output Expenses			
<i>Ministerial Services</i>			
This category is intended to achieve effective and efficient Ministerial services related to the accident compensation system.			
Responses to Parliamentary Questions, Ministerial correspondence and Ministerial Official Information Act 1982 requests are to be completed within either specified or statutory timeframes.	95% or above	95% or above	95% or above
<i>Policy Advice - ACC</i>			
This category is intended to achieve high quality policy advice that contributes to skilled and safe workplaces, and trusted, competitive and well-functioning markets, as measured by compliance with Cabinet and SSC requirements, the satisfaction of the Minister for ACC, an external review of policy advice and the cost of policy advice.			

Assessment of Performance	2013/14		2014/15
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Fairway Resolution Limited Board appointments, and appointments to any other advisory groups, are managed in accordance with Cabinet and SSC requirements.	Managed in accordance with Cabinet and SSC requirements	Managed in accordance with Cabinet and SSC requirements	Managed in accordance with Cabinet and SSC requirements
The satisfaction of the Minister for ACC with the policy advice service, as per the common satisfaction survey.	At least 70%	At least 70%	At least 70%
Technical quality of policy advice papers assessed by a survey with a methodological robustness of 80%.	At least an average of 73%	At least an average of 73%	At least an average of 73%
The total cost per hour of producing outputs.	At most \$155	At most \$155	At most \$155

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Ministry of Business, Innovation and Employment in its annual report.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2013/14 Budgeted \$000	2014/15 Budget \$000	2015/16 Estimated \$000	2016/17 Estimated \$000	2017/18 Estimated \$000
Ministerial Services						
Formation of Ministry of Business, Innovation and Employment savings	2014/15	-	(8)	(8)	(8)	(8)
Policy Advice - ACC						
Formation of Ministry of Business, Innovation and Employment savings	2014/15	-	(38)	(38)	(38)	(38)
Policy Advice MCOA						
Reprioritisation Across Votes to Meet Cost Pressures	2014/15	-	(300)	(275)	-	-
Future Monitoring of the Accident Compensation Corporation	2012/13	(714)	(714)	(714)	(714)	(714)
Efficiency Savings	2012/13	(125)	(125)	(125)	(125)	(125)
Reprioritisation Across Years to Meet Cost Pressures	2012/13	(100)	125	-	-	-
Vote Realignment to Reflect Changes in Cost Allocation and Reprioritisation	2012/13	786	833	883	883	883

Reasons for Change in Appropriation

These appropriations have been established through the changes to the Public Finance Act. This appropriation converted from a Multi-Class Output Expense Appropriation in 2013/14 to a Multi-Category Appropriation in 2014/15.