Hon Maryan Street

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The 40th Anniversary of the Woodhouse Report – Future Directions for ACC

Stone Lecture Theatre, Faculty of Law, University of Auckland

As many of us here today have noted, New Zealand has changed a lot since the Woodhouse principles were drafted 40 years ago.

Our country has changed socially and economically. What’s more, the changes we have already seen are going to continue, and at an accelerating rate.

Yet, while it is clear that New Zealand society has changed markedly, the Woodhouse principles remain as powerful and as relevant and as vital as the day they were drafted.

They are the five pillars of our unique and comprehensive national no-fault accident compensation scheme: community responsibility, comprehensive entitlement, complete rehabilitation, real compensation and administrative efficiency.

And I need to reiterate here that the Labour-led government’s commitment to them is as steadfast as Sir Owen Woodhouse was far-sighted.

At the same time, the Scheme itself will remain relevant and be of real value only if it adjusts to meet the challenges facing New Zealand as a whole.

And, of course, it is crucial that the Scheme remain relevant because New Zealand’s injury burden is huge. For example, the economic and social cost of road injuries alone is $3.7 billion a year – the same amount we earn from exports to our third largest market, Japan!

The changing face of New Zealand includes: an ageing and more culturally diverse population, greater urbanisation and a shift – away from the sports field and workplace – in the places injuries occur. There have been significant socio-economic changes. More women are working and the way we are working has changed dramatically. People used to work full-time; but many more are now engaged part-time, casual and short-term contract work.

A Bill is currently before the House to update weekly compensation eligibility so that it better reflects these new workforce realities.

These changes also have an impact on rehabilitation needs. Today, when someone returning to work after an injury holds more than one job, for example, that return is
less clear-cut than it is for someone holding one full-time job.

The Way Forward

The question for the ACC Scheme is how it remains viable to meet not only the current needs of the population, but also the future needs of New Zealand.

ACC’s strategic plan for 2007-2012 outlines the way forward to address the challenges the Scheme faces.

Crucially, this is linked inextricably to partnerships with the Scheme’s stakeholders.

• Major changes in the management of injuries are being planned and implemented.

• For example, a three-year plan for a new groundbreaking Rehabilitation Framework has been developed in consultation with the wider disability sector and is a long-term strategic project focusing on helping injured people achieve an everyday life.

• There is growing recognition that the entire health sector needs to work more closely together and ACC is working with other organisations to focus on ways of delivering seamless care and ensure that funding arrangements are sorted out more effectively.

• Another driver is the need to match the cost and complexity of treatment. As medical treatment and rehabilitation becomes more advanced and more expensive, it is imperative that quality decisions are made. Treatments with a higher price tag may offer only marginal additional benefits.

• There is an imperative to find effective ways to manage the continuing growth in claims by understanding the way in which social, economic, and cultural changes affect the nature and extent of demand on the Scheme. The ACC Board has commissioned research that looks out five to 10 years, to identify international best practice that supports the Woodhouse principles, taking into account possible demographic and other changes. The research aims to inform broader public debate on future options.

• There is also a real drive to work more closely with partners such as employers, unions, small business and other community groups to prevent injury and develop a stronger culture of safety throughout New Zealand. The New Zealand Injury Prevention Strategy, launched in June 2003, provides the strategic framework for this.

• For the first time, as a result of the strategy, New Zealand has established a valid baseline against which to accurately track the rate of fatal and serious non-fatal injuries among the total population and among children. This is a world-leading development. Another baseline measuring changes in beliefs, values and attitudes around injury prevention was also established.

• Research conducted in May 2007 revealed that only 29% of the surveyed population consider everyone is at risk of injury and harm and only 53% believe accidents and injuries are preventable. At the same time only 15% feel personally at risk in the home despite the growing rate of home injuries.
Strategy is one thing, and essential in itself. Practice is another and we clearly need to work on this awareness of risk and injury prevention.

In conclusion, the delivery of the ACC Scheme requires constant renewal because the world we live in is changing. While the future is challenging, ACC is well positioned to meet it and will continue to reflect the values and circumstances of New Zealand society. This means a continual search for innovation from ACC itself and all Scheme stakeholders, across all sectors.

ACC is also well-positioned to continue contributing to the government’s three priority areas: economic transformation, families, young and old; and national identity.

ACC’s contribution to both economic transformation and the wellbeing of families centres on its primary goal of reducing the incidence of injuries, their severity and their cost, which correspondingly improves the country’s productivity and the status of families.

Employers of course benefit from all these things. And the crucial no-fault aspect of the scheme provides them with a financial certainty and stability not experienced by their counterparts in many other countries who are continuously dogged by lawsuits.

The average employer levies have dropped by 38 per cent since the Labour-led government brought the Workplace Account back under ACC after National’s disastrous decision to privatise it.

New Zealanders who suffer injuries receive more comprehensive care than those injured in any other part of the world. The care is provided at a lower cost than in any other comparable accident compensation scheme.

Despite all of this, National appears intent on repeating its failed experiments of the 1990s. In light of the Corporation’s track record, it can only be attributed to a triumph of blind ideological dogmatism over common sense.

While we can make educated guesses based on past behaviour, we still know very little about what National is actually planning to do with the ACC Scheme. Their policy is hollow. That is deeply worrying.

It is also unethical and suggests they are deliberately keeping the issue below the radar because they know that while they have some big insurance company backers, the public won’t like what they are planning to do.

Most of us here know just how much we have to lose if another privatisation assault is mounted. Yet it seems National is determined to remain blinkered to the fundamental nature of the social contract the Woodhouse principles embrace.

Ultimately, the ACC Scheme is a unique world-leading concept that is still ahead of
its time and reflects the values and nature of New Zealand society.

We can celebrate with real pride the fact that this Scheme offers everyone injured in this country - including our guests - immediate treatment and rehabilitation and the support they need.

The Scheme both exemplifies and sustains our national identity at its finest expression – truly innovative and caring and practical.

Thank you, Sir Owen Woodhouse, for your vision and your legacy.