

# *Performance Information for Appropriations*

## *Vote ACC*

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MINISTER(S) RESPONSIBLE FOR APPROPRIATIONS: Minister for ACC (M1)

ADMINISTERING DEPARTMENT: Department of Labour

MINISTER RESPONSIBLE FOR DEPARTMENT OF LABOUR: Minister of Labour

# Part 1 - Summary of the Vote

## Part 1.1 - Overview of the Vote

The Minister for ACC is responsible for appropriations in the Vote for the 2012/13 financial year covering the following:

Departmental appropriations consisting of:

- a total of \$3.637 million to provide policy advice relating to the accident compensation scheme, monitoring of the Crown entity Accident Compensation Corporation and the Crown-owned company Dispute Resolution Services Limited, and ministerial servicing
- a total of \$114,000 on 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 \$56.639 million to cover the cost of injury prevention, claim lodgement and management, investment management and advice on funding required for claims by non-earners on the Non-Earners' Account
- a total of \$19.916 million to cover the cost of injury prevention, claim lodgement and management, investment management and advice on funding required for claims by non-earners on the Treatment Injury Account
- a total of \$277.281 million to fund public health acute services for claims on the Non-Earners' Account
- a total of \$497,000 to fund public health acute services for claims by non-earners on the Treatment Injury Account
- a total of \$539.992 million to cover the estimated cost of purchasing medical services, social rehabilitation, elective health care and contracted services on the Non-Earners' Account
- a total of \$182.985 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
- a total of \$23.989 million to cover the cost of income maintenance, independence allowance, and other compensation payments for claims on the Non-Earners' Account
- a total of \$26.479 million for provision of income maintenance, independence allowance, and other compensation payments for claims by non-earners on the Treatment Injury Account.

Details of these appropriations are set out in Parts 2-6 below.

## Part 1.2 - High-Level Objectives of the Vote

### Government Priorities and Outcomes - Links to Appropriations

Government Priorities	Government Outcomes	Appropriations
<p>The Government priorities are:</p> <ul style="list-style-type: none"> <li>• Build a more competitive and productive economy.</li> <li>• Rebuild Christchurch.</li> <li>• Deliver better public services.</li> <li>• Responsibly manage the Government's finances.</li> </ul> <p>The Government priorities for Vote ACC are:</p> <ul style="list-style-type: none"> <li>• Increase employer choice and deliver the best possible service to users of the accident compensation scheme.</li> <li>• Improve dispute resolution.</li> <li>• Improve monitoring of the scheme and Accident Compensation Corporation.</li> </ul>	<p>People thrive through work. Safe and fair workplaces.</p>	<p><b>Departmental Output Expenses</b> Policy Advice and Related Outputs MCOA Regulatory Services</p>
<ul style="list-style-type: none"> <li>• Sustain performance improvements, drive further efficiency, and encourage rehabilitation.</li> <li>• Improve privacy policies and their implementation, and strengthen public confidence in ACC as a trustworthy organisation.</li> </ul>	<p>Delivering quality results for the injured.</p>	<p><b>Non-Departmental Output Expenses</b> Case Management and Supporting Services Case Management and Supporting Services - Treatment Injuries for Non-Earners' Public Health Acute Services Public Health Acute Services - Treatment Injuries for Non-Earners' Rehabilitation Entitlements and Services Rehabilitation Entitlements and Services - Treatment Injuries for Non-Earners'</p> <hr/> <p><b>Benefits and Other Unrequited Expenses</b> Compensation Entitlements Compensation Entitlements - Treatment Injuries for Non-Earners'</p>

## Part 1.3 - Trends in the Vote

### Summary of Financial Activity

	2007/08	2008/09	2009/10	2010/11	2011/12		2012/13			2013/14	2014/15	2015/16
	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
<b>Appropriations</b>												
Output Expenses	725,067	955,414	996,473	1,171,458	1,080,145	1,080,087	3,751	1,077,310	1,081,061	1,115,502	1,124,637	1,134,431
Benefits and Other Unrequited Expenses	145,271	280,603	269,891	54,730	13,478	13,478	N/A	50,468	50,468	68,470	59,305	49,462
Borrowing Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Capital Expenditure	-	-	-	1,335	-	-	-	-	-	-	-	-
Intelligence and Security Department Expenses and Capital Expenditure	-	-	-	-	-	-	-	N/A	-	-	-	-
<b>Total Appropriations</b>	<b>870,338</b>	<b>1,236,017</b>	<b>1,266,364</b>	<b>1,227,523</b>	<b>1,093,623</b>	<b>1,093,565</b>	<b>3,751</b>	<b>1,127,778</b>	<b>1,131,529</b>	<b>1,183,972</b>	<b>1,183,942</b>	<b>1,183,893</b>
<b>Crown Revenue and Capital Receipts</b>												
Tax Revenue	-	-	-	-	-	-	N/A	-	-	-	-	-
Non-Tax Revenue	-	9,925	-	-	500	500	N/A	500	500	500	500	500
Capital Receipts	-	-	-	-	-	-	N/A	-	-	-	-	-
<b>Total Crown Revenue and Capital Receipts</b>	<b>-</b>	<b>9,925</b>	<b>-</b>	<b>-</b>	<b>500</b>	<b>500</b>	<b>N/A</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>

## New Policy Initiatives

Policy Initiative	Appropriation	2011/12 Budgeted \$000	2012/13 Budget \$000	2013/14 Estimated \$000	2014/15 Estimated \$000	2015/16 Estimated \$000
Efficiency Savings	<b>Policy Advice and Related Outputs MCOA</b>					
	<b>Policy Advice - ACC</b> Departmental Output Expenses	-	(125)	(125)	(125)	(125)
	<b>Regulatory Services</b> Departmental Output Expenses	-	(4)	(4)	(4)	(4)
Non-Earners' Account Appropriation for 2012/13	<b>Case Management and Supporting Services</b> Non-Departmental Output Expenses	-	(12,678)	(10,023)	(9,537)	(9,331)
	<b>Case Management and Supporting Services - Treatment Injuries for Non-Earners'</b> Non-Departmental Output Expenses	-	10,994	5,508	5,592	5,558
	<b>Public Health Acute Services</b> Non-Departmental Output Expenses	-	(538)	9,953	22,289	36,211
	<b>Public Health Acute Services - Treatment Injuries for Non-Earners'</b> Non-Departmental Output Expenses	-	(557)	(337)	(168)	(33)
	<b>Rehabilitation Entitlements and Services</b> Non-Departmental Output Expenses	-	(86,592)	(15,668)	(21,790)	(27,950)
	<b>Rehabilitation Entitlements and Services - Treatment Injuries for Non-Earners'</b> Non-Departmental Output Expenses	-	29,117	(14,907)	(12,695)	(10,921)
	<b>Compensation Entitlements</b> Non-Departmental Benefits and Other Unrequited Expenses	-	(11,594)	15,738	9,038	1,070
	<b>Compensation Entitlements - Treatment Injuries for Non-Earners'</b> Non-Departmental Benefits and Other Unrequited Expenses	-	19,066	9,736	7,271	5,396
Reprioritisation Across Votes to Meet Cost Pressures	<b>Policy Advice and Related Outputs MCOA</b>					
	<b>Policy Advice - ACC</b> Departmental Output Expenses	-	-	-	(300)	(275)
	<b>Regulatory Services</b> Departmental Output Expenses	-	-	-	-	(2)

Policy Initiative	Appropriation	2011/12 Budgeted \$000	2012/13 Budget \$000	2013/14 Estimated \$000	2014/15 Estimated \$000	2015/16 Estimated \$000
Reprioritisation Across Years to Meet Cost Pressures	<b>Policy Advice and Related Outputs MCOA</b>					
	Policy Advice - ACC Departmental Output Expenses	-	(25)	(100)	125	-
Vote Realignment to Reflect Changes in Cost Allocation and Reprioritisations	<b>Policy Advice and Related Outputs MCOA</b>					
	Policy Advice - ACC Departmental Output Expenses	-	743	786	833	883
	Regulatory Services Departmental Output Expenses	-	5	7	11	14
Increasing Choice in Workplace Accident Compensation	<b>Policy and Monitoring (new Departmental Output Expense in 2012/13)</b>	1,900	-	-	-	-
	Departmental Output Expenses					
	Policy Advice and Related Outputs MCOA Policy Advice - ACC Departmental Output Expenses	-	300	-	-	-

## 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 - Departmental*

The policy related appropriations were reorganised following the Review of Expenditure on Policy Advice. This resulted in the establishment of a new Departmental Multi-Class Output Expense Appropriation called Policy Advice and Related Outputs, which includes Crown Entity Monitoring, Ministerial Services and Policy Advice - ACC.

Vote ACC expenditure remained relatively constant until 2009/10, when one-off funding for a stocktake of the ACC accounts increased appropriations. For 2010/11 and 2011/12, appropriations increased to reflect additional funding for policy work in relation to the investigation of choice in scheme provision. Also in 2011/12, internal structural changes in corporate and policy functions within the Department of Labour resulted in a fiscally neutral realignment of costs across the Votes that it administers. The impact on Vote ACC was an increase in 2011/12 of \$482,000.

From 2012/13, efficiency savings of \$129,000 have been identified.

### *Output Expenses - Non-Departmental*

The increases in Non-Departmental output expenses reflect the annual revaluation of ongoing liabilities to fund the Non-Earners' Account portion of the Corporation. In 2010/11 there was a reclassification from Benefits and Other Unrequited Expenses to Non-Departmental Output Expenses for treatment services.

### *Non-Departmental and Benefit and Other Unrequited Expenditure*

Overall, the appropriations have increased due to the annual valuation of the future costs of these programmes. In 2010/11, there was a reclassification of costs in relation to treatment services from Benefits and Other Unrequited Expenses to Non-Departmental Output Expenses. Within the total funded to the Accident Compensation Corporation, there has also been the establishment of new output expenses in 2010/11 and 2011/12 to provide more transparency on the use of the funds. This has resulted in transfers of funds between classifications.

## Part 1.4 - Reconciliation of Changes in Appropriation Structure

2011/12 Appropriations in the 2011/12 Structure	2011/12 (Current) \$000	Appropriations to which Expenses (or Capital Expenditure) have been Moved from or to	Amount Moved \$000	2011/12 Appropriations in the 2012/13 Structure	2011/12 (Restated) \$000	2012/13 \$000
<b>Departmental Output Expenses</b>						
Policy and Monitoring	5,076	<b>Transferred to Policy Advice and Related Outputs MCOA</b>	<b>(5,076)</b>		-	-
		Crown Entity Monitoring	(721)			
		Ministerial Services	(459)			
		Policy Advice - ACC	(3,896)			
				<b>Policy Advice and Related Outputs MCOA</b>	5,121	3,637
		Transferred from Policy and Monitoring	5,076	Crown Entity Monitoring	721	714
		Transferred from Regulatory Services	45	Ministerial Services	504	509
				Policy Advice - ACC	3,896	2,414
Regulatory Services	161	<b>Transferred to Policy Advice and Related Outputs MCOA</b>	<b>(45)</b>		116	114
		Ministerial Services	(45)			
<b>Total Changes in Appropriations</b>	5,237		-		5,237	3,751

Explanations of the reasons for changing the appropriation structure are noted in the details of each appropriation in Parts 2-6.

## Part 2 - Details and Expected Performance for Output Expenses

### Part 2.1 - Departmental Output Expenses

#### Intended Impacts, Outcomes and Objectives

Intended Impacts, Outcomes or Objectives of Appropriations	Appropriations
<b>Outcomes</b> People thrive through work. Safe and fair workplaces.	Policy Advice and Related Outputs MCOA
<b>Intermediate Outcome</b> Injury incidence in and impact on the community is minimised.	Regulatory Services

For further information on the intended impacts, outcomes and objectives of the departmental output expense appropriations, please see the Statement of Intent for the Department of Labour.

#### Policy Advice and Related Outputs MCOA (M1)

##### *Scope of Appropriation*

<p><b>Crown Entity Monitoring</b></p> <p>This output class is limited to the purchase, appointment and monitoring advice on the Accident Compensation Corporation (ACC) and other accident compensation statutory bodies.</p> <p><b>Ministerial Services</b></p> <p>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.</p> <p><b>Policy Advice - ACC</b></p> <p>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.</p>
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##### *Explanation for Use of Multi-Class Output Expense Appropriation*

The output classes relate to the provision of policy advice and related outputs such as Ministerial servicing and Crown entity monitoring within Vote ACC.

##### *Expenses and Revenue*

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Total Appropriation</b>	-	-	3,637
Crown Entity Monitoring	-	-	714
Ministerial Services	-	-	509
Policy Advice - ACC	-	-	2,414



	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Revenue from Crown</b>	-	-	3,637
Crown Entity Monitoring	-	-	714
Ministerial Services	-	-	509
Policy Advice - ACC	-	-	2,414
<b>Revenue from Other</b>	-	-	-
Crown Entity Monitoring	-	-	-
Ministerial Services	-	-	-
Policy Advice - ACC	-	-	-

### *Reasons for Change in Appropriation*

Establishment of the appropriation with funding transferred from Departmental Output Expense - Policy and Monitoring and Departmental Output Expense - Regulatory Services, as a result of the reorganisation of policy related appropriations following the Review of Expenditure on Policy Advice.

### *Output Performance Measures and Standards*

Performance Measures	2011/12		2012/13
	Budgeted Standard	Estimated Actual Standard	Budget Standard
<b>Crown Entity Monitoring</b>			
Purchase and ownership advice is delivered according to the work programme and timeframes (and any subsequent amendments) as negotiated between the Minister for ACC and the Secretary of Labour.	Revised measure	100% delivered within agreed timeframes	100% delivered within agreed timeframes
ACC Board and Dispute Resolution Services 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
<b>Ministerial Services</b>			
The Minister for ACC is satisfied with the quality and timeliness of the Department's ministerial servicing (see Note 1).	Satisfied	Satisfied	Satisfied
Responses to Parliamentary Questions, Ministerial correspondence and Ministerial Official Information Act requests are to be completed within either specified or statutory timeframes.	New measure	New measure	95% or above
Responses to Parliamentary Questions, Ministerial correspondence and Ministerial Official Information Act requests are to be completed without return due to predictable errors.	New measure	New measure	95% or above

Performance Measures	2011/12		2012/13
	Budgeted Standard	Estimated Actual Standard	Budget Standard
<b>Policy Advice - ACC</b>			
The Minister for ACC is satisfied with the quality of the Department's policy advice (including research and evaluation activities) (see Note 1).	Satisfied	Satisfied	Satisfied
All significant policy papers assessed by the New Zealand Institute of Economic Research (NZIER) at the described performance standard.	Revised measure	Policy papers assessed as at least "adequate"	Policy papers assessed as at least "adequate" (7 on NZIER's rating scale), with 80% of the submitted policy papers to be assessed as "good" or above (8 or above on NZIER's rating scale)
Policy advice (including research and evaluation) is delivered according to the policy work programme and timeframes (and any subsequent amendments) as negotiated between the Minister for ACC and the Secretary of Labour.	100% delivered within agreed timeframes	100% delivered within agreed timeframes	100% delivered within agreed timeframes

Note 1 - Satisfaction ratings are: Very Good, Good, Satisfied, Poor and Very Poor.

### *Conditions on Use of Appropriation*

Reference	Conditions
Policy work programme	Policy work programme includes initiatives outlined in the Department of Labour's Statement of Intent 2012-2015.

### *Current and Past Policy Initiatives*

Policy Initiative	Year of First Impact	2011/12 Budgeted \$000	2012/13 Budget \$000	2013/14 Estimated \$000	2014/15 Estimated \$000	2015/16 Estimated \$000
<b>Current Government</b>						
Reprioritisation Across Votes to Meet Cost Pressures	2014/15	-	-	-	(300)	(275)
Efficiency Savings	2012/13	-	(125)	(125)	(125)	(125)
Reprioritisation Across Years to Meet Cost Pressures	2012/13	-	(25)	(100)	125	-
Vote Realignment to Reflect Changes in Cost Allocation and Reprioritisation	2012/13	-	743	786	833	883
<b>Policy and Monitoring</b>						
Increasing Choice in Workplace Accident Compensation	2011/12	1,900	300	-	-	-
Departmental Savings Budget 2009 Expenditure Review	2009/10	(15)	(15)	(15)	(15)	(15)
<b>Previous Government</b>						
Information Communication Technology Infrastructure Investment	2007/08	25	25	25	25	25

## 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*

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	161	154	114
Revenue from Crown	159	159	114
Revenue from Other	2	1	-

### *Reasons for Change in Appropriation*

The decrease in funding is mainly due to a transfer of funding to the newly established Departmental Multi-Class Output Expense Appropriation Policy Advice and Related Outputs, which includes Crown Entity Monitoring, Ministerial Services and Policy Advice - ACC, arising from the reorganisation of appropriations for Policy Advice.

### *Output Performance Measures and Standards*

Performance Measures	2011/12		2012/13
	Budgeted Standard	Estimated Actual Standard	Budget Standard
<b>Timeliness</b>			
The Accident Insurance Regulator responds to all complaints and enquiries, including notices of insurers failing to comply with their obligation under the 1998 Act, within five days of receipt.	100%	100%	100%

### *Conditions on Use of Appropriation*

Reference	Conditions
Accident Compensation Act 2001 No 49, Part 10	Provisions relating to transition from competitive provision of workplace accident insurance are detailed within the references provided.
Accident Insurance Act 1998	

### *Current and Past Policy Initiatives*

Policy Initiative	Year of First Impact	2011/12 Budgeted \$000	2012/13 Budget \$000	2013/14 Estimated \$000	2014/15 Estimated \$000	2015/16 Estimated \$000
Reprioritisation Across Votes to Meet Cost Pressures	2014/15	-	-	-	-	(2)
Efficiency Savings	2012/13	-	(4)	(4)	(4)	(4)
Vote Realignment to Reflect Changes in Cost Allocation and Reprioritisations	2012/13	-	5	7	11	14

Policy Initiative	Year of First Impact	2011/12 Budgeted \$000	2012/13 Budget \$000	2013/14 Estimated \$000	2014/15 Estimated \$000	2015/16 Estimated \$000
<b>Previous Government</b>						
Information Communication Technology Infrastructure Investment	2007/08	1	1	1	1	1

## Part 2.2 - Non-Departmental Output Expenses

### Intended Impacts, Outcomes and Objectives

Intended Impacts, Outcomes or Objectives of Appropriations	Appropriations
<b>Outcome</b> Delivering quality results for the injured.	Case Management and Supporting Services
	Case Management and Supporting Services - Treatment Injuries for Non-Earners'
	Public Health Acute Services
	Public Health Acute Services - Treatment Injuries for Non-Earners'
	Rehabilitation Entitlements and Services
	Rehabilitation Entitlements and Services - Treatment Injuries for Non-Earners'

For further information on the intended impacts, outcomes and objectives of the non-departmental output expense appropriations, please see the Statement of Intent for the Accident Compensation Corporation.

### 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*

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	67,863	67,863	56,639

#### *Reasons for Change in Appropriation*

The change in funding is due to the actuarial review of future costs and adjustment of ACC's cost allocation model.

## Output Performance Measures and Standards

Performance Measures	2011/12		2012/13
	Budgeted Standard	Estimated Actual Standard	Budget Standard
<b>Quantity</b>			
Claims handling costs are within budget.	\$47.040m	\$57.627m	\$68.993m
The total claims handling costs as a percentage of payments are within target.	6%	7.6%	8.6%
<b>Activity information (see Note 1)</b>			
The number of newly registered Non-Earners' claims.	840,000	861,815	879,051
The number of active claims (see Note 2).	800	862	879

Note 1 - Activity information relates to output volume measures that are demand driven and therefore outside the Corporation's control.

Note 2 - Active claims refer to claims receiving weekly compensation in the period.

## Conditions on Use of Appropriation

Reference	Conditions
Accident Compensation Act 2001 No 49	Provisions relating to case management and supporting services.
2012/13 Service Agreement agreed between the Minister for ACC and ACC as it relates to Vote ACC	In assessing the performance of ACC in delivering entitlements and services to non-earners the Minister will expect outputs to be delivered according to the performance measures set out in the Service Agreement agreed between the Minister for ACC and ACC.

## Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2011/12 Budgeted \$000	2012/13 Budget \$000	2013/14 Estimated \$000	2014/15 Estimated \$000	2015/16 Estimated \$000
<b>Current Government</b>						
Non-Earner's Account Appropriation for 2012/13	2012/13	-	(12,678)	(10,023)	(9,537)	(9,331)
Forecast Change Between Non-Departmental Output Expenses and Benefits and Other Unrequited Expenses	2011/12	(2,364)	(5,824)	410	410	410
Alignment of Appropriations to the Technical Report	2010/11	4,232	6,234	-	-	-
NZ Productivity Commission	2010/11	(140)	(150)	(150)	(150)	(150)
Increase in ACC Non-Earners' Account Appropriation	2008/09	2,239	5,161	5,161	5,161	5,161
<b>Previous Government</b>						
Proposed 2007/08 ACC Non-Earners' Account Appropriations and Related Policy	2007/08	(1,490)	(1,490)	(1,490)	(1,490)	(1,490)

## 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

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	11,028	11,028	19,916

### Reasons for Change in Appropriation

The change in funding is due to the actuarial review of future costs and adjustment of ACC's cost allocation model.

### Output Performance Measures and Standards

Performance Measures	2011/12		2012/13
	Budgeted Standard	Estimated Actual Standard	Budget Standard
<b>Quantity</b>			
Claims handling costs are within budget.	\$11.520m	\$11.440m	\$10.357m
The total claims handling costs as a percentage of payments are within the agreed target.	12%	12.4%	10.5%
<b>Activity information (see Note 1)</b>			
The number of newly registered Treatment Injury claims.	6,800	5,300	5,777
The number of active claims (see Note 2).	510	1,860	2,028

Note 1 - Activity information relates to output volume measures that are demand driven and therefore outside the Corporation's control.

Note 2 - Active claims refer to claims receiving weekly compensation in the period.

### Conditions on Use of Appropriation

Reference	Conditions
Accident Compensation Act 2001 No 49	Transitional provisions relating to entitlements provided by the Accident Compensation Corporation.
2012/13 Service Agreement agreed between the Minister for ACC and ACC as it relates to Vote ACC	In assessing the performance of ACC in delivering entitlements and services to non-earners the Minister will expect outputs to be delivered according to the performance measures set out in the Service Agreement agreed between the Minister for ACC and ACC.

### Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2011/12 Budgeted \$000	2012/13 Budget \$000	2013/14 Estimated \$000	2014/15 Estimated \$000	2015/16 Estimated \$000
Non-Earners' Account Appropriation for 2012/13	2012/13	-	10,994	5,508	5,592	5,558
Forecast Change Between Non-Departmental Output Expenses and Benefits and Other Unrequited Expenses	2011/12	(169,825)	(159,872)	8,922	8,922	8,922
Establishment of appropriation	2010/11	180,853	168,794	-	-	-

### Public Health Acute Services (M1)

#### Scope of Appropriation

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

#### Expenses

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	258,963	258,963	277,281

#### Reasons for Change in Appropriation

The change in funding is due to the actuarial review of future costs.

#### Output Performance Measures and Standards

Performance Measures	2011/12		2012/13
	Budgeted Standard	Estimated Actual Standard	Budget Standard
<b>Timeliness</b>			
The 2013/14 service agreement between ACC and the Ministry of Health for the purchase of acute public health services is agreed by 1 July 2013.	Agreement agreed by 1 July 2012	Met	Agreement agreed by 1 July 2013
<b>Quality</b>			
The conditions of the 2012/13 service agreement between the Minister and ACC are met.	100% service agreement conditions are met	Met	100% service agreement conditions are met

## Conditions on Use of Appropriation

Reference	Conditions
Accident Compensation Act 2001 - Sections 301-303	Sections 301-303 sets out the: <ul style="list-style-type: none"> <li>• service agreement for purchase of public health acute services and other health services</li> <li>• Minister of Health's responsibilities for purchase of public health and acute services and other health services</li> <li>• restriction on purchase by Corporation of public health acute services.</li> </ul>

## Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2011/12 Budgeted \$000	2012/13 Budget \$000	2013/14 Estimated \$000	2014/15 Estimated \$000	2015/16 Estimated \$000
<b>Current Government</b>						
Non-Earners' Account Appropriation for 2012/13	2012/13	-	(538)	9,953	22,289	36,211
Forecast Change Between Non-Departmental Output Expenses and Benefits and Other Unrequited Expenses	2011/12	(26,177)	(23,890)	(26,904)	(26,904)	(26,904)
Alignment of Appropriations to the Technical Report	2010/11	2,771	(3,014)	-	-	-
Increase in ACC Non-Earners' Account Appropriation	2008/09	45,200	67,554	67,554	67,554	67,554
<b>Previous Government</b>						
Proposed 2007/08 ACC Non-Earners' Account Appropriations and Related Policy	2007/08	12,330	12,330	12,330	12,330	12,330

## 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

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	766	766	497

### Reasons for Change in Appropriation

The change in funding is due to the actuarial review of future costs.



### Output Performance Measures and Standards

Performance Measures	2011/12		2012/13
	Budgeted Standard	Estimated Actual Standard	Budget Standard
<b>Timeliness</b>			
The 2013/14 service agreement between ACC and the Ministry of Health for the purchase of acute public health services is agreed by 1 July 2013.	Agreement agreed by 1 July 2012	Met	Agreement agreed by 1 July 2013
<b>Quality</b>			
The conditions of the 2012/13 service agreement between the Minister and ACC are met.	100% service agreement conditions are met	Met	100% service agreement conditions are met

### Conditions on Use of Appropriation

Reference	Conditions
Accident Compensation Act 2001 No 49	Transitional provisions relating to entitlements provided by the Accident Compensation Corporation.

### Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2011/12 Budgeted \$000	2012/13 Budget \$000	2013/14 Estimated \$000	2014/15 Estimated \$000	2015/16 Estimated \$000
Non-Earners' Account Appropriation for 2012/13	2012/13	-	(557)	(337)	(168)	(33)
Forecast Change Between Non-Departmental Output Expenses and Benefits and Other Unrequited Expenses	2011/12	766	1,054	1,054	1,054	1,054

### 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

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	566,291	566,291	539,992

#### Reasons for Change in Appropriation

The change in funding is due to the actuarial review of future costs.

## Output Performance Measures and Standards

Performance Measures	2011/12		2012/13
	Budgeted Standard	Estimated Actual Standard	Budget Standard
<b>Quantity</b>			
Expenditure within budget for:			
• Total expenditure.	\$751.352m	\$761.411m	\$799.697m
• Medical costs.	\$191.628m	\$194.538m	\$204.686m
• Hospital treatment.	\$58.233m	\$63.054m	\$66.251m
• Social rehabilitation.	\$132.913m	\$139.033m	\$149.378m
<b>Activity information (see Note 1)</b>			
The number of other entitlement claims.	26,390	59,510	60,436
The number of long-term weekly compensation claims.	292	280	279
The number of serious injury claims.	100	100	100

**Note 1 - Activity information** relates to output volume measures that are demand driven and therefore outside the Corporation's control.

## Conditions on Use of Appropriation

Reference	Conditions
Accident Compensation Act 2001 No 49	Significant initiatives are evaluated and reported to the Minister for ACC.
2012/13 Service Agreement agreed between the Minister for ACC and ACC as it relates to Vote ACC	In assessing the performance of ACC in delivering entitlements and services to non-earners the Minister will expect outputs to be delivered according to the performance measures set out in the Service Agreement agreed between the Minister for ACC and ACC.

## Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2011/12 Budgeted \$000	2012/13 Budget \$000	2013/14 Estimated \$000	2014/15 Estimated \$000	2015/16 Estimated \$000
<b>Current Government</b>						
Non-Earners' Account Appropriation for 2012/13	2012/13	-	(86,592)	(15,668)	(21,790)	(27,950)
Forecast Change Between Non-Departmental Output Expenses and Benefits and Other Unrequited Expenses	2011/12	(100,710)	(75,308)	(98,580)	(98,580)	(98,580)
Alignment of Appropriations to the Technical Report	2010/11	(79,747)	(23,271)	-	-	-
Increase in ACC Non-Earners' Account Appropriation	2008/09	157,820	136,064	136,064	136,064	136,064
<b>Previous Government</b>						
IPRC (Review Costs and Appeals) Regulations 2002: Amendment	2008/09	39	40	41	41	41
IPR&C Act 2001: Proposed Amendment to Vocational Rehabilitation Provisions	2008/09	92	92	92	92	92
ACC Home Support Services: Approval for Additional Funding	2007/08	16,720	16,890	16,890	16,890	16,890
Proposed 2007/08 ACC Non-Earners' Account Appropriation and Related Policy	2007/08	38,945	38,945	38,945	38,945	38,945

## 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

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	169,997	169,997	182,985

### Reasons for Change in Appropriation

The change in funding is due to the actuarial review of future costs.

### Output Performance Measures and Standards

Performance Measures	2011/12		2012/13
	Budgeted Standard	Estimated Actual Standard	Budget Standard
<b>Quantity</b>			
Expenditure within budget for:			
• Total expenditure.	\$94.245m	\$92.630m	\$98.862m
• Medical costs.	\$4.907m	\$4.455m	\$4.771m
• Hospital treatment.	\$12.043m	\$11.249m	\$11.860m
• Social rehabilitation.	\$36.253m	\$36.593m	\$39.039m
<b>Activity Information (see Note 1)</b>			
The number of other entitlement claims.	1,699	4,399	4,795
The number of long-term claims.	450	409	415
The number of serious injury claims.	10	20	20

Note 1 - Activity information relates to output volume measures that are demand driven and therefore outside the Corporation's control.

### Conditions on Use of Appropriation

Reference	Conditions
Accident Compensation Act 2001 No 49	Transitional provisions relating to entitlements provided by the Accident Compensation Corporation.
2012/13 Service Agreement agreed between the Minister for ACC and ACC as it relates to Vote ACC	In assessing the performance of ACC in delivering entitlements and services to non-earners the Minister will expect outputs to be delivered according to the performance measures set out in the Service Agreement agreed between the Minister for ACC and ACC.

*Current and Past Policy Initiatives*

Policy Initiative	Year of First Impact	2011/12 Budgeted \$000	2012/13 Budget \$000	2013/14 Estimated \$000	2014/15 Estimated \$000	2015/16 Estimated \$000
Non-Earners' Account Appropriation for 2012/13	2012/13	-	29,117	(14,907)	(12,695)	(10,921)
Forecast Change Between Non-Departmental Output Expenses and Benefits and Other Unrequited Expenses	2011/12	169,997	153,868	153,868	153,868	153,868

## Part 3 - Details for Benefits and Other Unrequited Expenses

### Part 3.2 - Non-Departmental Benefits and Other Unrequited Expenses

#### Intended Impacts, Outcomes and Objectives

Intended Impacts, Outcomes or Objectives of Appropriations	Appropriations
<b>Objective</b> Income maintenance, independence allowance, and other compensation payments.	Compensation Entitlements
<b>Objective</b> Income maintenance, independence allowance, and other compensation payments.	Compensation Entitlements - Treatment Injuries for Non-Earners'

#### 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*

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	4,001	4,001	23,989

##### *Reasons for Change in Appropriation*

The change in funding is due to the actuarial review of future costs and the one-off impact of revisions to ACC's model for projecting future weekly compensation costs.

##### *Conditions on Use of Appropriation*

Reference	Conditions
Accident Compensation Act 2001 No 49	Transitional provisions relating to entitlements provided by the Accident Compensation Corporation.

##### *Current and Past Policy Initiatives*

Policy Initiative	Year of First Impact	2011/12 Budgeted \$000	2012/13 Budget \$000	2013/14 Estimated \$000	2014/15 Estimated \$000	2015/16 Estimated \$000
<b>Current Government</b>						
Non-Earners' Account Appropriation for 2012/13	2012/13	-	(11,594)	15,738	9,038	1,070
Forecast Change Between Non-Departmental Output Expenses and Benefits and Other Unrequited Expenses	2011/12	(41,948)	(14,776)	(209,825)	(209,825)	(209,825)
Alignment of Appropriations to the Technical Report	2010/11	(124,846)	(164,646)	-	-	-

Policy Initiative	Year of First Impact	2011/12 Budgeted \$000	2012/13 Budget \$000	2013/14 Estimated \$000	2014/15 Estimated \$000	2015/16 Estimated \$000
<b>Current Government - cont'd</b>						
Injury, Prevention, Rehabilitation and Compensation Act 2001: Changes	2010/11	(3,960)	(3,970)	(4,240)	(4,240)	(4,240)
Review of Non-Earners' Account (NEA) Baselines	2010/11	(78,412)	(30,673)	-	-	-
Increase in ACC Non-Earners' Account	2008/09	91,600	88,080	88,080	88,080	88,080
<b>Previous Government</b>						
IPR&C Amendment Bill (No. 2): Omnibus Paper	2008/09	49	50	50	50	50
Strategic Review of ACC Weekly Compensation: Final Proposals	2008/09	1,160	1,160	1,160	1,160	1,160
Proposed 2007/08 ACC Non-Earners' Account Appropriations and Related Policy	2007/08	46,748	46,748	46,748	46,748	46,748

## 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

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	9,477	9,477	26,479

### Reasons for Change in Appropriation

The change in funding is due to the actuarial review of future costs and the one-off impact of revisions to the ACC's model for projecting future weekly compensation costs.

### Conditions on Use of Appropriation

Reference	Conditions
Accident Compensation Act 2001 No 49	Transitional provisions relating to entitlements provided by the Accident Compensation Corporation.

### Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2011/12 Budgeted \$000	2012/13 Budget \$000	2013/14 Estimated \$000	2014/15 Estimated \$000	2015/16 Estimated \$000
Non-Earners' Account Appropriation for 2012/13	2012/13	-	19,066	9,736	7,271	5,396
Forecast Change Between Non-Departmental Output Expenses and Benefits and Other Unrequited Expenses	2011/12	(7,260)	(8,490)	7,413	7,413	7,413