



The next 10 years for ACC

- implications for road safety involvement

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Trafinz Conference September 2010



ACC 12 months ago

- \$12.8 billion deficit and growing
- Costs spiralling out of control
- Falling rehabilitation performance
- Unsustainable

ACC today

- Costs being brought under control
- Most key indicators improving
- Taken \$2.5 billion off the deficit
 - now stands at about \$10.3 billion
 - slightly misleading to call it a 'surplus'
- Dramatic turnaround

Key elements of the transition

- Sticking to our legislation
 - only helping those actually covered by our legislation
- Improving our rehabilitation performance
 - getting people back to work or independence faster
- Better value health purchasing
 - every dollar spent gets a client outcome
- Resetting levies
 - to a level where they will actually cover our costs
- Built awareness of the issues

Looking forward

- This is a good start but there is a long way to go. ACC is on its own journey
- More change is in the pipeline to achieve sustainability by 2019
- There are implications for everything we do
 - including in the road area

Implications for the road sector

- Road remains an important area for ACC
- It's the source of many serious injury and high cost claims
- But our situation demands a new approach, one which is:
 - more focused
 - fairer
 - sustainable
- The new approach will impact several parts of our operation

Implications - levies

- As at 30 June 2010 the ACC Motor Vehicle account had \$7 billion liabilities but only \$3.4 billion assets
- 2009 levy increases set us on track to resolve that imbalance by 2019. Some very small increases may still be required
- Some inequities still exist, for example:
 - non-earners pay the same as earners (but get no weekly comp.)
 - no differentiation between high and low risk vehicles or drivers
- Levies will increasingly:
 - reflect risk, incentivise safer behaviour and so prevent injuries
 - be used to ensure greater fairness

Implications – injury prevention

- Road will remain an important area for injury prevention.
- ACC will be even more focused on high risk/cost groups, for example:
 - motorcycles – 16 times more likely to be injured than a car per Km travelled
 - young road users – 15 to 19 year olds are 7% of drivers but 18% of injury crashes
- Motorcycle Safety Levy is the latest initiative
 - \$30 per rider per year into a ring-fenced injury prevention fund
 - learning from the successful Victorian example
 - establishment group includes sector organisations and riders

Implications – injury prevention

- Other targeted initiatives will remain important, such as:
 - Ride Forever (for motorcyclists)
 - Practice (for young drivers)
- Also looking at ways to encourage safer fleets, using both levies and injury prevention methods
- ACC is committed to *Safer Journeys* and to maintaining effective partnerships in this space
- The role of local government and other partners remains critical

A different kind of cooperation

- ACC was previously seen as having deep pockets
 - therefore included in all sorts of road safety projects
- Now we need a cost/benefit analysis that shows the investment will positively impact an area of concern to us

