



28 April 2017

By email

Dear Mr

Thank you for your email dated 12 April 2017 regarding the Accident Compensation (Review Costs and Appeals) Regulations. Your query has been forwarded to the Ministry of Business, Innovation and Employment for response.

The Government has recently approved a 16.6% increase to the maximum amount of review-related costs that clients can be reimbursed for, in line with inflation from the first quarter of 2008 to the third quarter of 2016 inclusive. The inflation adjustment is an interim measure to provide clients with additional support while a more substantive review takes place. The inflation adjustment will take effect from 1 June 2017.

It is important that the review costs payable under the Regulations are not materially eroded by inflation. However it is not always possible or desirable to use the latest figure. The release of official figures by Statistics New Zealand is usually delayed. In addition, the regulatory process can often take some time after the necessary analysis is completed. It would be counter-productive to reset such a process, especially given the low inflationary pressure in recent quarters.

The Ministry of Business, Innovation and Employment is currently preparing advice on the substantive review to the Associate Minister for ACC, who oversees the response to the Independent Review of the Acclaim Otago (Inc) 2015 Report into Accident Compensation Dispute Resolution Processes. This review will look at issues with the Regulations beyond inflation, including travel costs. It is expected to commence in June 2017.

If you have any further queries, you can contact \_\_\_\_\_, Senior Policy Analyst, Accident Compensation Policy at \_\_\_\_\_.

Regards

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Manager, Accident Compensation Policy

