POLICY 2014
ACCIDENT COMPENSATION

IMPROVING REHABILITATION AND INJURY PREVENTION

National will continue to support ACC to meet the needs of New Zealanders, both as levy payers and as claimants.

ACC plays an important part in New Zealander’s lives by providing comprehensive, no-fault personal injury cover. Each year, ACC processes around 1.8 million claims, and spends $2.6 billion a year funding injury treatment and earners compensation.

National has turned ACC around. We inherited a scheme where claim costs were blowing out, ACC was losing money and levies on workers, employers and motorists were being forced up. That has all changed for the better.

We are improving rehabilitation and injury prevention, and are streamlining ACC’s processes while maintaining high levels of service.

Reducing levies

Good management of ACC, together with favourable economic factors, sustained over a number of years, means the levy-funded accounts are now all fully funded and we are continuing to reduce levies on households and businesses.

Over the four years from 2012/13 to 2015/16, levy reductions will have put $1.5 billion back in the pockets of New Zealand households and businesses each year. On top of this, we are committed to further reductions of between $700 million and $900 million, starting 1 April 2016.

POLICY HIGHLIGHTS

→ Reducing ACC levies, with more to come.
→ Focusing on injury prevention.
→ Better managing claimants who have been off work due to an injury.
NATIONAL IS...

REDUCING LEVIES

✅ Dropping levies significantly while maintaining stability and service levels.

✅ Reduced ACC levies by $630 million in 2012/13 and a further $387 million in 2014/15, focusing on levies paid by workers and employers (including the self-employed).

FOCUSING ON INJURY PREVENTION & REHABILITATION

✅ Doubling the budget for injury prevention to $40 million.

✅ Developing a safety rating system for workplaces, the fleet saver programme for heavy trucks, and a safety rating for motor vehicles so levies can better reflect safety records.

✅ Better managing claimants who have been off work due to an injury.

✅ Returning more long term claimants to independence.

IMPROVING SERVICES AND RESULTS

✅ Getting results – employees in the Accredited Employer Programme have 12 per cent fewer accidents and 15 per cent lower treatment costs compared to those who are not in the programme.

✅ Improving the way ACC funds services for claimants with hearing loss, effectively doubling expenditure in this area.

✅ Improving systems to ensure claimants’ privacy.

✅ Investing in online tools to support goals such as injury prevention, new driver training and alcohol abuse.

OUR RESULTS SO FAR...

FULLY FUNDED ACCOUNTS

All three levied accounts – Earners’ Account, Work Account and Motor Vehicle account – are now fully funded, and we are confident that ACC is on a stable track. This means there is enough money in the accounts to cover the ongoing cost of claims and levies will be able to come down even more.
WHAT WE WILL DO NEXT...

1. REDUCE LEVIES NEXT YEAR
   ➔ Reduce ACC levies in 2015 by $480 million – that’s $480 million in reduced costs for New Zealanders, including families and businesses.
   Most of the reductions will be directed at motor vehicle levies.
   ➔ Reduce motor vehicle levies from 1 July 2015.
   The average levy on a vehicle will fall from $330 a year to $195 – that’s an average of $135 a year returned to vehicle owners. This reduction includes a drop in the petrol levy of 3 cents a litre and a reduction in ACC’s portion of the annual vehicle licence fee.
   The licence fee reduction also incorporates new safety ratings for cars, so motorists will pay an even lower fee if they have a safer car that’s expected to have lower costs to the ACC scheme.

2. REDUCE LEVIES EVEN FURTHER, BEGINNING IN 2016
   ➔ Further reduce ACC levies on households and businesses starting on 1 April 2016.
   ACC is in good financial health and – without significant levy reductions – would be unjustifiably overcharging households and businesses.
   We will therefore cut levies on all ACC accounts by an average of around 30 per cent, which amounts to between $700 million and $900 million a year. This is the equivalent of a tax cut for households and businesses.
   We are also reviewing the residual levy, as this is effectively completed.
   Final decisions on the timing and size of ACC levy reductions will be made after public consultation.

3. CONTINUE TO FOCUS ON PREVENTION
   ➔ Ensure ACC works closely with WorkSafe New Zealand – the new stand-alone agency dedicated to workplace health and safety.
   Greater use will be made of incentives to get safer workplaces.

4. FURTHER IMPROVE SYSTEMS AND PROCESSES
   National will:
   ➔ Review all forms and processes to ensure they are fair and user friendly.
   ➔ Continue to put the privacy of claimants at the forefront of the scheme.
   ➔ Work to ensure that claimants and providers find the ACC scheme as user-friendly as possible.
DON’T PUT IT ALL AT RISK

Labour and the Greens would...

- Waste money – under Labour, ACC made losses of $7.2 billion in two years
- Lose the focus on getting claimants back to independence.
- Move away from the insurance-based approach for ACC and disestablish experience rating.
- Ignore the responsibility to deliver value to levy-payers as well as claimants.