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Appendix I

Selected sections from the Injury Prevention, Rehabilitation, and Compensation Act 2001.

DISCLAIMER:

All information in this training material is correct at the time of printing. This information is intended to serve only as a general guide to arrangements under the Injury Prevention, Rehabilitation and Compensation Act 2001 and regulations. For any legal or financial purposes, this Act takes precedence over this material.

Part 1: Introduction

1.1 What is ACC?

New Zealand's accident compensation scheme provides personal injury cover for all New Zealand citizens, residents and temporary visitors to New Zealand. In return people do not have the right to sue for personal injury, other than for exemplary damages.

The scheme operates on a no-fault, 24 hour basis to meet the medical and, in some cases, the monetary costs of those who have suffered an accident. The focus of this paper is on those monetary benefits provided for loss of earnings.

The Accident Compensation Corporation (ACC) is a Government agency that has the responsibility of administering New Zealand's accident compensation scheme (Scheme). For a brief period the delivery of some aspects of the scheme, that is, cover for workplace accidents, was opened up to commercial insurers however reverted back to a state monopoly with a change of Government.

The accident compensation scheme and ACC's role in New Zealand society is important because injury affects many New Zealanders. About 20% of New Zealanders currently suffer some level of disability, and approximately 20% of these are incapacitated due to injury. Injury represents between 5% and 10% of the total disease burden of New Zealand.¹

Statistically speaking, for a total population of around 4.3 million:

- 1.6 million injury claims were filed with the ACC in 2006/07, mostly the for reimbursement of treatment costs only
- about 150,000 claimants received additional benefits for their injuries, typically including some level of weekly income benefits and often including rehabilitation services
- there were 2,104,000 hospital admissions due to injury in a four year period from 2000-2004
- around 180 New Zealanders each year suffer a serious injury, such as permanent brain or spinal injury, requiring long-term support
- 1,659 deaths were recorded as resulting from injury in 2002.

The main causes of fatal injury in 2002 were transport related (32% of all deaths), intentional self harm (28%) and falls (18%).

Overall injury rates have been steadily declining in New Zealand as elsewhere in the OECD, although New Zealand reported injury levels remain comparatively high. Injuries are expensive to society, and it has been estimated that the social and economic cost of injuries in New Zealand is approximately \$6 -\$7 billion each year.

This cost underpins the need for an appropriate system to both prevent and meet the cost and consequences of injury.

¹ An executive summary of the Accident Compensation Corporation New Zealand Scheme Review March 2008 prepared by PriceWaterhouseCoopers