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In preparing this Information Release, the Treasury has considered the public interest considerations in section 9(1) of the Official Information Act.

Vote ACC

Four-Year Budget Plan

10 February 2011

Submitted by:

The Department of Labour

Section 1: New Baseline and Summary of Changes

Priorities for Vote ACC

The Accident Compensation Scheme (the Scheme) provides all New Zealanders with continuous, no-fault personal injury cover. The Department of Labour's (the Department's) objective is for the Scheme to continue to be both accessible and economically affordable for all New Zealanders, and ensuring rapid and sustainable rehabilitation after injury, thereby mitigating both the personal cost of injury and the associated loss of economic productivity.

Vote ACC primarily funds the delivery of accident compensation services to people who are not in the paid workforce through the Scheme's Non-Earners' Account (NEA), and the policy advice and monitoring activities of the Department, although these functions are organisationally and financially separate. Where there are specific priorities and objectives related to these different functions, these are addressed separately in this Budget Plan.

With the completion of the Stocktake of ACC Accounts in June 2010 the overarching priorities for Vote ACC from 2011/12 to 2014/15 are to:

1 improve choice across the Scheme

2 sustain performance improvements

3 improve dispute resolution

4 improve monitoring of the Scheme and the Corporation.

Cabinet has agreed in principle to introduce choice in the Work Account and, in early 2011, the Department will consult publicly on a proposal to extend employer participation in the Accredited Employers Programme (AEP) and to introduce ACC to competition in its delivery of the Work Account. Cabinet has commissioned further advice on the feasibility and issues of introducing choice in other areas of the Scheme. Cabinet advice is also required on ensuring disputes involving ACC are administered independently and removing ownership of Dispute Resolution Services Limited (DRSL) from the ACC. All advice provided will include costs to the Crown. [4] valuation of DRSL has placed the value [4] Given that no decisions have been made by Ministers on how much, if any, will be paid to ACC for DRSL, the amount should be treated as an unquantified contingency. A capital contingency of [4] sought as a placeholder in Budget 2011 to allow Cabinet the option to purchase DRSL.

Consolidating performance gains in both the levy and Crown-funded accounts is a key priority for the Department's policy and monitoring work, and for the Corporation in managing the Scheme. Over the last two years, a cost-containment strategy has seen a reduction in the Scheme's outstanding claims liability, lower Scheme administration costs, and improved rehabilitation rates. Sustaining this performance improvement is a policy priority for the next four years to ensure that any increases in levies or appropriations required to achieve full-funding are measured and justifiable.

ACC policy advice and monitoring will be delivered within baseline over the next four years. The Department will increase its capability to deliver high quality outputs. If the Government decides to progress the introduction of choice in the Scheme it is envisaged that tagged contingencies for policy advice on choice and for implementation of choice will be sought.

It is expected that the NEA will be able to be funded within its baseline over the next four years. The Department will be looking for ongoing savings in annual costs and in claims liabilities as a product of ACC's operational changes over the past year. These should see a corresponding reduction in funding for the NEA. The six-monthly valuation of Scheme liabilities and annual independent actuarial assessment of the Account will be carried out in January and February 2011. These valuations will provide the updated data necessary to provide an informed assessment of funding needs for the coming years.

Overall impact

Operating (Departmental)	**Impact ($000s)**				
	2010/11	**2011/12**	**2012/13**	**2013/14**	**2014/15**
Current Baseline*	**4,878**	**2,844**	**2,842**	**2,845**	**2,839**
Generic Cost Pressures	-	107	216	328	441
Business Specific Cost Pressures					
Cost Reductions	-	(107)	(216)	(328)	(441)
New baseline	**4,878**	**2,844**	**2,842**	**2,845**	**2,839**

- *OBU 2010*
- *Note: these baselines have not been amended to include tagged contingency funding (which is discussed on page 7 of this Plan)*

Operating (Non-Departmental)	**Impact ($000s)**				
	2010/11	**2011/12**	**2012/13**	**2013/14**	**2014/15**
Current Baseline*	**1,246,821**	**1,265,907**	**1,313,798**	**1,344,202**	**1,344,202**
Cost of new/increased activities	-	-	-	-	-
Amount reprioritised	-	-	-	-	-
New baseline	**1,246,821**	**1,265,907**	**1,313,798**	**1,344,202**	**1,344,202**

** OBU 2010*

The Vote ACC Four-Year Budget Plan should be considered in the context of the Department of Labour as a whole and read in conjunction with the Vote Immigration, Vote Labour and Vote Employment Four-Year Budget Plans.

Department of Labour context across Votes

The Government's overall goals are to lift the long-term performance of the economy, make New Zealand a more prosperous country, and provide world-class public services. The Department contributes by growing New Zealand's economy and improving the quality of lives through a high performing labour market and immigration and accident compensation systems.

Managing significant cost pressures

The Department is facing the challenge of managing cost pressures of $38 million over the next four years as inflationary pressures and unavoidable costs set in. The table below shows how these costs will accumulate over the next four years.

Departmental Expenditure	**$ millions**			
	2011/12	**2012/13**	**2013/14**	**2014/15**
Vote ACC	2.844	2.842	2.845	2.839
Vote Employment	13.816	13.794	13.829	13.776
Vote Immigration	205.594	206.236	206.799	205.782
Vote Labour	78.751	77.503	77.741	77.375
Baseline (OBU 2010)	**301.005**	**300.375**	**301.214**	**299.772**
Cost Pressures	7.775	15.782	23.944	32.263
Hazardous Substances & New Organisms	1.017	2.108	2.108	2.108
Adventure Tourism	0.400	0.400	0.300	-
H & S[1] and Special Equipment - Depreciation	0.156	0.236	0.236	0.331
Immigration NZ Operational Priorities	2.702	2.702	2.702	2.702
Publications	0.202	0.202	0.202	0.202
Sub-total Specific Pressures	***4.477***	***5.648***	***5.548***	***5.343***
Accumulated Funding Pressures	**12.252**	**21.430**	**29.492**	**37.606**
Pressure as % of Baseline	***4.1%***	***7.1%***	***9.8%***	***12.5%***

To manage this cost pressure and ensure it can operate sustainably within baseline the Department is in year two of a five-year change programme to radically transform its business structure and operations.

The transformational journey to date…

The first phase of change in Budget 2009 involved a line-by-line review to identify potential cost reductions and efficiency gains. The review included reducing staff numbers, reviewing all travel, reducing expenditure on lower-value functions, and reprioritising work programmes. To align activities with Government priorities, some functions including the Labour Market Knowledge Managers, Employment Relations Education Contestable Fund, and the Pay and Employment Equity Policy Unit have been rationalised or stopped.

[1] Health and Safety

As a result, in Budget 2009 a cost reduction of $17 million was realised. A total of $6 million was returned to the Crown and $11 million was reinvested in the Department. This resource has been used to manage immediate cost pressures (including remuneration and rent) and to drive the transformational change programme.

Transformational changes to date include:

- centralising all corporate functions to provide shared services, reduce duplication, and to better support the Department's delivery arms, which took effect from 1 July 2010
- creating an integrated policy, research, and evaluation function to take effect from 1 December 2010.

These initiatives have already realised a further $3.4 million for reinvestment into the Department's change programme. A number of secondary corporate model reviews are underway relating to the Department's ICT, communications and marketing, and finance functions. These reviews are expected to identify further cost reductions to support service delivery improvements and help ensure the future sustainability of the Department.

A programme of continuous change…

To ensure the Department is sustainable into the future, operational efficiencies need to be accompanied by more radical and enduring change. The next phase of transformation involves moving to lower cost delivery models.

The ongoing Immigration New Zealand Change Programme is positioning the Department to transition to lower cost delivery and processing channels for immigration services. A similar approach will be taken to a review of the Labour Group. As well as establishing strong leadership and governance, components of transformational change include:

- ensuring functional alignment with the Government's priorities
- developing and aligning the ICT infrastructure to support business needs
- identifying business process and operational improvements
- setting a future direction to use lower cost delivery and processing channels **[2]**

Ongoing operational efficiencies will be identified to provide the investment resources required to support this transformation change. The Department will continue to review all aspects of expenditure to ensure the best use of resources.

Section 2: Vote Priorities and Pressures

Role of Vote ACC

Vote ACC primarily funds the Scheme's NEA, the part of the Scheme that covers the costs of injuries to people who are not in the paid workforce. Vote ACC also funds substantive policy advice on all aspects of the Scheme, legislative and regulatory support, monitoring of both Scheme performance and performance of the Corporation, management of Board appointments, and ministerial servicing.

How the Department's intentions fit with Government priorities

A key focus is to improve the Scheme, while maintaining the Government's commitment to a 24/7 no fault, comprehensive accident compensation scheme. This focus explicitly recognises the need to improve the Corporation's economic performance with respect to:

- rehabilitating injured people in New Zealand
- ensuring that the Scheme is financially sustainable and represents value-for-money, and
- reducing the severity and incidence of injury.

The Department will be advising on, and assisting with, the implementation of change within New Zealand's accident compensation system over the next three years. This includes providing strategic advice to underpin the development of draft reform legislation. The Department will also provide independent advice to the Government on the future options and form of the Scheme, including advice on the introduction of choice and competition, and other policy to increase the sustainability of the Scheme.

Priorities for Vote ACC

The overarching priorities for the Vote are to:

- improve choice across the Scheme
- sustain performance improvements
- improve dispute resolution, and
- improve monitoring of the Scheme and the Corporation.

Priorities, pressures, and risks for the Policy Advice and Monitoring functions, and for the NEA, are discussed separately below.

<u>Policy Advice and Monitoring function</u>

Priority 1: Improve choice across the Scheme

Taking this work forward is the highest priority for 2011/12. Cabinet [CAB Min(10)39/10] has agreed in principle to introduce competition in the delivery of the Work Account and has directed officials from the Department of Labour to report back by February 2011 on the details of proposals for public consultation:

- to more actively promote the benefits of the Accredited Employers Programme (AEP) to employers, reduce compliance costs associated with the programme, and reduce barriers to participation by providing a greater range of risk-sharing arrangements and allowing employers in the AEP to purchase high-cost claims cover from private insurers; and
- to allow employers to either continue to purchase workplace accident insurance cover from ACC, or arrange cover with a registered private insurer.

Cabinet has also directed the Department to provide advice by June 2011 on the findings of a scoping study on introducing competitive delivery to other Accounts.

The Department will ensure that the above work (including public consultation) is completed by the end of the 2010/11 financial year and is funded from baselines. Where this work results in the need for additional policy advice on the introduction of choice in the Scheme or for further activities to implement choice, funding will be sought from the contingencies the Department is seeking to have retained for these purposes.

The Department was appropriated an additional $2 million in 2010/11 to investigate choice in the Work Account, with a further $2 million provided as a tagged contingency for further policy advice on choice for each of the 2011/12 and 2012/13 financial years. It is recommended that both these contingencies be retained. If funding for further policy advice on choice is required from these contingencies, the case for drawing them down, including the necessary information and costings, will be included with the Cabinet report backs scheduled for February and June 2011, or provided to Cabinet when the funding is being sought.

The $7.5 million contingency for the implementation of choice in the Work Account is available only to February 2011. It is recommended that this contingency be extended to February 2013 and be available to cover implementation of choice in the Work and in any other Accounts where a Cabinet decision is made to do so.

If a decision is made to implement competitive delivery of the Work Account it is expected that the bulk of implementation will occur in 2011/12, to enable a contestable market to operate from 1 July 2012. Implementation would involve establishing the regulatory and institutional infrastructure to support a contestable market for accident insurance, with ACC competing as a Crown entity.

Opening the Work Account and ACC to competitive delivery would require taking measures to ring-fence the Work Account from the remainder of the Scheme and addressing the implications for the ongoing operation of the ACC. It is likely that the bulk of the implementation contingency would be drawn down in 2011/12, though this funding may be required in 2012/13 depending on the timing of any decision to introduce competition. The proposal to Cabinet to draw down the implementation contingency will be supported by a business case.

Priority 2: Sustain performance improvements

Since November 2008, better rehabilitation rates and reductions in Scheme costs and debt have significantly improved ACC's financial position. For New Zealand's unique Scheme to be economically affordable in the long-term these performance gains must be sustainable and durable. Over the next four years, the Department will give high priority to policy work that enables sustainable Scheme performance, and that ensures any increases in the levies or appropriations required to achieve full-funding are necessary and justifiable.

Priority 3: Improve dispute resolution

Dispute Resolution Services Limited (DRSL) is a wholly-owned, subsidiary company established by the Corporation to meet its obligation under the Accident Compensation Act 2001 to provide for the resolution of disputes about decisions. Cabinet has directed joint officials to report by 23 February 2011 on the details of an option to ensure that disputes involving ACC are administered independently and to remove ownership of DRSL from ACC.

This report back will include analysis of the costs and benefits to the Crown of removing ownership of DRSL from ACC and details of how any costs might be met. An independent valuation of DRSL was commissioned by ACC and the Department of Labour. The independent valuation has set a value for DRSL in the range of [4] Ministers have yet to decide the price – if any – that will be paid, but a risk exists that the entire amount may be required.

A capital contingency of [4] being sought as a placeholder in Budget 2011 to allow Cabinet the option to purchase DRSL.

Priority 4: Improve monitoring of the Scheme and the Corporation

The priorities for monitoring of the Scheme and the Corporation are:

i early identification of Scheme issues for the Government on a 'no surprises' basis

ii provision of better quality and more transparent information to support the Government's decision making on strategic Scheme issues

iii sustainability of recent operational improvements within ACC over time

iv improved benchmarking of Corporation performance (both within New Zealand and with comparable overseas jurisdictions).

Pressures and risks over the next four years

The Department will ensure that Vote ACC delivers on the Government's priorities for the AC Scheme within the Department's baseline for 2011/12 to 2014/15. Cost pressures for remuneration increases, market-related rental adjustments, and price increases as a consequence of inflation in Vote ACC will equate to $0.441 million or 16 percent of the 2014/15 baseline in real terms and will be met through reprioritisation and efficiency gains.

In 2010/11, Vote ACC provided additional funding for the Department to work on improving choice (priority one). If the Government requires further advice on improving choice, or implementation of its decisions, the Department will seek to draw down the relevant contingencies.

The Government has taken an in-principle decision to introduce choice into the Work Account. Officials have been directed to develop the details of a proposal for the purposes of public consultation. Subject to Cabinet approval, this consultation will occur over May-June 2011. Reports back to Cabinet will cover the financial implications and any fiscal risks associated with introducing choice. The nature of these risks would be subject to future Government decisions on whether to proceed with the proposal and also specific choices around the design of the option.

If choice is introduced, it is expected that the existing ACC Work Account (including the residual portion) would become a new residual account. A new ACC Account would be created to cover the costs to ACC of entitlements relating to work-related injuries, for which it is the responsible insurer, where such injuries are suffered on or after that date. ACC will need to be able to meet the costs of these claims, pending the receipt of levy income (which is currently invoiced in arrears). Work is underway to confirm what, if any, rules would govern ACC accessing funding from the existing Work Account in order to meet this temporary funding requirement.

Other risks in delivering against priorities

No other risks have been identified.

Low value activities

No low value activities have been identified for Vote ACC policy advice and monitoring over the next four years.

ACC Non-Earners' Account (NEA)

Priority 1: Sustain performance improvements

The highest priority for the NEA is to sustain the improvements in performance that have been realised over the last two years and which have allowed a reduction in the appropriation for the 2010/11 year by $25 million. Performance gains in rehabilitation rates and intense management of long-term and serious injury claims have been important factors in reducing costs. Early indications are that the NEA may not require as much funding over the next four years as current baselines indicate.

Cost pressures and risks over the next four years

Most of the NEA is funded on a fully-funded basis. This means that appropriation requirements are affected by both annual costs and liabilities. The main annual costs for NEA claims are for:

- medical treatment only (this group of claimants accounts for 96% of claims and makes up 27% of total annual rehabilitation and compensation costs)
- acute services at public hospitals and other hospital treatment – this makes up 40% of total annual rehabilitation and compensation costs
- social rehabilitation costs for current and past claimants with various degrees of impairment – these make up 19% of total annual rehabilitation and compensation costs.

The liability for the Account is dominated by the estimated future costs of social rehabilitation for serious injury claims. Social rehabilitation accounts for 57% of the total claims liability for injuries to non-earners.

Cost pressures in the NEA will come from population growth and from the higher claims costs for people aged over 65 due to co-morbidities that slow rehabilitation and require more medical treatment. Medical treatment, public health acute services, hospital care, and rehabilitation expenditure are expected to continue to grow faster than inflation due to increases in wage rates and the cost of services.

The annual appropriation also funds the costs of treatment injury to non-earners, which account for around 19% of the total NEA appropriation of $1,247 million. Treatment injuries are injuries that are caused by medical treatment and are not an ordinary consequence of that treatment. Both cash costs and the claims liability for treatment injuries are dominated by social rehabilitation costs for seriously injured claimants. Costs are subject to pressures on health costs.

Key risks to the funding of the NEA include:

- the number of new and active claims is based on projections of injury rates and the non-earner population. The number of active claims is also dependent on the speed of rehabilitation. If these projections are inaccurate then funding requirements will change.
- any increase in the number of serious injuries would have a significant impact on the liability and on funding requirements. The average lifetime (undiscounted) cost of a serious injury is around $8 million, excluding bulk billed costs.
- medical treatment, public health acute services, and hospital care expenditure all have a direct impact on funding requirements for the NEA. Actuarial projections have been based on the assumption that these costs will grow faster than inflation due to increases in wage rates and the cost of purchasing scarce services. If future increases in medical and hospital costs are higher than actuarial projections, then these will feed directly into annual cash costs and the liability for the NEA.
- ACC's contribution rates for Home and Community Support Services (HCSS) may increase more than is currently forecast.

The rates for private providers and non-contracted agencies of HCSS are currently set by Cabinet and are impacted by the minimum wage. Rates are set to enable claimants and providers to pay their support workers the minimum wage and also meet associated employment obligations (such as annual leave and sick leave). ACC currently pays the full cost of contracted care in line with market rates to secure care for ACC claimants alongside Ministry of Health and District Health Board patients.

On 26 January 2010, Cabinet agreed to increase the adult minimum wage rate to $12.75 per hour from 1 April 2010. In line with this, ACC has increased its hourly rates for both contracted and non-contracted HCSS providers.

The table below shows the fiscal impact of this increase.

	$m - Increase/(Decrease)					
	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Impact on HCSS costs	0.110	0.330	0.330	0.340	0.340	0.340

On 1 February 2011, the Cabinet Business Committee agreed to increase the adult minimum wage rate to $13 per hour from 1 April 2011. Although subject to Cabinet ratification, the Corporation identifies that this increase to $13 per hour would add an additional annual $2.3 million cost to provide for both contracted and non-contracted providers of HCSS.

In the NEA, social rehabilitation costs are below budget and this trend is likely to continue, allowing the increase in HCSS rates to be managed within current appropriations. The proposal is to meet the cost of the increase in the HCSS rate within the existing NEA appropriation.

Strategies to control costs and stabilise funding requirements

In 2009/10, ACC introduced a range of measures to offset cost pressures and provide the foundation for more stable Scheme funding and future performance. These measures have included intense management of serious injury claims and more efficient purchasing practices.

These measures should result in a sustained reduction in funding needs for the NEA. Positive ongoing impacts from ACC's initiatives will include:

- Fewer long-term claims for weekly compensation. Although annual costs of weekly compensation for non-earners are low, the liability for this expenditure item is significant. ACC reduced the number of long-term non-earners' claims by 94 in 2009/10, a reduction of 32% which will reduce the associated liability. This large reduction in the NEA is a one-off due to the result of the Giltrap court case but the Department will monitor further progress in reducing weekly compensation claims across the whole scheme.
- Sustained improvements in rehabilitation rates will continue to help mitigate cost pressures on the NEA. Faster rehabilitation means less dependence on income maintenance and on support services, resulting in lower costs for the Scheme and fewer injuries leading to long-term claims.
- Projected rehabilitation costs for non-earners are driven by expenditure on personal support services for people with serious injuries. Around half of expenditure on social rehabilitation is for serious injury claimants. The use of third party providers, more efficient procurement practices, and individualised care packages should together provide better control of annual and future costs. Actuarial valuations note the importance of ACC's National Serious Injury Unit in achieving better outcomes for seriously injured claimants and more efficient delivery of services.
- More efficient capital purchasing to meet social rehabilitation needs, coupled with delivery of services tailored more to individual needs, should reduce both annual and future costs.
- Stricter application of criteria for the approval of elective surgery should have an ongoing impact on cash costs and the liability (as for other claimant groups).

The outlook for the Non-Earners' Account (NEA)

Early indications from ACC are that the NEA may not require as much funding over the next four years as current baselines indicate. In November 2010, ACC provided an update on projections for the NEA, having regard to the impact of the June 2010 valuation and actual experience to the end of September 2010. This analysis showed positive claims experience, with lower medical and hospital services, as well as lower social rehabilitation costs for serious and non-serious injuries.

Operating results for the NEA are subject to the impact of short-term, unanticipated movements in economic assumptions, which affect liabilities for serious injury claims in particular. This will remain a significant area of forecasting uncertainty. However, short to medium-term fluctuations are normally offset in subsequent financial periods and, historically, changes in the liability have been partially mitigated by the impact of investment returns.

The NEA baseline will be updated for Budget 2011 following a valuation of the Outstanding Claims Liability (OCL) as at 31 December 2010 and the production of a

Technical Report on the Non-Earners' Account by the ACC in February 2011. The Department will commission independent actuarial advice on the assumptions underlying the valuation and Technical Report.

From 2008, the OCL took account of increases in carer wages prior to Cabinet approval of these increases, significantly increasing the provision for social rehabilitation in the liability. As these costs are now included in the OCL, the Department proposes that the current requirement for the ACC to obtain Cabinet approval to increase payments made to providers of social rehabilitation services be rescinded and ACC be accountable for maintaining rates within the NEA baseline.

The impact of choice

Consideration has also been given to the impact of possible changes to the management of claims and delivery of compensation and rehabilitation services following the in-principle decisions made by Cabinet. Introducing choice would seem to be unlikely to have any measurable impact on the NEA. The most likely impact would be a small increase in overheads and therefore claims handling expenses/costs per claim if ACC were to lose a significant portion of its Work Account business.

Other risks in delivering against priorities

Assuming no change to the Government's funding policy for NEA no other risks have been identified in delivering against priorities.

Low value activities

Additional information concerning the NEA will be available when the results of the actuarial assessment of the Scheme are provided through the Corporation's Technical Report in February 2011. A further independent actuarial assessment of costs and activities in the NEA will be available in March 2011. Information on low value activities is unlikely to be contained within these assessments. However the Corporation has proactively identified a work programme and a series of recommendations, through both its levy consultation documents and its recent Financial Condition Report, which seek to identify and better manage areas of perceived uncertainty and provide more transparent financial information from which decisions about relative low-value activities can be made.

Section 3: Proposed Changes for Budget 2011 (Reprioritisation)

What is new or different?

For Budget 2011, the Department is recommending that:

- the tagged contingencies of $2 million in each of the financial years 2011/12 and 2012/13 for policy advice on introducing choice in the ACC Scheme be retained and the expiry of these contingencies be extended until 1 February 2013, and
- the expiry date for the tagged contingency of $7.5 million to implement choice in the ACC Scheme be extended from 1 February 2011 to 1 February 2013.
- information on funding requirements for the NEA and potentially reprioritisation will be available in February 2011 in the Technical Report produced by the Corporation following the December 2010 valuation of the outstanding claims liability. The Department will provide advice on this in March 2011 following independent actuarial review.

Contribution to Government's priorities

The Scheme has been recognised as a significant factor in achieving the Government's objective of improving New Zealand's economic performance. Over the last five years the costs of the Scheme have dramatically increased. Significant changes are therefore needed to mitigate further increases for individuals, businesses, and the Government, and to ensure better value for money.

Supporting analysis

No reprioritisation in the baseline for policy advice and monitoring in Vote ACC is envisaged over the next four years, because the Department needs to build capacity to provide this advice and meet increased demand in the quantity and quality of outputs provided. Capability for policy advice and monitoring is being rebuilt following a reduction in funding for this function prior to 2008.

Section 4: Summary of Financial Movements

Four-Year Budget Plan - Financial Summary Report (Operating - Including Operating Associated with Capital Initiatives 2011)

Vote: ACC	2010/11 ($000)	2011/12 ($000)	2012/13 ($000)	2013/14 ($000)	2014/15 ($000)
Share Allocation	0	0	0	0	0
Operating					
Baseline (2010/11 OBU)	**1,251,699**	**1,268,751**	**1,316,640**	**1,347,047**	**1,347,041**
Changes:					
Centralised Saving					
Total Centralised Saving	0	0	0	0	0
Reprioritisation					
Total Reprioritisation	0	0	0	0	0
Transfers Outside Vote					
Total Transfers Outside Vote	0	0	0	0	0
Total Changes	**0**	**0**	**0**	**0**	**0**
Total Proposed Operating Baseline	**1,251,699**	**1,268,751**	**1,316,640**	**1,347,047**	**1,347,041**

OBU 2010	2010/11 $000	2011/12 $000	2012/13 $000	2013/14 $000	2014/15 $000
VOTE: ACC					
Departmental Output Expenses					
Policy and Monitoring	4,713	2,682	2,680	2,683	2,677
Regulatory Services	165	162	162	162	162
Total Fixed Baseline	4,878	2,844	2,842	2,845	2,839
Non-Departmental Output Expenses					
Case Management and Supporting Services	64,783	70,227	75,141	68,907	68,907
Claim Entitlements and Services	649,392	667,001	701,892	725,164	725,164
Public Health Acute Services	265,847	285,140	301,709	304,723	304,723
Services for Treatment Injuries	212,069	180,853	168,794	0	0
Total Non-Departmental Output Expenses	1,192,091	1,203,221	1,247,536	1,098,794	1,098,794
Benefits and Other Unrequited Expenses					
Other Compensation	35,771	45,949	50,359	245,408	245,408
Other Compensation - Treatment Injuries for Non-Earners	18,959	16,737	15,903	0	0
Total Benefits and Other Unrequited Expenses	54,730	62,686	66,262	245,408	245,408
Total Annual and Permanent Appropriations	**1,251,699**	**1,268,751**	**1,316,640**	**1,347,047**	**1,347,041**