Experience rating and

Occupational Disease
Occupational disease

- Diagnosis and causation difficult to attribute to any one particular employer
- Exposure may have occurred from one or more employers
- Disease may be sustained from incremental exposure over multiple worksites
National Occupational Health and Safety Advisory Committee (NOHSAC)

• 700-1000 deaths from occupational disease, particularly cancer, respiratory disease and ischaemic heart disease

• 17000-20000 new cases of work related disease

• Of all deaths in people aged 20 or older 2-4% are due to occupational disease

• Of all cancer deaths in people 30 or older, 3-6% are due to occupational cancer
Example- occupational cancer

The 237-425 work related deaths from cancer each year are caused by,

• Lung cancer
• Mesothelioma
• Leukaemia
• Bladder cancer
Sir Owen Woodhouse, opposed risk and experience rating of levies because:

- Lack of evidence
- Insufficient incentive associated with levies
- May lead to the under reporting of accidents
- Cuts across the notion of community
How are occupational disease claims funded?

• Pre 1999 claims funded by Residual claims account at $0.41 levy per $100 wages (2010/11 year)

• Post 1999 occupational disease exposure is funded from a work levy $1.02 per $100 (from 2010 levy year)
Occupational disease and ACC privatisation

Government may take drastic action to manage occupational health claims,

Government may,

- Reduce the scope of the scheme to traumatic injury only, and/or
- The tax payer pays for occupational disease claims, or
- Sell the liability to the insurance market
Alternative option

- Retain ACC to manage these claims, funded by a flat rate levy imposed on all employers.
Summary

- Experience rating is not a good fit for occupational disease claims
- Occupational disease is a Government blind spot
- Government should not sell off the liability for occupational disease claims to the insurance market
- CTU recommends ACC continue to manage these claims from a flat rate across all employers.