



ACC Futures Seminar

1 September 2008, Mercure Hotel, 355 Willis St, Wellington

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ACC Seminar warns of risks of privatising accident compensation

The New Zealand Society of Physiotherapists, Podiatry NZ and the Osteopathic Society of New Zealand were among the organisations who voiced their concerns about privatising accident compensation at a seminar in Wellington today.

A total of 130 people from 50 organisations attended the ACC Futures Seminar.

The seminar convenor Kevin O'Leary, from the NZ Association of Occupational Therapists, says the overwhelming majority of people at the seminar were opposed to having insurance companies provide workplace accident compensation as occurs in Australia.

"People working with accident victims, such as physiotherapists and occupational therapists, know how chaotic it was in 1999 when we had insurance companies providing work-related accident compensation," says Kevin O'Leary.

"They remember patients being so confused about claiming for compensation from the insurance companies that there were delays in getting treatment and some patients just gave up."

"It was a nightmare for patients and the people trying to help them and the last thing we want to do is to repeat that mistake."

"This is why the consensus of the seminar was that we did not agree with National's policy of investigating having insurance companies provide workplace accident compensation," says Kevin O'Leary.

On July 16, the day he announced National's ACC policy, John Key was asked on Radio New Zealand if his party would allow insurance companies to provide workplace accident compensation if elected. He replied: "I think it's almost certainly likely that we will."

"The overwhelming majority of people and organisations at the seminar believe that what John Key is planning would be a major mistake," says Kevin O'Leary.

"We know that it was a disaster the last time we had insurance companies providing workplace accident compensation in New Zealand."

"And we know from the Pricewaterhouse Coopers report that accident compensation in New Zealand is cheaper, more efficient and more comprehensive than in Australia where insurance companies provides workplace accident compensation," says Kevin O'Leary.

Pricewaterhouse Coopers report, released in April, found that:

- In NZ it costs 78 cents per \$100 of a workers' wages to fund workplace accident compensation. In Australia it costs an average of \$2 in every \$100 of wages.
- In NZ, 88% of people return to work within six months of being injured, compared to the Australian average of 85%
- In NZ the cost of managing claims for accident compensation is 8% of ACC's total expenditure. In Australia the cost of managing claims ranges from 9% to 32%.
- In NZ ACC disputes 0.2% of workplace injury claims. In Australia, on average, 9% of workplace injury claims are disputed by the accident compensation providers.
- Pricewaterhouse Coopers estimates that effective injury management by ACC is worth around \$315 million a year to the New Zealand economy.

For further comment call Kevin O'Leary on 021 450-858.