



# ACC Futures Coalition

*Hazel Armstrong Chair of the Gradual Process and Occupational Disease Panel, Lawyer working in employment and personal injury law and the official spokesperson for the ACC Futures Coalition opened the launch with the following speech.*

Greetings; - thank you for coming today. We are here to support New Zealand's unique 24-hour no-fault compensation scheme, an iconic Kiwi solution to accident cover that is envied around the world. Envied; - because we know that ACC is one of the most cost-effective injury compensation schemes in the world.

Employers pay more for work injury cover in Australia, Canada and the US - in some cases, twice as much. And it's the same with motor vehicle cover - they pay a lot more.

ACC was a groundbreaking world leader. It was supported by both National and Labour at its inception in 1974.

However since then, ACC has been used as a political football repeatedly by National. Last year the ACC scheme was independently reviewed by PricewaterhouseCoopers. The review described our ACC scheme as 'the only system in the world that provides universal, 24-hour coverage for all accidental physical injuries.

So what then are the motivations for National's current campaign to undermine ACC and bring forward changes to both the coverage and the structure? Who stands to win, and who stands to lose under a removal of the public monopoly provision of accident cover? We know who will win initially.

As the Dominion Post reported last year the Australian broking arm of investment bank Merrill Lynch had been advising clients that privatisation, or opening it up to competition, could unlock \$2.1 billion in new premium income, adding an incremental kick of \$200 million to the industry's after-tax earnings. But we know also that any move to privatise or open up to competition will not benefit claimants. One of the benefits of a publically run ACC is that it does not have the same onus to make a profit and does not have a loyalty to a particular employer. Secondly, its universal coverage allows it to target groups, such as migrant workers, with specific information. Finally, injury prevention is a clear benefit of having the scheme in public hands.

ACC works with other agencies Land Transport and the Department of Labour on integrated injury prevention coverage, and there has been a lot of success. Insurance companies are very interested in the Work Account, where injury prevention measures are bringing claims down. In areas like forestry, we have seen reductions in claims occurring. Under National's plan to grant access to private insurance companies to manage work injury claims, the insurers concern will lie with what will be of benefit to their client, the employer, not the injured employee.

Private insurance companies exist to make profit, and so will be profiting from employers, at the same time as they are denying entitlements to claimants.

Injured workers will find it more difficult to get claims accepted, and once they are accepted, to get specific entitlements such as weekly compensation, or retraining. It will be exceptionally difficult for the person who is very seriously injured and who is unable to go back to their original job to get proper retraining from private insurers to start a new occupation. And we should not underestimate the benefits that we will lose by no longer having a single organisation for making cover decisions and for the provision of entitlements.

Our ACC scheme serves us from the cradle to the grave – our injuries as a child, a teenager, a worker and when we are retired, are all administered under the same scheme. Many of the manual workers who I have had contact with, have multiple injuries over the years from work, sports and road accidents. Last year I represented someone who had a motor injury and two work injuries, spanning twenty years, and we worked with ACC to recognise that he needs an overall approach to his treatment taking into account the different injuries he had.

If we had a privatised scheme, you would not get a holistic approach to rehabilitation and treatment. Claimants would go from one insurance company to the next. It would increase costs for claimants, and hold up their recovery. Competition will certainly not benefit employees – the injured fire fighter, nurse or the builder. For National, this is unfinished business. They want to privatise ACC, plain and simple. Finish off the job they started in the 1990s.

A note on language; National are trying to pull the wool over the public with their resistance to calling a spade a spade – and acknowledging that their proposals will lead to a privatisation of accident cover. Changing the whole model of accident insurance rehabilitation and prevention to a private insurance model and giving insurers the right to compete against ACC and make a profit out of accident cover, will force ACC into acting like a private insurer themselves. The evidence on removing the current state monopoly provision of accident compensation and rehabilitation simply doesn't add up.

National needs to explain; - “why”? In the face of clear evidence of the value to society of the current scheme, whose needs they are serving? Which is why we are here today? Signals on privatisation or more competition from National last year - and again this year with their concerted campaign to discredit the scheme - has acted as a catalyst to bring together a number of interested parties concerned about their intentions.

An ACC Futures Seminar was held last September, which was addressed by architect of the ACC scheme, Sir Owen Woodhouse on the modern application of the primary elements of the scheme – which we know as the ‘Woodhouse Principles’. This has evolved into the ACC Futures Coalition, which we are launching today.

Our aim is to build cross-party support for retaining the status of ACC as a publicly-owned single provider committed to the ‘Woodhouse Principles’. We will specifically looking to talk to the Maori Party. Maori are significantly under-claiming, have the most serious injuries and need the most assistance from ACC. We are committed to ensure that Maori get the best injury prevention and compensation scheme available to them in New Zealand, and National's policies won't achieve this, their constituency have the most to lose if this proposal goes forward.

The Coalition wants to maintain and improve the provision of injury prevention, treatment, rehabilitation and ‘no fault’ compensation social insurance system for all New Zealanders. So thank you for your participation today, at the start of our campaign to achieve this. “

***Our Aim: To build cross-party support for retaining the status of ACC as a publicly-owned single provider committed to the ‘Woodhouse Principles’, with a view to maintaining and improving the provision of injury prevention, treatment, rehabilitation and ‘no fault’ compensation social insurance system for all New Zealanders.***