

Questions & Answers

Greater independence of the Disputes Resolution Service

1. Why is the Government seeking to make changes on how disputes between claimants and ACC are resolved?

There is concern, mainly from claimants, that because Dispute Resolution Services Limited (DRSL) is 100% owned by ACC it is not truly independent where there are disputes between ACC and claimants.

National's 2008 election policy committed the Government to investigating the independence of the dispute resolution system. Separating the dispute resolution entity from ACC is a step toward achieving this.

2. What has the Government decided on dispute resolution?

The Government has directed officials to report back by February 2011 on ensuring an independent dispute resolution system and on removing ownership of DRSL from ACC. Options include a separate Crown Entity or Crown Company. The Government objective is to retain a low-cost and effective system of resolving disputes but with clear separation and independence.

3. What other factors has Government considered in their decisions over making DRSL independent of ACC?

DRSL is undertaking more work outside of ACC that also makes it more appropriate for it to be separately owned. New roles for DRSL in recent years include the telecommunications dispute resolution service and mediation for the Health and Disability Commissioner. As part of the Government's financial services reform, DRSL is also the default dispute resolution service for financial service providers.

4. What is the current structure of DRSL?

DRSL is a 100% owned subsidiary of ACC with a Board appointed by ACC's Board. For the 2009 financial year, DRSL reported a turnover of \$10.8 million, for helping to resolve about 10,000 disputes of which about three quarters are ACC related. The company employs approximately 100 staff and about 20 contractors and has offices in Christchurch, Wellington and Auckland.