

Regulatory Impact Statement: Proposed changes to ACC’s Accredited Employers Programme

Coversheet

| Purpose of Document | |
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| Decision sought: | <p>Final Cabinet decisions on a package of changes to ACC’s Accredited Employers Programme (AEP).</p> <p>These proposals were refined after considering submissions received in response to the release of a public consultation document in late 2022.</p> |
| Advising agencies: | Ministry of Business, Innovation and Employment (MBIE) with input from ACC (the operational agency) |
| Proposing Ministers: | Minister for ACC |
| Date finalised: | 17 February 2023 |
| Problem Definition | |
| <p>ACC’s Accredited Employers Programme (AEP) allows large employers to take on their employees’ claims for work injuries and occupational diseases (instead of ACC) in return for receiving a substantial reduction in the employer levy they pay to ACC. Some accredited employers may provide a lower quality service to employees than ACC to save money, so AEP has various compliance requirements administered by ACC aimed at ensuring accredited employers provide a quality service.</p> <p>There are some indications that the compliance requirements are not as effective as they could be in ensuring a reasonable quality of service is provided. A more proactive and outcomes focus to compliance, delivered through a package of changes to AEP, is therefore proposed to improve AEP performance.</p> | |
| Executive Summary | |
| <p>AEP provides an opportunity for large employers to take on the role of ACC for managing work-related claims of their employees, and achieve better outcomes more efficiently than ACC without compromising quality.</p> <p>The positive outcomes of AEP operating well are beneficial to workers, employers and the economy as a whole, so it is in the government’s interest to have AEP working as well as possible. But there are indications that AEP has not been performing as well it could be.</p> <p>A package of changes to AEP’s compliance requirements, that are aimed at maintaining quality, has been developed that is expected to improve AEP performance. Some changes to the relevant secondary legislation, <i>Framework for the Accredited Employers Programme</i>, are required to allow the package to be implemented.</p> | |

An improvement over the status quo is expected to come from moving ACC's supervision of accredited employers from having less of a compliance focus to more of a proactive and outcomes-based focus.

The three main components of the package of proposed changes to AEP are:

- implementing new health and safety assessment requirements for accredited employers to bring these up to date and recognise ISO 45001 certification
- strengthening the assessment of claims and injury management of accredited employers through various technical changes, and
- introducing a performance monitoring model with increased reporting requirements on accredited employers to allow better supervision by ACC.

Public consultation was undertaken on the proposals late last year and the aims were largely supported, although most submitters wanted to see more detail on the second and third proposals.

The first proposal was modified from the original proposal of discontinuing ACC audits and requiring recognised external health and safety assessments. The original proposal was considered too costly by some accredited employers so ACC audits have been retained, but updated to the latest standards. Employers who are already ISO 45001 certified will have this recognised. This combination is considered to improve health and safety certification compared to the status quo, without imposing extra costs.

The third proposal has a material cost for ACC to operate the performance monitoring model, that is passed on to accredited employers via an administration levy which is expected to increase by up to 13%. However, the extra cost is considered worthwhile to remedy the weakness created by the current lack of monitoring.

Limitations and Constraints on Analysis

Changes to AEP have been in development since 2017. Since then, ACC has hosted a number of co-design sessions with accredited employers, third party administrators (TPAs), worker representatives and health and safety experts to develop a 'vision' for what a well performing AEP would look like.

The first time a package of changes to AEP were due to go to full public consultation was in 2020 but this was prevented by COVID-19. This led to a partial reset of the project and the proposed changes were further refined.

There is therefore a relatively long history of proposal development largely based on consultation. Where the recommendations are developed from consultation, they generally rely on simple behavioural assumptions that indicate the likely direction of change rather than the quantum of that change.

There is very little data on the performance of AEP as a whole over time and also little data on the performance of individual accredited employers. The lack of such data is one of the reasons why changes are being proposed.

Given the history, the analysis of proposals is limited to evaluating the options that have been consulted on compared to the status quo and, in one instance, a new option based on the feedback from consultation.

Responsible Manager(s) (completed by relevant manager)

Bridget Duley
Manger, Accident Compensation Policy
Ministry of Business, Innovation and Employment



17 February 2023

Quality Assurance (completed by QA panel)

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| Reviewing Agency: | MBIE Regulatory Impact Analysis Review Panel |
| Panel Assessment & Comment: | The panel considers that the information and analysis summarised in the Impact Statement partially meets the criteria necessary for Ministers to make decisions on the proposals. |

Section 1: Diagnosing the policy problem

What is the context behind the policy problem and how is the status quo expected to develop?

Background

1. AEP was developed to allow large employers to 'stand in ACC's shoes' to make cover and entitlement decisions and manage their employees' claims for work injuries and occupational diseases. In return for taking on this financial liability, accredited employers receive a substantial reduction in the employer levy they pay to ACC.
2. The premise for AEP is that employers may be able to provide a better experience for injured workers than ACC, more efficiently, as employers know their industries better and should have a closer relationship with their employees.
3. Only employers who are accredited by ACC can participate in AEP. Becoming accredited involves meeting financial strength requirements and being able to demonstrate sufficient experience and expertise in workplace health and safety, and claims and injury management. There are ongoing audits and checks of accredited employers (compliance requirements) that aim to verify that they have maintained the required capability.

Regulatory structure

4. The rules for AEP are set by a combination of primary legislation, secondary legislation, contract and ACC internal procedures. It is secondary legislation that governs much of the day-to-day operations of AEP. This is the *Framework for the Accredited Employers Programme* (the Framework), which is published in the *New Zealand Gazette*.
5. The Framework can be changed only after the Minister for ACC consults with interested parties.

Expected benefits of AEP

6. The motivation for introducing AEP was that large employers should be able to provide better injury prevention and rehabilitation outcomes for workers more efficiently than ACC. First, they have a stronger financial motivation because they directly incur the costs and benefits of managing injuries. Secondly, if they are a good employer, they should know their employees better and be better able to manage them through their injuries than a third-party government agency.
7. There are also two likely secondary benefits of AEP. The first is improving the competitiveness of New Zealand firms who are accredited employers by lowering their operating costs (because ACC levies are more than a negligible cost). The second is providing some 'competitive tension' for ACC by having other organisations performing similar work and providing alternatives against whom ACC can be benchmarked.

Status quo

8. No changes have been made to the legislation or the Framework governing AEP since its inception in 2001, with only minor operational changes occurring. This is despite

several reviews of AEP that have raised the issues explained in the problem definition below.

9. If nothing is done, AEP will continue to operate in a less than optimal fashion. This is not desirable since AEP covers 23% of the workforce and 15% of all work-related injury claims.

What is the policy problem or opportunity?

10. While there are expected benefits from AEP as outlined above, there are also possible downsides given the incentives involved. There is an incentive for accredited employers to save money by providing workers an inferior (rather than more effective) service to that provided by ACC. Costs might be saved by putting fewer resources into processing and handling claims, leading to longer wait times and less personal assistance for claimants.
11. In 2018, MBIE commissioned research on AEP.¹ This research found that although AEP was delivering better return to work outcomes for employees and lower compensation costs, there were areas where AEP could be improved. These mostly related to ensuring accredited employers have sufficient capability to meet AEP objectives and appropriate governance, including engagement arrangements with employees and their representatives.
12. More significantly, survey results highlighted concerns with the performance of third-party administrators (TPAs) used by most accredited employers to manage claims. Accredited employers who self-managed employee claims received significantly better claimant satisfaction ratings than the relatively poor ratings received by those who used TPAs.²
13. In 2017, ACC held workshops with business customers, advocacy groups, unions, and employers across New Zealand, to discuss improving ACC's workplace safety incentives. The insights from this engagement also highlighted opportunities to improve AEP.
14. After the external review in 2018, ongoing development of proposed changes commenced, including co-design with stakeholders. This work was disrupted by COVID-19, but eventually a set of proposals designed to improve AEP and address concerns was published in a public consultation document in September 2022. The consultation, run by MBIE, requested submissions from stakeholders on the proposals. These submissions were considered and some of the proposals were amended or refined.

¹ An evaluation of the Accredited Employers Programme by Sapere Research Group
<https://mako.wd.govt.nz/otcs/llisapi.dll/Overview/91260849>

² Accredited Employer and TPA Survey 2012/18 Annual results
<https://mako.wd.govt.nz/otcs/llisapi.dll/Overview/84117193>

15. Essentially the problem is that the compliance requirements for AEP are not ensuring that accredited employers are continuing to provide a quality service when filling the shoes of ACC. Three main set of changes to AEP are therefore proposed to:
- implement new health and safety assessment requirements for accredited employers to bring these up to date and recognise ISO 45001 certification
 - strengthen the assessment of claims and injury management of accredited employers through various technical changes, and
 - introduce a performance monitoring model with increased reporting requirements on accredited employers to allow better supervision by ACC.

Who is affected?

16. It is the employees of accredited employers who are most directly affected by AEP if their employer outperforms or underperforms ACC. Good performance by an accredited employer can see more positive experiences for employees having their claims dealt with, more effective treatment, quicker return to work and less loss of income. Poor performance will see the reverse. There is not enough information available to identify if particular groups of workers are affected differently by AEP.
17. For accredited employers, the impact from any changes to AEP is largely seen as financial. AEP is a 'risk sharing' product where Accredited Employers take on the liability of their workers' claims costs in exchange for a significant reduction in their ACC levy. Any improvements that accredited employers can make to health and safety processes that reduce the severity and incidences of worker injury translate to a direct cost saving to the employer.
18. While more stringent or extensive compliance measures for AEP, like those proposed that aim to improve its performance, will impose extra costs on an accredited employer, any improvement in the employer's performance should save that employer money in the medium to longer term from reduced compensation costs. ACC hasn't tried to quantify these savings or benefits.

What objectives are sought in relation to the policy problem?

19. The objectives sought for AEP include those that have been developed after considering the main concerns with AEP, highlighted by reviews and discussions with affected parties. These objectives are:
- Making worker wellbeing a main focus of AEP
 - Improving ACC's oversight of AEP so it can provide better guidance to accredited employers
 - Incentivising accredited employers to continually improve their performance
20. There are also objectives sought that relate to keeping reform of AEP practical and workable, including:
- Ensuring that the proposed reforms can be implemented without excessive cost to both accredited employers and ACC as the administrator of AEP
 - The proposed reform is not likely to cause any unintended side-effects.

21. Some of the objectives will be competing in some circumstances when viewed from the perspective of the different parties involved in AEP.
22. Accredited employers, but not employees, have to bear any increased costs of operating AEP – both those they incur directly themselves and those that are incurred indirectly by ACC and passed on via increased levies. For example, imposing increased reporting requirements on accredited employers could impose extra costs on employers without providing any benefit, while employee representatives could see the increased reporting as providing a benefit without imposing any cost on employees.

Section 2: Deciding upon an option to address the policy problem

What criteria will be used to compare options to the status quo?

23. The criteria used to compare the options are the following:
- The impact on worker wellbeing
 - The improvements to the oversight of AEP and the ability for ACC to provide better support to accredited employers
 - The likely incentive on accredited employers to continually improve their performance
 - Cost of implementation for both accredited employers and ACC as the administrator of AEP
 - The likelihood of significant unintended side-effects.

What scope will options be considered within?

24. The purpose of the proposed changes is to improve AEP with the intention of addressing various weaknesses that have been identified from prior reviews of AEP and consultation with stakeholders. The final and most significant round of consultation with stakeholders was that facilitated by MBIE's publication of the public consultation document *Consultation on ACC's Accredited Employers Programme* in September 2022.
25. A total of 65 submissions were received in response to the publication of the consultation document. The submissions were from a range of public and private sector organisations, unions, health and safety experts, third party administrators and members of the public. Most submitters were supportive of the goals of improving AEP. Many shared concerns that the changes would shoulder them with an increase in cost, time and resourcing in order to meet the new, enhanced requirements of the programme.
26. The options for change that were considered and evaluated in this RIS are limited to the options presented in the consultation document plus new options that are reasonable modifications to those options that are in line with the suggestions of stakeholders.
27. The proposed package of changes are presented as three main proposals. Some aspects of the required changes will need amendments to be made to the AEP Framework while others will need only operational changes to be made by ACC. The operational changes could be made without first undertaking consultation, but those particular changes are not separately identified because the suite of changes is designed to operate as a package.

What options are being considered?

28. There are three main components to the package of proposed changes to AEP and each component is compared to the status quo, with a further option compared for the first and third component of the package.
29. The package aims to reform compliance requirements to better ensure that accredited employers provide a quality service when managing the claims of their employees, by:
 - improving health and safety assessments
 - strengthening the assessment of claims and injury management, and
 - introducing performance monitoring.
30. The package also includes a proposed minor change of introducing additional pricing options for accredited employers on the Partnership Discount Plan. This will have a minimal impact so has not been assessed.

Options to improve health and safety assessments

31. Accredited employers are required to show that they have systems in place to ensure health and safety in the workplace. This has been accomplished by ACC arranging for annual health and safety audits. The options considered for improving this arrangement are given below.

Option 1A – Status quo

2. The status quo means ACC would continue to audit each accredited employer's health and safety performance using the same tool it has used for many years.
3. This option would not address the stakeholder concerns that a better health and safety audit process is needed, and that workers feel inadequately represented.

Option 1B – Consultation document proposal to implement external health and safety assessments using only ISO 45001 or SafePlus

4. Option 2B, as proposed in the consultation document, is for ACC audits to cease and accredited employers to arrange an external assessment of their health and safety systems by adopting either ISO 45001 or SafePlus from 1 April 2024. ISO 45001 is a highly specified international standard for management systems dealing with occupational health and safety. SafePlus is a tool developed by WorkSafe New Zealand, MBIE and ACC that provides guidance on obtaining 'good' health and safety practices, with a focus on internal continuous improvement, as opposed to a point-in-time audit.
5. Having to implement an external health and safety assessment would be a significantly higher cost for smaller entities and disproportionate to the benefit. Submitters estimated that ISO 45001 would cost a minimum of \$10,000 and up to \$100,000 depending on the size of the employer. This cost is reoccurring, payable every two years.
6. It was submitted that SafePlus would be expensive to implement for employers with multiple sites given each site needs a separate assessment.

7. Submissions pointed out that SafePlus was designed to give guidance for improving health and safety rather than be used as an assessment tool, so it is not suitable for an objective assessment tool. Furthermore, there is no auditing or quality assurance for the product itself, and no ongoing requirement for training of assessors to ensure consistency.

Option 1C – update ACC’s health and safety audit standard and also allow accredited employers the option of using ISO 45001 certification

8. This is a hybrid option that was developed from the proposals and criticisms of submitters. It is the favoured option because it should address stakeholder concerns about the quality of the current health and safety audit and lack of worker representation. It will achieve this by updating ACC’s audit standard and allowing ISO 45001 to be used as an alternative.
9. Under this option, ACC’s audit standard would be updated to align with the latest health and safety audit standard, ISO45001, but the audit would not be as complex and onerous as a full ISO 45001 certification audit. Accordingly, the ACC audit would remain cheaper than ISO 45001. This should alleviate the concerns of those entities who do not want the expense or see any benefit in obtaining full ISO 45001 certification.
10. Allowing the ISO 45001 certification as an alternative would mean those entities already certified would not need to undergo a separate ACC audit, with the extra costs and inconvenience this would entail. It would also provide some incentive for larger entities to consider getting ISO 45001 certification.
11. Under this option it is also proposed that the time allowed for accredited employers to meet the new standard be increased by an additional 12 months (compared to the proposal that was originally put forward in 2022) to give a deadline of 1 April 2025.
12. Because this option combines the main changes proposed by submitters, it is effectively the option that would be most favoured by stakeholders.

Options for strengthening the assessment of claims and injury management

32. Currently accredited employers are also audited and have other checks performed to ascertain if their claims and injury management is adequate. A number of changes to this system are proposed to improve its effectiveness.

Option 2A – Status quo

13. The status quo means the current system of claims and injury management, where satisfaction rates for claim handling and timeliness of decisions is lower than expected, would continue unchanged.
14. This option would not address the concerns with the current claims and injury management assessment and it would not generate sufficient data to enable better overall performance monitoring, which is an additional change discussed further below.

Option 2B – Consultation document proposal of package of technical improvements to claims and injury management

15. This option includes various changes to how the audits are conducted and also disestablishes the current external auditor panel and replaces it with a new panel of ACC-approved external assessors with claim and injury management expertise.
16. This is the favoured option because the technical improvements to the evaluation of claims and injury management, like strengthening the assessment of claims files, would address concerns by encouraging accredited employers to focus more on outcomes and workforce engagement. It should benefit workers as there will be heightened requirements for how their claims are handled, and more opportunities for them to voice any concerns via focus groups and surveys.
17. The new requirements would also generate some of the inputs required for the proposal to improve overall performance monitoring.
18. A majority of submitters supported the proposed changes to claims and injury management. However, many felt the level of detail provided in the consultation material was insufficient.

Options for introducing performance monitoring

19. The reliance on audits to check the compliance of various aspects of the operations of accredited employers means there is no real monitoring of the overall performance of accredited employers. The options considered for introducing performance monitoring are outlined below.

Option 3A – Status quo

20. The status quo means there would continue to be limited monitoring of the performance of accredited employers.
21. Current monitoring of accredited employers doesn't collect enough information to benchmark an accredited employer's performance against other accredited employers. This makes it difficult for ACC to identify and manage poorly performing accredited employers.
22. Not being able to adequately deal with poorly performing employers may result in poorer outcomes for employees.

Option 3B – Require accredited employers to provide more data

23. The option of requiring more data to be provided might help identify poorly performing accredited employers. However, just identifying poor performers would not, by itself, address the problems of a passive monitoring process that is not pro-active and not assisting accredited employers to improve.

Option 3C – Introduce a performance monitoring model

24. This option aims to use a mix of quantitative and qualitative sources to provide a holistic view of each accredited employer's performance. It would employ various performance measures and assign ratings that would determine how ACC would respond as the AEP supervisor.

25. This is the favoured option because the introduction of the performance monitoring model should address all the issues identified in co-design. It would facilitate collection of sufficient data to undertake the required analysis, and would allow ACC to use performance monitoring to provide tailored feedback to accredited employers.
26. Workers would also have a direct input into the performance model (via worker and claimant surveys). This would provide them with an avenue to voice any concerns (or compliments) on how their claims are being handled by either third party administrators or accredited employers.
27. The performance monitoring model would enable ACC to appropriately manage poorly performing accredited employers. Poor performers would be supported by ACC to lift their performance. If there is continual poor performance, then performance monitoring enables the poorest performers to be exited from AEP entirely.
28. Most submitters supported the introduction of the performance monitoring model in principle, but wanted more detail than provided in the consultation document. In particular, submitters wanted to know exactly what measurements ACC intends to use to assess their performance. ACC has advised that it intends to build these performance measures together with accredited employers and worker representatives.
29. This option will require ACC to employ approximately 8 additional staff to administer the performance monitoring model at an ongoing cost of around \$800,000 per year. This cost will be passed onto accredited employers via an increase in the AEP administration fee. The admin fee, which is currently 2.3% of the standard levy that would be paid if the employer was not in AEP, is expected to increase by a maximum of 13% to cover the extra cost.

How do the options compare to the status quo?

Options to improve health and safety assessments

| | Option 1A – Status Quo | Option 1B – Implement external health and safety assessments using only ISO 45001 or SafePlus | Option 1C - Update ACC’s audit standard and allow the option of using ISO 45001 certification |
|--|------------------------|---|---|
| Worker wellbeing focus | 0 | + | + |
| Improves ACC oversight | 0 | 0 | 0 |
| Incentivises continuous improvement | 0 | + | + |
| Extra costs | 0 | - | 0 |
| Possible unintended side-effects | 0 | 0 | 0 |
| Overall assessment | 0 | + | ++ |

What option is likely to best address the problem, meet the policy objectives, and deliver the highest net benefits?

30. Option 1C is likely to best address the problem of an out-of-date health and safety assessment and meet the policy objectives while delivering the highest net benefits. The updated ACC audit will have more of a worker wellbeing focus and should encourage a more proactive approach to health and safety. Option 1C won't impose the extra costs of ISO certification on employers who want to continue to use the ACC audit, and will save costs for those already receiving the ISO 45001 certification. More employers may be encouraged to become ISO 45001 certified when they realise it will remove the need for an ACC audit.

Options for strengthening the assessment of claims and injury management

| | Option 2A – Status Quo | Option 2B – Implement package of technical improvements to claims and injury management |
|--|------------------------|---|
| Worker wellbeing focus | 0 | + |
| Improves ACC oversight | 0 | + |
| Incentivises continuous improvement | 0 | + |
| Extra costs | 0 | - |
| Possible unintended side-effects | 0 | 0 |
| Overall assessment | 0 | ++ |

What option is likely to best address the problem, meet the policy objectives, and deliver the highest net benefits?

31. Option 2B is likely to best address the problem of the less than adequate assessment of claims and injury management, meet policy objectives and deliver the highest net benefits. Option 2B will implement a more proactive approach to the assessment of claims and injury management through a series of changes and improve workforce engagement by increasing worker participation in the assessment process. It will impose some extra costs on employers but this should be outweighed by increased worker wellbeing, improved ACC oversight and the encouragement of continuous improvement in claims and injury management.

Options for the introduction of a performance monitoring model

| | Option 3A – Status Quo | Option 3B – Require accredited employers to provide more data | Option 3C – Implement full performance monitoring model |
|-------------------------------------|------------------------|---|---|
| Worker wellbeing focus | 0 | 0 | + |
| Improves ACC oversight | 0 | + | ++ |
| Incentivises continuous improvement | 0 | 0 | + |
| Extra costs | 0 | - | -- |
| Possible unintended side-effects | 0 | 0 | - |
| Overall assessment | 0 | 0 | + |

What option is likely to best address the problem, meet the policy objectives, and deliver the highest net benefits?

32. Option 3C is likely to best address the problem of a lack of performance monitoring, meet policy objectives and deliver the highest net benefits. Option Three will implement a performance monitoring model that will collect sufficient data to assess performance while providing for ACC to provide tailored feedback to accredited employers that will encourage them to continually improve performance. This option will allow for input from workers and for the poorest performers to be exited from AEP.
33. Option 3C does have a significant cost with the extra ACC personnel required to administer it, that will be passed on to accredited employers. This also means there could be unintended side-effects like (adequately performing) accredited employers leaving AEP.
34. On balance, since Option 3C is designed to overcome a significant weakness of AEP, the lack of performance monitoring, it is considered that the extra costs will be more than compensated by the expected benefits.

What are the marginal costs and benefits of the complete package of proposed changes to AEP?

| Affected groups <i>(identify)</i> | Comment <i>nature of cost or benefit (eg, ongoing, one-off), evidence and assumption (eg, compliance rates), risks.</i> | Impact <i>\$m present value where appropriate, for monetised impacts; high, medium or low for non-monetised impacts.</i> | Evidence Certainty <i>High, medium, or low, and explain reasoning in comment column.</i> |
|--|---|--|--|
| Additional costs of the preferred option compared to taking no action | | | |
| Accredited employers | Ongoing increase in the admin levy to fund the extra staff required to support the performance monitoring model | Around \$800,000 per annum of ongoing cost, increasing the current admin levy paid by accredited employers by 13%. | High |
| Accredited employers | Extra compliance costs from new compliance requirements | A material amount but there is not enough information available to make a reliable estimate | Low |
| Total monetised costs | Although the cost is material, the amount of levy paid that will be paid by accredited employers compared to ordinary employers is still very low – only 2.9% | \$800,000 per annum of ongoing cost. | High |
| Non-monetised costs | There will be extra compliance costs incurred by accredited employers but these are uncertain and difficult to estimate. | Low | Low |

| Affected groups <i>(identify)</i> | Comment <i>nature of cost or benefit (eg, ongoing, one-off), evidence and assumption (eg, compliance rates), risks.</i> | Impact <i>\$m present value where appropriate, for monetised impacts; high, medium or low for non-monetised impacts.</i> | Evidence Certainty <i>High, medium, or low, and explain reasoning in comment column.</i> |
|---|--|--|--|
| Additional benefits of the preferred option compared to taking no action | | | |
| ACC | ACC gets better data with which to benchmark its performance | Low | Medium |
| Employees of accredited employers | Some employees should get improved outcomes from better management of their injuries, from a lift in performance of bottom tier accredited employers | Medium | Low |
| Accredited employers | The likely improved outcomes for some employees will also have financial benefits for accredited employers | Low | Low |
| MBIE and Minister | MBIE will have a better indication of the performance of AEP | Low | Medium |
| Total monetised benefits | The monetary benefits are too uncertain to estimate | N/A | N/A |
| Non-monetised benefits | | Medium | Medium |

Section 3: Delivering an option

How will the new arrangements be implemented?

35. If Cabinet gives its approval, the proposed changes to the AEP Framework will be gazetted in 2023 but will not come into effect until 2025.
36. The 2024 year will be a 'transition year' where accredited employers will be supported by ACC to meet the new accreditation requirements. This also gives ACC time to collect the relevant data as a 'baseline' for the purposes of performance monitoring.
37. The proposed 'go live' date for changes is 1 April, 2025. This date gives sufficient time to prepare the new ACC Health and Safety Audit, develop the measures for Performance Monitoring in consultation with stakeholders, and make the necessary contract changes with 140 accredited employers.

How will the new arrangements be monitored, evaluated, and reviewed?

38. ACC has undertaken to provide improved reporting on AEP in its quarterly reports which will allow MBIE to be regularly updated on how AEP is performing and whether the changes to AEP are improving performance, particularly in areas of concern like employee satisfaction with the claims handling provided by third party administrators.
39. The new arrangements themselves will allow for extra opportunities for stakeholders, particularly employees, to raise concerns.
40. Once the changes to AEP have bedded in (we estimate by 2028), MBIE will initiate an external review of AEP.