

8. ACC COSTS/WORKPLACE ACCIDENTS

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The purpose of this report is to advise the Council of the cost of ACC and number of claims relating to the 2000/2001 financial year. This report was requested at the last Strategy and Resources Committee meeting.

INTRODUCTION

Following the change from the private insurance sector providing workplace accident insurance cover back to the ACC from 1 July 2000, the Council qualified to join the ACC Partnership Programme. The ACC Partnership Programme encourages eligible employers to take responsibility for their own workplace injury management, including rehabilitation and claims management of employees' work injuries.

Under this programme incentives are offered to employers to adopt injury prevention and rehabilitation initiatives, thereby reducing work related injury costs and premiums. ACC offers employers a considerable reduction off the standard premium for those employers that qualify to join the Partnership Programme, mainly because of the level of self-insurance. The strength of this programme is the early involvement of the employer following any injuries. Fast medical intervention is arranged and good rehabilitation processes are implemented to ensure an early return to work for the injured employee.

An independent auditor, accredited by ACC, audits the Council on an annual basis. The audit reviews safety management practices, injury management (which includes rehabilitation and claims administration) and case studies to confirm systems in action. Within the audit there are three measurable levels of performance. These levels are primary, the programme entry level requirement, secondary, and tertiary.

Following the audit undertaken in May 2001, the Council moved from primary to secondary for the period 1 April 2001 to 31 March 2002. This progression is a demonstration of the Council's commitment to continuous health and safety improvement.

ACC PREMIUMS

Year	Provider	Premium	External Admin.	Compensation & Medical	ACC Residual Levy	Total Cost
1998/1999	ACC	\$1,183,043	N/A	N/A	N/A	\$1,183,043
1999/2000	Private Sector	\$100,800	\$27,618	\$84,000	\$602,857	\$815,275
2000/2001	ACC Partnership Programme	\$59,076	\$17,928	\$41,000	\$313,417	\$431,421
2000/2001	ACC Standard Premium	\$707,809	N/A	N/A	\$313,417	\$1,021,226

Notes to above table

- 1998/1999 - Compensation and medical costs were \$363,070 and were a cost to ACC.
- 1999/2000 - An excess of \$450,000 applied.
- 2000/2001 - A stop loss of \$1,417,617 applied (i.e. level of risk Council carries). A fund was established in 1999/2000 to cover this level of risk and currently stands at \$530,000.
- 2000/2001 - ACC Standard Premium – the cost if the Council was not in the ACC Partnership Programme.
- The residual levy funds the on-going costs of injuries (across all employers) that occurred prior to 1 July 1999.

NUMBER OF CLAIMS

The table below provides a comparison of the number of accidents reported, claims, and days lost:

	1999/2000	2000/2001
Accidents Reported	577	321
ACC Claims	258	132
Days Lost	636	312

(The figures above for 1999/2000 include accidents relating to staff of the Works Operations Unit up to 1 December 1999.)

All accidents (including minor accidents) are required by legislation to be recorded. Of the 321 accidents reported during 2000/2001, 198 would fit into the cuts, bumps and bruises category. One serious accident accounted for 120 days of the total 312 lost days.

Chairman's

Recommendation: That the information be received.