



# PSA Submission on the Accident Compensation Amendment Bill (49-1)

June 2018

# PSA submission to the Education and Workforce Committee on the Accident Compensation Amendment Bill (49-1)

## About the PSA

The New Zealand Public Service Association Te Pūkenga Here Tikanga Mahi (the PSA) is the largest trade union in New Zealand with over 64,000 members. We are a democratic organisation representing members in the public service, the wider state sector (the district health boards, crown research institutes and other crown entities), state owned enterprises, local government, tertiary education institutions and non-governmental organisations working in the health, social services and community sectors.

People join the PSA to negotiate their terms of employment collectively, to have a voice within their workplace and to have an independent public voice on the quality of public and community services and how they're delivered.

The PSA is an affiliate of the New Zealand Council of Trade Unions Te Kauae Kaimahi and supports its submission on this bill. We also support the submission of Hazel Armstrong Law which has been endorsed by the ACC Futures Coalition of which the PSA is a member

## Comments and recommendations

1. Thank you for the opportunity to comment on the Accident Compensation Amendment Bill (49-1). This submission comments only on clause 10 of the bill which relates to the entitlement to weekly compensation of people aged 63 years and over.
2. The PSA is disappointed that the bill continues to disadvantage people aged over 63 years by maintaining a regime of reduced entitlement to weekly compensation for these people.
3. In *Heads v Attorney General*<sup>1</sup> the Crown maintained that the loss of full weekly compensation rights for people nearing and following their 65<sup>th</sup> birthday could be justified on the basis of the "one benefit" principle; that is, that state funded income support should

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<sup>1</sup> *Heads v Attorney General* HRRT 048/2011

be limited to one payment or benefit only. The Human Rights Tribunal found this to be incorrect interpretation of the original principle and purpose of weekly compensation which is a levy-based replacement of earnings for people unable to work due to injury, not a social security benefit. It is disappointing that this bill appears to continue the interpretation of weekly compensation as a state funded benefit.

4. The bill reduces the entitlement of people for people aged 63 years and older, yet is not accompanied with a concomitant reduction in levies. This means that a 67-year-old worker pays the same levies as a 25-year-old but has a lesser entitlement to weekly compensation. In our opinion this constitutes unjustifiable aged-based discrimination.
5. The bill uses the age of 65 years as a proxy for the end of working life, yet growing numbers of people are working beyond this age. Between 2006 and 2013, the number of people aged 65 years and older who were employed increased by 16.8%<sup>2</sup>. With increasing life expectancy, and growing numbers of older workers, entrenching this aged-based approach in legislation seems unsustainable.
6. The PSA is also concerned by the internal inconsistencies within the bill, as noted in the submission of Hazel Armstrong Law (para 32). The bill rightly allows surviving spouses to receive 5 years of weekly compensation but limits this to 24 months for injured workers.
7. **We recommend that bill be amended to remove the age-based discrimination described above, and give all workers the same entitlements to weekly compensation.**

For further information, please contact:

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<sup>2</sup> Stats NZ (2015), "2013 Census QuickStats about people aged 65 and over"  
<http://archive.stats.govt.nz/Census/2013-census/profile-and-summary-reports/quickstats-65-plus/work-unpaid-activities.aspx>.