



Cabinet

CAB Min (11) 37/20

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Minute of Decision

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Two Options to Improve the Workplace Accident Compensation Scheme

Portfolio: ACC

On 10 October 2011, following reference from the Cabinet Economic Growth and Infrastructure Committee (EGI), Cabinet:

1 **noted** that on 11 May 2011, (EGI):

1.1 agreed to the release of a discussion document on *Increasing Choice in Workplace Accident Compensation*, which set out options for extending the Accredited Employers Programme (AEP) and introducing choice in the ACC Work Account;

1.2 directed the Department of Labour, in consultation with relevant agencies, to report back to EGI with detailed advice on the preferred policy option, including any capital requirements, and on all fiscal and financial implications and risks;

[EGI Min (11) 9/6]

2 **agreed** that legislative amendments be drafted to give effect to the following two possible approaches to improve the workplace accident compensation scheme:

2.1 extending the AEP and increasing risk-sharing outside the AEP, from 1 April 2013 (as outlined in Appendix 1 to the paper under CAB (11) 583); and

2.2 giving employers, self-employed and private domestic workers a choice of purchasing work-related personal injury insurance from ACC or from a private insurer, from 1 April 2013 (as outlined in Appendix 2 to the paper under CAB (11) 583);

3 **noted** that the above two approaches were contained in the discussion document referred to in paragraph 1.1 above;

4 **approved** the design elements of each option (as set out in Appendices 1 and 2 to the paper under CAB (11) 583) as a basis for further refinement and legislative drafting;

5 **authorised** the Ministers of Finance, Health, ACC, and Transport, and the Associate Minister for ACC to consider and make decisions on any minor and technical issues that might arise in the course of drafting;

6 **invited** the Minister for ACC to report back to EGI by 29 February 2012 with:

- 6.1 a decision paper, including feedback from public consultation and analysis of the merits of each option;
 - 6.2 a Regulatory Impact Statement;
 - 6.3 draft Bills to give effect to the above proposals;
- 7 **invited** the Minister for ACC to issue drafting instructions to the Parliamentary Counsel Office to give effect to the two options, consistent with the detailed design elements set out in Appendices 1 and 2 to the paper under CAB (11) 583.

Secretary of the Cabinet

Reference: CAB (11) 583; EGI Min (11) 22/6
