

Complete Rehabilitation

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The 50th anniversary of the
Woodhouse Report




Why we need complete rehabilitation for injured workers

- ◆ Desire for employers and society to retain workers in the workforce
- ◆ Employers are finding it difficult to recruit workers
- ◆ Desire by workers to stay in the workforce to retain connection to the workplace and to maintain earnings


Why we need complete rehabilitation for injured workers

- ◆ Research NZ study in 2013
- ◆ Of those who had weekly compensation stopped
 - Many struggled to get jobs because of their lack of qualifications and experience

Why we need complete rehabilitation for injured workers

- ◆ The longer off work the greater the earnings loss when returning to work
 - ◆ After 12 months off work – average earnings upon return is 24% lower
 - ◆ mental health can deteriorate due to loneliness and disconnection and poverty; and people lose the dignity of work
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Vocational Rehabilitation

- ◆ Complete rehabilitation is a key value and principle underpinning ACC
 - ◆ This presentation focuses on vocational rehabilitation
 - ◆ ACC is not providing complete vocational rehabilitation
 - ◆ We are squandering our opportunity to retain and retrain injured workers which benefits the nation
 - ◆ Injured workers are losing out in every way
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Statutory limits of vocational rehabilitation

- ◆ ACC only required to consider cost of entitlements and cost effectiveness as it sees it
- ◆ ACC not required to consider value or cost effectiveness to the nation or to the injured worker
- ◆ ACC not required to consider earnings of those that are injured compared to those that are not injured

Statutory limits of vocational rehabilitation

- ◆ The ACC statute imposes limits on complete vocational rehabilitation
- ◆ ACC must must provide vocational rehabilitation for the minimum period necessary to achieve its purpose, but no longer than 3 years (which need not be consecutive)
- ◆ On an individual basis, the cost of vocational rehabilitation must pay itself back

Statutory limits of vocational rehabilitation

- ◆ Weekly compensation is paid when an injured worker cannot return to their pre-injury employment due to their injury
- ◆ Vocational Independence allows ACC to suspend entitlement to weekly compensation when an injured worker is deemed to be able to work 30 hours per week in another job

Statutory limits of vocational rehabilitation

- ◆ Wage loss is not made up after suspension of entitlement (the section 60 permanent pension)
- ◆ Weekly compensation ceases after 1 year after 65 years and on superannuation
- ◆ Vocational rehabilitation only available to those receiving weekly compensation

Statutory limits of vocational rehabilitation

- ◆ Suspension of entitlement following the Vocational Independence Process does not follow complete vocational rehabilitation
 - After VI only 32% returned to full time work
 - 21% on part time work
 - 22% on a benefit
 - 10% not working and not on a benefit
 - 9% returned to weekly compensation

An agenda for change

- ◆ Key principles for vocational rehabilitation
 - Value to the nation
 - Fill skill shortages
 - Embrace life long learning, retraining and upskilling
 - Remove 3 year time limit
 - Embraces literacy, numeracy, communication and computer skills

An agenda for change

Key principles for vocational rehabilitation

- ◆ Focus on needs and aspirations of the individual
- ◆ Maximising earnings of the individual
- ◆ Cease using vocational independence process
- ◆ Consider return of permanent pension
- ◆ Remove requirement that the cost of rehabilitation must pay for itself

His Honour Ted Thomas said:

*" His report reflects his vision of a more humane,
harmonious and responsible society"*

The last word to Sir Owen:

*"The rehabilitation process should be supported
widely and made available to all who might be
assisted by it".*