

14. COUNCIL SUBMISSION ON ACCIDENT INSURANCE (TRANSITIONAL PROVISIONS) BILL

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Corporate Plan Output: Public Accountability - Decision Making	

The purpose of this report is to submit, for the Committee's information, the Council's submission on the above Bill.

The Bill, which was released for public comment just prior to Christmas, gives effect to the new Government's policy to wind down the competition in the scheme under the Accident Insurance Act 1998 as soon as possible and to return to a single public fund model. The key objectives of the Bill are to achieve the following by 1 July 2000:

- Remove competition from workplace insurance.
- Return responsibility to the Accident Compensation Corporation for the provision of all workplace insurance.
- Re-establish the accredited employers' programme.

As submissions on the Bill closed on 31 January 2000 the draft submission was referred to the Legislation Subcommittee for approval. The Council has delegated authority to the Subcommittee to approve submissions on proposed legislation where time does not permit the Council to approve such submissions.

The Committee met on 19 January 2000 to consider the draft submission prepared by Council staff. At that meeting the Committee concluded that as the Bill represented the new Government's philosophy on accident compensation, it would be fruitless to seek the retention of the status quo. It was decided therefore to focus on seeking changes which would make the new legislation as workable and effective as possible from the Council's point of view. In brief, the submission emphasises the Council's record as a good employer in reducing accident rates, details the Council's costs under the former and current schemes and seeks:

- The setting of appropriate minimum standards for the rehabilitation of employees after an accident.
- Provision in the accredited employer scheme for the degree of self insurance, injury management and financial savings of the current scheme.
- Sufficient flexibility in the accredited employer scheme to allow for grouping of organisations or companies with common ownership.
- An amendment to the relevant section of the Act to ensure that small employers are not excluded from participating in the accreditation scheme if they comply in other respects.
- The minimisation of the number and level of changes that employers are required to implement.
- Costs to employers to be no greater than those incurred under the current scheme.
- Consultation on the development of the accredited employer scheme before it is finalised.

The Council's submission, as approved by the Subcommittee, is attached.

Chairman's

Recommendation: That the information be received.