

Accident Compensation (Access Reporting and Other Matters) Amendment Bill

Government Bill

Explanatory note

General policy statement

This Bill has 3 main objectives, which are—

- to improve the focus on, and the understanding of, how people with personal injuries are accessing the Accident Compensation Scheme (**AC Scheme**);
- to increase the transparency of the levels of access to the AC Scheme, including any disparities in access to the AC Scheme by different population groups;
- to give better effect to the purpose of weekly compensation.

The Bill aims to meet those objectives by—

- requiring the Accident Compensation Corporation (**ACC**) to report annually on how Māori and other population groups are accessing the AC Scheme and on any identified drivers or causes of any disparities in access; and
- amending the purpose of the Accident Compensation Act 2001 (the **principal Act**) and inserting a corresponding function to ensure that ACC focuses on monitoring access to the AC Scheme by Māori and other population groups, in order to deliver services in a way that supports access to the AC Scheme by injured persons in those groups; and
- bringing forward eligibility for the minimum rate of weekly compensation from the sixth to the second week of incapacity.

First, the Bill requires ACC to report annually on how Māori and other population groups are accessing the AC Scheme, and for those reports to include analysis of any identified disparities of access and causes or drivers of those disparities.

Currently, there is no requirement in the principal Act for ACC to report on how different population groups are accessing the AC Scheme.

That change will help to inform the Government about disparities in accessing the AC Scheme and the drivers or causes of those disparities. The information will increase awareness about where disparities exist and how they might be mitigated. It will also increase transparency for the public about access to the AC Scheme, as the reports will be publicly available.

Second, the Bill amends the purpose of the principal Act and the functions of ACC to ensure that ACC focuses on access to the AC Scheme by Māori and other population groups, rather than on only people who make ACC claims (**claimants**). Those amendments are not intended to expand the cover or entitlements available under the AC Scheme.

Currently, the purpose of the principal Act refers to ACC's obligations in relation to claimants receiving what they are entitled to under the AC Scheme. There is nothing in the purpose that expressly deals with understanding how people with personal injuries, including those people who have not yet made a claim (but might if they had better access), access and benefit from the AC Scheme. Similarly, the principal Act does not expressly deal with what ACC is doing to understand how to support access to the AC Scheme for all people with injuries covered by the AC Scheme.

Refining the principal Act's purpose is intended to make it clear that, in line with the AC Scheme's overriding goals, minimising the impact of injury on the community is not limited to the impact of injuries for which claims are made. The way in which ACC will implement this change to the principal Act's purpose is clarified by amending the functions of ACC to expressly refer to ACC's monitoring of access to the AC Scheme in order to identify how to improve delivery of its services.

Last, the Bill amends the principal Act to bring forward eligibility for the minimum rate of weekly compensation (which is currently set at 80% of the minimum wage) from the sixth to the second week of incapacity.

Weekly compensation is intended to enable claimants to meet their everyday expenses and focus on recovery.

The minimum rate of weekly compensation recognises that some people are in very low-paid, full-time jobs at the time of their injury and their rehabilitation may be delayed as a result of an inadequate income. For people on very low incomes, the amount of weekly compensation based on 80% of their actual income at the time of injury would be less than the amount of weekly compensation based on 80% of the minimum wage for adults working full time (that is, the current minimum rate of weekly compensation).

That amendment will mean that those claimants on very low incomes will not have to wait 5 weeks for their weekly compensation to be topped up to the minimum rate. As this will remove a financial hardship earlier in the recovery process, the change will allow them to better focus on that recovery.

Departmental disclosure statement

The Ministry of Business, Innovation, and Employment is required to prepare a disclosure statement to assist with the scrutiny of this Bill. The disclosure statement provides access to information about the policy development of the Bill and identifies any significant or unusual legislative features of the Bill.

A copy of the statement can be found at <http://legislation.govt.nz/disclosure.aspx?type=bill&subtype=government&year=2022&no=189>

Regulatory impact statement

A regulatory impact statement is not required for this Bill.

Clause by clause analysis

Clause 1 is the Title clause.

Clause 2 is the commencement clause.

Clause 3 provides that the Bill amends the Accident Compensation Act 2001 (the **principal Act**).

Part 1

Access reporting

Clause 4 amends section 3, which provides for the principal Act's purpose. The amendment introduces a new purpose relating to the monitoring by the Accident Compensation Corporation (ACC) of access to the scheme by Māori and other population groups.

Clause 5 amends section 262, which relates to ACC's functions. The amendment introduces a new function relating to the monitoring by ACC of access to the scheme by Māori and other population groups.

Clause 6 inserts *new section 278B*, which requires ACC to report in each financial year on access to the scheme by Māori and other population groups. The report is required to include an analysis of the matters set out in *new section 278B(2)* and must be provided to the Minister, who must then present the report to the House of Representatives.

Part 2

Transitional and other matters

Clause 7 amends Schedule 1AA to insert a *new Part 4*. *New Part 4* provides for transitional arrangements.

Clause 8 amends clause 42 of Schedule 1, which relates to weekly earnings of earners in full-time employment. The effect of the amendments is to bring forward eligibility

for the minimum rate of weekly compensation from the sixth to the second week of an earner's incapacity.

Hon Carmel Sepuloni

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The Parliament of New Zealand enacts as follows:

- 1 Title**
This Act is the Accident Compensation (Access Reporting and Other Matters) Amendment Act **2022**.
- 2 Commencement** 5
(1) **Section 8** comes into force 3 months after the date on which this Act receives the Royal assent.
(2) The rest of this Act comes into force on the day after the date on which it receives the Royal assent.
- 3 Principal Act** 10
This Act amends the Accident Compensation Act 2001.

**Part 1
Access reporting**

- 4 Section 3 amended (Purpose)** 15
After section 3(b), insert:
(ba) ensuring that the Corporation monitors access to the accident compensation scheme by Māori and other population groups in order to deliver services under this Act in a manner that supports access to the scheme by injured persons in those population groups:
- 5 Section 262 amended (Functions of Corporation)** 20
After section 262(1)(b), insert:
(ba) monitor access to the accident compensation scheme by Māori and other population groups to identify how to improve delivery of services under this Act to injured persons in those population groups; and
- 6 New section 278B inserted (Corporation to report in each financial year on access to accident compensation scheme by Māori and other population groups)** 25
After section 278A, insert:
278B Corporation to report in each financial year on access to accident compensation scheme by Māori and other population groups 30
(1) The Corporation must, in each financial year, prepare a report concerning access to the accident compensation scheme by—
(a) Māori; and
(b) other population groups as the Corporation considers appropriate.

- (2) The report must provide analysis of the following matters:
- (a) the level of access to the accident compensation scheme in that financial year by the population groups referred to in **subsection (1)**:
 - (b) any disparities between any of those population groups, or between any of those population group and any other group, in accessing the accident compensation scheme, as identified by the Corporation: 5
 - (c) any barriers affecting access to the accident compensation scheme by those population groups, as identified by the Corporation:
 - (d) the causes of, or factors contributing to, those disparities and barriers, as identified by the Corporation. 10
- (3) The Corporation must provide the report to the Minister as soon as practicable after the end of each financial year.
- (4) The Minister must present the report to the House of Representatives as soon as practicable after receiving it.

Part 2 15

Transitional and other matters

7 Schedule 1AA amended

In Schedule 1AA,—

- (a) insert the Part set out in the Schedule of this Act as the last Part; and
- (b) make all necessary consequential amendments. 20

8 Schedule 1 amended

- (1) In Schedule 1, clause 42(1)(c), replace “5 weeks” with “1 week”.
- (2) In Schedule 1, clause 42(2), replace “5-week period” with “first week of incapacity”.

Schedule
New Part 4 inserted into Schedule 1AA

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Part 4		
Provisions relating to Accident Compensation (Access Reporting and Other Matters) Amendment Act 2022		5
12	Interpretation	
	In this Part,—	
	2022 amendment Act means the Accident Compensation (Access Reporting and Other Matters) Amendment Act 2022	10
	annual scheme access report means a report prepared by the Corporation under section 278B .	
13	First annual scheme access report	
(1)	The Corporation must, before preparing the first annual scheme access report, consult with such organisations and people as the Corporation considers appropriate about the methods that it proposes to use in preparing that report, including the methods the Corporation proposes to use to identify—	15
	(a) the levels of access to the accident compensation scheme by Māori and other population groups the Corporation proposes to report on in the first annual scheme access report; and	20
	(b) disparities between—	
	(i) any of the population groups the Corporation is required to or proposes to report on in the first annual scheme access report; or	
	(ii) any of those population groups and any other group.	
(2)	The Corporation must provide the first annual scheme access report to the Minister as soon as practicable after 30 June 2024.	25
(3)	Section 278B(2)(c) and (d) does not apply to the first annual scheme access report and subclauses (4) and (5) apply instead.	
(4)	The first annual scheme access report must also describe—	
	(a) the population groups that the Corporation is required or proposes to report on in the second and third annual scheme access reports; and	30
	(b) the methods that the Corporation proposes to use in preparing the second and third annual scheme access reports.	
(5)	The description of the methods referred to at subclause (4)(b) must include,—	35

	(a) in the cases of the second and third annual scheme access reports, a description of how the Corporation, when preparing those reports, proposes to engage with Māori and the other population groups that the Corporation proposes to report on in those reports:	
	(b) in the case of the second annual scheme access report, a description of the methods the Corporation proposes to use to identify any barriers affecting access to the accident compensation scheme by Māori and the other population groups that the Corporation proposes to report on in that report:	5
	(c) in the case of the third annual scheme access report, a description of the methods the Corporation proposes to use to identify the causes of, or factors contributing to, those disparities and barriers.	10
14	Second annual scheme access report	
	Section 278B(2)(d) does not apply to the second annual scheme access report.	15
15	Minimum weekly earnings of earners in full-time employment	
	The amendments set out in section 8 of the 2022 amendment Act apply only in respect of claimants—	
	(a) whose entitlement to weekly compensation arose on or after the date on which section 8 commences; or	20
	(b) who were receiving weekly compensation before the date on which section 8 commences and remain entitled to receive weekly compensation on or after that date.	