

Let's Not Wait Until It's Gone To Find Out What We've Lost.

Column by ACC Minister Maryan Street

In its 34 years of existence ACC has become part of New Zealand's social and economic 'wallpaper'. It's one of those institutions that are simply there, in the background, doing what they do day after day.

Unfortunately, that means many people have little idea of the significance of the ACC scheme and the security it provides New Zealanders.

Due to the upcoming election, it is now a very important issue to think about, because National's plans to privatise the scheme will remove that security – and remove it for all of us, quite simply because an accident can happen to any one of us at any time.

Five thousand New Zealanders a day lodge a claim with ACC and at some point in time each of us has probably benefited from the scheme. For some it may have simply involved receiving ACC support to treat and fix a minor sports injury or a thumb accidentally “hammered” while fixing the fence at home.

For others, it may involve much greater support – paying 80 per cent of your wages, funding your rehabilitation and treatment costs while you're off work and recovering from a much more serious accident. In some cases the support may be lifelong, or in the case of death, involve supporting your family. In these cases in particular, ACC is quite literally a lifeline.

ACC was established in New Zealand following mounting public anger over the first half of the last century over the way groups of workers, such as injured miners, and then injured returned servicemen and their families were treated.

The scheme was based on several important principles. These included the need for it to be: 1. Universal and 24 hour, so everyone is covered all of the time. 2.No-fault, so that the injured person doesn't have to prove the accident is someone else's fault before they get compensation. 3: Run as a state monopoly, because it was accepted it would otherwise create a conflict of interest for private insurers. That's because their primary interest is profit and they would be under pressure to reduce claims and the amount of compensation paid out, which would undermine workers.

The system was seen as world-leading then and still is. A recent independent report by PriceWaterhouseCoopers found the scheme to be more comprehensive than any in the world and amongst the most, if not the most, efficient.

More comprehensive because unlike in many other countries, all injured New Zealanders are protected - whether hurt playing sport, falling off a ladder or in a car accident - and the cover they get is better.

More efficient because there are no private insurers involved, collecting their cut – and no lawyers, also expecting to be paid to fight in the courts over who should pay the compensation, if anyone.

ACC was set up as a state monopoly by a National government, but it has since changed its tune. It succeeded in privatising parts of the scheme in 1998 before Labour came into power a year later and reversed the change before it was embedded.

National now wants to have another go and the Australian insurance companies are the only ones smiling about it, because they stand to make a lot of money out of it – at the expense of New Zealand workers.

PriceWaterhouseCoopers found exactly this scenario across the Tasman. Workers here on ACC are back at work faster than their Australian counterparts because we invest in getting people back on their feet. Our workers are involved in much fewer disputes over claims. Levies are generally much higher in Australia.

You only have to jump on the internet for an hour to see how accident compensation works in Australia. There are so many lawyers involved, it's frightening. And they are working for the people who can afford lawyers. Many can't, and get nothing. Cases arguing who is at fault and should pay regularly drag through the courts for years. Compensation is usually capped, so those with lengthy or lifelong impairments often find themselves in poverty down the track.

The NZ Society of Physiotherapists says utter confusion reigned during the brief period of privatisation in 1998. It says workers were reportedly pressured not to make claims at all or to be dishonest about how their injuries happened, that some companies imposed strict limits on treatments and many patients were so frustrated trying to work out how to get help they just gave up. Importantly more claims were refused full-stop because the insurance companies wouldn't accept them, the society says. Doctors are also expressing similar, serious concerns about privatisation.

ACC was a far-sighted investment in New Zealanders' health and wellbeing and its shareholders are and should continue to be New Zealanders. Let's not wait until it's gone to realise just what we've lost.