

VOTE *ACC*

ACC

Overview

Appropriations sought for Vote ACC in 2003/04 total \$763.620 million. This is intended to be spent as follows:

Departmental output classes

- \$3.372 million (less than 1% of the Vote) on purchasing a range of services in relation to injury prevention and management including policy advice, analysis, evaluation, research, monitoring, purchase advice, legislation support and ministerial servicing.
- \$146,000 (less than 1% of the Vote) 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 output classes

- \$9.285 million (1.2% of the Vote) to cover the cost of case and claims management for claims on the Non-Earners' Account that occurred prior to 1 July 2001.
- \$31.258 million (4.1% of the Vote) to cover the estimated full cost of case and claims management, and injury prevention services for claims on the Non-Earners' Account that occurred from 1 July 2001.
- \$63.160 million (8.3% of the Vote) to cover the cost of medical care, social rehabilitation, and elective health care for claims on the Non-Earners' Account that occurred prior to 1 July 2001.
- \$332.372 million (43.5% of the Vote) to cover the estimated full cost of medical care, social rehabilitation, and elective health care for claims on the Non-Earners' Account that occurred from 1 July 2001.
- \$183.229 million (24.0% of the Vote) to fund Public Health Acute Services for claims on the Non-Earners' Account.
- \$25.628 million (3.4% of the Vote) to cover the cost of income maintenance, independence allowance, and other compensation payments for claims on the Non-Earners' Account that occurred prior to 1 July 2001, as well as transfers to the Medical Misadventure Account for payments made on non-earner related claims for the same period.
- \$46.588 million (6.1% of the Vote) to cover the estimated full cost of income maintenance, independence allowance, and other compensation payments for claims on the Non-Earners' Account that occurred from 1 July 2001, as well as transfers to the Medical Misadventure Account to cover the estimated full cost of non-earner related claims from 1 July 2001.
- \$68.582 million (9.0% of the Vote) of Motor Spirits Excise Duty to be paid to ACC to contribute to financing of entitlements for the Motor Vehicle Account.

Details of how the appropriations are to be applied appear in Parts B1 and C of this Vote. Details of Crown Revenue appear in Part F.

Terms and Definitions Used

ACC	Accident Compensation Corporation
ARCI	Accident Rehabilitation and Compensation Insurance
IPRC Act	Injury Prevention, Rehabilitation and Compensation Act 2001
PAYG	Pay-as-you-go

ACC

VOTE MINISTER: Minister for ACC

ADMINISTERING DEPARTMENT: Department of Labour

The Minister of Labour is the Responsible Minister for the Department of Labour

Part A - Statement of Objectives and Trends

Part A1 - Objectives for Vote ACC

Related Government Outcomes

The appropriations in Vote ACC will make a contribution to the following Government Key Goals:

- strengthen national identity and uphold the principles of the Treaty of Waitangi
- grow an inclusive, innovative economy for the benefit of all
- maintain trust in Government and provide strong social services
- reduce inequalities in health, education, employment and housing.

The output classes in Vote ACC contribute to a Departmental outcome, which is related to Government's Key Goals.

This outcome and Vote ACC contributions are set out below:

Outcome	Contribution
Safe and healthy people and workplaces	<p>Advice and services focused on:</p> <ul style="list-style-type: none"> • Injury Prevention - reducing the overall incidence and impact of injury in New Zealand • Rehabilitation – improving the quality of experience and outcomes for claimants • Efficient scheme management – including levy stability • Making a positive contribution to the Government's goals as an integral part of the broader public sector <p>Regulatory services to meet residual responsibilities under the Injury Prevention, Rehabilitation, and Compensation Act and the Accident Insurance Act.</p>

Output Classes

To achieve these objectives, the appropriations are intended to fund a range of activities, including:

- a comprehensive range of injury prevention and management related services including policy advice, analysis, evaluation, research, monitoring, purchase advice, legislation and regulatory support, and ministerial servicing
- managing 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. The IPRC Act removed or transferred the bulk of the Regulator's activity but an anticipated low level of activity remains, consisting primarily of monitoring and responding to external requests. The ACC has assumed the Regulator's role in relation to the Non-Compliers Fund. Statistics New Zealand has assumed the injury information management role
- administration and operation of the Non-Earners' Account in the ACC scheme including funding case and claims management, medical care, rehabilitation services, elective health care, and in some instances income maintenance payments, provided to injured non-earners
- a contribution toward the funding of the Motor Vehicle Account through a portion of Motor Spirits Excise duty.

Part A2 - Trends in Vote Accident Insurance

The time series of non-departmental flows detailed in the table Trends in Vote ACC shows overall increases in non-departmental outputs purchased by the Crown. It also reflects increases in non-departmental expenses.

Output Trends: 1995/96 to 2003/04

Vote Accident Rehabilitation and Compensation Insurance (ARCI) was established in 1993/94 as a separate Vote and renamed Vote Accident Insurance for the 1999/2000 year at the same time as the Accident Rehabilitation and Compensation Insurance Corporation was renamed the Accident Compensation Corporation.

In 1995/96 the provision of policy advice was separated from the management of the scheme. The output class was renamed Policy and Monitoring – an additional appropriation provided for a policy and monitoring unit within the Department of Labour. Output classes Earner Elective Health Care Services and Non-Earner Elective Health Care Services were included in 1996/97. Previously these services were funded via Vote Health. From 1 July 1997, Earner Elective Health Care Services were funded via the earners' premiums and the output class was disestablished. From 1998/99 the separate output classes for Medical Treatment, Health Care and Social Rehabilitation were included in one output class - Claim Entitlements and Services.

Competition was introduced for work related accident insurance from 1 July 1999 and the output class Regulatory Services was set up to fund the Market Regulator. The output class Non-Compliers Fund was also set up to ensure that the claimants' entitlements were met where their employers did not have accident insurance cover. The Accident Insurance Regulator's primary tasks were to regulate the private insurers, to ensure that employers purchase insurance, to administer the Non-Compliance Fund, and to provide comprehensive injury and accident insurance information to stakeholders. The Regulatory Services output class was initially funded by levies from insurers but this reverted to reduced sole funding by the Crown from 1 July 2001.

The role of the Accident Insurance Regulator was changed by the Accident Insurance (Transitional Provisions) Act 2000 which came into force on 1 April 2000. This Act returned accident insurance to a single public fund. From 1 April 2000 and then further from 1 July 2000, the role of the Regulator was progressively reduced to maintaining the ongoing residual responsibilities related to the 1999/2000 period.

The management of the introduction of competition in workplace accident insurance was provided through the ACC Competition Transition output class, which was established in 1998/99. The final appropriation was in 1999/2000.

The two non-departmental expenses for the payment of claims relating to insurer insolvency and employer non-compliance were disestablished following a Cabinet decision on 1 May 2000. Two departmental output classes were established: Non-Compliers Fund and Insolvent Insurers Fund.

A new departmental output class, ACC Transition, was established in 1999/2000 for the management of the transition of workplace accident insurance to a single public fund and monitoring of the implementation of changes as a result of the legislation passed. Monitoring activities testing whether the Government's objectives are being achieved are ongoing and as such funds remaining in the ACC transition output class at the end of 2001/02 have been transferred into the policy and monitoring output class, spread evenly across 2002/03, 2003/04 and 2004/05.

In 2000/01, the Crown agreed to fully fund the Non-Earners' Account for new claims from 1 July 2001 and continue to fund existing claims as at that date on a pay-as-you-go (PAYG) basis.

Appropriations for the Non-Earners' Account in 2000/01 were on a PAYG basis. Appropriations from 2001/02 have two components that are separately disclosed. The first is the estimate of the full cost of new claims and the second is an estimate of cash payments expected in the year relating to claims that occurred prior to 1 July 2001. The purpose of this change is to reflect the true cost each year of rehabilitating and compensating non-earners injured in that year.

A new non-departmental output class in 2000/01 for Public Health Acute Services was also established. Previously these services were included in the Claim Entitlements and Services output class.

To increase transparency, from 2001/02 the main expenditure items within the non-departmental output class "Claim Entitlements and Services" are disclosed separately in Part C2.

Following a Cabinet decision, a new non-departmental output class was established in Other Expenses in 2002/03 to cover costs of medical treatment and counselling for victims of the 2002 Bali bombing.

Crown Expenditure and Revenue Trends: 1995/96 to 2003/04

The main driver of changes in non-departmental output expenditure are movements in the output class O2 Claim Entitlements and Services. The main component of Claim Entitlements and Services are expenditure on medical services, social rehabilitation and elective health care services. Growth in medical treatment spending since 1994/95 reflects increasing service levels, increased cost per treatment, and an increasing number of seriously injured claimants in the Non-Earners' Account. The Non-Earners' Account baseline was adjusted in 1999/00 to reflect higher volumes and costs of elective hospital treatment. Increases in 2001/02 were primarily due to the change in the funding basis for the Non-Earners' Account (full funding for claims occurring from 1 July 2001) and an increasing understanding about the payment profile for seriously injured claimants.

Claim Entitlements and Services has also been increased in 2001/02 (and in out-years, apart from 2002/03) due to an accounting policy change by ACC regarding revenue recognition. ACC received an audit opinion allowing it to accrue revenue and create a receivable to ensure that the Non-Earners' Account is funded in accordance with Cabinet decisions (that claims from 1 July 2001 are fully funded and prior claims are pay-as-you-go funded).

Case Management and Supporting Services funding increased in 1998/99 reflecting a change in the method of allocating costs between ACC accounts. Increases in 2001/02 were primarily due to the change in the funding basis for the Non-Earners' Account offset by some adjustments in the allocation of administration costs to this Account.

Over this period there are marked variations in Benefits and Other Unrequited Expenses - Other Compensation, arising from phasing out lump sums and the amount of the surplus/deficit carried forward each year. Previously claimants affected by serious injury were entitled to lump sum claim payments. These payments were removed in the 1992 Act but some payments were continued until 1997/98 as a result of appeals. Expenditure for 1997/98 and 1998/99 also included payment for backdated attendant care for complex personal injury claimants. The increase in 2001/02 is primarily due to a change in the funding basis for the Non-Earners' Account and increased allocation to the Medical Misadventure Account (as a result of forecasting improvements regarding the cost of seriously injured claimants). Reintroduction of lump sums has also increased the appropriation since the 2002/03 year.

The Accident Insurance Act 1998 provided that insurers and ACC (for all Accounts including Non-Earners') pay a levy to the Crown to cover costs of public health acute services provided to those injured by accidents. From 1999/2000 a fiscally neutral adjustment is made each year to reflect the cost of public health acute services provided to non-earners. Improvements have been made in estimating the cost of these services used by Non-Earner's Account claimants and as a result expenses have risen in this area over the last few years.

Analysis by Appropriation Type: 2002/03 and 2003/04 Compared

Departmental output classes

There is no change in the annual appropriation for departmental output classes in 2003/04.

Non-departmental output classes

Annual appropriations for purchasing non-departmental outputs are expected to increase by \$60.871 million (11.0%) in 2003/04 relative to 2002/03. This increase reflects greater claims handling costs; the correcting of an error in the funding model; an update to the Public Health Acute Services funding (to reflect increased volumes and prices, and an allowance for complex burn victims); the costs associated with new treatment costs initiatives; laboratory and pharmaceutical costs that were not included in the appropriation; funding adjustment to reflect updated experience related to 2001/02.

Benefits and unrequited expenses

Expenditure is expected to increase by \$7.459 million (11%) in 2003/04 reflecting increased funding allowance for lump sums reflecting projections in the June 2002 valuation; and reflecting an audit opinion on the application of GST to independence allowances and lump sums.

Other Expenses

Motor Spirits Excise Duty related payments to fund compensation and services from the Motor Vehicle Account will increase by \$60,000 in 2003/04 reflecting updated forecasts of motor spirits consumption.

Reconciliation of New Initiatives to Appropriations

Initiative	Appropriations as shown in Part B	\$000 increase/(decrease)				
		2002/03	2003/04	2004/05	2005/06	2006/07
Introduction of a contracting framework for Rural Primary Care Providers (rural general practitioners and nurses)	Non departmental Output class – Claim Entitlements and Services	-	300	1,200	1,200	1,200
Payment for the costs of selected treatment materials used in primary practice	Non departmental Output class – Claim Entitlements and Services	-	338	1,350	1,350	1,350
Implementation of the Endorsed Provider Network for Physiotherapists Nationwide	Non departmental Output class – Claim Entitlements and Services	-	660	3,376	4,059	4,190
Increase in payments for Practice Nurse consultations and introduce a payment for Joint General Practitioner/Practice Nurse consultations	Non departmental Output class – Claim Entitlements and Services	-	270	1,080	1,080	1,080
Increase the rate of payment for Counsellors	Non departmental Output class – Claim Entitlements and Services	-	650	2,600	2,600	2,600
Increased contribution toward Non-Specialist Dental Treatment for Children under 18	Non departmental Output class – Claim Entitlements and Services	-	225	900	900	900
Reimburse DHBs for treatment of acute accident victims and complex burn victims on behalf of ACC and increased capability of Ministry of Health to forecast and manage these costs	Non departmental Output class – Public Health Acute Services	13,952	14,306	14,306	14,306	14,306
Total Initiatives		13,952	17,249	25,212	25,829	25,912

Trends in Vote ACC – Summary of Appropriations and Crown Revenue

Types of Appropriation	1998/99	1999/2000	2000/01	2001/02	2002/03		2003/04 Appropriations to be Used				2004/05	2005/06	2006/07	
	Actual \$000	Actual \$000	Actual \$000	Actual \$000	Budget \$000	Estimated Actual \$000	By the Department Administering the Vote		For Non-Departmental Transactions		Total \$000	Estimated \$000	Estimated \$000	Estimated \$000
							Annual \$000	Other \$000	Annual \$000	Other \$000				
Operating Flows														
Classes of Outputs to be Supplied	217,836	379,431	407,452	600,807	635,064	634,885	3,518	-	619,304	-	622,822	649,870	668,445	690,916
Benefits and Other Unrequited Expenses	60,172	37,756	29,961	58,863	77,254	77,254	N/A	N/A	72,216	-	72,216	72,250	72,382	72,994
Borrowing Expenses	-	-	-	-	-	-	N/A	N/A	-	-	-	-	-	-
Other Expenses	66,037	67,168	67,106	68,799	69,579	69,579	-	-	-	68,582	68,582	68,940	69,418	69,418
Capital Flows														
Capital Contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase or Development of Capital Assets	967	-	-	-	-	-	N/A	N/A	-	-	-	-	-	-
Repayment of Debt	-	-	-	-	-	-	N/A	N/A	-	-	-	-	-	-
Total Appropriations	345,012	484,355	504,519	728,469	781,897	781,718	3,518	-	691,520	68,582	763,620	791,060	810,245	833,328
Total Crown Revenue and Receipts	16,586	23,437	470	-	-	-	N/A	N/A	N/A	N/A	-	-	-	-

Part B - Statement of Appropriations

Part B1 - Details of Appropriations

	2002/03				2003/04		Description of 2003/04 Appropriations
	Vote		Estimated Actual		Vote		
Appropriations	Annual \$000	Other \$000	Annual \$000	Other \$000	Annual \$000	Other \$000	
Departmental Output Classes (Mode B Gross)							
D1 Policy and Monitoring	3,478	-	3,365	-	3,372	-	Purchasing a range of services in relation to injury prevention and management including policy advice, analysis, evaluation, research, monitoring, purchase advice, legislation support and ministerial servicing.
D2 Regulatory Services	243	-	177	-	146	-	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.
Total Appropriations for Departmental Output Classes (Mode B Gross)	3,721	-	3,542	-	3,518	-	
Non-Departmental Output Classes							
O1 Case Management and Supporting Services	49,138	-	49,138	-	40,543	-	To cover the cost of case and claims management for claims on the Non-Earners' Account.
O2 Claim Entitlements and Services	399,330	-	399,330	-	395,532	-	To cover the cost of medical care, social rehabilitation and elective health care for claims on the Non-Earners' Account.
O3 Public Health Acute Services	182,875	-	182,875	-	183,229	-	To fund public health acute services for claims on the Non-Earners' Account.
Total Appropriations for Non- Departmental Output Classes	631,343	-	631,343	-	619,304	-	

Benefits and Other Unrequited Expenses							
Other Compensation	77,254	-	77,254	-	72,216	-	To cover the cost of income maintenance, independence allowance, and other compensation payments for claims on the Non-Earners' Account, as well as transfers to the Medical Misadventure Account for payments made on non-earner related claims.
Total Appropriations for Benefits and Other Unrequited Expenses	77,254	-	77,254	-	72,216	-	
Other Expenses to be Incurred by the Crown							
Motor Spirits Excise Duty	-	69,529	-	69,529	-	68,582	Section 213 of the Injury Prevention Rehabilitation and Compensation Act 2001 provides for a Motor Spirits Excise Duty to be collected and paid to ACC to contribute to financing of entitlements for the Motor Vehicle Account.
Victims of Bali Bombings	50	-	50	-	-	-	To cover the cost of ex gratia payments to cover medical treatment and counselling for victims of Bali bombings.
Total Appropriations for Other Expenses to be Incurred by the Crown	50	69,529	50	69,529	-	68,582	
Total Appropriations	712,368	69,529	712,189	69,529	695,038	68,582	

Part C - Explanation of Appropriations for Output Classes

Part C1 - Departmental Output Classes

Output Class D1 - Policy and Monitoring

Through this output class the Minister purchases policy advice, purchase advice and monitoring which contributes ultimately to the outcome of “safe and healthy people and workplaces”.

Vote ACC contributes to the achievement of this outcome by providing advice on the Government’s priorities for injury prevention and management, including those priorities underpinned by the Injury Prevention, Rehabilitation, and Compensation Act 2001 (IPRC Act). The IPRC Act (Part 1, s3) reflects the Government’s objective to provide “...a fair and sustainable scheme for managing personal injury that has, as its overriding goal, minimising both the overall incidence of injury in the community, and the impact of injury in the community (including economic, social, and personal costs)”.

Accordingly, the Vote ACC work programme assists in achieving this objective by delivering services that relate to the priority areas:

- Injury prevention - reducing the overall incidence and impact of injury in New Zealand
- Rehabilitation - improving the quality of experience and outcomes for claimants
- Efficient Scheme management - working to ensure that levies to fund the ACC Scheme remain stable over time, and that the Scheme is fair and efficient
- Whole of Government focus - making a positive contribution to the Government’s goals as an integral part of the broader public sector, eg, whole of Government initiatives and strategy development such as the New Zealand Injury Prevention Strategy.

The Department is accountable for producing effective policy advice that informs decisions taken by the Minister, Government and ACC. The Department’s contribution to the outcome is that well-informed decisions should result in better implementation by all parties involved in injury prevention and management, which will in turn result in better outcomes for claimants, employers and other stakeholders.

The Department is also accountable for producing effective purchase and monitoring advice, and managing the following aspects of the Government’s interest in ACC’s performance:

- direct purchase interest - for the Minister for ACC in respect of the Non-Earners’ Account
- custodial interest - on behalf of levy payers, ie, motor vehicle owners, earners, self-employed and employers
- regulatory interest - in ACC’s compliance with its legislation and with other Government policy

- ownership interest - in ACC as a Crown entity, and the performance of its subsidiaries.

This advice includes:

- regular reporting to the Minister on the financial and non-financial performance of the ACC Scheme and its Accounts
- monitoring and provision of advice to the Minister on the evaluation of key areas of focus, and flagship initiatives of the Injury Prevention, Rehabilitation, and Compensation Act 2001 or IPRC Act. Through evaluation activities, the Department assists in testing the links between the Government's interventions and the desired outcomes, thereby improving the information base for decision making
- meeting the Department's statutory obligations ie, reviewing/negotiating and developing annual accountability documents (ACC Service Agreement, ACC Business Plan, ACC Statement of Intent, Non-Earners' Purchase Agreement) between the Minister and ACC, and provision of advice to the Minister
- provision of second-opinion advice to Ministers/Treasury on the Crown Accounts - involving both the appropriation for the Non-Earners' Account, and the valuation and forecasting work for the Economic and Fiscal Updates and the year end accounts
- managing the ACC board appointment process, and appointments to ministerial advisory panels, on behalf of the Minister for ACC.

Output Class D2 - Regulatory Services

Through this output class, the Accident Insurance Regulator has the residual long-term responsibility to manage the Crown's ongoing risks resulting from the introduction of the competitive accident insurance market during 1999/2000, and retained by the provisions in Part 10 of the IPRC Act. This Act removed or transferred the bulk of the Regulator's activity on 1 April 2002, but an anticipated low level remains, primarily consisting of monitoring and responding to external requests.

Since 1 July 2002 the functions of the Regulator have been:

- administration of the saved provisions from the Accident Insurance Act 1998 – key stakeholder liaison, receiving and responding to enquiries and complaints (non-ministerials)
- compliance monitoring – identifying potential non-compliance with the Accident Insurance Act 1998, investigating non-compliance and taking enforcement action where appropriate
- information management – residual or transitional hand-over activity as the prime function was transferred to Statistics New Zealand and servicing information requests related to private insurers and the 1999/2000 period
- funds management – in the case of identification of insolvent insurers, setting various charges to be levied on registered insurers and collecting those levies.

A facility will be provided to appropriately respond to enquiries and complaints related to the competitive accident insurance market introduced in 1999/2000, in response to any demand for this service.

Monitoring, and action as required, will be taken to ensure that compliance obligations are met by participants in the competitive accident insurance market introduced in 1999/2000.

The cost of any administrative sanctions imposed on insurers failing compliance obligations will be recovered.

Administration of the Insolvent Insurers Fund will be undertaken, should this be invoked.

The ACC has assumed the Regulator's role in relation to the Non-Compliers Fund. Statistics New Zealand has assumed the previous injury-related information management role.

Part C2 - Non-Departmental Output Classes

Performance Targets for ACC

The Minister for ACC purchases claim entitlement services, public health acute services, and case management on behalf of non-earners who have suffered personal injury (other than motor vehicle injury).

The purchasing activities are specified in a Purchase Agreement between the Minister for ACC and ACC, and are monitored by the Department of Labour.

In assessing the performance of ACC in delivering entitlements and services to non-earners, the following are the generic performance measures that will be used:

Performance Measures Non-Earners' Account Output Classes

New claims

New rehabilitation claims numbers
Total claims accepted

New claims by Māori Claimants

Number of rehabilitation claims
Percentage of total claims

New claims by Pacific Peoples' claimants

Number of rehabilitation claims
Percentage of total claims

Individual Rehabilitation Plans (IRPs)

% of IRPs completed for rehabilitation claims and accepted by the claimant within 26, 52 and for all claims over 52 weeks of claim acceptance

Reviews and Appeals

Number of heard reviews and appeals in the quarter where decision is upheld
Total numbers heard in the quarter
Summary of wider scheme implications

Rehabilitation Rates for Rehabilitation claims

6 months
12 months

Serious Injury (SI)

Claim numbers by SI profiles
Claim numbers in the reserving model
SI Annual report on SI Portfolio

Non Acute Inpatient Rehabilitation

Volumes and Cost

Active claim numbers

Number of active claims at 3 months, 3-12 months, >12 months, and total active claims

Payment accuracy

Cost effectiveness measure

Fully-funded cost per Non-Earner

Other performance information on the Non-Earners' Account (including targets and frequency of reporting) is included in the Service Agreement between the Minister for ACC and the ACC Board.

Output Class O1 - Case Management and Supporting Services

This output class covers purchasing injury prevention, claim processing, assessment, and payment services and case management for non-earning injured people. Financial grants, primarily for research, are also included in this output class.

Performance measures

- Injury prevention (IP) programmes will result in more savings than the cost of the programme in the Non-Earners' Account. The 2003/04 Service Agreement will list the main IP programmes.
- Claims will be allocated accurately to scheme accounts in accordance with the IPRC Act.
- All payments will be made to the correct parties for the correct amount.
- Other performance measures for this output class are included in the above table.

Cost

This output class will be provided within the appropriated sum of \$40.543 million (inclusive of GST) and includes \$9.285 million for claims prior to 1 July 2001 and \$31.258 million for new claims from 1 July 2001.

Output Class O2 - Claim Entitlements and Services

This output class relates to purchasing medical services, support for independence services and elective health care services. Services purchased include:

- primary medical services, including the services of general practitioners, specialists, physiotherapists, radiologists and pharmaceuticals
- elective hospital treatment, required as a result of an accident (defined within the IPRC Act)
- dental treatment
- conveyance for medical treatment
- personal care (home help, attendant care and childcare)
- alteration of home
- ambulatory aids.

A detailed summary of the expenditure items within this output class is outlined in the following table.

Claim Entitlements and Services	2003/04 \$000
<u>Full Funded Expenses</u>	
Medical Treatment	102,226
Hospital Rehabilitation	51,913
Other Rehabilitation	26,538
Vocational Rehabilitation	1,288
Social Rehabilitation	124,792
Pharmaceuticals and Laboratory	5,238
Ambulance	20,377
Sub-total	332,372
<u>Pay-as-you-go costs - prior claims</u>	
Medical Treatment	8,388
Hospital Treatment	10,131
Other Rehabilitation	5,694
Vocational Rehabilitation	315
Social Rehabilitation	38,632
Pharmaceuticals and Laboratory	-
Ambulance	-
Sub-total	63,160
Total	395,532

Performance measures

- All payments for claim entitlements and services will be paid in accordance with the IRPC Act.
- Other performance measures for this output class are included in the above table.

Cost

This output class will be provided within the appropriated sum of \$395.532 million (inclusive of GST) and includes \$63.160 million for claims prior to 1 July 2001 and \$332.372 million for new claims from 1 July 2001.

Output Class O3 – Public Health Acute Services

Vote Health initially covers the cost of the provision of public health acute services to ACC claimants. A Service Agreement is agreed between Ministers of Health and ACC that agrees how much Health will be refunded by ACC to cover the cost of these claimants. This output class funds the Non-Earner Account portion of the Service Agreement. The remainder is collected via levies.

Performance Measures

The cost and volume of public health acute services will be estimated on the basis of best information available.

Cost

This output class will be provided within the appropriated sum of \$183.229 million (inclusive of GST) for claims accepted from 1 July 2001.

Part D - Explanation of Appropriations for Other Operating Flows

Part D1 – Benefits and Other Unrequited Expenses

Other Compensation

This output class relates to income maintenance, independence allowance, lump sum payments and death benefits related to claims on the Non-Earners' Account, as well as transfer to the Medical Misadventure Account to cover the costs of non-earners claims.

Cost

This output class will be provided within the appropriated sum of \$72.216 million (GST not applicable) and includes \$25.628 million for claims prior to 1 July 2001, and \$46.588 million for new claims from 1 July 2001.

Part D3 – Other Expenses

Motor Spirits Excise Duty

This output class relates to payments to fund compensation and services from the Motor Vehicle Account.

Cost

This output class will be provided within the appropriated sum of \$68.582 million (GST not applicable).

Part E - Explanation of Appropriations for Capital Flows

Net Worth of Entities Owned

Statement of Estimated and Forecast Net Worth

	Balance Date	Estimated Net Worth 2003 \$ million	Forecast Net Worth 2004 \$ million
Crown Entities:			
ACC	30 June	(4,287)	(5,061)