

## Frequently Asked Questions - Workplace incentive products and our new approach to workplace health and safety

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### **What are Workplace Safety Discount (WSD) and Workplace Safety Management Practices (WSMP)?**

ACC offers Work levy discounts to businesses who implement specific health and safety practices through the Workplace Safety Discount (WSD) and Workplace Safety Management Practices (WSMP) products. WSD reduces a business's work levy by 10%. WSMP offers a 10% (primary), 15% (secondary), or 20% (tertiary) reduction. These products were designed to incentivise small to medium size businesses to build health and safety management systems.

### **Why are WSD and WSMP being discontinued?**

WSMP and WSD have been in place for 16 and 10 years respectively. Since their introduction, the workplace safety environment has changed significantly. Changes to the ACC Scheme's legislation as part of the Health & Safety reforms mean that WSMP and WSD are no longer aligned with the Health and Safety at Work Act and need to close from 1 April 2017. This was indicated to our customers during last year's consultation process.

We've reviewed both products over several years and found that there is not a strong connection between the products and a reduction in injury claims. Our customers have told us that the products are administratively burdensome, inflexible and not tailored to their businesses.

### **Why not update WSD and WSMP instead?**

There are legal and technical constraints that prevent us from simply modifying the products. We would instead need to develop and launch new products even if they were quite similar.

More importantly, the workplace safety environment has changed significantly since these products were introduced (WSD 16 years ago, and WSMP 10 years ago) and they are no longer fit for purpose. Our customers find the administration burdensome, the products inflexible and not tailored to their needs.

There is also the issue of fairness. ACC is aware that all participants receive the same discount regardless of how effective their individual health and safety practices have been.

### **When are these products being withdrawn?**

We can't accept new members or renewals from 1 April 2017. However, we're encouraging/urging existing customers to apply by 31 October to allow us sufficient time to process their applications. Many customers are being asked to renew earlier than they may have expected.

### **How do I apply again for my membership in WSD or WSMP?**

- You can find the applications forms on our website at [www.acc.co.nz/wsd](http://www.acc.co.nz/wsd) or [www.acc.co.nz/wsmp](http://www.acc.co.nz/wsmp)
- To ensure that we are able to process all new applications and renewals before 1 April 2017, we are asking all WSD and WSMP customers to reapply by 31 October.
- Applying after 31 October or submitting an incomplete application will reduce the chances of an application being processed and approved.
- Customers must be notified of all WSMP post- audit decisions by 28 February 2017.
- Customers must be notified of all WSD post-audit decisions by 31 March 2017.
- Any applications that arrive too late to meet these timeframes will not be accepted.

### **Why am I being asked to renew WSMP/WSD before my current membership expires?**

We realise that withdrawing these products has a financial impact on our customers. We are seeking to minimise that impact by giving you the opportunity to renew early so you can enjoy your discount for as long as possible.

### **How do I know if I am eligible to renew?**

We will contact all WSMP and WSD members who are eligible to apply and let them know how and when to apply.

### **Will there be anything different when I renew this time?**

There are a couple of differences to BAU you should be aware of.

- Audit appointments will be assigned based on availability and we may not be able to provide you with your preferred time slot.
- If an application is incomplete it will be returned to the customer to complete and go back in the queue upon resubmission
- In the past customers have been given 30 days to address issues raised in the audit. This was a discretionary practice rather than a requirement and customers will now have five days to address audit issues.
- We have streamlined our processes so you may find it doesn't take as long.

### **What happens if my WSD application isn't completed before 1 April?**

We plan to process all the WSD applications we receive. However, the sooner applications are received the more likely it is we will complete them before the cut-off date. We are contacting all businesses that are eligible to renew with details about how to apply and by when.

Incomplete applications or applications received after 31 October are less likely to be accepted.

### **What happens if my WSMP application isn't approved by 28 February 2017?**

We plan to process all the WSMP applications we receive. However the sooner applications are received the more likely we are to complete them before the 28 February cut-off. We are

contacting all businesses that are eligible to renew with details about how to apply and by when.

Incomplete applications or applications received after 31 October are less likely to be accepted.

### **If an application is successful, when will the levy discount apply?**

The levy discount is calculated and applied after notification of a successful audit. For WSMP it is applied on the first of the following month (and applies for two years), for WSD it is backdated to 1 April of the current levy year and applies for three years.

### **What happens to the money being collected from levies to fund the discounts?**

As we're running the incentive products until these contracts expire, we also need to continue to fund WSD and WSMP. We're therefore proposing some small adjustments to the products. We're proposing to reduce the loading amount for WSMP from \$0.035 to \$0.03 per \$100 of liable earnings.

Visit [www.shapeyouracc.co.nz](http://www.shapeyouracc.co.nz) for more information on the proposed changes to this amount. You can find information within the 'Workplace Incentive Products' proposal document.

### **What will replace these products?**

We want to collaborate with businesses to co-design a range of tailored and flexible options like targeted incentives and injury prevention initiatives – that deliver long-term benefits for our customers and contribute to the financial stability of the Scheme.

We also want to improve our Experience Rating (ER) system to drive better health and safety results, and lift poor claims performance. Established in 2011, ER is a compulsory programme that allows us to adjust levies (through discounts and loadings) based on a business's claim performance when compared to others with similar risk levels.

You can read more about our proposed approach and have your say at [www.shapeyouracc.co.nz/saferworkplaces](http://www.shapeyouracc.co.nz/saferworkplaces)

### **How can I provide input on the new approach to workplace health and safety?**

The 2017-19 Levy consultation running from 21 September to 19 October includes an opportunity for you to have your say on what you'd like us to consider in our new approach.

We also plan to consult with our customers in the coming months as we design and test more effective interventions. We intend to listen to what customers have to say about what works and what doesn't from their point of view, with the ambition of coming up with solutions that will drive meaningful reductions in workplace injuries and contribute to the financial stability of the Scheme.

We will approach businesses in 2017 about participating in pilot programmes. WSD and WSMP participants will be offered an opportunity to participate. Following the pilot, we will roll out the programme nationally.

### **Are there other ways I can reduce my levy?**

Over the long term, better health and safety outcomes can reduce your levy by improving your Experience Rating. Our Experience Rating (ER) programme has many of the right attributes to reward good performance by businesses, and we have some initial thoughts and concepts on further enhancements.

We would like to work with you on shaping how ER might appropriately reward businesses who benefit from investing in health and safety. You can read more about our proposed approach and have your say at [www.shapeyouracc.co.nz/saferworkplaces](http://www.shapeyouracc.co.nz/saferworkplaces)

### **I'm already facing higher levies, how can you help?**

Over the past few years, we've worked to ensure levies accurately reflect a business's claims experience. Removing levy influencers such as the residual portion of the work levy and discontinuing WSD and WSMP is fairer to all businesses, and provides a more accurate picture of their health and safety performance.

If your business's claims performance has deteriorated over the past few years, this indicates that you need more support from us to create a safer workplace. We will work alongside you over the next few years to minimise the impact of losing your discount by improving your workplace health and safety.

### **I'm in AEP/ACC Fleet Saver; will closing of WSD/WSMP affect my discount?**

No, it won't affect your discount. The Safety Management Practices component of the AEP/ACC Fleet Saver audits are been updated to ensure they align with the new Health and Safety at Work Act 2015.

You can find more information on our website under 'For business – how to pay less'.