

Common themes answered from motor vehicle submissions



Issue raised	ACC response
<p>ACC is moving away from the no-fault principle in proposing increased levies for motorcycles. Motorcyclists are being penalised when car drivers are often at fault.</p>	<p>ACC is not moving away from a no-fault basis. ACC does not relate costs to accident cause, or try to assign fault. The proposed levy increases merely reflect the higher costs of treating/rehabilitating motorcyclists who are injured. This does not mean that your potential for having an accident is not taken into account when the levies are calculated. The information from the <i>Ministry of Transport</i>¹ shows that over the same distance travelled motorcyclists are 18 times more likely to be killed or injured than occupants in a car.</p> <p>The only information concerning fault is collected by NZ Police when they examine crash scenes. This information shows that in 26% of attended crashes the motorcycle is the only vehicle and in a further 25% the motorcyclist is primarily responsible for the crash. The proposed levies collect around 21% of the \$302 million ACC estimates will be required to pay for the injuries sustained by motorcyclists in 2010/11.</p>
<p>ACC statistics show that the average cost-per-injury is higher for motorists than for motorcyclists, so why should motorcyclists pay more?</p>	<p>The ACC statistics report annual expenditure on motorcycle injuries. The figures include all the claims that were paid in the year even if the accident occurred a number of years ago. When ACC calculates the levy it must estimate the lifetime cost of claims and then collect sufficient levy to be able to pay these costs over the next 30 to 40 years.</p> <p>ACC estimate that to meet the lifetime costs to injuries to motorcyclists in 2010/11, \$302 million will have to be collected from levy payers. On average ACC receives 3.4 times as many claims per 10,000 motorcycles as cars, and each claim will cost 2.6 times as much over its life then for occupants of cars.</p>
<p>New Zealand has many off-road, sporting and work motorcycles, and these are being subsidised by owners of registered motorcycles</p>	<p>The data on which motor vehicle levies are set includes only injuries on a public road involving a motor vehicle. This excludes injuries involving only cyclists, or only pedestrians. Off road injuries are funded by one of the other ACC Accounts depending on whether the injured person was at their place of work or elsewhere:</p> <ul style="list-style-type: none"> • The ACC Work Account covers work-related injuries, e.g. on the farm; levies are paid into this Account by employers and self-employed people • The ACC Earners' Account covers non-work injuries to earners; levies are paid into this Account from earners through PAYE • The ACC Non-Earners' Account covers non-work injuries to non-earners; levies are paid into this Account by the Government.

<p>Why are only one group of road users (motorcyclists) being targeted?</p>	<p>The injury costs arising from each of the motor vehicle groups have been assessed, and the levies proposed recognise these costs and the overall funding requirements of the Motor Vehicle Account. Levy increases have been proposed for every category of motor vehicle. The changes proposed for motorcycles are intended to address long-standing issues of the costs of injuries to motorcyclists, and the extent to which they are subsidised by other road users.</p>
<p>What data is available to support higher levies for motorcycles with larger engines? Is not engine power more relevant?</p>	<p>There is no data available within New Zealand to support or refute the comment on engine power. ACC is unable to use power-to-weight ratios as the power and weight data for each motorcycle is not available.</p> <p>ACC uses data from its claim system and estimates of the future costs of claims, together with data from the Ministry of Transport's crash recording system, to determine whether the risk for various sizes of motorcycles is similar. This information is then used to build various relativity factors. These relativities are based on the injury cost per vehicle to ACC, and are used to determine what levy each subclass of motorcycle would need to pay to ensure the expected levy is collected.</p> <p>The idea behind the different subclasses is to reduce the degree of cross subsidisation between different types of motorcycles (eg commuter bikes vs high performance bikes). Even with the proposed changes, motorcycles continue to be subsidised by other vehicles, as the cost of motorcycle claims in relation to the number of motorcycles is far higher than for other vehicle classes.</p>
<p>Why not collect ACC levies from drivers and riders, and risk rate drivers and riders?</p>	<p>ACC does not have the ability to apply "experience" or "risk-rating" to individual drivers or riders to determine the individual levy at present. The proposals represent a compromise to spread the required levy collected from motorcycles across the whole range of motorcycles more equitably than a flat levy.</p> <p>ACC requires owners of motorcycles to pay \$64 million towards the levies required for 2010/11. If this amount were collected from unique owners rather than from each vehicle then the amount per owner would be higher than the current levy per vehicle.</p> <p>Annual collections from drivers/riders would require an additional collection process from each individual, and would ultimately mean increased collection costs which would have to be passed on.</p>

<p>Why do all other road users have to subsidise cyclists?</p>	<p>Motor vehicle levies only pay for injuries to cyclists (or pedestrians) when a motor vehicle is involved in the crash. Where only a cyclist (or pedestrian) is involved injury costs are funded through other ACC Accounts depending on the individual circumstances.</p> <p>The idea of cyclists paying an ACC levy has been raised. It would be difficult for ACC to do this as cyclists are not required to register their cycles so it could not be part of a registration fee; nor do they use fuel so it could not be a fuel levy. Currently there is nothing in our governing Act which allows ACC to levy cyclists.</p>
<p>Why does ACC not recognise the ecological benefits of motorcyclists and mopeds in particular, and charge levies that promote their use?</p>	<p>ACC is aware of these differences between motorcycles and other vehicles. The reduced amount of petrol consumption by motorcycles means that motorcycles pay less in petrol levies. The graduated levies within the proposals for motorcycles are an attempt by ACC to recognise that the smaller commuter bikes are used to reduce congestion and are an alternative, cost-efficient means of transport. The levies for these bikes are significantly lower than for other bikes.</p> <p>The environmental benefit of motorcycles must be balanced against the social cost of injuries to riders of motorcycles both in terms of what ACC pays and the hidden costs on the families and workplaces of those involved in crashes.</p> <p>ACC is required to base its levy proposals on its financial requirements. The Government may choose to take account of these wider considerations when finally setting levy rates.</p>
<p>Why doesn't ACC collect levies from those who participate in sporting and other recreational activities, instead of just targeting motorcyclists?</p>	<p>ACC currently collects levies for non-work injuries from earners and from the Government. To date ACC has not been able to establish a cost-effective mechanism for levying high-risk, non-work activities, but there is on-going work in this area.</p> <p>Note:</p> <ul style="list-style-type: none"> • the current ACC Earner levy proposals would collect \$1,120 from a \$40,000 wage earner to fund high-risk, and other non-work injuries – far more than the proposed motorcycle levy. • Professional sportspeople already pay significant levies (up to \$8,000 per year) based on their earnings.

¹ – refer to Ministry of Transport Crash Fact Sheet on www.acc.co.nz/consultation