

Accident Rehabilitation and Compensation Insurance Amendment Act (No 2) 1996

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An Act to amend the Accident Rehabilitation and Compensation Insurance Act 1992

BE IT ENACTED by the Parliament of New Zealand as follows:

1 Short Title and commencement

- (1) This Act may be cited as the Accident Rehabilitation and Compensation Insurance Amendment Act (No. 2) 1996, and shall be read together with and deemed part of the Accident Rehabilitation and Compensation Insurance Act 1992 (hereinafter referred to as the principal Act).
- (2) Except as provided in subsection (3) of this section, this Act shall come into force on the day on which it receives the Royal assent.

- (3) Sections 13 and 27 of this Act, and the amendments to sections 71 and 148 of the principal Act in the Schedule to this Act, shall come into force on the 1st day of July 1997.

2 Interpretation

- (1) Section 3 of the principal Act is hereby amended by repealing the definition or the term “registered health professional”, and substituting the following definition:

“‘Registered health professional’ means—

“(a) Any person who—

“(i) Is entitled to practise medicine under the title of medical practitioner pursuant to section 9 of the Medical Practitioners Act 1995; and

“(ii) Holds a current certificate issued under that Act or the Medical Practitioners Act 1968 evidencing that entitlement to practise medicine; or

“(b) Any person who holds a current annual practising certificate issued by the Chiropractic Board, the Dental Council of New Zealand, the Dental Technicians Board, the Nursing Council of New Zealand, the Occupational Therapy Board, the Pharmaceutical Society of New Zealand, or the Physiotherapy Board; or

“(c) Any person registered with the Medical Laboratory Technologists Board, the Medical Radiation Technologists Board, or the Podiatrists Board; or

“(d) Any optometrist registered with the Opticians Board.”.

- (2) Section 3 of the principal Act is hereby further amended by inserting, after the definition of the term “personal injury”, the following definition:

“‘Physical rehabilitation’ includes, without limitation, cognitive rehabilitation.”.

3 New sections substituted

The principal Act is hereby amended by repealing sections 22 and 23, and substituting the following sections:

“22 Objective of vocational rehabilitation

The objective of vocational rehabilitation is to assist—

“(a) Those persons who are entitled to compensation for loss of earnings under section 38 or section 39 or section 44 of this Act; and

“(b) Those persons who are entitled to compensation for loss of potential earning capacity under section 45 or section 46 of this Act; and

“(c) Those persons who have cover under this Act and are likely, without vocational rehabilitation, to be entitled to compensation for loss of earnings or loss of potential earning capacity under this Act—

to maintain employment, obtain employment, or, in all other circumstances, to have a capacity for work (as defined in section 51(2) of this Act).

“23 Provision of or payment for vocational rehabilitation

“(1) Subject to subsection (2) of this section and to any direction for the time being in force under section 159 of this Act, the Corporation may make any provision of or payment for vocational rehabilitation if it considers it appropriate in the circumstances and the provision or payment is expected by the Corporation to be cost-effective.

“(2) The Corporation may, at its discretion, provide or meet the costs of any vocational rehabilitation for the minimum period necessary to meet the objective set out in section 22 of this Act, but in no case shall such provision be made or costs be met in respect of any vocational rehabilitation that exceeds a period of 3 years in total, which need not be consecutive.

“(3) The 3-year period referred to in subsection (2) of this section does not include any period of vocational rehabilitation provided before the commencement of section 3 of the Accident Rehabilitation and Compensation Insurance Amendment Act (No. 2) 1996.”

4 New sections substituted

(1) The principal Act is hereby amended by repealing section 26 (as amended by subsections (1) and (2) of section 10 of the Accident Rehabilitation and Compensation Insurance Amendment Act (No. 2) 1993), and substituting the following sections:

“26 Objective of social rehabilitation

“(1) The objective of social rehabilitation is to restore the independence of a person to the extent that the person’s independence has been lost by personal injury covered by this Act.

“(2) In this Act, ‘social rehabilitation’ includes, without limitation,—

“(a) Provision of, or payment for, attendant care; and

“(b) Purchase of, and modifications to, motor vehicles and other means of transport; and

“(c) Modifications to residential premises; and

“(d) Provision of, or payment for, household help; and

“(e) Provision of, or payment for, child care; and

“(f) Provision of, or payment for, wheelchairs and any other aids and appliances likely to assist independence in daily living; and

“(g) Provision of, or payment for, teacher aides, teacher aide hours, and transport to or from school for a child requiring special assistance as the result of personal injury covered by this Act to enable the child to receive education.

“26a Provision of or payment for social rehabilitation

“(1) Subject to subsection (2) of this section, the Corporation may make any provision or payment in respect of social rehabilitation that is required or permitted under this Act and that is consistent with the objective set out in section 26(1) of this Act.

“(2) The Corporation’s power, under subsection (1) of this section, to provide or pay for social rehabilitation—

“(a) Is exercisable notwithstanding anything in any regulations made under this Act, subject to any direction of a type referred to in section 159(2) of this Act that is for the time being in force; and

“(b) Is exercisable subject to any direction of any other type for the time being in force under section 159 of this Act.

“(3) No payment in respect of any item referred to in section 26(2) of this Act may be made by the Corporation other than under this section or section 23 of this Act.

“(4) The Corporation may provide or meet the cost of modifications to residential premises or purchase of or modifications to motor vehicles in respect of any rehabilitation programme at intervals of—

“(a) Not more frequently than 5 years; or

“(b) Less than 5 years, but only if the Corporation expects such purchase or modifications to be cost-effective.

“(5) Nothing in subsection (4) of this section shall be so construed as to oblige the Corporation to provide or meet the cost of any purchase or modifications within or outside any 5-year period?”

(2) Section 10 of the Accident Rehabilitation and Compensation Insurance Amendment Act (No. 2) 1993 is hereby consequentially amended by repealing subsections (1) and (2).

5 Treatment and physical rehabilitation

The principal Act is hereby amended by repealing section 27 (as substituted by section 3 of the Accident Rehabilitation and Compensation Insurance Amendment Act 1993), section 27a (as inserted by section 4 of that Act), and sections 27b to 27d (as inserted by section 11 of the Accident Rehabilitation and Compensation Insurance Amendment Act (No. 2) 1993), and substituting the following section:

“27

- “(1) The Corporation shall contribute to the cost of any treatment, service, physical rehabilitation, related transport, or certificate (in this section called a purchased service), in respect of personal injury that is covered by this Act,—
- “(a) To the extent required or permitted by regulations made under this Act; or
- “(b) Pursuant to an agreement, contract, or arrangement entered into under section 29a of this Act.
- “(2) No agreement, contract, or arrangement entered into under section 29a of this Act in respect of any purchased service shall be invalid merely because any regulations made under this Act make some other provision in respect of that purchased service.
- “(3) The Corporation shall not do anything under this section that is inconsistent with any direction for the time being in force under section 159 of this Act.
- “(4) The Corporation shall not be obliged under subsection (1) of this section to contribute to the cost of any purchased service that is provided, or is obliged to be provided or arranged, pursuant to—
- “(a) A purchase agreement; or
- “(b) An obligation created pursuant to section 51 of the Health and Disability Services Act 1993,—
- except to the extent that the contribution by the Corporation to the cost of that purchased service is specifically provided for by—
- “(c) Regulations made under this Act; or
- “(d) An agreement, contract, or arrangement entered into under section 29a of this Act.
- “(5) The Corporation shall not make any payment in respect of any purchased service under any regulations made under this Act, unless it is satisfied that the purchased service to which the payment relates is necessary, appropriate, timely, of the required quality, and not excessive in number or duration.”

6 Contracts relating to goods, services, or facilities

The principal Act is hereby amended by inserting, after the heading immediately preceding section 30, the following section:

“29a

- “(1) For the purposes of this Act, the Corporation may—
- “(a) Purchase from any person, or from the Crown, any goods, services, or facilities:
- “(b) Provide funding to any person, or to the Crown, for any goods, services, or facilities.

- “(2) The Corporation may purchase or fund such goods, services, or facilities for any case or class of case, or on any other basis whatsoever.
- “(3) The powers of the Corporation referred to in subsection (1) of this section include, without limitation, the powers to—
- “(a) Purchase or fund such goods, services, or facilities in conjunction with other persons, whether under an agency arrangement or a joint venture arrangement or otherwise:
- “(b) Enter into, with any person, an agreement or contract or arrangement, including a purchase agreement.
- “(4) Notwithstanding subsection (1) of this section, the Corporation shall not, without the consent of the Minister, contribute to the cost of any purchased service (within the meaning of section 27(1) of this Act) by making capital contributions or directly purchasing plant or equipment.
- “(5) The Corporation shall not do anything under this section that is inconsistent with any direction for the time being in force under section 159 of this Act.”

7 New sections substituted

The principal Act is hereby amended by repealing section 37, and substituting the following sections:

“37 Application of incapacity and work capacity provisions

- “(1) Where the Corporation is required to consider the claim of any person for weekly compensation under this Act—
- “(a) The Corporation shall determine the person’s incapacity under section 37a or section 37b of this Act, as the case may require; and
- “(b) If the Corporation determines that the person is not incapacitated within the meaning of section 37a or section 37b of this Act, as the case may be, the person shall not be eligible to receive weekly compensation under this Act; and
- “(c) If the Corporation determines that the person is incapacitated within the meaning of section 37a or section 37b of this Act, as the case may be, the person shall be eligible to receive weekly compensation under this Act and the provisions of this Act (including sections 22 and 23) apply accordingly.
- “(2) While a person is receiving weekly compensation under this Act,—
- “(a) Section 37a or section 37b of this Act, as the case may be, shall continue to apply to the person and the Corporation may further determine from time to time, in accordance with section 37a or section 37b of this Act, as the case may require, the person’s incapacity:

“(b) Section 51 of this Act shall also apply to the person and the Corporation may from time to time assess, in accordance with that section, the person’s capacity for work.

“(3) A person’s entitlement to weekly compensation under this Act may cease as a consequence of the operation of section 37a or section 37b or section 51 of this Act.

“(4) Nothing in this section limits any other provision of this Act.

“37a Determination of incapacity in relation to earners generally

“(1) For the purposes of this Part of this Act, the Corporation shall determine the incapacity of a person (other than a person to whom section 37b of this Act applies) in accordance with this section.

“(2) The object of a determination of incapacity under this section is to determine whether or not the person is, by reason of his or her personal injury, for the time being unable to engage in employment in which the person was engaged when the personal injury occurred.

“(3) The Corporation may make a determination under this section at any time and from time to time, and, in so doing, the Corporation may obtain such professional, technical, specialised, or other advice from such persons as it considers appropriate.

“(4) If the Corporation determines under this section that a person is able to engage in employment in which the person was engaged when the personal injury occurred, then,—

“(a) If the person is not at that time receiving weekly compensation under this Act for loss of earnings, that person shall not then be eligible to commence receiving weekly compensation for such loss:

“(b) If the person is at that time receiving weekly compensation under this Act for loss of earnings, that entitlement shall cease immediately and the power to assess the person under section 51 of this Act shall no longer be exercisable.

“(5) If a person is assessed under section 51 of this Act as having a capacity for work, then,—

“(a) For the purposes of this section, that assessment shall be regarded as a determination that the person is able to engage in employment in which the person was engaged when the personal injury occurred; and

“(b) The person shall cease to be entitled to receive weekly compensation under this Act for loss of earnings (with section 49 of this Act determining the time when the entitlement actually ceases).

“37b Determination of incapacity if person has ceased to be an employee or in cases of loss of potential earning capacity

- “(1) For the purposes of sections 44, 45, and 46 of this Act, the Corporation shall determine a person’s incapacity in accordance with this section.
- “(2) The object of a determination under this section is to determine whether or not the person is, by reason of his or her personal injury, for the time being unable to engage in work for which the person is suited by reason of experience, education, or training, or any combination of those things.
- “(3) The Corporation may make a determination under this section at any time and from time to time, and, in so doing, the Corporation may obtain such professional, technical, specialised, or other advice from such persons as it considers appropriate.
- “(4) If the Corporation determines under this section that a person is able to engage in work for which the person is suited by reason of experience, education, or training, or any combination of those things, then,—
- “(a) If the person is not at that time receiving weekly compensation under this Act for loss of earnings or loss of potential earning capacity, that person shall not then be eligible to commence receiving weekly compensation for such loss:
- “(b) If the person is at that time receiving weekly compensation under this Act for loss of earnings or loss of potential earning capacity, that entitlement shall cease and the power to assess the person under section 51 of this Act shall no longer be exercisable.
- “(5) If a person is assessed under section 51 of this Act as having a capacity for work, then,—
- “(a) For the purposes of this section, that assessment shall be regarded as a determination that the person is able to engage in work for which the person is suited by reason of experience, education, or training, or any combination of those things; and
- “(b) The person shall cease to be entitled to receive weekly compensation under this Act for loss of earnings or loss of potential earning capacity (with section 49 of this Act determining the time when the entitlement actually ceases).”

8 Calculation of weekly earnings where earner had earnings solely as an employee during the 12 months before commencement of incapacity

Section 40 of the principal Act is hereby amended by repealing subsection (2), and substituting the following subsections:

- “(2) The weekly earnings of any person to whom this section applies shall be,—
- “(a) In respect of each of the 4 weeks next following the sixth day after the day on which the incapacity first commenced, the person’s earnings as

an employee during the 4 weeks immediately before the commencement of the incapacity divided by the number of full or part weeks during which the person earned those earnings as an employee during that 4-week period:

“(b) In respect of any weekly period of incapacity after the period referred to in paragraph (a) of this subsection, if the person was in permanent employment immediately before the commencement of the incapacity, the person’s earnings as an employee during the 52 weeks immediately before the commencement of the incapacity, divided by—

“(i) The number of full or part weeks during which the person earned those earnings as an employee during that 52-week period; or

“(ii) Thirteen,—

whichever is the greater:

“(c) In respect of any weekly period of incapacity after the period referred to in paragraph (a) of this subsection, if the person was not in permanent employment immediately before the commencement of the incapacity, 1/52nd of the person’s earnings as an employee during the 52 weeks immediately before the commencement of the incapacity.

“(2a) For the purposes of this section, a person shall be regarded as having been in permanent employment if, in the opinion of the Corporation, that person would have continued to receive earnings from that employment for a continuous period of more than 12 months after the commencement of incapacity if the personal injury had not occurred.”

9 Calculation of weekly earnings where earnings are solely earnings other than earnings as an employee during the 12 months before commencement of incapacity

Section 41(2) of the principal Act (as substituted by section 14 of the Accident Rehabilitation and Compensation Insurance Amendment Act (No. 2) 1993) is hereby amended by repealing paragraph (b), and substituting the following paragraphs:

“(b) In respect of any period of incapacity after the period referred to in paragraph (a) of this subsection, the earnings of that person other than earnings as an employee in the most recent income year (as denned in section OB 1 of the Income Tax Act 1994) last ended before the commencement of the period of incapacity as shown in an income tax return, divided by—

“(i) The number of weeks in that income year; or

“(ii) If the most recent income year (as so defined) last ended before the commencement of the period of incapacity was the first year during which the person received earnings other than as an employee, such number of weeks as the Corporation considers

fairly and reasonably represents the number of weeks or part weeks in that income year during which the person earned those earnings other than as an employee, but in no case shall that number be less than 13:

“(c) Notwithstanding any other provision of this section, if the person has elected to pay and has paid the optional premium on earnings provided for in regulations made under this Act, the weekly earnings calculated in accordance with section 41a of this Act.”

10 Deemed weekly earnings

The principal Act is hereby amended by inserting, after section 41, the following section:

“41a

“(1) If a person has elected to pay and has paid the optional premium on earnings provided for in regulations made under this Act, his or her weekly earnings for the purposes of the calculation under section 41 of this Act of his or her entitlement to compensation for loss of earnings shall be—

“(a) The amount of deemed weekly earnings prescribed for that rate of premium in regulations made under this Act; or

“(b) The actual weekly earnings as calculated in accordance with paragraph (a) or paragraph (b) of section 41(2) of this Act,—

whichever is the greater.

“(2) Deemed weekly earnings shall not be used under section 41 of this Act as a basis for calculating the compensation payable in respect of any period of incapacity resulting from any personal injury that occurred prior to an election to pay an optional premium on earnings provided for in regulations made under this Act.

“(3) For the purposes of section 45(6) of this Act, the reference in that provision to weekly earnings calculated under this Act does not include a reference to deemed weekly earnings under subsection (1) of this section.”

11 Abatement of compensation for loss of earnings or loss of potential earning capacity

Section 47 of the principal Act is hereby amended by repealing subsection (2), and substituting the following subsection:

“(2) For the purposes of this section,—

“(a) Earnings include any payments made on or in respect of the termination of employment (other than as redundancy or superannuation):

“(b) Earnings do not include—

“(i) Compensation for loss of earnings or loss of potential earning capacity or any other compensation payable under this Act; or

- “(ii) Any payment (other than a payment for work actually undertaken by the person) made by the person’s employer during the person’s incapacity that does not exceed the difference between the level of the person’s actual earnings immediately before the commencement of incapacity and the level of the person’s compensation for loss of earnings or loss of potential earning capacity:
- “(c) Payments referred to in paragraph (a) of this subsection shall be treated as being received at such weekly rate, and for such period, as the Corporation shall determine having regard to—
 - “(i) The period to which the payment related; and
 - “(ii) The amount of the payment; and
 - “(iii) The nature of the payment; and
 - “(iv) Any other factors the Corporation considers relevant.”

12 New sections substituted

The principal Act is hereby amended by repealing sections 49 to 51, and substituting the following sections:

“49 Cessation of weekly compensation when person has capacity for work

Every person assessed under section 51 of this Act as having a capacity for work shall cease to be entitled to receive compensation for loss of earnings or loss of potential earning capacity upon the expiration of 3 months after the person is notified of that assessment.

“50 Procedure for assessment of capacity for work

- “(1) For the purposes of section 51 of this Act, the Corporation shall develop a procedure for the assessment of the capacity for work of persons covered by this Act.
- “(2) The Corporation shall publicly notify a draft of its proposed procedure by publishing in the *Gazette*, and in a daily newspaper circulating in each of the cities of Auckland, Hamilton, Wellington, Christchurch, and Dunedin, a notice relating to the draft of the proposed procedure.
- “(3) The notice shall—
 - “(a) State that a draft procedure has been developed; and
 - “(b) State where copies of the draft procedure may be obtained; and
 - “(c) Explain the Corporation’s draft procedure, or state where a copy of that explanation may be obtained; and
 - “(d) Invite members of the public to make written submissions on the draft procedure; and

- “(e) State the last date on which the Corporation will receive written submissions on the draft procedure (which date shall be not less than 42 days after the date of the publication of the notice in the *Gazette*).
- “(4) The Corporation shall—
- “(a) Consider all submissions on the draft procedure that are received by the Corporation not later than the date stated pursuant to subsection (3)(e) of this section; and
- “(b) Make such amendments to the draft procedure as the Corporation considers appropriate; and
- “(c) Publicly notify the Corporation’s final draft of the procedure by publishing in the *Gazette*, and in a daily newspaper circulating in each of the cities of Auckland, Hamilton, Wellington, Christchurch, and Dunedin, a notice—
- “(i) Stating either that the draft procedure has been amended or that no amendments have been made; and
- “(ii) Stating where copies of the final draft of the procedure may be obtained; and
- “(iii) Explaining why the Corporation has amended, or has decided not to amend, the draft procedure; and
- “(iv) Inviting members of the public to make written submissions on the final draft of the procedure; and
- “(v) Stating the last date on which the Corporation will receive written submissions on the final draft of the procedure (which date shall be not less than 28 days after the date of the publication of the notice in the *Gazette*)”, and
- “(d) Consider all submissions on the final draft of the procedure that are received by the Corporation not later than the date stated pursuant to paragraph (c)(v) of this subsection; and
- “(e) Make such amendments to the final draft procedure as the Corporation considers appropriate; and
- “(f) Publicly notify its final version of the procedure (hereafter in this section referred to as the procedure) by publishing in the *Gazette* a notice—
- “(i) Setting out in full the procedure or giving a summary of it; and
- “(ii) Stating where copies of the procedure may be obtained; and
- “(g) Forthwith after publishing a notice under paragraph (f) of this subsection, deliver a copy of the notice to the Minister, who shall, within 10 working days after receiving a copy of the notice, lay a copy of the notice before the House of Representatives.
- “(5) The object of the procedure is to provide a reasonable method of making assessments under section 51 of this Act.

- “(6) The procedure shall not be invalid merely because the procedure disregards—
- “(a) Any inability to do anything that does not result from—
 - “(i) Personal injury covered by this Act; or
 - “(ii) Personal injury by accident in respect of which a claim has been accepted under the Accident Compensation Act 1972 or the Accident Compensation Act 1982; or
 - “(b) Whether or not there are any employment opportunities existing in any employment for which the person is then suited.
- “(7) The procedure may allow for the provision of professional, technical, specialised, or other advice.
- “(8) The Corporation may from time to time—
- “(a) Amend the procedure; or
 - “(b) Revoke the procedure, and substitute a new procedure,—
- and the provisions of subsections (2) to (4) of this section, with any necessary modifications, shall apply to any proposed amendment or substituted procedure unless the changes are of a minor or technical kind and the Corporation is satisfied that compliance with all or any of those provisions is unnecessary.
- “(9) The consultation procedure contained in subsections (2) to (4) of this section constitutes a code that sets out all the obligations of the Corporation in relation to consultation over the development of the procedure for the assessment of the capacity for work of persons covered by this Act.
- “51 Assessment of capacity for work**
- “(1) For the purposes of determining whether or not a person who is receiving compensation for loss of earnings or for loss of potential earning capacity, or who may have any entitlement to compensation for loss of potential earning capacity, has a capacity for work, the Corporation shall determine the person’s capacity for work in accordance with this section.
- “(2) For the purposes of this Act, the term ‘capacity for work’, in relation to any person, means the person’s capacity to engage in work for which the person is suited by reason of experience, education, or training, or any combination of those things, and that capacity shall be determined having regard to the consequences of the person’s personal injury.
- “(3) Every assessment under this section shall be carried out—
- “(a) In accordance with the procedure for the time being determined by the Corporation under section 50 of this Act; and
 - “(b) In accordance with the principles of natural justice.
- “(4) Every assessment under this section shall be under taken by or on behalf of the Corporation and at its expense.

- “(5) The Corporation may require a person to be assessed at any time and from time to time at such reasonable intervals as the Corporation considers appropriate in each case.
- “(6) If a person’s entitlement to compensation for loss of earnings or loss of potential earning capacity has ceased, whether by virtue of this section or otherwise, and the Corporation considers that the person’s capacity for work has deteriorated since that cessation,—
- “(a) The Corporation may reassess the person’s capacity for work under this section; and
- “(b) If the person is assessed as no longer having a capacity for work, then, subject to the provisions of this Act, the person shall be entitled, as from such date as the Corporation shall determine, to compensation for loss of earnings or loss of potential earning capacity.
- “(7) If a person is assessed under this section as having a capacity for work, then,—
- “(a) For the purposes of section 37a of this Act, that assessment shall be regarded as a determination that the person is able to engage in employment in which the person was engaged when the personal injury occurred:
- “(b) For the purposes of section 37b of this Act, that assessment shall be regarded as a determination that the person is able to engage in work for which the person is suited by reason of experience, education, or training, or any combination of those things.”

13 New sections substituted

The principal Act is hereby amended by repealing section 54, and substituting the following sections:

“54 Independence allowance

- “(1) Subject to the provisions of this section, every person who has cover under this Act is entitled to receive an independence allowance at the appropriate prescribed rate if the person’s personal injury has or personal injuries have resulted in a degree of whole-person impairment of 10 percent or more.
- “(2) No person’s entitlement to the independence allowance shall be assessed or reassessed until—
- “(a) The Corporation has received a certificate from a registered medical practitioner to the effect that the person’s condition arising from the personal injury has stabilised and that it is likely that there is impairment resulting from the personal injury; or
- “(b) Fifty-two weeks have expired since the date of the personal injury and the Corporation has received a certificate from a registered medical practitioner to the effect that, despite the fact that the person’s condition

arising from the personal injury has not yet stabilised, it is likely that there is impairment resulting from the personal injury,—

whichever first occurs.

- “(3) The assessment of whether or not a person’s condition has stabilised for the purposes of subsection (2) of this section shall be undertaken by or on behalf of the Corporation and at its expense.
- “(4) The assessment of a person’s entitlement to the independence allowance shall be carried out in accordance with section 54a of this Act and if, and only if, the entitlement is established by such an assessment, it shall be payable in accordance with subsection (7) of this section.
- “(5) No person shall—
- “(a) Be assessed as having more than 100 percent whole-person impairment; or
 - “(b) At any time receive more than 1 independence allowance,—
- irrespective of the number of claims lodged by that person.
- “(6) Subject to any regulations made under section 167(1)(aa) of this Act, the maximum amount of the independence allowance shall be \$60 a week.
- “(7) The following provisions apply in relation to payment of an independence allowance:
- “(a) Except where section 54a(5) of this Act applies on the reassessment of a person’s whole-person impairment, the date on and from which the independence allowance is payable is the date on which the person to whom it is payable lodged a claim for cover in respect of the personal injury from which the impairment results:
 - “(b) Payment in respect of any period after the completion of the assessment of the degree of impairment shall be made by the Corporation quarterly in advance:
 - “(c) Where, during a quarter, the impairment of a person decreases or the entitlement of a person to an independence allowance ceases, the Corporation shall not take any action to recover the whole or any part of the quarterly payment made to that person by way of an independence allowance in respect of that quarter:
 - “(d) When a person dies, that person’s entitlement to an independence allowance shall cease on the date of the person’s death.

“54a Assessment and reassessment

- “(1) For the purposes of section 54 of this Act, a person’s whole-person impairment shall be assessed in accordance with regulations made under this Act
- “(2) If the initial assessment is carried out after the expiration of the 52-week period referred to in section 54(2)(b) of this Act, but before the Corporation has

received a certificate from a registered medical practitioner to the effect that the person's condition arising from the personal injury has stabilised and that it is likely that there is impairment resulting from the personal injury, the person shall be reassessed following the receipt of such a certificate.

- “(3) If the injured person's impairment increases after the date of assessment, the Corporation shall reassess the person following verification, by a certificate from a registered medical practitioner, of the increase in impairment, but not more than 1 such reassessment (other than a reassessment under subsection (2) of this section) shall be undertaken in any 12-month period.
- “(4) If the injured person's impairment decreases after the date of assessment, the Corporation may reassess the person, but not more than 1 such reassessment (other than a reassessment under subsection (2) of this section) shall be undertaken in any 5-year period.
- “(5) If a reassessment is undertaken in accordance with this section, the Corporation shall make any necessary adjustment to the level of entitlement to the independence allowance with effect on and from the date of the next quarterly payment.
- “(6) An assessment of a person's whole-person impairment under this section shall not include as impairment any impairment that does not result from personal injury that is covered by this Act or that does not result from personal injury by accident in respect of which a claim has been accepted under the Accident Compensation Act 1972 or the Accident Compensation Act 1982.
- “(7) If any person who has received a payment under section 119 of the Accident Compensation Act 1972 or section 78 of the Accident Compensation Act 1982 is assessed for the purposes of establishing an entitlement to the independence allowance, the percentage or percentages of permanent loss or impairment of bodily function upon which any payment or payments under section 119 of the Accident Compensation Act 1972 or section 78 of the Accident Compensation Act 1982 were based shall be deducted from the person's impairment as assessed under this section.
- “(8) Every assessment and reassessment of a person's impairment under this section shall be undertaken by or on behalf of the Corporation and at its expense.”

14 Funeral grant

The principal Act is hereby amended by repealing section 55, and substituting the following section:

“55

If a person dies as a result of personal injury covered by this Act, the Corporation shall pay to the personal representatives of the deceased a funeral grant of—

- “(a) The actual costs of the funeral; or

“(b) \$3,000,—
whichever is the lesser.”

15 Management of claims by employers

The principal Act is hereby amended by repealing sections 105 to 107, and substituting the following section:

“105

- “(1) The Minister shall establish a framework under which the Corporation and any employer may agree that the employer shall be an agent of the Corporation for the purposes of managing and meeting the cost of claims for work injury under this Act.
- “(2) Without limiting anything in section 156 of this Act, the Corporation and any employer may, in accordance with any framework established under subsection (1) of this section, agree that the employer shall be an agent of the Corporation for the purposes referred to in subsection (1) of this section; and, for the purposes of this Act, a decision of an employer under any such agreement shall be regarded as a decision of the Corporation.”

16 Reserves

- (1) The principal Act is hereby amended by repealing section 128 (as substituted by section 40 of the Accident Rehabilitation and Compensation Insurance Amendment Act (No. 2) 1993), and substituting the following section:

“128

- “(1) The Corporation shall establish, and may from time to time amend, a reserves policy which, in relation to each Account, has regard to the estimated liability arising from—
- “(a) Claims already lodged with the Corporation; and
 - “(b) Estimated future claims.
- “(2) The Corporation shall, before establishing or amending a reserves policy under subsection (1) of this section,—
- “(a) Publicly notify its intention to establish or amend a reserves policy under that subsection by publishing in the *Gazette*, and in a daily newspaper circulating in each of the cities of Auckland, Hamilton, Wellington, Christchurch, and Dunedin, a notice—
 - “(i) Setting out in full, or giving a summary of, the proposed reserves policy or amendment; and
 - “(ii) Stating where copies of the proposed reserves policy or amendment may be obtained; and

- “(iii) Explaining the basis for the Corporation’s proposed reserves policy or amendment, or stating where a copy of that explanation may be obtained; and
- “(iv) Inviting members of the public to make written submissions on the proposed reserves policy or amendment; and
- “(v) Stating the last date on which the Corporation will receive written submissions on the proposed reserves policy or amendment (which date shall be not less than 28 days after the date of the publication of the notice in the *Gazette*)”, and
- “(b) Consider all submissions on the proposed reserves policy or amendment that are received by the Corporation not later than the date stated pursuant to paragraph (a)(v) of this subsection.
- “(3) The content of the reserves policy established or amended under subsection (1) of this section shall be subject to any direction for the time being in force under section 159 of this Act.
- “(4) The Minister shall, not later than the 30th day of September 1997, and within 10 working days of any change in the reserves policy of the Corporation,—
- “(a) Publish in the *Gazette*; and
- “(b) Lay before the House of Representatives—
- a copy of the reserves policy or the amended reserves policy of the Corporation.
- “(5) The consultation procedure contained in subsection (2) of this section constitutes a code that sets out all the obligations of the Corporation in relation to consultation over the establishment and amendment of a reserves policy.”
- (2) Any reserves policy, or amended reserves policy, of the Corporation in force on the day on which this section comes into force shall continue in force until a reserves policy is established under section 128 of the principal Act as substituted by subsection (1) of this section.

17 Cessation of compensation

The principal Act is hereby amended by repealing section 139, and substituting the following section:

“139

The continued eligibility of any person to receive compensation continued by virtue of section 138 of this Act shall be determined in accordance with this Act, except that section 51 of this Act does not apply if the Corporation is satisfied that the determination is unlikely to find that the person has a capacity for work.”

18 Board of Corporation

Section 157 of the principal Act is hereby amended by repealing subsections (1) and (2), and substituting the following subsections:

“(1) The Board of the Corporation shall consist of not more than 8 members appointed by the Minister.

“(2) Without limiting the functions of the Board, the principal function of the Board is to ensure the efficient and effective management of the Corporation and the Accounts.”

19 Corporation to comply with Government policy

The principal Act is hereby amended by repealing section 159, and substituting the following section:

“159

“(1) In the performance and exercise of its functions, duties, and powers, the Corporation shall comply with any directions relating to the policy of the Government that are given by the Minister to the Corporation by notice in writing and that are for the time being in force.

“(2) Without limiting subsection (1) of this section, the Minister may from time to time give the Corporation a direction under that subsection that any item referred to in section 26(2) of this Act shall be provided only under regulations made under this Act, and not otherwise.

“(3) Subject to subsection (5) of this section, where a notice is given to the Corporation under subsection (1) of this section, the Minister shall, within 10 working days after the giving of the notice,—

“(a) Publish a copy of the notice in the *Gazette*; and

“(b) Lay a copy of the notice before the House of Representatives.

“(4) A policy direction given under this section may be annexed to a service agreement entered into under section 159aa of this Act.

“(5) The annexing of a policy direction to a service agreement under subsection (4) of this section, and the laying of that service agreement before the House of Representatives under section 159aa(6) of this Act, constitute sufficient compliance with the obligations contained in subsection (3) of this section.”

20 New sections inserted

The principal Act is hereby amended by inserting, after section 159, the following sections:

“159aa Service agreements between Corporation and Minister

“(1) In this section, the term ‘year’ means a period of 12 months commencing on the 1st day of July and ending with the 30th day of June.

- “(2) Once a year the Corporation shall enter into a service agreement with the Minister.
- “(3) Every service agreement entered into under this section shall—
- “(a) Revoke any existing service agreement; and
 - “(b) Be signed by the Minister and the Corporation no later than the 30th day of June in the year before the first year to which it relates; and
 - “(c) Relate, at least, to the year after the year in which it is signed and to the next 2 following years.
- “(4) A service agreement entered into under this section may set out—
- “(a) Desired outcomes and objectives in relation to the performance and exercise of the functions, duties, and powers of the Corporation:
 - “(b) Desired outcomes and objectives in relation to the performance of each of the Accounts referred to in Part VII of this Act:
 - “(c) Reporting requirements of the Corporation either in relation to the Accounts or in relation to the Corporation’s functions and powers or in relation to both:
 - “(d) Such other matters relating to the performance and exercise of the functions, duties, and powers of the Corporation as the parties may agree.
- “(5) The Corporation shall comply with every service agreement it enters into under this section.
- “(6) The Minister shall, within 10 working days after entering into a service agreement with the Corporation, lay a copy of the service agreement before the House of Representatives.

“159ab Public interest

It is hereby declared that, in exercising any function or power under this Act, the Minister shall have regard to the public interest and, in particular, the interests of taxpayers, premium payers, claimants, and potential claimants/’

21 Regulations

- (1) Section 167(1) of the principal Act is hereby amended by repealing paragraph (a), and substituting the following paragraphs:
- “(a) Prescribing the assessment to be used to establish the degree of whole-person impairment for the purposes of sections 54 and 54a of this Act:
 - “(aa) Increasing the maximum amount of the independence allowance payable under section 54 of this Act:
 - “(ab) Prescribing the graduated rates at which the independence allowance is payable under section 54 of this Act:
 - “(ac) Specifying when a person’s condition is to be regarded as having stabilised for the purposes of sections 54 and 54a of this Act:

“(ad) Defining the term ‘registered medical practitioner’ for the purposes of sections 54 and 54a of this Act:”.

- (2) Section 167(1)(d) of the principal Act is hereby amended by inserting, after the words “deemed minimum”, the words “and optional”.
- (3) Section 167(1) of the principal Act is hereby amended by repealing paragraph (g), and substituting the following paragraphs:
 - “(g) Prescribing the rates of premiums (including minimum and optional premiums for those persons with earnings other than as an employee):
 - “(ga) Prescribing the rates of deemed weekly earnings for the purposes of section 41a of this Act:”.
- (4) Section 167 of the principal Act is hereby amended by repealing subsection (1)(i) and also subsection (5a)(as inserted by section 16(2) of the Accident Rehabilitation and Compensation Insurance Amendment Act 1993).
- (5) Section 167(2) of the principal Act is hereby amended by inserting, after the expression “paragraphs (a)”, the expression (“aa”),.

22 Regulations relating to assessment and reassessment

The principal Act is hereby amended by inserting, after section 167, the following section:

“167a

- “(1) Without limiting section 167(1)(a) of this Act, the Governor-General may from time to time, by Order in Council, make regulations for the purposes of sections 54 and 54a of this Act that—
 - “(a) Refer to or incorporate by reference, in whole or in part, the American Medical Association Guides to the Evaluation of Permanent Impairment:
 - “(b) Prescribe guides other than or in addition to the American Medical Association Guides to the Evaluation of Permanent Impairment:
 - “(c) Do any combination of the things referred to in paragraphs (a) and (b) of this subsection.
- “(2) Any material referred to or incorporated by reference in regulations pursuant to subsection (1) of this section shall be deemed for all purposes to form part of the regulations; but any amendment made to the material after the commencement of the regulations shall not have effect until regulations have been made incorporating the amendment into the regulations.
- “(3) Any material referred to or incorporated by reference in regulations pursuant to subsection (1) of this section shall be made available by the Corporation to the public for inspection free of charge at any office of the Corporation.”

23 Regulations relating to premium setting

The principal Act is hereby amended by inserting, after section 167a, the following section:

“167b

- “(1) The Minister shall not recommend the making, under section 167(1)(g) of this Act, of regulations prescribing the rates of premiums unless the Minister has first received and considered a recommendation from the Corporation made in accordance with the provisions of this section.
- “(2) The Corporation shall consult premium payers before recommending to the Minister that such regulations be made, and that obligation to consult is satisfied if—
- “(a) The Corporation publicly notifies its intention to recommend to the Minister that such regulations be made by publishing in the *Gazette*, and in a daily newspaper circulating in each of the cities of Auckland, Hamilton, Wellington, Christchurch, and Dunedin, a notice—
 - “(i) Stating that the Corporation is proposing to recommend that such regulations be made; and
 - “(ii) Stating where copies of the proposed regulations may be obtained; and
 - “(iii) Explaining the Corporation’s proposal to recommend the making of the proposed regulations, or stating where a copy of that explanation may be obtained; and
 - “(iv) Inviting members of the public to make written submissions on the proposed regulations; and
 - “(v) Stating the last date on which the Corporation will receive written submissions on the proposed regulations (which date shall be not less than 28 days after the date of the publication of the notice in the *Gazette*); and
 - “(b) The Corporation considers all submissions on the proposed regulations that are received by the Corporation not later than the date stated pursuant to paragraph (a)(v) of this subsection.
- “(3) The Corporation shall, before recommending to the Minister the making, under section 167(1)(g) of this Act, of regulations prescribing the rates of premiums, have regard to the relevant reserves policy established under section 128 of this Act.
- “(4) The Corporation shall, after recommending to the Minister the making, under section 167(1)(g) of this Act, of regulations prescribing the rates of premiums, publish in the *Gazette*, and in a daily newspaper circulating in each of the cities of Auckland, Hamilton, Wellington, Christchurch, and Dunedin, a notice—
- “(a) Stating that such a recommendation has been made; and

- “(b) Stating where copies of the recommendation, and any information that accompanied the recommendation, may be obtained.
- “(5) Nothing in this section obliges the Minister to accept the Corporation’s recommendation or prevents the Minister recommending that the regulations prescribe rates of premiums different from the rates recommended by the Corporation.
- “(6) The consultation procedure contained in subsection (2) of this section constitutes a code that sets out all the obligations of the Corporation in relation to consultation over the process of recommending to the Minister that regulations be made.”

24 Further amendments to principal Act

- (1) The principal Act is hereby further amended in the manner indicated in the Schedule to this Act.
- (2) The office of Managing Director of the Corporation is hereby abolished.
- (3) The person who, immediately before the day on which this section comes into force, holds office as the Managing Director of the Corporation shall become instead, as from the commencement of that day, the Chief Executive of the Corporation as if that person had been appointed to the office of Chief Executive of the Corporation under clause 19 of the Second Schedule to the principal Act (as substituted by subsection (1) of this section); and, subject to subsection (2) of this section, the remuneration and terms and conditions of employment that applied immediately before the commencement of that day in respect of that person, in that person’s capacity as the holder of the office of Managing Director of the Corporation, shall continue to apply to that person in that person’s capacity as Chief Executive of the Corporation as if that remuneration and those terms and conditions of employment had been determined under clause 19 of the Second Schedule to the principal Act (as so substituted).

25 Repeals

- (1) Sections 25, 30, 32a, and 68 of the principal Act are hereby repealed.
- (2) The following enactments are hereby consequentially repealed:
 - (a) The Accident Rehabilitation and Compensation Insurance Amendment Act 1992:
 - (b) Sections 3, 4, 6, 7, 8, 9, and 16 of the Accident Rehabilitation and Compensation Insurance Amendment Act 1993:
 - (c) Sections 9(2), 11, 12, 13, 15(2), 17, 19, 20, 22, 28(2), 35, 40, 54, and 55 of the Accident Rehabilitation and Compensation Insurance Amendment Act (No. 2) 1993:
 - (d) Section 4 of the Finance Act 1994:
 - (e) Section 3 of the Finance Act 1995.

26 Transitional provision relating to existing health purchasing contracts

Notwithstanding the repeal of section 27 of the principal Act by section 5 of this Act and without limiting anything in the Acts Interpretation Act 1924, section 27(6) of the principal Act (as it read immediately before the date of commencement of section 5 of this Act) shall continue to apply in respect of the provision of any specified services under any contract entered into under section 27 of the principal Act and in force immediately before that date.

27 Transitional provisions relating to independence allowance

- (1) Any person who was, immediately before the date of commencement of this section, receiving the independence allowance shall be deemed to have been assessed under section 54 of the principal Act (as substituted by section 13 of this Act) as having a degree of whole-person impairment of 10 percent or more and, until reassessed under section 54a of that Act (as so substituted), shall continue to receive the allowance at the rate payable on that date.
- (2) On the reassessment of the person under section 54a of that Act (as so substituted), any adjustment to the rate at which the independence allowance is being paid shall,—
 - (a) If the entitlement is to be reduced or is to cease, be effective 3 months after the date on which the person is notified of the Corporation's decision in respect of the level of impairment:
 - (b) If the entitlement is to be increased, be effective as from the date of the certificate verifying the increase in impairment or from the date of the commencement of this section, whichever is the later.

28 Regulations providing for transitional matters

- (1) Without limiting anything in section 167 of the principal Act, the Governor-General may from time to time, by Order in Council, make regulations prescribing transitional and savings provisions required by the coming into force of—
 - (a) This Act, on receipt of the Royal assent; or
 - (b) Sections 13 and 27 of this Act, and the amendments to sections 71 and 148 of the principal Act in the Schedule to this Act, on the 1st day of July 1997.
- (2) Regulations made under subsection (1) of this section shall not—
 - (a) Have retrospective effect; or
 - (b) Displace any of the provisions of sections 26 and 27 of this Act (but may be additional to any such provisions).
- (3) This section shall cease to have effect one year after this Act receives the Royal assent.

29 Amendment to Health and Disability Services Act 1993

Section 33 of the Health and Disability Services Act 1993 is hereby amended by adding the following subsection:

- “(3) Notwithstanding anything in this Act, a regional health authority may, for the purposes of section 29a of the Accident Rehabilitation and Compensation Insurance Act 1992, enter into an agreement or contract or arrangement, including a purchase agreement, with the Accident Rehabilitation and Compensation Insurance Corporation in relation to the purchase of goods, services, or facilities for the purposes of the Corporation.

Schedule Further Amendments to Principal Act

Section 24

Provision of Principal Act	Amendment
Section 3	<p>By omitting from paragraph (e) of the definition of the term “arising in the course of employment” the words “or the exempt employer”.</p> <p>By repealing the definition of the term “exempt employer”.</p> <p>By omitting from the definition of the term “incapacity” the words “or an exempt employer”.</p> <p>By repealing the definition of the term “public health care costs” (as inserted by section 2 of the Accident Rehabilitation and Compensation Insurance Amendment Act 1993).</p>
Section 15(3)	By omitting the words “, and an exempt employer may,”.
Section 20	<p>By repealing subsection (4)(as substituted by section 9(2) of the Accident Rehabilitation and Compensation Insurance Amendment Act (No. 2) 1993), and substituting the following subsection:</p> <p>“(4) Before any individual rehabilitation programme is implemented, the Corporation may approve the programme in whole or in part and snail meet only the costs of matters in respect of which and to the extent to which the Corporation has given its prior approval.”</p>
Section 24	<p>By repealing subsection (2), and substituting the following subsection:</p> <p>“(2) Subject to section 23(2) of this Act, the Corporation may at any time reassess the incapacity of any person, the person’s rehabilitation needs, and the potential market for that person’s skills and, if satisfied that there has been a change of circumstances of such a nature that the Corporation can expect vocational rehabilitation or further vocational rehabilitation to be cost-effective, commence or make further contributions to the vocational rehabilitation of the person.”</p>
Section 28(4)	<p>By repealing subsection (3).</p> <p>By omitting the words “agreement under section 27” in both places where they occur, and substituting in each case the words “agreement or contract or arrangement under section 29a”.</p>
Section 29	<p>By adding the words “or contract or arrangement”.</p> <p>By omitting the words “or under any agreement made under section 27 of this Act” (as added</p>

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Amendment Act (No 2) 1996**

Schedule

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Provision of Principal Act	Amendment
Section 31	by section 6 of the Accident Rehabilitation and Compensation Insurance Amendment Act 1993), and substituting the words “or under an agreement or contract or arrangement under section 29a of this Act”.
Section 39(2)	By omitting the words “, including any exempt employer,”.
Section 42(2)	By omitting the words “except to the extent that it is payable by an exempt employer under section 106 of this Ac?”.
Section 46(1)	By repealing paragraph (b)(as substituted by section 15(2) of the Accident Rehabilitation and Compensation Insurance Amendment Act (No. 2) 1993), and substituting the following paragraph: <div style="background-color: #e0e0e0; padding: 5px;"> <p>“(b) In respect of any period of incapacity after the period referred to in paragraph (a) of this subsection, the total of—</p> <p>“(i) The person’s weekly earnings calculated under paragraph (b) or paragraph (c) of section 40(2) of this Act, whichever is applicable in the circumstances; and</p> <p>“(ii) One fifty-second of the weekly earnings of the person calculated under section 41 of this Act multiplied by the number of weeks or part weeks during the 52 weeks immediately preceding the commencement of the incapacity during which the person earned weeldy earnings other than as an employee.”</p> </div>
Section 60(3)	By repealing paragraph (c)(as substituted by section 17 of the Accident Rehabilitation and Compensation Insurance Amendment Act (No. 2) 1993), and substituting the following paragraph: <div style="background-color: #e0e0e0; padding: 5px;"> <p>“(c) If the person has been assessed under section 51 of this Act, has been assessed as not having a capacity for work; and”.</p> </div>
Section 63(3)	By repealing paragraph (c)(as substituted by section 25 of the Accident Rehabilitation and Compensation Insurance Amendment Act (No. 2) 1993), and substituting the following paragraph: <div style="background-color: #e0e0e0; padding: 5px;"> <p>“(c) Attaining capacity for work, as assessed under section 51 of this Act.”</p> </div>
Section 63(3)	By omitting the words “either directly or pursuant to an agreement made under section

Provision of Principal Act	Amendment
	27 of this Act” (as inserted by section 9 of the Accident Rehabilitation and Compensation Insurance Amendment Act 1993), and substituting the words “either directly or under an agreement or contract or arrangement under section 29a of this Act”.
Section 65	By omitting from subsection (2) the words (“other man an exempt employer”).
	By repealing subsections (3) and (5).
Section 71	By omitting the words “independence allowance”, and substituting the words “amount specified in section 54(6) of this Act”.
Section 72	By omitting the words “or exempt employer” wherever they occur.
Section 73	By omitting from subsection (1) the words “and any exempt employer may”,.
	By omitting from subsection (1a) the words “an agreement made under section 27”, and substituting the words “an agreement or contract or arrangement under section 29a”.
	By omitting from subsection (2) the words “and any exempt employer may,” and also the words “or exempt employer”.
Section 74(1)	By omitting the expression “section 54(3)”, and substituting the expression “section 54”.
Section 77(10)	By omitting the words “an agreement under section 27”, and substituting the words “an agreement or contract or arrangement under section 29a”.
Section 80	By omitting the words “or exempt employer” wherever they occur.
Section 82	By omitting from subsection (3) the words “, and an exempt employer may,”.
	By omitting from subsection (4) the words “or an exempt employer”.
	By omitting from subsection (4) the words “or the exempt employer and in the case of the Corporation”, and substituting the word “and”.
Section 84	By omitting from subsection (1) the words “or exempt employer” and also the words “, or the exempt employer may”,.
	By omitting from subsection (2) the words “or exempt employer”.
Section 86(2)(h)	By omitting the words “or exempt employer”.
Section 87(2)(a)	By omitting the words “an agreement made under section 27”, and substituting the words “an agreement or contract or arrangement under section 29a”.
Section 89	By omitting from subsection (1) the words “or exempt employer” where they first occur, and also

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Schedule

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Provision of Principal Act	Amendment
	<p>the words “or exempt employer, as the case may be,”.</p> <p>By omitting from subsection (6) the words “or exempt employer”.</p> <p>By omitting from subsection (6a) the words “an agreement made under section 27”, and substituting the words “an agreement or contract or arrangement under section 29a”.</p>
Section 90	<p>By omitting from subsection (1), and also from subsection (7), the words “or exempt employer, as the case may be,”.</p> <p>By omitting from subsection (4)(a), and also from subsection (5)(a), the words “or exempt employer”.</p> <p>By omitting from subsection (4)(b) the words “or the exempt employer”.</p>
Section 91	<p>By repealing subsection (2)(b).</p> <p>By omitting from subsection (6) the words “and the exempt employer (if any)”.</p>
Section 95	<p>By omitting the words “or the exempt employer”.</p>
Section 96(1)	<p>By omitting the words “or the exempt employer”.</p>
Section 100	<p>By omitting from subsection (1) the words “public health care costs, and”.</p> <p>By repealing paragraph (a) of subsection (3)(as substituted by section 55(1) of the Accident Rehabilitation and Compensation Insurance Amendment Act (No. 2) 1993), and substituting the following paragraph:</p> <p>“(a) Paying the Crown for goods, services, and facilities provided or arranged by the Crown under any contract or agreement or arrangement under section 29a of this Act; and”.</p>
Section 108	<p>By omitting from subsection (1) the words “public health care costs, and”.</p> <p>By repealing paragraph (a) of subsection (3)(as substituted by section 55(2) of the Accident Rehabilitation and Compensation Insurance Amendment Act (No. 2) 1993), and substituting the following paragraph:</p> <p>“(a) Paying the Crown for goods, services, and facilities provided or arranged by the Crown under any contract or agreement or arrangement under section 29a of this Act; and”.</p>
Section 109(4)	<p>By omitting the words “paying public health care costs”, and substituting the words “the payments to be made”.</p>
Section 121(4)	<p>By repealing paragraph (a)(as substituted by section 55(3) of the Accident Rehabilitation and</p>

Provision of Principal Act	Amendment
	<p>Compensation Insurance Amendment Act (No. 2) 1993), and substituting the following paragraph:</p> <p>“(a) Paying the Crown for goods, services, and facilities provided or arranged by the Crown under any contract or agreement or arrangement under section 29a of this Act; and”.</p>
Section 148	<p>By repealing subsection (3), and substituting the following subsection:</p> <p>“(3) Notwithstanding subsection (1) of this section, any person who suffered personal injury by accident within the meaning of the Accident Compensation Act 1972 or the Accident Compensation Act 1982 before the 1st day of July 1992, and who has, since the 1st day of July 1992, suffered an increased degree of permanent loss or impairment of bodily function resulting from that personal injury by accident, may apply for an independence allowance under and subject to the conditions of sections 54 and 54a of this Act, but any such independence allowance shall be calculated by deducting from any whole-person impairment assessed under those sections any percentage permanent loss or impairment of bodily function in respect of that personal injury by accident in respect of which a payment has been made under section 119 of the Accident Compensation Act 1972 or section 78 of the Accident Compensation Act 1982.”</p>
Section 166	<p>By inserting in subsection (1), before the word “treatment” in both places where it occurs, the word “payment”.</p> <p>By inserting in subsection (1), after the words “or allowance under this Act”, the words (“whether or not authorised under this Act”).</p> <p>By omitting from subsection (2) the words “or the exempt employer, as the case may be,”.</p> <p>By omitting from subsection (3) the words “, for which a person is liable on summary conviction to a fine”.</p>
Section 179(5)	<p>By omitting the words “. irrespective of whether or not the employer is an exempt employer under this Act”.</p>
Second Schedule	<p>By repealing clause 19, and substituting the following clause:</p> <p>“19 Chief Executive</p> <p>“(1) There shall be appointed from time to time by the Board, acting after consultation with the Minister, a Chief Executive of the</p>

Provision of Principal Act	Amendment
	<p>Corporation, who shall not be a member of the Board.</p> <p>“(2) The remuneration and terms and conditions of employment of the Chief Executive of the Corporation shall be determined from time to time by the Board, acting after consultation with the Minister.”</p> <p>By repealing paragraph (a) of clause 20(2), and substituting the following paragraph:</p> <p>“(a) Every reference to the Chief Executive shall be read as a reference to the Chief Executive of the Corporation; and”.</p> <p>By omitting from clause 29a (as inserted by section 53 of the Accident Rehabilitation and Compensation Insurance Amendment Act (No. 2) 1993) the words “specified services as defined in section 27”, and substituting the words “purchased services as defined in section 27(1)”.</p>

This Act is administered in the Accident Rehabilitation and Compensation Insurance Corporation.