

ACC UNDER ATTACK FROM THE GOVERNMENT

The Government is in the process of grinding down ACC.

How is it doing this?

1. Policy changes which remove entitlements. This includes cuts to physiotherapy support, cuts to its counselling programs for sexual abuse victims.
2. Undertaking a 'stocktake' which is likely to recommend part privatisation of ACC.
3. Legislation passed which:
 - reduces entitlements for vulnerable workers injured at work such as seasonal workers
 - removes full and comprehensive cover for loss of hearing
 - cuts to compensation (e.g. if you are injured and off work, you will have to use your holiday pay up before receiving full weekly compensation).
4. Removing people who will stand up for a fair ACC scheme. Ross Wilson, former union leader and well known opponent of privatisation of ACC, was sacked as ACC Board Chair. He has been replaced by an accountant who is an Associate Member of the NZ Business Round Table.
5. Other consultation mechanisms to provide a range of views have also been canned.

ACC is one of the most cost-effective injury compensation schemes in the world. Employer levies (as a % of payroll) are more than twice as high in Australia, Canada, and the USA than under ACC in NZ. An extensive review in 2008 confirmed that ACC is achieving international best practice and has comparatively low administration costs.

Like all other investment funds ACC suffered a reduction in the value of investments as a result of the international financial crisis. However, it performed better than almost every other fund manager, public or private in New Zealand over the 2008/09 period. And over the last year the returns on investment have been well over \$100 million better than forecast by Treasury.

Every time the National Party has reviewed ACC they have shifted the cost burden on to workers and their families.

This Government has talked up a crisis in ACC. This is not only unjustified – it is deliberate.

Keep ACC public – don't give away our levies to private insurers.

Real compensation and complete rehabilitation for the injured.

"All this talk of liabilities being blown out is complete nonsense".

Jonathan Eriksen, Managing Director, Eriksen & Associates (international actuarial and strategic investment consultancy)

"ACC is a civilised and cost-effective approach to dealing with the injured. Why undermine confidence in the scheme, unless you plan to undermine the scheme itself?"

Brian Fallow, Economics Editor, New Zealand Herald 12.3.09

