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He Whakaora.
prevention. care. recovery.

2024 Levy Consultation

Ngā Huihuinga mō ngā Utu Hunga Whara 2024

Analysis of submissions on consultation proposals for the 2025
– 2028 levy period



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Foreword

Levy consultation is an opportunity for levy payers to have their say on proposed changes to how ACC is funded.

Every three years we share our current funding position and consult with the public on our change proposals to ensure the Scheme is fit for purpose, for now and into the future.

Increases in levies are never welcome and we understand the impacts that our proposals can have on levy payers, especially in challenging economic conditions.

In line with international trends, a higher proportion of injuries are requiring time off work during recovery, and the length of time injured workers are off work has been growing. The cost of services we provide to support recovery has increased significantly over the past three years. These factors combine to increase the average cost of claims.

We are working hard to reduce unnecessary expenditure, to deeply understand drivers of our client rehabilitation performance, and to have a three-year Investment Plan in place that targets short-term improvements, as well as systemic longer-term changes.

All of the levied Accounts have levies set below the cost of new claims for the year. This means our funding is reducing as time goes on. At some point the levies must increase to cover the cost of claims. If we wait too long, then our levies will have to be higher than the cost of claims, so we can afford the claims we already have.

Our funding policy statement recommended small, regular adjustments to the levy over time to support the scheme to remain sustainable and to keep levies reasonably stable. This has not always happened in the past and we now are facing much more risk of future levy payers having to face significantly higher increases if we don't act now.

This year we received 8,748 submissions on our proposals. This represents a significant increase on previous years and reflects the importance of ACC on people's lives.

It is clear that people want a fair system that recognises their efforts to reduce risk of injury, and that links levies to their exposure to risk. People are also wanting ACC to improve its performance to help mitigate rising costs.

This document provides details of the submissions and our responses to the issues that have been raised.

All submissions have been read and considered carefully. The analysis of the submissions has been used to inform ACC's recommendations to the Minister for ACC. The Minister will also consider the feedback in his consideration of his proposals.

As a result of feedback we received, we have made changes to some of the proposals, to reduce the impact of the levy increases.

On behalf of ACC, I want to thank everyone who took the time as individuals or organisations, to make a submission.

Ngā mihi

Stewart McRobie, Deputy Chief Executive, Corporate & Finance

Executive summary

Every three years, ACC consults on proposed levy rates for the coming levy period.

This report provides an overview of submissions received during ACC's 2024 Levy Consultation, which took place between 11 September and 9 October 2024. Analysis of submissions from the public and significant stakeholders is provided, describing general sentiment, themes, and ACC's response.

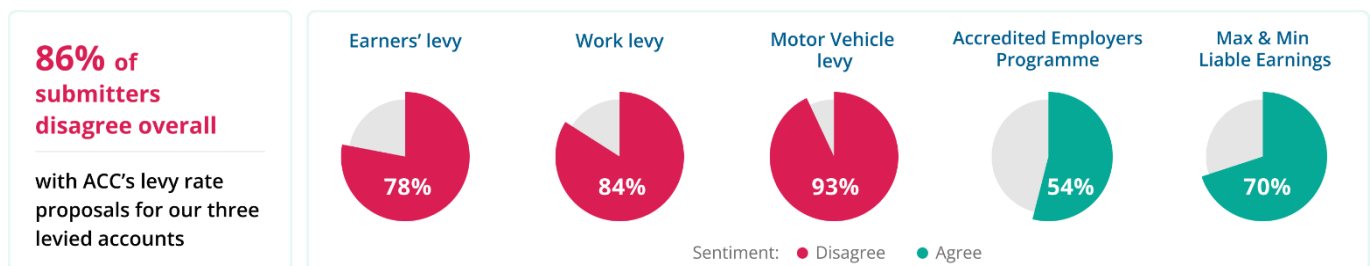
We received a total of **8,748 submissions** over the consultation period, a significant increase on past consultations.

ACC consulted on **6 proposals** for changes to levy rates for 2025/26 – 2027/28. ACC and the Minister for ACC also consulted on **10 proposals** on potential changes to the levy system, such as changes to incentives and how levy payers are grouped together.

Submitters were able to provide their feedback through agree/disagree buttons, Short Form feedback, and detailed written submissions.

Summary of feedback | All proposals

Most submitters disagreed with ACC's proposals to increase levy rates



ACC consulted on proposed increases to our three levied accounts: the Motor Vehicle Account, Work Account, and Earners' Account. Analysis of sentiment feedback (agree/disagree) suggests that most submitters did not support the proposed levy increases. While reasons for disagreement varied by account, common sentiments shared by submitters were:

- the financial impact of levy increases on individuals and business owners, with many submitters commenting that the rising costs of ACC are unsustainable
- concern that ACC is not effectively managing the Scheme and that it should work to improve its rehabilitation and financial performance before increasing levy rates, and/or to limit future increases
- disagreement with how ACC determines and uses risk to calculate levies, including perceived conflicts with the 'no fault' foundations of the Scheme
- unwillingness to pay levy increases when they believe ACC provides a substandard service, or have had poor experiences with ACC.

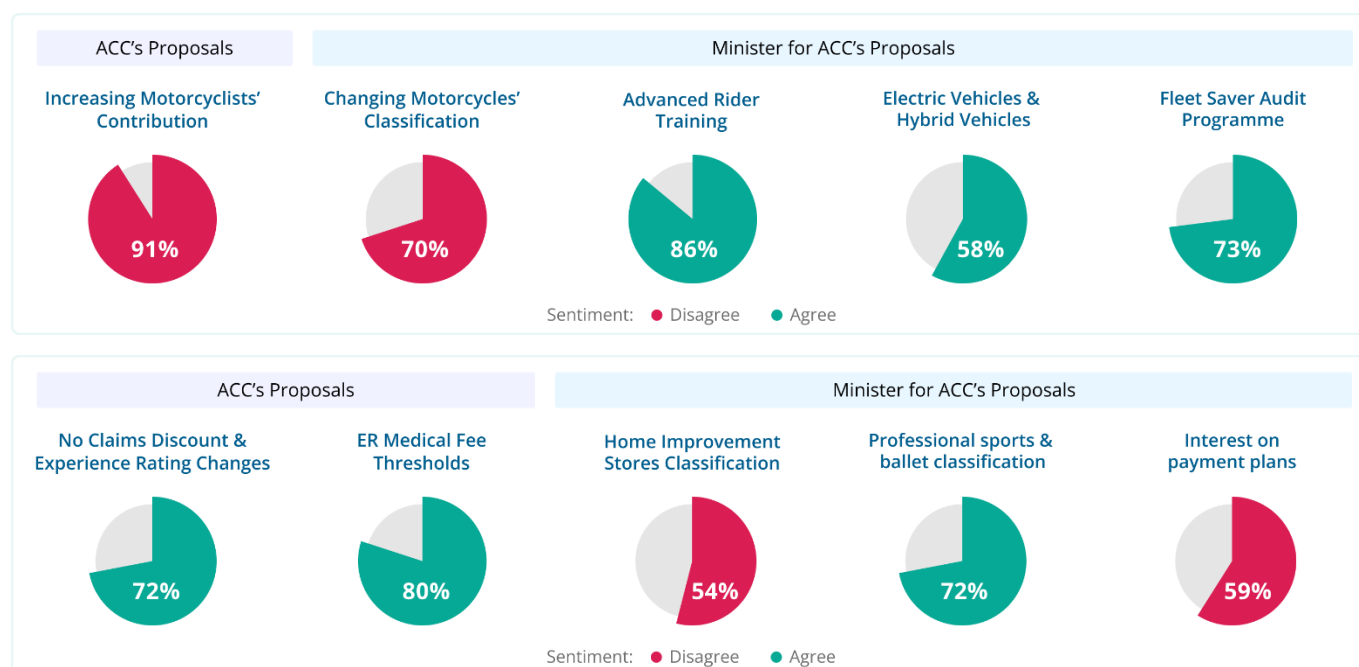
Submitters were more supportive of ACC increasing the maximum and minimum amount of liable earnings in line with labour cost and minimum wage changes, but mixed on the proposed levy changes for the Accredited Employers Programme.

We received a large volume of submissions from people who identified as motorcyclists or their representatives, which shaped the overall sentiment toward Motor Vehicle levy proposals

Alongside our levy rate proposal for the Motor Vehicle account, ACC and the Minister for ACC also consulted on 3 proposals related to levy system changes that impact motorcyclists. These 4 proposals accounted for over two-thirds (69%, n=6,039) of the total submissions received, with many submitters identifying themselves as motorcyclists or their representatives. This likely contributed to the high levels of disagreement recorded for the Motor Vehicle levy proposal, with most submissions on this proposal (80%) providing negative feedback about ACC's approach to levying motorcycles.

There were varied levels of support for the levy system change proposals developed by ACC or the Minister for ACC

Analysis of sentiment feedback (agree/disagree) for each proposal is provided below. A summary of feedback received on these proposals is provided under their respective levy accounts later in this section.



We identified five themes that cut across the 16 proposals, which provide insight into submitters' responses and highlight opportunities for ACC to explore further

Through their written feedback, submitters provided a wide range of detail, opinion, and discussion to give context to their positions on levy rate and system change proposals. Many also took the opportunity to provide recommendations to improve the levy system and how ACC operates. A summary of these themes is provided below, with a further breakdown by proposal provided in Appendix 2.

Theme 1: Increases to levies will have significant financial impacts due to current economic conditions

While many submitters understand the need for levies to respond to increased costs, they raised concern about the level of some increases and the pressure this puts on businesses, workers and motor vehicle owners during challenging economic times and cost-of-living pressures. Significant submitters often highlighted the pressures experienced by their sector, noting employers have also been burdened by rising costs through increases in the minimum wage and expanded sick leave entitlements. We heard that for small businesses, any increase has a significant impact.

Submitters told us that ACC should carefully consider the timing of these increases and take action now to prevent the rising costs of ACC becoming unsustainable.

Theme 2: ACC needs to lift our performance and improve efficiencies

Many submitters raised concerns that ACC is not effectively managing the Scheme and that it should work to improve its rehabilitation and financial performance before increasing levy rates, and/or to limit future increases. Some made it clear that with the proposed levy increases, there is an expectation that ACC's performance will improve accordingly, particularly in terms of limiting costs, maximising investment returns, and improving financial performance across the organisation.

We heard there is significant room for improvement in how claims are accepted, monitored, and managed to ensure injured individuals receive prompt and effective treatment. Significant submitters urged ACC to ensure its accounts are fully funded and to minimise cross-subsidisation.

Negative perceptions of the service provided by ACC were raised by submitters who disagreed with levy increases, often citing poor experiences with ACC where we have delivered substandard service or fallen short of their expectations. Some wished to 'opt out' of ACC, or recommended introducing competition to place pressure on ACC to be more efficient and effective.

Theme 3: Improvements are needed to ACC's current approach to determining and calculating levies based on risk

Risk is a key feature of ACC's approach to setting and collecting levies. Consultation feedback highlighted opportunities to improve how ACC communicates and justifies this approach to levy payers.

Submissions highlighted that levy payers want a fair and equitable levy system. Many submitters raised concerns about how ACC determines and uses risk to calculate levies, including perceived conflicts with the 'no fault' foundations of the Scheme. This featured heavily in responses to proposals impacting motorcyclists, most of whom disagreed with the use of a classification system based on motorcycle capacity (cc) to determine levy rates. Submitters often told us there were better ways to levy risk across the different accounts, or asked ACC to provide better evidence to justify our current approach.

The area where most submitters sought improvement was ACC's practice of collecting part of the Motor Vehicle levy on a per vehicle basis, which places greater levy burden on people who own multiple vehicles. This sentiment has also been raised in previous consultations, with levy payers again telling us that road usage and/or driver characteristics are a better proxy for risk exposure. The option to instead charge Motor Vehicle levies through Road User Charges (RUC) was a popular suggestion during this consultation round. ACC will be exploring options for a levy payable when RUC is purchased over the next 12-18 months.

Theme 4: There are opportunities to improve confidence in how ACC develops our levy proposals and runs the consultation process

Many submitters told us ACC needs to provide greater justification and evidence to the public to communicate how we have developed levy proposals, as well as the subsequent decisions made about these proposals by the Minister for ACC. To achieve greater transparency, and public confidence in the consultation process, some suggested introducing an independent audit process for the development of proposals, as well as the impact of eventual decisions.

Concerns about ACC's use of evidence featured heavily in responses to Motor Vehicle Account proposals, with submitters wanting us to provide more clarification about why we have chosen to use certain evidence and/or claims data and whether this has any limitations. In the case of battery electric vehicles and plug-in hybrid vehicles, submitters highlighted that ACC currently have no data to determine whether low-emission vehicles are safer or riskier than petrol vehicles and asked us to pause relevant levy changes until we have clear evidence on how these vehicle types contribute to injury risk and costs.

Some public and significant submitters told us the levy consultation process was pointless, and they had little confidence their feedback would matter. Some felt the submission process had been discredited by the outcome of past consultations, ACC's failure to follow up on past feedback, or because of messaging publicised through ACC's communication activities. Others told us that the consultation timeframe of 4 weeks was too short for meaningful engagement, with some suggesting ACC consider returning to a two-

yearly – if not annual – consultation period. This reflected a broader sentiment, particularly among significant submitters, that they sought more regular engagement from ACC including updates on the cost of claims and claim volumes by industry and account.

Theme 5: ACC should consider how our levy settings impact on broader government goals, including economic and environmental impacts

We received considerable feedback about the wider impact of changes to the levy system. A strong message we heard was that ACC should consider these impacts when determining our levy rates and settings in addition to our funding policy. This is a recurring theme that featured heavily in submissions during the past two consultation rounds (2021 and 2018).

Many submitters highlighted the economic impact of increases or changes to levy rates on individuals, businesses, and industries. We also heard how levy settings can impact on markets and consumer choices in responses to the proposal to reclassify electric and hybrid electric vehicles (PHEVs). Many submitters – including business, industry and representative groups – felt ACC should consider how levy settings impact broader economic and environmental factors, and make sure they are aligned with relevant government policy and targets. This sentiment was not shared by all however, with some submitters explicitly discouraging ACC from using the levy system to influence consumer behaviour or create incentives for certain groups. These submitters told us levies should be used to fund Scheme costs only.

Summary of feedback | Motor Vehicle Account proposals

Most submitters (93%) disagreed with **ACC's proposal to increase the average Motor Vehicle levy rate** and provided largely negative feedback on proposed levy rates for the different vehicle classes. We heard:

- the proposed increases are not reflective of risk
- that levy increases are not appropriate considering ACC levy costs are already high, and people are experiencing cost of living pressures
- that it is unfair cyclists, users of e-scooters, and other unregistered motor vehicles do not pay ACC levies when they also harm themselves and others on the roads.

As noted, we received a large volume of submissions from motorcyclists who told us they felt unfairly singled out by the Motor Vehicle levy proposals. Common sentiment was that it is unfair for motorcyclists to pay a 'levy per bike' considering that most own multiple motorcycles but can only ride one at a time.

ACC's levy system change proposal on motorcycle owners' levy contribution did not receive support

Almost all submitters (91%) disagreed with our proposal **to increase motorcycle owners' levy contribution**. This was because submitters:

- disagreed with the way ACC classifies risk for motorcycles, again noting a preference that ACC instead levy 'the rider, not the bike'
- were concerned that increased registration costs created by the proposal will lead to levy evasion and people not registering their bikes
- told us that the proposed increase, along with the continued approach of applying a registration levy per bike, places a higher financial burden on them than other road users.

As highlighted in our discussion of overall submission themes (page 6), submitters on this and other motorcycle-related proposals often shared sentiment that the high levels of risk ACC assigns to motorcyclists conflicts with the 'no fault' principle of the ACC Scheme, because in practice it assigns blame to motorcyclists for their injuries.

There was varied support for the **Minister for ACC's three levy system change proposals** related to the Motor Vehicle Account

Over two-thirds of submitters (70%) disagreed with the Minister's proposed **changes to the classification of motorcycles**. Reasons for disagreement were that:

- classification using capacity (cc) is unfair and an inaccurate method, as bikes with lower cc's can have higher horsepower
- motorcycle levies should be based on power-to-weight ratio as this is a better proxy for risk than cc
- the changes will increase levies for some riders – in response, more people will put their registrations on hold, not register their bikes at all, and/or drive illegally.

Most submitters (86%) agreed with the Minister for ACC's proposal to **recognise advanced rider safety training through a discount in levies**. However, we also heard that the proposed financial incentive is too low, and it can be hard for rural riders to access training. There was also strong agreement that ACC should recognise and reward training from other training providers as well as Ride Forever, as signalled in the Minister's proposal.

Submissions were divided in their support for the Minister's proposal to **reclassify battery electric vehicles (BEVs) and petrol hybrid electric vehicles (PHEVs)** (57% agreed) due to:

- differing perceptions of the risk posed by BEVs and PHEVs compared to other vehicles
- support, or lack of support, for continued Government incentives to increase uptake of BEVs and PHEVs for environmental and health reasons
- concern about potential economic impacts on BEV and PHEV owners and retailers.

Feedback also highlighted suggestions for changing ACC's approach to collecting Motor Vehicle levies to better align with increasing BEV and PHEV uptake, such as replacing vehicle classes with individual vehicle risk, removing the petrol levy, or collecting through Road User Charges.

Submitters generally supported the Minister's proposal to **close the Fleet Saver programme** (73% agreed), but we also heard a strong sentiment that Fleet Saver is beneficial for its members, and on-site audits improve safety practice.

Summary of feedback | Work Account proposals

Most submitters (84%) disagreed with **ACC's proposal to increase the average Work levy**, telling us it will negatively impact businesses during a time of financial pressure. We also heard concerns that:

- ACC is not protecting businesses from Scheme misuse by employees
- levies need to better reflect businesses' risk profile and employee activities
- ACC should explore cost-saving measures to improve operational efficiency, instead of relying on levy increases.

The Work levy proposal also asked submitters to indicate their preferences for the levy system to be either:

- a) tailored to recognise the differences in risk exposure between businesses, but with more volatile levy rate changes, or
- b) have more stable levy rates but less recognition of the nature of individual businesses.

More submitters told us they preferred option a).

We received general agreement on **ACC's two levy system change proposals** related to the Work Account

Sentiment feedback on our proposal to **remove the No Claims Discount (NCD) and make changes to the Experience Rating programme (ER)** was generally supportive (72% agreed). However, written feedback was mixed – most agreed with changes to the ER, but many disagreed with removal of the NCD. In contrast to public submitters, most significant submitters did not support the proposal.

Submitters who supported changes to, or the removal of, the ER programme shared that it is unfair on employers, and does not accurately reflect an organisation's commitment to injury prevention

Many submitters disagreed with the proposal to remove the NCD because they believe the NCD encourages and rewards good health and safety practices – its removal may lead to poor practice. We also heard that levies are a huge cost to businesses, so any discount is valued.

Most submitters (80%) agreed with our **proposal to increase the threshold for medical and treatment costs from \$500 to \$750 for the purpose of calculating Experience Ratings**. Many highlighted rising medical and treatment costs and that the threshold has not been adjusted since 2011. All significant submissions received on this proposal supported increasing the threshold.

Feedback received on the **Minister for ACC's three levy system change proposals** related to the Work Account indicates that more submitters agree than disagree with these proposals

The Minister's proposed **changes to how home improvement stores are classified** received mixed feedback. We heard that while the proposed changes would help simplify the classification system and make it fairer, the proposal favours large businesses at the expense of smaller enterprises. Some submitters suggested that hardware and building supplies can be classified under existing retail classification codes.

We received 2 significant submissions on this proposal; both supported the introduction of the new home improvement classification unit.

In contrast, feedback on the Minister's proposed **changes to how professional sports and ballet are classified** received higher levels of support. We heard that:

- levies for sports administration and professional ballet should reflect risk
- the proposed changes would help simplify the classification system
- sports administration staff should pay less than players.

However, written feedback and significant submissions (specifically from the ballet sector) noted that the proposal would increase levy costs for the ballet sector, impacting its future financial viability and redirect resources away from injury prevention.

We also received mixed feedback on the Minister's proposed **changes to the interest charged on payment plans, penalty interest and credit interest**, with submitters citing the negative financial impacts this would have on self-employed people, sole-traders and businesses. Almost all significant submissions received on this proposal did not support ACC applying interest charges.

Summary of feedback | Earners' Account proposals

Most submitters (78%) disagreed with **ACC's proposal to increase the Earners' levy rate**, citing:

- the financial impact of levy increases on workers and self-employed people
- an unwillingness to pay an increase when they believe ACC provide a substandard service, or have had poor experiences with ACC
- concern that ACC is not effectively managing the Scheme.

Significant submitters were concerned about underfunding of the Earners' Account and the risk this poses to future levy payers.

Sentiment feedback indicates general support for **ACC's proposal to increase both the maximum and minimum liable earnings** (70% agreed). However, written feedback was mixed on the increase to minimum liable earnings, with self-employed and part-time workers telling us the amount is too high given their low incomes.

Some submissions on this proposal shared more general feedback on ACC's use of minimum and maximum liable earnings, with mixed sentiments:

- some felt the existence of a minimum liable earnings encourages Scheme misuse through creating an incentive for those on lower incomes to claim ACC
- others suggested ACC increase or remove the maximum liable earnings threshold (but keep the cap on maximum weekly compensation) so that contributions from higher-earning individuals subsidise those on lower incomes
- some submitters wanted to be able to opt out of ACC levies (and cover) and organise private cover to have more choice over the compensation they receive and the cost they pay for that cover.

Other general feedback

Several significant submitters provided feedback on aspects that do not specifically relate to Levy Consultation proposals but have a bearing on the ACC Scheme. Topics include:

- concerns with the claim lodgement process
- reintroducing contestability
- factoring in external pay equity settlements
- addressing capacity difficulties in the medical profession
- improving the claims dispute process for Labour Hire Arrangements
- considering the role of ACC in the review into Work Health and Safety
- making client information more accessible.

This feedback is summarised in Appendix 3.

ACC's response

ACC is grateful to all the submitters who took the time to share their thoughts and perspectives with ACC and the Minister for ACC. In several areas the feedback received has resulted in changes to recommendations made to the Minister, either in terms of when changes should be made and how quickly change should be introduced, or the details of the proposed change itself.

As the volume of injuries and the cost of supporting injured Kiwis continues to rise, we have to ensure the Scheme is sustainable for future generations. For example, delaying levy increases for three years would save levy payers around \$1.4 billion over three years, but it would create an additional liability of \$15.9 billion for the businesses and households who will be paying levies in 2037/38.

ACC believes that the most equitable approach to funding the Scheme is to have regular small increases in the levies while also working hard to control escalating costs. The former is supported by the Funding Policy Statement settings, and while we believe that in some cases a larger increase is warranted, we are constrained to recommend levy changes that align with the requirements of the funding policy. We acknowledge the concern over the current funding policy made by some stakeholders and have passed these concerns on to MBIE who provide advice to the Minister about these matters.

Improving rehabilitation performance is a priority for ACC. A considerable amount of work has gone into this challenge and at the same time we're amplifying our efforts to prevent injuries happening in the first place. We are aware that the money we spend comes from businesses and households in New Zealand and we have to create value for not only people injured in NZ, but also to those who fund the prevention, care and recovery that we provide. This is not an easy task, but ACC is committed to making a material difference over the three years of the levy round.

In a Scheme that is universal and compulsory, the fairest approach to setting levies is to utilise a combination of risk rating and experience rating, where the cost of doing so is reasonable and there are viable information and levy collection mechanisms in place. These approaches improve fairness by grouping levy payers of similar risk profiles (the combination of risk of injury and severity of the injury) and setting levies that reflect the groups costs rather than the average of all levy payers. Experience rating works within the group, where it can modify the levy an individual levy payer pays, depending on their risk compared to others inside their group.

A challenge with this approach is that it can create a complicated system as it seeks to address the diversity of levy payers. One area where ACC has been working on for over a decade is to slowly remove cross-subsidisation between groups to ensure that they are funding their true costs. The proposals to remove the No Claims Discount product and move to self-funding of the Experience Rating product, as well as agreeing the appropriate level of cross-subsidy for motorcycle owners, are the last explicit cross-subsidies across the levied Accounts. Removing cross-subsidies always lifts costs for one group while reducing it for others. We are grateful for the feedback received on these proposals. Our response to these are set out in the sections below.

Purpose

This report details the submission analysis for ACC’s 2024 Levy Consultation.

Analysis of public and stakeholder submissions is provided, describing aggregated themes and feedback from submitters, as well as ACC’s response and recommendations.

This report also provides you with an overview of the consultation’s engagement approach, and the methodology that guided our analysis of public and stakeholder submissions.

An overview of public and media engagement throughout the consultation period, including user engagement with the Shape Your ACC website, is detailed in Appendix 4.

The 2024 Levy Consultation

The 2024 Levy Consultation took place between 11 September and 9 October 2024.

We asked the public to provide submissions on 16 different proposals, covering the Work Account, Earners’ Account, and the Motor Vehicle Account. This year we split our proposals across two areas of consultation:

1. Levy rate proposals: changes to levy rates and levy settings, which the ACC Board is legally required to consult on

2. Levy system change proposals: changes to incentives or how levy payers are grouped together.

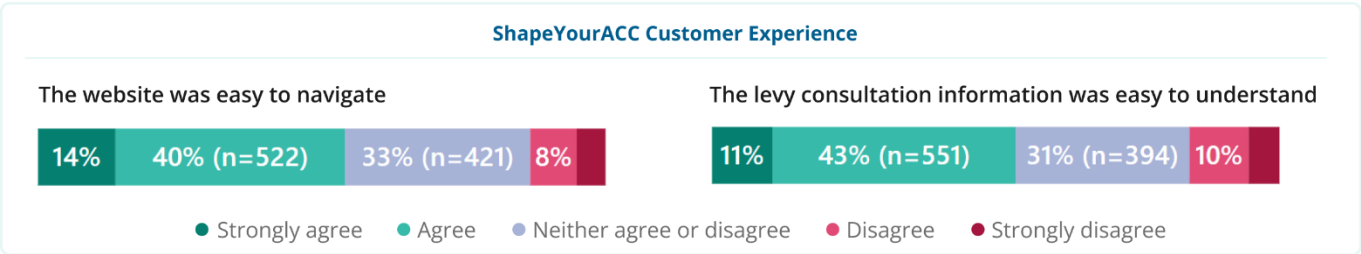
We received a total of 8,748 submissions over the consultation period, including 41 long-form submissions from significant stakeholders and representative groups received via email.

Submissions were received via the Shape Your ACC (SYA) website and email. No submissions were received via post.

Shape Your ACC experience

We asked people who provided a submission through Shape Your ACC about their experience using the website during the consultation. We heard that:

- 54% (n=698) agreed that the website was easy to navigate
- 54% (n=688) agreed the levy consultation information was easy to understand.



How we collected and analysed the consultation feedback

This year we updated our methodology from the last levy consultation round (2021) to reflect the large volume of submissions we received. Below is an overview of the process we used to collate, analyse, review and report on the 2024 levy submissions.

Data collection

Submissions were gathered daily from two sources: the Shape Your ACC website and email.

There were four ways people could provide feedback through the consultation period:

Sentiment	Structured	Significant	General Emails
Thumbs up/down reactions related to each proposal on ShapeYourACC.co.nz including Short Form Written Feedback* (excludes social media) *Short Form Written Feedback: non structured feedback elicited when providing sentiment feedback; not required to complete when submitting sentiment feedback	Detailed feedback provided in the feedback form related to each proposal on ShapeYourACC.co.nz	Long form submissions provided via alternative channels (typically email) and/or made on behalf of representative groups that includes actionable insight.	General email submissions provided via individual email accounts.

Analysis

The analysis team consisted of ACC staff who hold roles in research, data and policy, or who are subject-matter experts in the different levy accounts and products.

Submissions were sorted and grouped by question and proposal. We analysed submissions both qualitatively and quantitatively. We applied two methods of analysis to all content received through the consultation: thematic analysis and statistical analysis.

- Thematic analysis is a common form of qualitative research which involves finding and recording patterns (or "themes") within data. Themes help us describe what people are saying, and find commonalities, outliers, and salient points which relate to each levy proposal. For thematic analysis, we read through all submissions, assigned a set of variables (codes) and recorded patterns coming through. Once emerging themes were identified, we also recorded quantitative counts for the presence of themes in each submission. This enabled us to undertake further quantitative analysis to confirm the most common themes, as well their breakdown by proposal, to inform reporting.
- Our statistical analysis consisted of analysing submission data, such as the number of submitters who indicated 'agree' or 'disagree' to a key question via the sentiment thumbs up/down on ShapeYourACC.co.nz. We also tracked our daily submission count and used this to gather an accurate number of submissions per proposal and relevant graphical representations. This information was analysed in conjunction with our thematic analysis to form insights.

During this consultation, the Structured Feedback forms on ShapeYourACC.co.nz sought to collect specific feedback through additional questions related to different levy proposals beyond the thumbs up/down sentiment feedback. Our ability to undertake analysis of this feedback to specific questions was somewhat constrained because:

- a response to the question(s) was not required to submit the form, meaning many submitters left these sections blank

- the open-text box format meant people provided more nuanced and/or less clear responses than what could be gathered by a radio button question (yes/no; agree/disagree; support/do not support) or Likert agreement scale, meaning it was difficult to ascertain sentiment
- some submitters used the Structured feedback form to provide generic feedback that was not strictly in response to the question
- many submitters opted to provide their feedback in the Short Form feedback section, available after providing sentiment response. This section was unstructured and prompted as a generic feedback box and, as such, cannot be interpreted as responding to the specific questions attached to some proposals.

We have sought to address these limitations in our presentation of the analysis to ensure submission feedback is accurately presented. This is covered in the below section 'How to read this report'.

Determining overall submission themes (Appendix 2)

In our Executive Summary, we identify five themes that cut across the 16 proposals which provide insight into submitters' responses and highlight opportunities for ACC to explore further. This is based on our quantitative counts of emerging themes in written submission feedback, broken down by proposal, which is provided in Appendix 2. Our criteria for an overall submission theme was that it featured significantly in submissions on more than 4 proposals.

Communications and Engagement

During consultation, we gathered information and analytics from the Shape Your ACC website (such as visitor count and unique users), media stories, and social media engagement to track the consultation's reach and impact. A summary of this communications and engagement information can be found in Appendix 4.

How to read this report

Structure of the report

Reflecting the content of the consultation proposals, we have structured the report into two main sections:

1. **ACC levy rate proposals:** summarises submission feedback on ACC's 6 proposals on changes to levy rates for 2025/26 – 2027/28
2. **Levy system change proposals:** summarises submission feedback on 10 proposals developed by either ACC or the Minister for ACC on potential changes to the levy system.

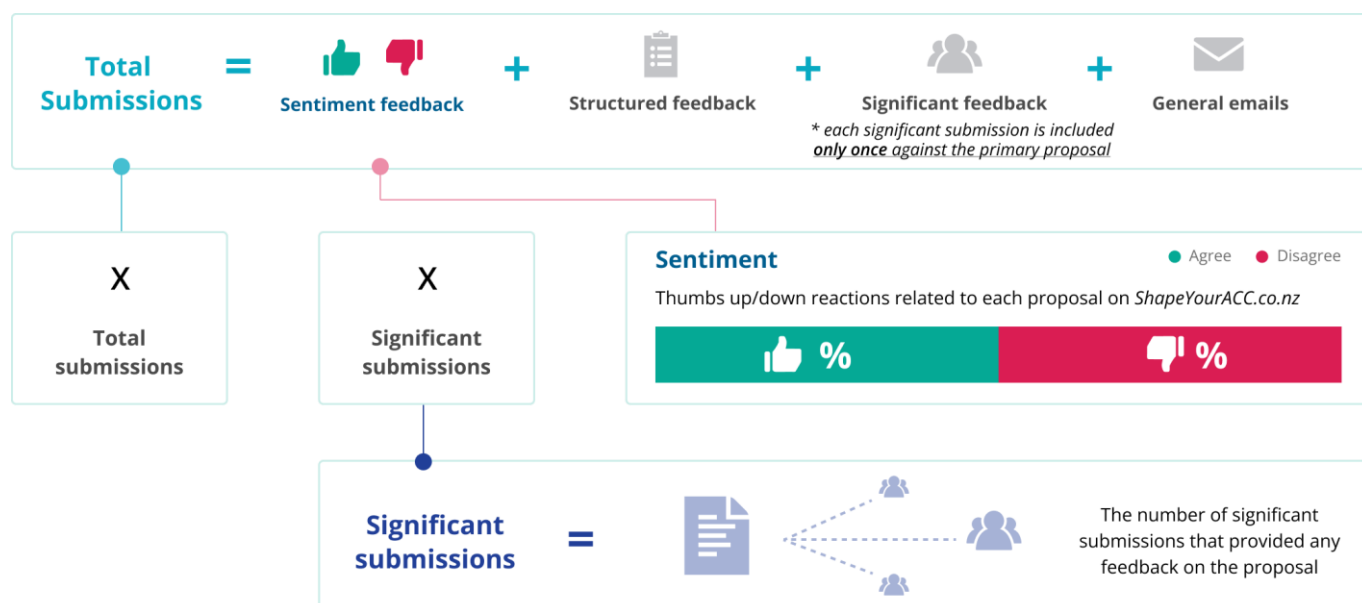
Each section provides a summary for each proposal which covers:

- **total submissions received** in response to the proposal
- **the percentage of submitters who agree or disagree** with the proposal. Note that this is only based on the count of sentiment feedback (thumbs up/down) received through ShapeYourACC.co.nz – which comprised the bulk of submission feedback. As discussed in the previous section, we were not able to ascribe a binary sentiment to submissions received as open text through the website's Structured feedback forms or via emails, nor would it be appropriate for us to do so.
- **a summary of written feedback received**, including a count of the proportion of submissions that contained written feedback. Written feedback included any feedback provided through the Short Form or Structured feedback forms on ShapeYourACC.co.nz (SYA), or received via email. To provide

a more robust picture of overall sentiment on each proposal, we have sought to highlight instances where written feedback aligns or differs from the sentiment feedback received.

- **illustrative quotes from submissions** are provided alongside the analysis of written feedback to represent submitter voice and provide evidence for themes identified. These are shown in italicised font and enclosed by quotation (“”) marks. Quotes are provided verbatim so may include spelling errors.
- **a summary of significant submissions** received on the proposal. A definition of what we term a significant submission is provided in the previous section. Unless requested, we identify the identity of significant submitters. Following the consultation close, ACC will also provide individual responses to each significant submission. Note that in our summary count of submissions (Appendix 1), each significant submission is included only once, against the primary proposal its feedback related to, to maintain an accurate total count. However, in our analysis per proposal we report the number of significant submissions that provided any feedback on that proposal; this means content from a single significant submission may appear in the significant submission section of multiple proposals.
- **ACC’s response** to the feedback on each proposal.

Figure 1: Understanding the proposal summary template



ACC levy rate proposals

Te rārangi kaupapa hou

Every three years, ACC consults on proposed levy rates for the coming levy period. For 2025/26 – 2027/28, ACC consulted on **6 proposals** on changes to levy rates.

The proposals covered:

- increases from 2025/26 to the three levied accounts: the Motor Vehicle Account, Work Account, and Earners' Account
- increases to the maximum and minimum amount of liable earnings that people are liable to pay ACC levies
- levy changes for the Accredited Employers Programme.

We received **4,207 submissions** that gave feedback on these proposals. This following section summarises the feedback received for each proposal, along with ACC's response.



Overview – all accounts

Should ACC increase aggregate levy rates?

ACC is proposing increases from 2025/26 to the three levied accounts: the Motor Vehicle Account, Work Account, and Earners' Account.

Consultation question(s)

1. We'd like to know what you think of the proposed increases to aggregate levy rates which maintain levies at between 18% - 47% below the true cost of injuries.
2. And tell us how we could improve the way we explain how we arrived at our recommendations:
 - is it clear how ACC has reached its recommendations?
 - do you understand what this means for you? If not, how could we tell our story better?
 - is there any other general feedback you wish to provide?

Consultation feedback

459

Total
submissions

22

Significant
submissions

Sentiment

● Agree ● Disagree

General sentiment disagrees with the proposal

14%

86%

Most submitters (86%) disagreed with the proposed levy rate increases. Reasons included:

- the financial impact of levy increases on individuals and business owners, with many submitters commenting that the rising costs of ACC are unsustainable
- concern that ACC is not effectively managing the Scheme and that it should work to improve its rehabilitation and financial performance before increasing levy rates, and/or to limit future increases
- disagreement with how ACC determines and uses risk to calculate levies, including perceived conflicts with the 'no fault' foundations of the Scheme
- unwillingness to pay levy increases when they believe ACC provides a substandard service, or have had poor experiences with ACC.

While low in number, support for the proposed increases was based on sentiment that ACC was a valuable service and that levy increases kept it sustainable.

Submitters would like to see greater transparency from ACC to justify our funding policy, levy proposals, and decisions

Representative groups and some submitters were concerned about projected timeframes for all levy accounts to be fully funded, 'distorting' effects of ACC's premium-smoothing policy, and continued use of cross-subsidisation. Some encouraged reintroducing competition to accident insurance cover to improve choice and performance.

We also heard that ACC should provide better justification and evidence for levy proposals, as well as the subsequent decisions made about these proposals by the Minister for ACC. Some suggested introducing an independent audit process.

52% of SYA and email submissions on this proposal included written feedback (n=239). Key themes were that:

Many individuals and business owners feel increases in levies are inappropriate, either because they feel levies are already too high and/or because New Zealand is experiencing cost-of-living pressures. We heard from individuals, employers, businesses and representative groups that ACC and the Minister should consider the financial impact of the changes in the current economic climate.

“Levies are already too high and I highly disagree with raising them”

“higher ACC levies will add further pressure on businesses, workers, and motor vehicle owners during challenging economic times and cost-of-living pressures. The government is responding by seeking to restrain core Crown operating spending and it has called on local government to focus on ‘doing the basics brilliantly’. ACC should do likewise.”

There was a strong sentiment that ACC is not effectively managing the Scheme. While some submitters accepted that levy increases needed to happen to respond to rising cost pressures, they stressed that ACC also needs to improve its performance to constrain future levy increases. Others told us that ACC should first improve its rehabilitation and financial performance before putting up levy rates. As context, some noted the significant increase in volume and duration of claims since the last levy consultation in 2021 (this information was provided in the consultation documents).

“ACC has mismanaged claims and then expects levy payers to pick up the cost of ACC per performance.”

“It is a broken system and poor delivery, you should consider improving your delivery and reputation before increasing your prices. Or make it simple for businesses to opt out.”

Submissions outlined a range of areas where ACC should focus on improving efficiency and cost-effectiveness to restrain Scheme costs and, thereby, future levy increases. These included:

- proactive case management processes
- provision of timely and effective rehabilitation
- management of service providers
- maximising investment returns
- minimising fraudulent claims
- effective injury prevention
- coverage of tourists
- introducing competition.

Some submitters did not support levy increases because of poor experiences with ACC, providing examples where they feel ACC has delivered substandard service or fallen short of their expectations. This sentiment also featured strongly in submissions specifically responding to ACC’s proposal to increase the Earners’ levy rate (see p35).

“You went for 3 years not answering phone call inquiries”

“ACC management of work place rehab is below poor. We as an organization value rehab and want to enable return to work outcomes, however ACC is not providing any support when it comes to complicated cases or employees GP shopping or non-compliance”

Some submitters would like to see greater transparency from ACC to justify our funding policy, levy proposals, and decisions

Representative groups and other submitters were concerned about timeframes for levy accounts to be fully funded (particularly the Earners' Account) and continued use of cross-subsidisation. Some encouraged reintroducing competition to accident insurance cover to improve choice and outcomes.

Some significant submitters highlighted what they called a 'distorting' effect of ACC's premium-smoothing policy in hiding the extent of necessary increases from levy payers. Some requested ACC provide more frequent engagement about changes in claim costs to avoid the shock of large levy increases during triennial consultations.

We also heard from many submitters that ACC needs to provide greater justification and evidence to the public to communicate how we have developed levy proposals, as well as the subsequent decisions made about these proposals by the Minister for ACC. To achieve greater transparency and public confidence in the consultation process, some suggested introducing an independent audit process for the development of proposals, as well as the impact of eventual decisions.

There was also some sentiment shared among both public and significant stakeholder submissions **that the levy consultation process was pointless, and they had little confidence their feedback would matter**. Some felt the purpose of the submission process had been discredited by the outcome of past consultations, ACC's failure to follow up on past feedback, or because of messaging publicised through ACC's communication activities. Others told us that the consultation timeframe was too short and there needs to be better stakeholder management processes.

"it isn't acceptable for ACC to provide a consultation period of less than 4 weeks"

"When ACC are using taxpayers' money to buy advertising to advocate for their own opinions, then it is impossible to believe that submissions contrary to those opinions will be objectively considered. The submission process is a waste of time because the ACC consider their initial position as a 'done deal'"

A further pervasive reason for disagreement among submitters was concerns about **how ACC determines and uses risk to calculate levies, including perceived conflicts with the 'no fault' foundations of the Scheme**. Areas of concern and commonly cited examples were generally repeated in submission feedback specifically responding to the individual levy rate proposals. For brevity purposes, we have included these in the relevant report sections for the Motor Vehicle (page 24), Work (page 30), and Earners' Account (page 35) levy rate proposals.

Significant submissions

22 significant submissions provided feedback on this proposal.

Significant submitters included: **BRONZ (Auckland), BusinessNZ, Chartered Accountants Australia and New Zealand (CA ANZ), Foodstuffs NZ, Horticulture NZ (HNZ), Ia Ara Aotearoa Transporting New Zealand (TNZ), LeaderBrand (LB), Manage Group (MG), NZ Security Association (NZSA), Forestry Industry Contractors Association (FICA), Civil Contractors (CCNZ), Building Service Contractors (BSCNZ), Specialist Trade Contractors Federation (STCF), Scaffolding, Access & Rigging NZ (SARNZ), Crane Association of NZ (CANZ), Qantas Group, Rural Contracting NZ (RCNZ), NZ Shearing Contractors Association (NZSCA), Recruitment, Consulting and Staffing Association (RCSA), The New Zealand Initiative (The Initiative), Tourism Industry Aotearoa (TIA), and Wood Processors and Manufacturers Association (WPMA).**

3 significant submitters – **Qantas Group, NZSCA and BRONZ** explicitly oppose the proposal to increase levies. Their submissions highlight the following reasons:

- NZSCA claim it is manifestly unfair for ACC to propose average levy increases of 23% (LRG 21) across the 2025/26 to 2027/28 periods.
- Qantas specifically oppose increases for employers and employees. Qantas recommends, given the current economic environment in New Zealand, that ACC consider with scrutiny the ability for cost savings and efficiencies to be sought within ACC as an organisation, including across the services provided and commensurate service providers, rather than increasing levies.
- BRONZ (Auckland) claim that “ACC have lamentably failed to invest for success and now they turn round and try to blame motorcyclists for the Corporations failure”. Their submission calls on ACC to:
 - Respect and preserve the Woodhouse principles.
 - Establish motorcycle levies on a parity with other light passenger vehicles, in keeping with the Woodhouse principles of the ACC scheme.
 - Abandon the totally discredited and ludicrous capacity classification scheme.
 - Urgently review methods of funding and collection to eliminate at the earliest possible opportunity the unfair effect of the present system upon owners of more than one vehicle.
 - Invest far more heavily and take a greatly more proactive role (with the support of the motorcycling community) in motorcycle injury prevention.
 - Take into account socially responsible and holistic considerations, not mere “accountancy for accountancy’s sake”.
 - Stop trying to turn into an insurance company.
- BRONZ (Auckland) also assert that the behaviour of the ACC has compromised and discredited the submission process.

The remaining 19 significant submitters do not explicitly agree or disagree with the proposal. Instead, they typically highlight specific areas of concern and/or offered suggestions for improving the ACC Scheme and the Levy Consultation process. Below is a summary of the key themes raised in these submissions.

Many expressed concerns at the added pressure levy increases place on businesses, workers and motor vehicle owners during a recession and cost-of-living crisis

While many submitters understand the need for levies to respond to increased costs, they are however concerned about the level of some increases and the pressure this puts on businesses, workers and motor vehicle owners during challenging economic times and cost-of-living pressures.

Some highlight the pressures experienced by their sector. HNZ, for example, note that the horticulture sector has faced numerous challenges in recent years. These include natural disasters, the COVID-19 pandemic, low crop yields, labour shortages, as well as the present cost-of-living crisis and recession. They note that employers have also been burdened by rising costs including increases in the minimum wage and expanded sick leave entitlements. Some small businesses, HNZ suggest, are barely meeting bottom lines, and any increase has a significant impact.

There are expectations for ACC to lift their performance and improve efficiencies

Some submitters made it clear that with the proposed levy increases, there is an expectation that ACC’s performance will improve accordingly, particularly in terms of limiting costs and improving financial performance across the organisation.

To achieve greater efficiencies, RCSA, WPMA and BusinessNZ urge ACC to take a more proactive stance in enhancing its claims’ management processes. They believe there is significant room for improvement in how claims are accepted, monitored, and managed to ensure injured individuals receive prompt and effective treatment. In their view, this approach would not only benefit claimants but also help control costs and mitigate the need for substantial levy increases. The Initiative similarly suggest that ACC should work to contain the rising costs of claims; maximise returns from its investments; ensure its accounts are fully funded; and minimise cross-subsidisation within its accounts.

Given ACC's position as a monopoly provider, RCSA see it as crucial that the organisation remains highly responsive to the needs of both levy payers and claimants, striving to deliver timely, appropriate care while maintaining cost-effectiveness.

Foodstuffs expressed concern that although ACC is recommending an increase to all levy rates over the next three years, the proposed levy increases would still be set up to 46% below the cost of supporting injuries each year. They see it as imperative that ACC focuses on efficiency and cost-effectiveness to restrain the total cost of the Scheme and, thereby, reduce the impact on levies. In Foodstuffs' view, ACC should do this by making further improvements to case management and rehabilitation programmes to speed claimants' return to work, taking steps to minimise fraudulent claims, and efficiently managing the Corporation.

Many submitters call for greater levels of transparency and independent audits

Many submitters would like to see greater transparency with respect to the levy setting processes, including regular updates on the cost of claims.

For some submitters greater transparency involves ACC providing clear supporting claims data and analysis on all the levy classifications in a manner that is understood by levy payers, not just actuaries. They think it prudent that ACC justify any increases (or decreases) that exceed 20%. ACC should, furthermore, apply a cap to individual levy classifications to prevent large changes as per the current proposal.

BusinessNZ and WPMA note that, in regard to the Funding Policy Statement, ACC should be required to publicly explain why premiums are not adjusted to bring reserves to a fully funded state within 3 years if the proportion of claims liability funded falls below 100%. Conversely, if projected premiums are significantly higher than required to maintain a fully funded account (e.g. 110%), ACC should provide reasons for retaining such funds rather than returning them to premium payers.

BusinessNZ and WPMA also believe ACC's proposed premiums, and the rationale for such premiums, should be audited by independent third-party actuaries, with the results made public to ensure transparency in the premium setting process.

Given that ACC is a statutory monopoly, some submitters request that if the Minister decides to reject or modify ACC's premium recommendations, the reasons for doing so - including actuarial analysis - should be made public. In their view, this will allow both premium payers and ACC to scrutinise the Minister's decision and ensure that levy decisions are consistent with the Accident Compensation Act and associated Funding Policy Statement.

There are concerns over the inequitable nature of some proposals

For example, while CA ANZ support smoothing in the short term to keep levies as stable as possible, they suggest longer-term smoothing raises equity issues. They note that similar issues arise with cross subsidisation of accounts, specifically citing the current underfunding of the Earners' Account.

More specific concerns over inequities are highlighted throughout the report in relation to specific proposals.

Some question the sustainability of certain areas in the Scheme and the risk this poses

BusinessNZ and CA ANZ expressed concern over the Earners' Account underfunding and the risk this presents to future levy payers. CA ANZ consider it important that the Earners' Account is returned to full funding as soon as possible. They note that ACC's overall performance (cost savings for treatment, injury prevention and investment returns) will also impact sustainability and the amount needed to be collected from levy payers across all accounts.

BusinessNZ suggest that ACCs proposed premium-smoothing policy over the 10-year timeframe should be reduced to between 3-5 years. In their opinion, this would ensure the rates facing premium-payers are not unnecessarily distorted and more accurately reflect the true costs of the various ACC accounts. Reducing the timeframe would, in their view, also minimise the risk of scheme changes increasing costs without

immediate rate adjustments. They also note that if caps on aggregate levy changes are to be retained, they should be set at a much higher level than the current 5% to minimise the risk of over- or under-funding

Submitters want ACC to take a more proactive role in injury prevention

Many submitters are concerned that ACC is proposing to increase levies to subsidise injury rates and costs, rather than adopting a comprehensive government approach to address the underlying causes through injury prevention initiatives.

WPMA, for example, are supportive of ACC levy funding being allocated towards programmes that are aimed at reducing harm in the workplace. They note that despite ongoing efforts, the manufacturing sector continues to experience a high rate of work-related injuries compared to other industries, which have seen a decline in harm rates through concerted efforts.

WPMA note that addressing the challenge of reducing harm requires a focused approach. They recommend a 'collective impact' approach involving identifying high-risk areas, understanding prevalence, and collaboration to design effective solutions, foster innovation, and sharing of experiences and insights.

CA ANZ similarly assert that, regarding the Motor Vehicle Account, they would prefer that ACC levies be used to fund injury prevention and treatment and not to influence consumer choices.

Some want greater engagement, a longer consultation period, and a return to biennial reviews

RCNZ, for example, suggest ACC improves its stakeholder engagement processes, specifically regarding sharing industry specific claim numbers and cost of claim data, and provide a clear rationale as to why they are proposing levy changes. RCNZ request a meeting with ACC decision-makers to discuss how both parties can contribute to a stronger strategic relationship. RCNZ also notes that a consultation period of less than 4 weeks is unacceptable.

Several submitters view the move from a two to a three-year levy consultation period as a cost saving exercise that does not serve employers (the levy payer). In their view, it serves only ACC by minimising the frequency of doing consultations. They want ACC to consider moving back to at least a two-year cycle if not annually.

Some submitters want the Government to reintroduce competition in the provision of accident insurance

The New Zealand Initiative, for example, note that because ACC is a monopoly provider, it does not face competitive pressure to be more efficient and effective. The Government, they suggest, should therefore consider reintroducing competition in the provision of accident insurance.

WPMA also recommend that, over the medium term, the Government considers reintroducing contestability in the provision of accident insurance cover. This, they suggest, would ensure improved outcomes for both levy payers and claimants under the scheme while retaining its essential no-fault nature.

ACC's response

ACC has an Investment Plan in place that targets short-term and systemic longer-term changes to improve rehabilitation performance. Key elements of the Investment Plan are underway including:

- introducing a one-to-one case management approach for all new and low-complexity weekly compensation claims,
- establishing a new team to enhance the support for some of our long-term clients and helping them back to independence where possible,
- how we commission services to improve the efficiency and sustainability of ACC
- Investing into injury prevention programmes helping keep Kiwis safe.

We believe the work in place will have a positive impact and we're already starting to see signs of improvement in our short-term recovery rates.

However, the levied Accounts at this moment are under-levied, meaning the levies we charge are less than the costs of the injuries that happen in the year (the amount of levy that equals the cost of injuries for that year is called the break-even levy). For the Motor Vehicle Account the proposed increase in 2025/26 still leaves the levy 47% below the cost of injuries expected from that year. While the actions ACC is taking and will continue to take can reduce the cost of injuries and therefore the break-even levy, they cannot change the fact that over time the levy must eventually increase to match the break-even levy rate. The breakeven levy rate in the Motor Vehicle Account in the last year of the levy round (2027/28) is \$247.46 compared to the current levy of \$113.94.

Regular, small levy increases is the best way to manage the long-term sustainability of the Scheme and ensures that we won't leave a debt to future generations.

Most of the levied Accounts have experienced long periods of no levy increases. If the proposed levy increases are not adopted, then levy payers in 2037/38 will inherit a ACC Scheme that needs \$15.9 billion more in levies than they would if the levies had been increased as proposed.

Feedback on the Funding Policy Statement and the frequency of levy reviews is welcomed and has been passed onto MBIE who are able to advise the Minister for ACC on these matters.

In terms of the integrity of the pricing approach used by ACC, we are confident there is a good assurance process associated with our practice. The valuation of the liability of the Accounts is undertaken by an independent external actuarial team. This valuation forms the basis for the development of the levy rates proposed by ACC. MBIE assess ACC's pricing results using a second independent actuarial organisation.

We acknowledge the significant response from the motorcycling community to the three proposals that directly impact them and the proposal to increase the aggregate levy in the Motor Vehicle Account. As a result of the feedback, we have recommended some changes to the proposals, for Government to consider. These changes include increases to the petrol levy, rather than having all the increases put on the vehicle licensing (rego), and changes to the timing of the implementation of the motorcycle proposals.

We are satisfied the data shows a difference in risk profile (risk being injury frequency and severity/cost of injury) between different sized bikes. The data we provided in the consultation document clearly shows that it is the cost on injuries per vehicle, not injury frequency, that drives the difference between bikes of different sizes. It is unfortunate that after 10 years of providing data to the motorcycling community, and having independent assessment of the pricing approach, that the community still holds on to misinformation. The arguments presented by the community are insufficient to change our view of the levy to charge motorcycle owners.

To address concerns of owners of multiple motorcycles, ACC is working with the Ministry of Transport and NZTA, to assess the opportunity to collect ACC levies with Road User Charges in the future. Regardless of how the levy is collected (user pays, per vehicle or per registered owner) ACC would expect to collect the same total amount from motorcycle use, as it has proposed in this levy round.

Motor Vehicle Account

Should ACC increase the average Motor Vehicle levy rate?

ACC is proposing to increase the average Motor Vehicle levy from \$113.94 to \$122.84 in 2025/26, \$131.94 in 2026/27 and \$141.69 in 2027/28.

Consultation question(s)

1. We propose increasing the average levy rate for motor vehicles from \$113.94 to \$122.84 next year and then gradually increasing it to \$141.69 over the following two years. Let us know what you think about the proposed increases.
2. Do you think the balance between collecting levies for petrol-driven vehicles from petrol use (currently 48%) and collecting them when vehicles are licensed (registration) is right?
3. Do you have any specific feedback on the proposed levy rates for the different vehicle classes?

Consultation feedback

2,770

Total
submissions

17

Significant
submissions

Sentiment

● Agree ● Disagree

General sentiment disagrees with the proposal

7%

93%

Most submitters (93%) did not support ACC's proposal to increase the average Motor Vehicle levy rate and provided largely negative feedback on proposed levy rates for the different vehicle classes.

We heard that:

- the proposed changes are not reflective of risk and risky behaviours
- that levy increases are not appropriate considering ACC levy costs are already high, and people are experiencing cost of living pressures
- that it is unfair that cyclists, users of e-scooters and other unregistered motor vehicles did not pay ACC levies when they also harm themselves and others on the roads.

Motorcyclists in particular told us they felt unfairly singled out by the consultation proposals, telling us that it is unfair for motorcyclists to pay a 'levy per bike' considering that most own multiple motorcycles but can only ride one at a time.



Feedback on this proposal is likely to be impacted by the sample – a high proportion of submissions are from people who identified as motorcyclists, or their representative groups.

Alongside the proposed increase to average Motor Vehicle levy rates, we consulted on 3 levy system change proposals that impact motorcyclists (changes to motorcycle owners' contribution to the costs of injuries (page 44), classification of motorcycles (page 48), and introducing a levy discount to riders who complete advanced safety training (page 52).

This likely contributed to the large volume of submissions we received that focused specifically on impacts to motorcyclists across all Motor Vehicle related proposals, which is reflected in our analysis.

39% of SYA and email submissions on this proposal included written feedback (n=1080). Key themes were that:

Submitters felt that ACC is not targeting Motor Vehicle levy increases to risk and risky behaviour.

Many submitters highlighted that ACC does not levy cyclists, e-scooters or unregistered motor vehicles (such as off-road and farm bikes), or high-risk recreational transport like mountain biking, despite users of these vehicles harming themselves and others on the roads. We also heard that is unfair ACC does not consider risks that are outside of a motorist's control like the quality of our roads, or when other vehicles were at fault.

"1.8million people pay NO ACC levy to be on the road and they ride with little more protection than a half helmet and a lycra onesie."

"The biggest increase in risk on the road over recent years has been the major deterioration in the quality of the roads. The pot holes, flooded or washed out corners from blocked culverts and chip seal laying on corners is getting worse each year."

Motorcyclists also highlighted specific areas where ACC's levying approach to risk falls short, specifically that:

- ACC does not consider personal factors when determining levies like a rider's age and length of riding experience, training courses attended, claim history, and use of protective equipment and gear. There is a sentiment that private insurance companies reflect risk well and motorcyclists query why ACC cannot do the same.
- ACC's proposed levy increase will unfairly impact highly competent and compliant motorcyclists. Motorcyclists who identify as enthusiast and hobbyist riders feel they are subsidising non-compliant riders who are more likely to injure themselves.

We received similar feedback from motorcyclists in submissions specifically responding to levy system change proposals concerning changes to motorcycle owners' contribution to the costs of injuries (page 44), classification of motorcycles (page 48). See these sections for more detail.

Many submitters did not agree with the proposed levy rates for different vehicle classes. This feedback was mainly concerned with the rates for motorcycles. Key themes were that:

- because many motorcyclists tend to own multiple bikes, but can only ride one bike at a time, it is unfair and not representative of a rider's true risk to be levied simultaneously on a per-bike basis
- that the increases did not take into account other levy contributions of motorcyclists: many also own cars and pay levies on these vehicles as well as levies as employees and/or business owners
- motorcyclists who own and register multiple bikes feel they are subsidising other road users who do not pay levies (such as cyclists, e-scooters, farm bikes).

"I have multiple motorcycles but can only ride one at a time, yet I have to pay three separate registrations and levies!"

"I am being unfairly double charged by owning both a petrol motorcycle and a petrol car. The charges should go against an individual driver's licence not per vehicle."

"It is discriminatory to motorcyclists to continue to increase ACC levies on us when so many non-road-based sport activities with high accident statistics are not treated in the same manner."

We also received feedback on levy rates for different vehicle classes in submissions responding to our proposal to reclassify battery electric vehicles and petrol hybrid electric vehicles (page 56). See this section for more detail.

We heard that it is not the right time to increase levies; levy costs are already high and people are facing cost of living pressures. Again, the bulk of this feedback was provided by submitters who identified as motorcyclists, who told us that the proposed increases will place significant financial burden on people who use their motorcycles for economic necessity. Some highlighted that motorcycles are an accessible form of transport, particularly in rural communities.

There was significant concern raised by many submitters that **increasing motorcycle levies will result in more people not registering their bikes**, impacting legal access to transport especially in lower socio-economic and rural areas. Motorcyclists tell us they are already aware of a significant portion of riders not registering their bikes – or swapping plates – to avoid high costs. Some told us they do this themselves.

“It’s already cheaper to pay 3x no rego fines to the police than to license a motorcycle”

“I am a single parent who uses her motorbike to commute especially in busy times like rush hour. Having a bike saves me money in petrol. Please don’t increase this levy. Keep the levy down so I can still afford to ride please.”

There was also a sentiment shared, by motorcyclists and their representative groups, that they felt unfairly targeted by the proposed levy increases, noting that similar proposals had also featured in past levy consultations. Some referenced past action when over 9,000 motorcyclists gathered at parliament in protest of *“unjust and excessive actions from ACC”* targeted at motorcyclists, saying that such action could be repeated.

Motorcyclists also expressed concerns about the evidence used to support proposals. Many did not support the reasoning behind levy increases, citing a lack of transparency about what was or wasn’t counted in the ACC claims data. Examples given includes a lack of clarity from ACC on the contribution of unregistered and off-road bikes to the motorcycle claims data used to develop proposals, as well as limited evidence provided by ACC for basing motorcycle levy rates on engine capacity. There was some sentiment shared that proposals had intentionally not been developed on the best available evidence as this would produce less money in levies.

“I object to the levy increases being based on engine capacity. There is NO factual proof, evidence, nor statistics showing that the size of a motorcycle’s engine capacity is directly proportionate to claims or costs, for injuries. I wish to ask if the engine capacity is even recorded in accident?”

Many submitters suggested ACC consider alternative approaches to collect motorcycle levies

Given the large volume of submissions that responded specifically to the impact of the levy increase on motorcycles, we received many that provided alternative suggestions for how this levy could be collected. The most popular suggestions were:

‘Levy the rider, not the bike’ as a better reflection of risk and is fairer on people who own multiple bikes and/or vehicles. This could be done through:

- charging the levy on the most ‘expensive’ bike first, with no levy or significantly reduced rates for later bikes
- charging on licences, with people charged on the highest risk vehicle they are licensed to drive. This introduces the possibility of including other factors relating to a driver’s history in levies calculation.

“Multiple bikes means multiple charges with no increased risk - one charge per rider not per bike”

Collecting levies through petrol and scrapping motorcycle registration was another suggestion that could ensure all off-road modes of transportation that rely on petrol, including unregistered vehicles, will be

paying ACC levies. At the same time, electric and hybrid vehicles should continue to pay ACC levies through their registration.

Removing the petrol levy: Some suggested collecting levies for petrol-driven vehicles at registration time. This will ensure that electric and hybrid vehicles will pay their fair share of contribution as they are just as likely to be in accident as petrol vehicles.

A **‘Single levy for all vehicles’** was another suggestion.

“I disagree with the proposal to pay multiple levies across all vehicles when I can only use one at a time. All road users should be treated equally, not singled out based on vehicle type, weight and engine size.”

“The ACC levy should be spread equally across all vehicles that use the road.”

Significant submissions

17 significant submissions provided feedback on this proposal, 8 of which were essentially the same.

4 significant submitters broadly support the proposed changes to the Motor Vehicle Account but also expressed concern over certain aspects of the proposal: **BusinessNZ**, **NZ Automobile Association (AA)**, **Chartered Accountants Australia and New Zealand (CA ANZ)**, and **Motor Industry Association (MIA)**. Their submissions highlight the following:

- BusinessNZ expressed concern over the significant degree of cross-subsidisation still in the Motor Vehicle Account, particularly regarding motorcyclists who, as a group, continue to be heavily subsidised by motor vehicle owners. They note that other modes of transport, such as cycling, are also not included within the ACC levy framework and are, therefore, effectively subsidised by other road users.
- BusinessNZ recommend a thorough investigation of the Motor Vehicle Account funding to align associated costs more closely with claimants based on risk, not vehicle type or transport mode. They note that if, after a thorough review of the Motor Vehicle Account, the ACC Board and the Government find a sound public policy reason for the continued cross-subsidisation of motorcyclists or other road users, the nature of the subsidisation should be made transparent.
- The AA expressed concern about the high rates proposed for the Motor Vehicle levy compared to the Work Account and the Earners’ Account. Specifically, that the Motor Vehicle rate proposals are around 38% more per annum than the other two accounts. They also note that the proposal comes at a time when annual inflation is 3.3% and New Zealand’s annual GDP growth rate to June 2024 is -0.2%. Given the economy is not in a robust state, the AA are concerned that any additional charges to motorists will add to cost-of-living pressures.
- Because many New Zealanders are still facing difficult financial times, the AA would like to see the annual increase for 2025/26 less than the proposed 7.8%. By deferring the increases to the latter part of the review period, hopefully economic conditions will have improved, and people will be better able to absorb the increases. They also suggest a distance-based levy for all vehicles is the best course of action but recognise that it may take time to implement. As an interim, they suggest a mixture of levy collection methods: from petrol and registration.
- The AA provide the following suggestions:
 - Consider increasing the 6 cents per litre petrol ACC levy and, depending on the size of the increase, decreasing the size of the registration component of the levy. A 1 or 2 cent increase in the petrol levy will be less noticeable to the average motorist than a larger one-off increase to the registration fee.
 - Collecting a portion of the levy via a charge per litre is the cheapest way to collect revenue and the hardest to evade. Also, it addresses the concerns of multiple vehicle owners who pay a

registration fee for each vehicle yet can only drive or ride one at a time. The collection via a petrol charge per litre partly mitigates this issue of “double dipping”.

- CAANZ agree that it is fairer that owners pay a levy amount that reflects the risk of their class of vehicle but suggest a wider discussion is needed in terms of what is considered a fair contribution to be made by motorcyclists given that 72% of motorcycle related costs are currently born by other motor vehicle users.
- The MIA’s submission notes that motorists face a convergence of significant cost increases and policy changes in the near future. These include rising vehicle registration fees, higher ACC levies, increased Fuel Excise Duty, the introduction of Road User Charges on petrol vehicles, and potential costs from time-of-use charging and tolling. The cumulative effect of these changes, MIA suggest, will place a heavy financial burden on consumers, all of which must be carefully navigated and managed.
- The MIA suggest that while the impacts of inflationary cost pressure are well understood and generally accepted, concern remains regarding the need for a more prominent focus on ACC systems improvement in future. In their view, the efficiency and effectiveness of underlying systems, those that monitor, manage, control, and minimise claim costs, are critical to ensuring the long-term affordability and viability of the scheme for all.

3 significant submitters oppose the proposed changes to the Motor Vehicle Account: **Horticulture NZ (HNZ)**, **Rural Contracting NZ (RCNZ)**, and **NZ Shearing Contractors Association (NZSCA)**. Their submissions highlight the following:

- HNZ does not support the proposed increases to the Motor Vehicle levy for the following reasons:
 - The increased financial burden it places on vehicle owners. MIA note that compliance costs for the horticulture industry have increased through environmental and climate change regulatory requirements and the inflated costs of petrol, machinery, fertiliser and seed/seedlings. Some small businesses, they suggest, are barely meeting bottom lines, and any increase has a significant impact.
 - The proposed increase of 7.8% to the Motor Vehicle Account for the 2025/26 year will exceed the current rate of inflation (3.3%) by 33%.
 - The impact on transport dependent industries and the flow on affects to consumers. The MIA note that as horticulture businesses often rely on large fleets of vehicles (including trucks, tractors, and other machinery, to run their operations), increased levies on these vehicles will raise operational costs and reduce profit margins making farming less sustainable. This, they suggest, may also contribute to higher prices for fruit and vegetables for the consumer.
 - The limited impact it will have on accident prevention. MIA note that while New Zealander’s understand the motor vehicle levy is designed to cover the costs of treating injuries, rehabilitation, and compensating victims of road accidents, the levy system is more reactive than proactive, with much of the funding allocated to managing the aftermath of accidents rather than preventing them.
- HNZ suggest a multi vehicle discount for multi vehicle registrations. In their view, the risk is not any greater if a driver has more than one vehicle as they can only drive one vehicle at a time. They note that rural and transport dependent businesses, who often rely on multiple vehicles for different purposes (e.g., trucks, utility vehicles, tractors), would particularly benefit from this discount, helping alleviate some of the financial pressure associated with vehicle ownership.
- RCNZ opposes the proposed 20.7% Motor Vehicle levy increase (2027/28 period) with respect to non-petrol driven tractors on the back of an 83% increase in the previous 2022-2025 period. NZSCA similarly oppose the proposed 24% Motor Vehicle levy increase (2027/28 period) with respect to non-petrol driven passenger vehicles. Both RCNZ and NZSCA note that without better consultation, and more detailed information and evidence, they cannot determine whether these changes are fair

and equitable. It is their opinion that ACC has not provided any detail with respect to crash analysis data, which is used to determine the risk of motor vehicle classes.

9 significant submitters do not explicitly agree or disagree with the proposed changes to the Motor Vehicle Account but provide suggestions on different aspects: **Ia Ara Aotearoa Transporting New Zealand (TNZ), Manage Group (MG), NZ Security Association (NZSA), Forestry Industry Contractors Association (FICA), Civil Contractors (CCNZ), Building Service Contractors (BSCNZ), Specialist Trade Contractors Federation (STCF), Scaffolding, Access & Rigging NZ (SARNZ), and Crane Association of NZ (CANZ).**

Their submissions note the following:

- TNZ recommend ACC undertake a thorough investigation of the Motor Vehicle Account with a view to aligning associated costs more closely with claimants based on risk rather than vehicle type or transport mode.
- MG, NZSA, FICA, CCNZ, BSCNZ, STCF, SARNZ, and CANZ's separate but same submissions note that while the legislation allows for claims that sit under Conveyance to be classified under the Motor Vehicle Account, it does not specifically state that getting into and out of a cab, which is a core requirement to doing conveying, is not covered. MG, NZSA, FICA, CCNZ, BSCNZ, STCF, SARNZ, and CANZ note that a person cannot do conveying if they cannot get into the driver's seat and, as such, it should be recognised as part of the Conveyance. They recommend that ACC introduces a Business Rule whereby getting into and out of a driver's position is directly covered under Conveyance until the legislation is updated.

ACC's response

Even with the proposed increases of 7.5% per annum the proposed levies are 47% below the cost of claims expected in the year. While the surplus funds in the Account allow for lower levies, the assets are reducing each year, and eventually road users will need to pay the full cost of injuries which for next year would be an average levy of \$233.17 per vehicle in 2025/26.

We are focussed on improving rehabilitation performance and reducing our costs to levy payers. Despite this, we also believe that slow and steady increases in levies over the long-term are necessary to manage the financial risk to the Account of remaining under-levied.

We acknowledge that the current economic conditions are difficult for businesses and households. Submitters suggested that placing the increase on petrol would be preferable as the cost increase would be connected to road use. We have developed an option for spreading the cost between petrol levy increases and vehicle licensing increases which will be presented to the Minister for ACC for consideration. The options would see the petrol levy per litre change in the following way:

- Current 6.0 cents
- 2025/26 6.8 cents
- 2026/27 7.5 cents
- 2027/28 8.3 cents

We are satisfied that the current risk rating approach accurately reflects the relative risk between passenger vehicles, motorcycles, light goods vehicles and heavy goods vehicles. However, it doesn't address concerns about multiple vehicle ownership when there is only one driver. The Government has signalled its intention to move from collecting land transport funding through the Fuel Excise Duty to Road User Charges. Over the next 12-18 months ACC will be exploring options for a levy payable when RUC is purchased. This will allow the levy to be paid based on exposure to risk and would address concerns raised by owners of multiple motorcycles.

Work Account

Should ACC increase the average Work levy rate for employers and self-employed?

ACC is proposing to increase the average Work levy rate for employers and self-employed from \$0.63 to \$0.66 per \$100 of payroll for 2025/26, increasing this to \$0.69 in 2026/27, and \$0.72 in 2027/28.

Consultation question(s)

1. We propose increasing the average levy rate for businesses to \$0.66 per \$100 of liable earnings next year with further \$0.03 per \$100 of liable earnings increases in the next two years. What do you think?
2. The Minister can consider other factors when confirming final rates. Is there anything you'd like him to consider?
3. Would you prefer the levy system to:
 - a) be tailored to recognise the differences in risk exposure between businesses, but with more volatile levy rate changes, or
 - b) have a levy system with more stable levy rates but less recognition of the nature of individual businesses?

Consultation feedback

534

Total
submissions

9

Significant
submissions

Sentiment

● Agree ● Disagree

General sentiment disagrees with the proposal

16%

84%

Most submitters (84%) did not support the proposed increase to the average Work levy, telling us it will negatively impact businesses during a time of financial pressure. Submitters voiced that:

- ACC is not protecting businesses from Scheme misuse
- levies need to better reflect businesses' risk profile and employee activities
- they are concerned about the future viability of their businesses (particularly small businesses)
- ACC should explore cost-saving measures to improve operational efficiency, instead of relying on levy increases.

Submitters preferred option (A) over option (B)

44% of SYA and email submissions on this proposal included written feedback (n=224). Key themes were that:

Businesses, particularly small businesses, are struggling to cope with increasing costs and levies.

Many small business owners tell us they are already struggling to stay afloat due to the high cost of living and current economic climate. The current Work levy rates are already considered an unsustainable burden by many submitters.

"Many small businesses who have barely survived during the Covid pandemic are struggling with the economic downturn. Increasing the levies may be the final nail in the coffin for many struggling small businesses."

“Small business owners are struggling to stay afloat. Our levies are already so high that we need to pay them off. Increasing these is taking money from our families and ability to provide for our kids.”

“As a small business with only 2 employees, we are currently paying over \$5000 per year in acc levies. This cost is already a heavy burden and now you’re asking for more. NZ business is not a government cash cow and there has to be a limit on what the govt can demand.”

We heard that ACC is not doing enough to protect businesses from Scheme misuse. Some submitters, particularly small business owners, shared that they have been subject to Scheme misuse by employees. They view ACC as responsible for facilitating – or not preventing – this misuse and are unhappy paying increased levies when ACC’s service is lacking in this area. Concerns were raised that General Practitioners (GPs) are being too lenient in approving cover for injuries, and employees are abusing the ACC system to the detriment of their employers.

“GPs need to be more strict in just giving out ACC leave - ridiculous how easy it is.”

“More attention can be focused on reducing waste and fraudulent claims. It is a well-known fact among both employees and employers that certain workplace “injuries” are easy to fake or exaggerate for the purpose of receiving easy & “free money” from ACC.”

Some suggested ACC should explore cost-saving measures to improve operational efficiency, instead of relying on levy increases. We heard a similar sentiment in submissions responding to our aggregate levy rate proposals across all accounts – see this section (page 17) for more detail.

“Acc needs to look at its spending rather than increasing levies. This is an easy way out.”

“I believe ACC need to look at optimising internal processes and administration to make internal cost savings rather than just pushing increased costs out to SME’s, with the expectation the increases can just be absorbed.”

In response to our consultation question about how employers and self-employed people would prefer the levy system to be structured, submitters preferred option (A) (91%) (n=53) over option (B) (9%) (n=5). In particular, submitters with low-risk workplaces told us they do not want to be ‘lumped’ with higher-risk professions and pay what they perceive to be disproportionate and unaffordable levies.

“High risk workplaces should pay more. Not a blanket increase. For example, I work from home. My risk is lower than a construction worker”

“Even if you're sitting at home doing virtual work with little physical hazard, you might still end up paying the same levy as someone in an office, which might include some physical risks (like commuting or moving files around)”

“More refined levy categories, especially for low-risk, home-based businesses. This way, the system can better recognise the true risk exposure of different types of work.”

Submitters suggested alternative approaches to collect Work levies:

Some submitters suggested an “opt-out option” where businesses can **take out private insurance instead**.

“I’m pretty sure a long time ago we had the option to take out private insurance for this. We could go back to that model for self-employed people.”

“Introduce an opt out option where businesses can take private insurance”

Submitters feel that **businesses could be incentivised for positive harm prevention systems/practices** in order to reduce claims.

“The work should not hurt programme is another strong predictor of reduced claims if adopted by a business.”

“Prevention is cheaper than rehab. Education for high risk jobs.”

“For example there is evidence that having an appropriate Health and Safety Management System (HSMS) can reduce injury rates by 20%. Frameworks such as Totika could be used to reward businesses who have achieved HSMS.”

Significant submissions

9 significant submissions provided feedback on the Work Account proposal.

2 significant submitters – **BusinessNZ** and **Qantas Group** – support the proposed levy changes to the Work Account. Qantas Group notes that based on their calculations the changes will result in a decrease in levies for Qantas Group entities.

4 significant submitters explicitly oppose the proposal: **Rural Contracting NZ (RCNZ)**, **NZ Shearing Contractors Association (NZSCA)**, **New Zealand Thoroughbred Racing (NZTR)** and **Auckland Business Chamber and the New Zealand Chambers of Commerce Incorporated (NZCCI)**. Their submissions highlight the following:

- Both RCNZ and NZSCA note that the proposed increases to the Work levy rate in their industries (agriculture and fishing services and aquaculture, and shearing LRG) represent an average increase of 23% and 25.6% respectively and are significantly higher than the 4.5% increase across all LRGs.
- NZSCA also note that they do not accept the Shearing LRG claim costs have increased to approximately \$15 million based on industry performance alone. They claim ACC needs to apply fairness, transparency, and ownership with respect to increased claim costs between 2019/20 and 2022/23. They suggest it is these claim costs which have resulted in ACC proposing an on average 25.6% increase in levies over the next three years and that this is grossly unfair.
- NZCCI note that many businesses are already dealing with rising costs, including rates, general insurance, products, transport and wages, as well as compliance burdens. Increasing the levy from \$0.63 to \$0.66 per \$100 of payroll in 2025/26, with further rises in the following years, will in their view only add to these challenges.
- While the NZCCI recognises the importance of supporting recovery and ensuring sufficient funding for claims, they suggest it's crucial that:
 - compliance requirements remain manageable
 - there is stability in levy rates and better clarity for employers as they navigate these uncertain times
 - there is clearer and more straightforward guidance from ACC to help businesses understand the impact of these changes and manage compliance effectively
 - further levy increases are postponed or minimised to give businesses time to recover from the ongoing economic pressures
 - a more stable and predictable compliance environment is critical for businesses to continue operating and in supporting the wider economic recovery
 - that ACC continue to focus on communication and engagement, through partners like Chambers of Commerce throughout New Zealand, who can support the reduction in injuries and claims. This will offset the need for additional levies.
- NZTR recommend lowering the proposed levy for their sector on the basis that significant health and safety initiatives have been introduced in the Thoroughbred industry since the levies were last set.

- NZTR also recommend establishing a separate work classification unit for roles within the Thoroughbred sector that have no, or very limited, contact with horses and, therefore, a lower risk profile. They note that, as it stands, the blanket levy applied to all roles in the sector does not account for the distinction between high-risk roles (jockeys and trackwork riders) and lower-risk roles (such as administrative staff or stable staff). They suggest a more granular approach to levies, that recognises the diverse risk profiles within the industry, would better align with the ACC's goals of fairness and sustainability.

3 significant submitters do not explicitly agree or disagree with the Work Account proposal but instead state their preferred option or highlight other aspects: **LeaderBrand (LB)**, **NZ Federation of Commercial Fisherman (NZFCF)**, and **The Employers and Manufacturing Association (EMA)**.

- LB's submission states their preference in the proposal is for Option B. In their view, Option B would smooth out fluctuations - albeit at the cost of less recognition of individual business activities or specific risk - and would better and more fairly reflect their levies as it does not rely solely on the average risk of one industry. LB note that if Option A is approved, that large businesses, such as theirs, be allowed to split their ACC industry categories, e.g. for LB they would be both manufacturing and vegetable growing. While this may not result in any difference in their levies, it would, they suggest, be more consistent with what they do and their risk profile.
- NZFCF claim that the levy rates should not be as high as proposed, nor should they continue to increase over the 2025-28 period. They submit:
 - There is an error in the calculation of the claim rate for 2021-22, which has inflated the estimate for 2025-26. Insufficient weight has also been ascribed to the declining trend in the number of, value of, and claim rate of ACC claims in the Ocean and Coastal Fishing Levy Group.
 - The proposed ACC levies for the Oceans and Coastal Fishing units are neither fair nor appropriate. NZFCF are concerned the factory vessels may be incurring higher accident claims than the rest of the sector and request ACC review that matter and consideration of a loading for those activities.
 - The claims history for 2021-22 is incorrect and should be reviewed. NZFCF assert the overall trend in the sector is for decreases in the number and cost of claims and that should be reflected in decreases in the ACC levies proposed for 2025-28.
 - The levy calculation methodology does not fairly reward the sector for the improvements it has achieved in health and safety in the sector.
- EMA submit that, given the Work Account is underfunded, there is more need to prevent injuries from occurring to lessen the pressure on the Account into the future. Having a real time and understandable Experience Rating scheme would, they suggest, incentivise employers to spend more on prevention and recovery at work.

ACC's response

The proposed Work Account levy for 2025/26 is 29% below the breakeven levy (the levy that funds the full costs for the year). This can occur because there is a surplus of funding in the Account and the Funding Policy Statement requires ACC not to increase the levy beyond 5% per annum which means the Account will receive \$0.5 billion less over the next three years than is sufficient for the Account.

We are focussed on improving our rehabilitation system, driving better performance and value for money from the services we fund and supporting businesses to manage the risk and consequences of injuries in their workforce. It is our expectation that over the next three years we will deliver a marked improvement in service to the people injured in New Zealand and the levy payers who fund the care they receive.

We acknowledge the feedback around the current Funding Policy Statement. The feedback provided will be passed on to MBIE as the Minister for ACC's policy advisers.

Over the coming 12-18 months ACC will be looking to develop options to improve the efficiency of the levy collection from NZ businesses. We will incorporate businesses preferences about a more tailored levy structure into the work programme.

Earners' Account

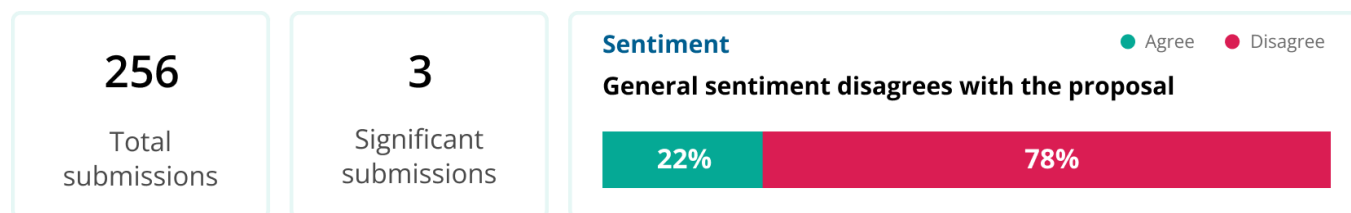
Should ACC increase the Earners' levy rate?

ACC are proposing to increase the Earners' levy rate for workers from \$1.39 per \$100 wages or salary to \$1.45 in 2025/26, \$1.52 in 2026/27 and \$1.59 in 2027/28.

Consultation question(s)

1. Let us know what you think about the proposed increases to the Earners' Account.

Consultation feedback



Over two-thirds of submitters (78%) disagreed with ACC's proposal to increase the Earners' levy rate.¹ Reasons include:

- the financial impact of levy increases on workers and self-employed people
- unwillingness to pay an increase when they believe ACC provide a substandard service, or have had poor experiences with ACC
- concern that ACC is not effectively managing the Scheme nor supporting people to return to work quickly enough
- significant submitters were concerned about underfunding of the Earners' Account and the risk this presents to future levy payers.

40% of SYA and email submissions on this proposal included written feedback (n=102). Key themes were that:

We heard that the proposed increases would have significant financial impacts on workers and self-employed people. Submitters told us that an increase in levies feels inappropriate or ill-considered amidst a cost-of-living crisis. Shareholder employees, self-employed people, and sole traders told us the increases made them concerned about the future of their businesses, as this increase is on top of what they pay through the Work levy.

"With everything increasing in price, businesses are hit hard with these increases - something has to give."

"I have just had an increase to my ACC levy which is 40% more than last year. This seems disproportionate to what I am earning and the small increase I have had in my income."

Many shareholder employees, self-employed people and sole traders told us that, for the purposes of their Work levy, they are under broad industry classification units that do not reflect the (mostly administrative) activities of their business. Having to also pay an Earners' levy increases and compounds the disproportionate costs they are paying through the Work levy compared to their risk.

¹ Some overall sentiment and written feedback for on this proposal captures submitter feedback on changes to the minimum and maximum liable earnings thresholds (page 38) due to the way these questions were group on Shape Your ACC.

“This is a very low-risk injury sector and pays far too much in ACC levies. The Earners; levy rate is an inequitable tax.”

Some submitters shared that they feel they take responsibility for their safety by not engaging in high-risk recreational activities, and they are subsidising people who engage in these activities with this increase.

Many submitters told us they were unwilling to pay higher levies for what they see as a substandard service. Some shared their poor experiences with ACC, including difficulty being able to contact ACC and get reliable support. They feel these increases don’t reflect the service they receive. A small number of submitters highlight ACC’s Next Generation Case Management as an example.

“My son lost a body part in a work accident. He has been shunted through the ACC disorganisation (not organisation) for 2 years! Zero accountability from anyone and we believe the sole objective is to make claimant give up in despair!”

We also heard concern that ACC is not effectively managing the Scheme. Some submitters disagreed with the proposed rate increase because they feel ACC’s performance is falling. Some said ACC is not being responsible with its spending, citing communications, administrative, or executive activities. The effectiveness of ACC’s injury prevention spend was also highlighted,

“Injury Prevention needs to pick up performance according to Minister Doocey on 1 News....Prevention design costs sitting now up to \$230M since 2019 (with no returns). Have a hmmm ACC.....ouch another \$20M”

Alongside this sentiment, some submitters stressed that they feel ACC already has adequate money to cover levy rate increases, whether through running a profit, making money from investments, or available through the wider government reserve.

“ACC has billions already tucked away in investments and collects millions more than it spends.”

Significant submissions

3 significant submissions provided feedback on the Earners’ Account proposal.

Qantas Group do not support any increase in the Earners’ Levy. Their submission notes that the proposed increases indicate a ~5% increase per year for the next three years, which in their view is more than the forecast CPI or labour cost index increases. They recommend this proposal does not proceed and that ACC looks to find cost savings instead.

BusinessNZ and **Wood Processors and Manufacturers Association (WPMA)** do not explicitly disagree with the proposal but do express concern with the underfunding of the Earners’ Account.

- BusinessNZ expressed concern over the Earners’ Account’s significant underfunding and the risk this presents to future levy payers, particularly as the account is projected to decline further in future years. They note that they find it unacceptable for ACC to allow significant deterioration in the Earners’ Account to the extent proposed. *“It is simply reckless. [...] If ACC were a private insurer, the Earners’ Account would be considered insolvent.”*
- BusinessNZ recommend ACC revisit the levy projections for the Earners’ Account to ensure it is rapidly returned to a fully funded position.
- WPMA also suggest ACC revisit its levy projections for the Earners’ Account to ensure it is rapidly returned to a fully funded position. In their view, this is crucial given the financial risks to future levy payers (and potentially the Crown) associated with a significantly underfunded account.

ACC's response

ACC acknowledges the concerns about the cost of living and the implications of increasing the levy at a time when households are under financial pressure. If we do not increase levies this round, it will pass funding deficits to future generations. We estimate that the cost of not increasing the levy will mean that by 2037/38 households will have an additional \$9 billion to pay in levies.

ACC believes that as well as action on improving rehabilitation performance, and getting value for money from the services ACC funds, slow and steady increases to the levy are needed over the medium-term to ensure the Earners' Account is sustainably funded for the future.

We have reassessed our strategic approach to injury prevention as we accept that the investment over the past few years has not created the benefit that we anticipated. We anticipate a more focussed programme of investment targeting more immediate returns to levy payers over the next three years.

Maximum and Minimum Liable Earnings

Should ACC increase both the maximum and minimum amount of liable earnings?

Every year, ACC sets the maximum amount for earnings that people are liable to pay ACC levies. We also set the minimum liable earnings which ensures a full-time self-employed person will be assessed as earning at least this even if their actual earnings are lower or unknown when they injured.

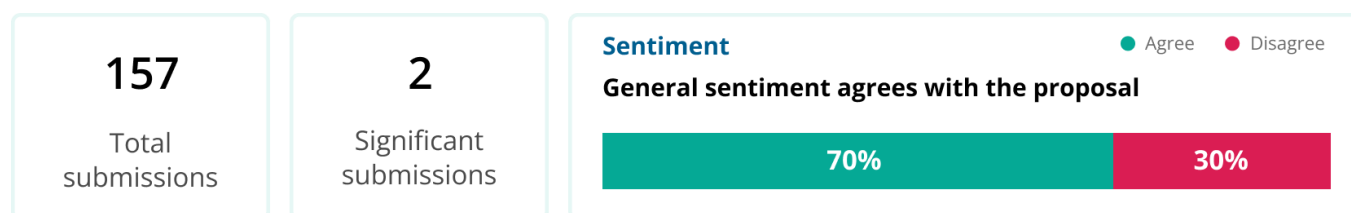
ACC proposes to update the maximum amount in line with changes in the labour cost index and the minimum amount in line with the labour cost estimate and current minimum wage changes.

Consultation question(s)

1. What do you think of our proposal to:

- increase the maximum liable earnings?
- increase the minimum liable earnings?

Consultation feedback



Over two-thirds of submitters (70%) agreed with ACC's proposal to increase both the maximum and minimum liable earnings. Reasons for support included:

- that the proposed changes to the amounts reflect inflation and wage changes
- that the proposed increase in **minimum liable earnings creates a 'safety net' for low earners**
- that the proposed increase in maximum liable earnings is set at the right level so that higher income earners/more financially successful businesses are not disadvantaged.

31% of SYA and email submissions on this proposal included written feedback (n=49). Key themes were that:

Submitters who supported the proposed increases tended to agree with ACC's reasoning for **aligning the amounts with labour cost and minimum wage changes**. Some specifically supported the increase to the minimum liable amount for this reason, to ensure that people earning lower incomes received adequate compensation if injured.

"The system needs to regularly update this to align itself with inflation trends."

"This seems fair to adjust the amounts to reflect inflation etc"

"Yes, this makes sense to line with inflation, and to not disadvantage low income earners"

Disagreement with the proposal was largely centred on the increase to the **minimum liable amount, with self-employed and part-time workers telling us the amount is too high given their low incomes**.

Some suggested it would be fairer to pay based on their actual earnings, or to have the option to 'opt out' of the Scheme.

“As a sole trader with a small business that doesn't make much and is very low risk, I find the levies excessive and feel it should be based on income. If I am only earning 25k, paying levies on 45k is very excessive. There should be no minimum. You pay based on your actual earning.”

“While having lower income, it's big impact to have a acc bill to pay. it is better to reduce minimum liable earnings”

“The minimum is way more than many self employed people earn.”

“The minimum is already difficult to support if you are only working part-time. And despite what is said here, there is no guarantee of support if you get injured. There should be an option for part-time self employed people to opt out of income assistance (as it is already hardly ever paid out as it is difficult to prove income loss) and then subsequently have no minimum income to pay for”

Alongside general sentiment (agree/disagree), we also asked optional questions about support for increasing the maximum and minimum liable earnings amounts that submitters could respond to in the Shape Your ACC feedback form for the Earners' Account or Minimum & Maximum Liable Earnings proposals. 102 submitters responded to these questions. **In contrast to general sentiment, responses to these individual questions tended to disagree with the proposed increases:**

- 65% (n=28) disagreed with increasing the maximum amount
- 59% (n=35) disagreed with increasing the minimum amount.

It is likely that this difference in sentiment is due to the sample of submitters who responded to these specific questions – many identified as small or low-earning business owners or sole traders.

General feedback about ACC's use of minimum and maximum liable earnings

Some feedback was less focused on the proposed increases in the minimum and maximum amounts, and submitters instead provided general views on ACC's use of minimum and maximum liable earnings.

Some submitters felt that the **existence of a minimum liable earnings creates an incentive for those on lower incomes to claim ACC**, encouraging Scheme misuse.

“By increasing minimum you could create a situation where it is more beneficial to stay on claim than to go back to work”

Others told us that ACC should **increase or remove the maximum liable earnings threshold (but keep the cap on maximum weekly compensation) so that contributions from higher-earning individuals can subsidise those on lower incomes**. These submitters told us that ‘ACC for all’ means people should pay into the Scheme according to their income to subsidise those less financially able, similar to progressive taxation. To do this, some suggested removing the upper limit and lower limits to liable earnings.

“The higher income brackets can afford a bit more to lessen the impact on the lower end.”

“There should not be maximum liable earning, only maximum compensation. Very high earners can afford income protection insurance.”

Some submitters wanted to be able to **opt out of ACC levies (and cover) and organise private cover to have more choice over the compensation they receive and the cost they pay for that cover**. This sentiment was mainly shared by people who identified as small business owners, self-employed, or part-time workers, who say minimum liable earnings make their levies unaffordable, and want to be able to opt out of ACC to get more flexible cover through private companies.

“If you are self funding you should be able to chose what amount of income you deem necessary to support yourself after an accident, not what the state mandates. If I want less then the minimum I should be able to choose this and pay less premium.”

Significant submissions

2 significant submissions provided feedback on this proposal.

Qantas Group support the proposal, noting it will provide better coverage for both lower and higher earners and is appropriate as it reflects the impacts of inflation in terms of the cost of living.

Horticulture New Zealand do not support the proposal, noting that:

- the proposed increases will increase the financial burden on employers, particularly small businesses who have less capacity to absorb additional costs.
- raising the minimum and maximum earnings does not necessarily incentivise businesses to invest more in workplace safety or injury prevention programmes. Instead, it may feel like an arbitrary increase in costs, with no direct link to actual risk reduction.

ACC's response

Maximum liable earnings set the upper boundary for wage replacement for which ACC is able to provide cover. It also sets the maximum amount of wages that ACC levies against. The salary and wage data published by IRD, shows that in 2024, 92% of wage and salary earners have an income less than the maximum liable earnings level. This represents around 76% of the wages and salaries paid by employers in that year. Increasing the liable earnings maximum to keep in-line with inflation, ensures that the maximum compensation available to injured workers keeps up with the changes to their income over the three years of the levy round, and ensures that 92% of workers remain fully covered by ACC.

The minimum liable earnings threshold impacts levy payers who are self-employed and mixed earners – people who are self-employed and also have employee earnings from a PAYE job(s) and/or shareholder income. For mixed earners in the situation where the combined earnings is under the minimum level and the person is working full-time (30+hours per week) then the liable earnings is assessed as the minimum liable earnings less any employee/shareholder employee earnings.

This approach ensures that the levy charged covers the cost of providing the minimum rate of weekly compensation if income support is required beyond 4 weeks. Adjusting for expected inflation keeps the levy and compensation levels aligned with changes in the economy.

Accredited Employers Programme

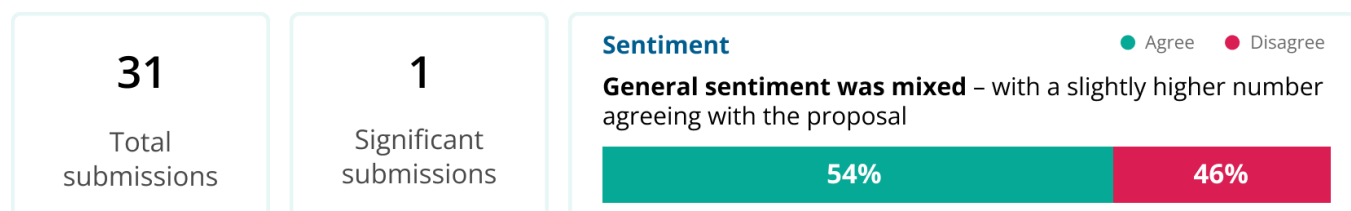
Should ACC make the proposed levy changes to the Accredited Employers Programme?

In each levy round, ACC reviews the factors used to calculate the levy charged to accredited employers. This ensures the levies charged consider changes in cost of treatment, the cost of running the ACC scheme, and changes in injury frequency and severity. ACC is proposing several changes to these factors from 2025/26.

Consultation question(s)

1. What do you think of our proposed changes to factors for the Accredited Employers Programme?
2. What do you think of our proposed decreases to the discounts available under the Partnership Discount Plan?

Consultation feedback



Based on sentiment feedback, just over half of submitters (54%) agreed with the proposal.

While written feedback was limited, these submissions were less supportive, noting:

- increased costs for reduced benefit
- that providing bigger discounts for employers or industries with lower claims costs is fair.



Given the nature of the Accredited Employers Programme, and its applicability to larger businesses, we received a low volume of written feedback from public submissions on this proposal (n=7 (23%) provided written feedback). We received feedback from one significant submitter – BDSL Group – which is summarised in the ‘Significant submissions’ section below.

Written feedback from non-significant submitters highlighted that **fixed costs have increased, while percentage discounts have decreased**, questioning the intended benefit.

“% are down and fixed fees are up. Who might that impact most?”

We also received general commentary regarding the **inability to opt out of ACC** and the **tension with private insurance**.

“I wish to opt out of the scheme. In a tight business environment it is a real waste of money that I already spend.”

One commentator told us that it is **fair for industries with a higher percentage of low-cost claims to receive a larger discount**, as they have made **greater contributions during the claims management period**.

“I think it is fair as an industry with a high percentage of low-cost claims will receive a larger discount because it will have contributed a higher proportion of payments during its claims management period.”

Significant submissions

1 significant submission provided feedback on this proposal.

BSDL Group (includes Carters stores/branches) does not support the proposal. Their submission expressed disappointed with the proposed year-on-year cost increases for what they see as effectively a self-insurance scheme. They note that “[e]mployers are facing the same cost increases and revenue difficulties the ACC states as the reasons for the various increases yet have no choice but to wear the broadcast increases”.

BSDL Group request that consideration be given to allowing businesses in the Accredited Employers Programme (AEP) to source this insurance on the open market to promote price competition. In their view, this approach would better allow for their experience to form part of the pricing approach. Alternatively, that consideration be given to incorporating a “no-claim bonus” for those businesses in the AEP, with effective self-insurance operations, which would incentivise good performers through reduced cost and incentivise poor performers (to improve their operation) through increased cost pressure. For this option, BSDL recommend that premiums should not increase at the same rate for those in the AEP that never make a claim.

ACC’s response

Prior to levy consultation, ACC undertook a full review of the AEP pricing methodology and removed margins that were previously included that were considered no longer necessary. We are satisfied that the proposed pricing is reasonable and reflects the risk the anticipated claims from accredited employers present to the scheme.

The proposed changes reflect changes in the economy, increasing costs of services that are bulk funded which accredited employers are not able to fund directly, as well as broader changes to costs in the Work Account. For stop loss and high-cost claim cover the changes reflect the increasing liability associated with these claims that will ultimately be paid by ACC.

For individual businesses, the impact will depend on the mix of stop loss and high-cost claims cover. ACC suggests businesses consider reviewing their current arrangements to balance their costs with the risk they are prepared to take on.

Levy System Change Proposals

Ngā huringa ki te pūnaha tono utu a ACC

In addition to the levy rate proposals for 2025/26 – 2027/28, ACC and the Minister for ACC consulted on **10 proposals** on potential changes to the levy system.

Motor Vehicle Account proposals included:

- changes to motorcycle owners' contribution to the costs of injuries, classification of motorcycles, and introducing a levy discount to riders who complete advanced safety training
- reclassifying battery electric vehicles and petrol hybrid electric vehicles
- closing the Fleet Saver programme.

Work Account proposals included:

- removing the No Claims Discount and changes to the Experience Rating programme
- changes to the threshold for medical fees and treatment costs that are considered in Experience Rating calculations
- changes to how home improvement stores, professional sports and ballet are classified.
- changes to the interest charged on payment plans, penalty interest and credit interest.

We received **4,541 submissions** that gave feedback on these proposals. The following section summarises the feedback received for each proposal, along with ACC's response.



Increasing motorcycle owners' contribution to the costs of injuries

Should ACC increase the levy contribution of motorcycle owners?

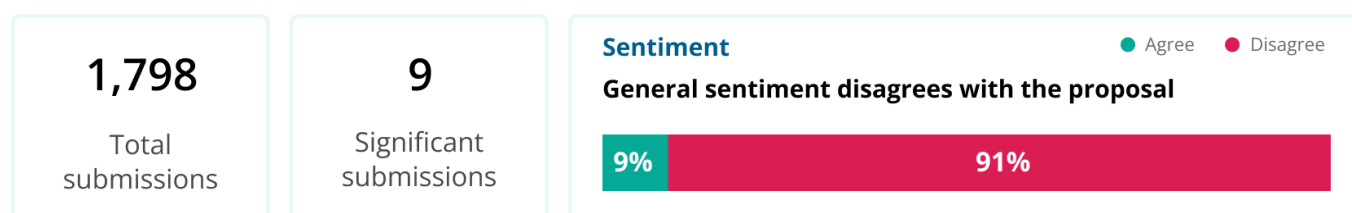
ACC proposes to increase motorcycle levies to ensure that motorcycle owners contribute more to the cost of single-vehicle crashes, that occur on a public road, where the rider's actions have contributed to the crash. Currently, owners of other types of vehicles pay for about 72% of the cost of injuries to motorcyclists that happen on public roads. Levies from motorcycle owners cover the remaining 28% of the cost of injuries to riders and their pillion. Motorcycles are the only class of vehicle that pays less than 100% of their associated costs.

From 1 July 2025, ACC proposes to increase the levy contribution that motorcycle owners make to the costs of injuries from accidents involving motorcycles from 28% to 33%.

Consultation question(s)

1. Do you support ACC's proposal to increase the contribution that motorcycle owners make towards the cost of injuries from accidents on the road?

Consultation feedback



Almost all submitters (91%) disagree with ACC's proposal to increase motorcycle owners' levy contribution. Reasons included:

- disagreement with the way ACC classify risk for motorcycles, with a preference that ACC levy 'the rider, not the bike'
- concerns that increased registration costs created by the proposal will lead to levy evasion and people not registering their bikes
- concerns that the proposed increase in costs together with the application of a registration levy per bike unfairly disadvantages motorcyclists with a higher financial burden than other road users
- a clear conflict between ACC assigning high levels of risk to motorcyclists and the 'no fault' principle of the ACC Scheme.



Note that as with the Motor Vehicle levy rate proposal, a high proportion of submissions on this proposal were received from people who identified as motorcyclists, or their representative groups.

51% of SYA and email submissions on this proposal included written feedback (n=908). Key themes were that:

We heard a strong sentiment from submitters who told us that as motorcyclists they already have high levy costs, and already also contribute to the ACC Scheme as earners, business owners and car

drivers. They also feel the proposed increase in contribution is unfair given motorcyclists have been previously subject to higher levy increases than other groups.

“No. Majority of us motorcyclists are already car drivers and employed and already contribute to ACC levies. Is this not double/triple dipping?”

“No, the collection method is flawed. I already pay multiple acc levies when I can only ride a single bike, or drive a single car.”

“I motorcycle maby once a month but pay 3 x the road tax. I pay ACC on everything and get nothing in return.”

Many submitters raised concerns that the proposed increase in costs, together with the application of a registration levy per bike, places a unfairly high financial burden on motorcyclists compared to other road users. We heard that increased registration costs created by the proposal **will lead to people not registering their bikes.**

Submitters told us that the **way ACC classifies risk and collects levies for motorcycles is wrong.** This is a sentiment that has also been shared through past levy consultations. Key concerns are that the current approach:

- doesn't account for road quality or car mistakes in single motorcycle crashes
- unfairly impacts highly compliant riders or riders with multiple bikes
- that the use of cc's as a proxy for risk is flawed. Similar feedback on the use of cc's in ACC classification of motorcycles for levy purposes was received on our proposal to change the classification of motorcycles (page 48). See this section for more detail.

“No, most motorcycle injuries are caused by other road users or the condition of our NZ roads. As motorcyclist we are far more aware of our surroundings and other road users..”

“I own 3 motorcycles, but pay ACC levies for 3 people despite only being able to ride 1 bike at a time.. these changes are absolutely insane and need to be changed back to pre 2008 prices.”

“Why is a levy not charged on bicycles and e-scooters which make up a huge percentage of ACC injuries? A system needs to be implemented to levy these vehicles as I would have thought its a great revenue stream for ACC.”

There was a **clear preference among submitters for an alternative approach that levies ‘the rider, not the bike’.**

Many also shared sentiment that the high **levels of risk that ACC assigns to motorcyclists’ conflicts with the ‘no fault’ principle of the ACC Scheme,** because in practice it assigns blame or fault to motorcyclists for their injuries through higher levies.

Feedback also suggested that it is not clear in the proposal documents how ACC treats the contribution of unregistered and off-road bikes in the motorcycle claims data provided. This led some submitters to feel the proposed increase in motorcyclists’ levy contribution will be subsidising the users of these vehicles.

“I object to having to subsidise off road and farm bike injuries, they do not pay ACC registration fees. Having to pay fees on every bike we register is wrong, as we can only ride one at a time, so maybe it should be a tax on the rider, as license fee in effect. The current regime encourages registration avoidance.n fees.”

While low in number, some submissions that supported the proposal told us that other road users want motorcyclists to pay the increased contribution due to their high level of risk.

Significant submissions

9 significant submissions provided feedback on this proposal.

6 significant submitters do not support the proposal to increase motorcycle owners' contributions: **CERNZ**, **MCI Ulysses**, **BRONZ (national)**, **BRONZ (Auckland)**, **BRONZ (Timaru)**, and **Triumph Riders Motorcycle Club (TRMC)**. Their submissions highlight the following reasons:

- the intended changes are unfair, unequitable and unaffordable
- motorcyclists have already been paying a lot, including the Motorcycle Safety Levy
- ACC have had multiple billion-dollar surplus over the past years and should not be increasing levies
- motorcyclists are safety conscious and take greater safety controls – helmets, protective gear, additional training courses – compared to other motorists
- increasing levies will result in decrease of bike registration and legal access to the transport, especially in lower socio-economic and rural areas
- increasing levies will create a risk that riders will put their machines on hold or not register at all and will therefore be ineligible to access safety training such as the Ride Forever programme
- it is unfair to apply risk rating to motorcycles, while bicycles, e-bikes, e-scooters and other high risks sports as rugby, skiing, mountain biking are not subject to levy collection
- a large proportion of riders have multiple bikes for which they are paying levies when they can ride only one machine at a time
- increasing levies will put a significant financial burden on daily users who use a motorcycle for economic or environmental reasons
- motorcycling constitutes an accessible form of transport, particularly in rural communities, and these proposed increases would create inequities in transport access for Māori and Pacific peoples
- the poor condition of New Zealand roads and the risk this poses to motorcyclists
- the Government's obligations to address climate change and the fact that motorcycles reduce traffic congestion and have much lower vehicle emissions
- by increasing levies for motorcyclists, ACC will actively discourage and penalise the use of motorcycles as a means of cleaner and less congested commuting
- BMX/recreational cyclists do not pay levies. *"It would be interesting to quote what their ACC accident costs are."*

3 significant submitters support the proposal but with conditions: **NZ Automobile Association (AA)**, **Motorcycle Safety Advisory Council (MSAC)**, and **Motor Industry Association (MIA)**. Their submissions highlight the following:

- While the AA, MSAC and MIA are supportive of an increase, they expressed concern that the proposed increase is too severe and, therefore, will lead to levy evasion and avoidance, and disproportionate outcomes for the motorcycle industry.
- The MIA recommend a more gradual approach to the transition and implementation of these changes. They note that any sharp cost increase during a period of economic difficulty, especially in the current cost-of-living crisis and recessionary environment, will likely result in reduced sales and a strain on consumer spending.
- The MIA also recommends spreading the proposed 33% levy increase (associated with the reduction of cross-subsidisation from the Motor Vehicle Account) over three years. In their view a gradual staging will allow consumers and the industry time to adjust to the financial impact.
- MSAC similarly note that should the decision be to increase levies, ACC should consider options in how this is staged across three years, particularly to avoid the bulk of any increase being incurred in

the first year. They suggest this include considering whether there is an ongoing need for motorcyclists to pay the Motorcycle Safety Levy.

- MSAC also note that communication with the motorcycle community needs to be very clear. They suggest reiterating the rationale in simple terms and dispelling the myths in the community around who is at fault (e.g. 37% of injuries are down to the rider not someone in a car) and who is driving an increase in claims (e.g. it is not people crashing dirt bikes in an off-road setting).
- MSAC propose an alternative levy collection model that rewards good behaviour and discourages bad, and where levies are imposed on a per rider basis. They provide a range of examples to achieve this in their submission.

ACC's response

As noted by submitters, the Motor Vehicle Account has a surplus of assets. ACC is proposing to use \$827 million of the surplus assets over the next three years to offset levy increases. A further \$503 million of revenue is being offset to help keep the levy increases as low as proposed over the three years. All vehicle owners are benefiting from this use of surplus assets.

ACC is satisfied that the proposed level of contribution from motorcycle owners is reasonable as it is equivalent to the proportion of costs of injuries from single vehicle motorcycle crashes.

However, there are reasonable grounds to consider the phasing of the proposed transition to the 37% contribution, in light of current cost pressures, and the opportunity to further encourage greater uptake of advance rider training.

An option which stages the transition in two steps starting from 2026/27 has been developed.

This option would be combined with a proposed delay in implementing the motorcycle classification changes until 2026/27 to provide a significant benefit to owners of motorcycles who have successfully completed a Gold RideForever course.

Changing the classification of motorcycles

Should the Minister for ACC increase the number of classes of motorcycles?

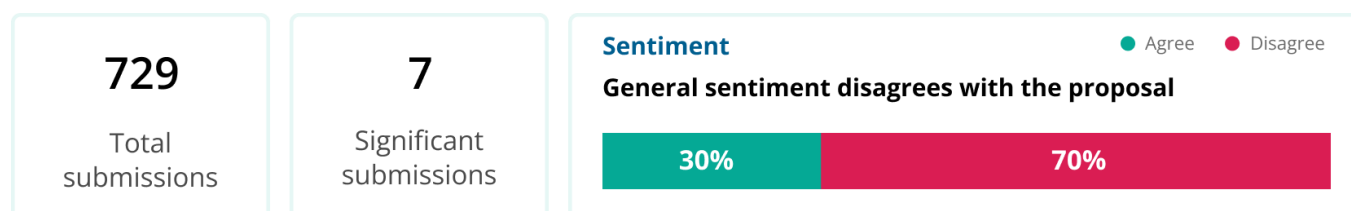
The Minister for ACC proposes changing the classification of motorcycles by:

- establishing a new class of 0 to 250cc motorcycles, increasing the number of classes from three to four
- moving the boundary between medium-sized motorcycles and large motorcycles from 600cc to 750cc as this better aligns cc size to risk exposure.

Consultation question(s)

1. Do you support the Minister for ACC's proposal to increase the number of classes of motorcycles?

Consultation feedback



Over two-thirds of submitters (70%) disagreed with the proposed changes to the classification of motorcycles. Reasons for disagreement were that:

- classification **using capacity (cc) is unfair and an inaccurate method, as bikes with lower cc's can have higher horsepower**
- motorcycle levies should be based on power-to-weight ratio as this is a better proxy for risk than cc
- this will increase levies for some riders – in response more people will put their registrations on hold, not register their bikes all, and/or drive illegally.



Note that as with the Motor Vehicle levy rate proposal, a high proportion of submissions on this proposal were received from people who identified as motorcyclists, or their representative groups.

39% of SYA and email submissions on this proposal included written feedback (n=286). Key themes were that:

Most written submissions told us that **classification using capacity (cc) as a measure of risk is overly simplistic, unfair, and inaccurate** for the following reasons:

- bikes with lower cc can have higher horsepower. Many shared examples when some larger motorbikes that fall into the highest range under the proposal will produce less than half horsepower than lower CC sportbikes
- cc is not the right measure of risk. We heard that larger and more expensive motorcycles have extensive electronic aids designed to reduce the risk of an accident. All these safety features are found only on machines over 800cc

- there is a sentiment that bike size / cc is irrelevant when true risk comes down to riders' capabilities, experience and compliance, including their use of safety gear.

"There are already too many classes, and it is such a convoluted system."

"Same risk on the road that has nothing to do with cc rating, as they can all go 100km per hour on the same roads."

"Some 250s are rocket ships. Some 650s are way way more controllable."

A smaller number of submitters agreed with the proposed classification changes but caveated their support for following reasons:

- they support the idea of increasing the number of classes, but not the actual classes proposed. Some motorcyclists suggested that aligning with LAMS criteria would be fairer, easier to understand and administer
- they support the proposal but think it is short-sighted because it should include a power range for electric motorcycles. Some also suggested ACC include electric bikes and mopeds, as they can travel fast and not all users wear helmets, gloves and other protective gear
- some expressed their support for the proposed classification changes but voiced their disagreement with the registration fees for larger capacity motorcycles because these were far too high relative to risk. They noted that bigger cc motorcycles don't always equate to more risk.

"Yes the over 750cc fess are expensive, as some bikes, Harley, Indian which are cruisers have way less power than some 600cc bikes. They are not made for speed as sports bikes."

"Generally speaking, yes. However, has there been consideration given to incorporating LAMS into the categories? As CC rating is not completely indicative of the actual power of the bike, given that LAMS is based on power to weight ratio and therefore a more holistic representation."

Some submitters expressed concerns that **the proposed increases will place significant financial burden on people** who use their motorcycles for their daily commute and/or for economic reasons. There was a sentiment that increasing motorcycle levies will result in more people not registering their bikes or putting their registration on hold and, as a result, they will not be able to attend training courses and enhance their driving skills, both of which would lower their injury risk.

Some respondents expressed **concerns over the evidence ACC has cited to support the use of cc in setting levy rates or to inform classification**. We heard that there is either no evidence to support the use of cc as a proxy for risk, or that there is contrary evidence. Some submitters shared concerns that ACC has not shared data that shows the relationship between claims or injury risk to the cc of bikes involved.

Some also raised concerns about what motorbikes were included in the data used by ACC, including whether it included unregistered and off-road bikes. Similar sentiments were shared in submissions on ACC Motor Vehicle levy proposal (page 24) by motorcyclists.

"Statistically we have a misleading data. When you get admitted to a hospital the question of how accident occur. Riding a motorbike. Yes fine. BUT the doctor would not ask: Farm bike or Motocross bike or road registered motorbike."

Alternative suggestions:

We received a high volume of written submissions (n=172, 60%) where submitters provided alternative suggestions for levying motorcycles in discussing their disagreement for the classification changes. Suggestions included:

- basing motorcycle levies should be on power, not engine. We heard that power-to-weight ratio is a better proxy for risk, and that ACC's classifications should be based on a similar power-to-weight ratio that is used for the LAMS system.
- a single levy for all motorcycles. The rationale being that all riders make mistakes, and they have the same risk profile
- levy the rider not the bike, considering that most riders have multiple motorbikes, but they can ride only one bike at a time.

"I have a 900cc motorcycle as my main daily vehicle, however it's power and weight is nearly identical to that of a 600cc sports bike. Power and weight would make much more sense to use as a measure."

"Owners of multiple machines should not be paying for each one. Once the highest rated machine is paid for, there is no further increase in risk for the rider."

"No! Larger motorcycles are not more unsafe than smaller motorcycles. Everyone should contribute equally."

Significant submissions

7 significant submissions provided feedback on this proposal.

4 significant submitters broadly support the intent of the proposal but with some reservations: **NZ Automobile Association (AA)**, **Motor Industry Association (MIA)**, **Ia Ara Aotearoa Transporting New Zealand (TNZ)**, and **Motorcycle Safety Advisory Council (MSAC)**. Their submissions highlight the following:

- The AA expressed concern that the Levy increases for large motorcycles are too high over the short three-year period and recommend that they *"be knocked back a bit"*. They note that the high cost to register a 750cc motorcycle could lead to evasion or avoidance and result in those motorcyclists who do register their bikes carrying the burden for others that won't.
- While supportive of the proposed classifications, MSAC expressed concern that there is little evidence to suggest there is any alignment between the cubic capacity of a motorcycle and risk exposure. They note that previous research has reported inconsistent findings around whether the risk of an injury crash increases with increasing capacity of the motorcycle. MSAC is of the view that an analysis of risk in terms of power to weight ratio and style of motorcycle may provide a more useful insight into risk exposure.
- The MIA's concern extends beyond this specific proposal to all motor vehicles. They are mindful of the consistency and equivalency between petrol and non-petrol-powered groupings and classifications particularly for electric variants. In their view, it is essential that non-petrol-powered vehicles are grouped and levied based on power and risk classification to ensure fairness. The MIA advocates for equitable levies based on risk, regardless of a vehicle's motive power or engine type. In their view, this ensures that the "same class, same risk, same levy" principle is applied consistently across all vehicle classifications - whether light vehicles, motorcycles, or heavy vehicles.

3 significant submitters do not support the proposed classification changes: **CERNZ**, **BRONZ**, and **BRONZ (Auckland)**. Their submissions highlight the following:

- BRONZ argue that targeting larger cc rated motorcycles is unfair, as 250cc and under have more accidents in suburban areas. The implementation and set up costs of a separate class will, in their view, have a negative net balance due to associated costs and make little difference to ACC overall.
- CERNZ claim the targeting of the larger class/cc rating is unfair and inequitable and, therefore, do not support the proposal. They note that both ACC and NZTA data indicate that younger, less

experienced riders have more crashes, and less access to legal bikes and training would see this increase.

- BRONZ (Auckland) do not support the proposed reclassification of motorcycles. In their view, there is no rationale or statistical justification in ACCs attempt to introduce capacity class ratings.

ACC's response

Risk rating, whether in the Work Account or the Motor Vehicle Account, uses claim frequency and claims severity (cost) data to assess the relative risks between different groups of levy payers. This approach allows levy payers that are exposed to higher risk to pay more and lower risk levy payers to pay less. For example, in the Motor Vehicle Account heavy goods vehicles pay a levy twice that of a car.

ACC presented its data in the consultation documents to justify the proposed changes to the classification of motorcycles from 2025/26. Careful reading of the information shows that claims per bike does not materially increase beyond the 250cc engine capacity. This supports much of the feedback received by motorcyclists and the research which looks at injury frequency. However, ACC's claims data shows marked increases in the *cost of injures per vehicle* as the engine capacity increases. It is this relationship between costs per vehicle and engine capacity that is driving the proposed higher levies for larger bikes.

As part of our review of all the feedback received from motorcyclists and representative groups, we have decided to recommend to the Government that implementation of the classification changes be delayed until 1 July 2026 to align with the introduction of the discounts for motorcycle owners who have successfully completed a recognised advanced rider training course.

Recognising safe riders with lower levies

Should the Minister for ACC recognise advanced rider safety training through a discount in levies?

From 1 July 2026, the Minister for ACC proposes reducing levies by 25% for riders who’ve had advanced rider training within the past 2 years. This will replace the current cashback programme to recognise the lower risk of injury to riders who have advanced rider training, and to incentivize other riders to do the training.

Consultation question(s)

1. Do you support the Minister for ACC’s proposal to recognise advanced rider safety training through a discount on levies?

Consultation feedback



“Doing a Ride Forever course both improves the riders safety and shows the rider to be a careful road user, so rewarding the rider with a reduced ACC levy is sensible and justified.”

Some submitters disagreed with aspects of the proposal and felt that the **survey question did not allow for an accurate reflection of people’s negative feelings towards aspects of the proposal.**

“I find it disingenuous or naive to front a policy with many facets - capacity limits, price increases, discounts for limited R4E training etc, but to 'survey' the public with a singular assertion which is hard to disagree with 'Recognising safer riders with lower levies'. I mean who in principle would disagree with that? Many of that 86% supposedly 'agreeing' with the assertion are almost certainly not agreeing with the policy as a whole, or in detail.”

The main aspect of the proposal submitters did not agree with was the 25% levy discount – **submitters felt that ACC should consider increasing or improving the incentive.** Suggestions included:

- making the discount higher
- rewarding motorcyclists who wear the correct safety gear
- rewarding motorcyclists with no motorcycle accidents, for example a ‘no-claims discount’ for motorcyclists. It was suggested that ACC uses its data to identify and reward riders who have not made claims over extended periods of time, rather than penalising all riders equally.

“I think there should also be a equal discount for motorcyclists with no claims, like over a five year period.”

“It should incorporate how many years of safe riding with no accidents. Years of clear history.”

Submitters were also concerned that existing issues in accessing advanced rider training in some areas of New Zealand will exacerbate inequities amongst different communities. Particular attention was called to Northland and rural areas. **Submitters would like to see ACC prioritise better coverage to ensure equitable access to the discount.**

“Offering discounts for attendance on courses that are not readily available in all parts of the country (or available in only limited supply) may create equity issues, i.e. some communities will be further disadvantaged by the increased levies and inability to access courses that could bring discounts.”

“We are concerned that there are already not enough courses available and that there would be a significant shortage making a discount only possible for the lucky few who are able to book onto a course.”

We also heard that car drivers should also undergo regular safety training and requalification to maintain and improve their driving skills. Many submitters voiced that ACC’s focus on motorcyclists is unfair and that all drivers should be held to higher standards to target bad driving habits and improve overall road safety. Suggestions included higher standards required of the car driving tests, or similar trainings to Ride Forever being offered for car drivers.

“You recognise rider skills are perishable but make no comment as to driver skills. Are we to take from that you think car drivers are by default perfect? A driving (and riding) test pass only means that the driver has reached the MINIMUM acceptable standard, and that, by simple observation of daily driving, is probably the best they will ever be.”

“How about introducing more rigorous driving tests for cars.”

“Why not do this for car drivers who cause most of the accidents in the first place.”

There was also a strong sentiment that **ACC should recognise and reward training from other providers** like IAM RoadSmart NZ and RoSPA. A number commented on Ride Forever being a single day, group-based course which rewards attendance, while courses from other providers are pass/fail and thus require skill development.

Under the current proposal, the Minister is proposing that ACC work with the Motorcycle Safety Advisory Council to develop and maintain a list of approved training courses that would be eligible for the lower levy rate. To be approved and attract the lower levy, the course must satisfy the council and ACC that it delivers at least the same outcomes as ACC’s Gold Ride Forever course.

“Ride Forever courses, whilst generally based on Police Roadcraft methods, offer a very lightweight form of skills improvement, given that they are single day, group-based and with no pass/fail assessment, only limited personalised feedback.”

“Ride Forever courses are not the be all and end all of advanced courses. This must recognise IAM based qualifications”

“My riding has improved so much with the RideForever courses.. but the IAM programme is next level. If I had a recommendation it would be every rider completes this incredible programme!”

“R4E is not a particularly high bar to achieve. I would like to see IAM qualifications recognised also.”

“IAM RoadSmart and RoSPA, which offer more intensive coaching, to a higher standard, over much longer periods and with rigorous assessment. People who have completed these courses should also qualify for discounts.”

“There are many courses overseas that are above the advanced rider course in New Zealand yet it appears none will be recognised.”

Significant submissions

5 significant submissions provided feedback on this proposal.

All 5 significant submitters support the proposal to include a discount rate for motorcycle riders on successful completion of advanced rider safety training: **NZ Automobile Association (AA)**, **Ia Ara Aotearoa Transporting New Zealand (TNZ)**, **Motor Industry Association (MIA)**, **Motorcycle Safety Advisory Council (MSAC)**, and **BRONZ Timaru**. Their submissions highlight the following:

- The AA note that motorcycle riders are the most vulnerable of our road users as they only have the protection they wear. They note that the 25% reduction in the ACC levy should act as an incentive for riders to do the advanced riding skills training.
- The AA are, however, concerned that some of the safety benefits of attending an advanced riding skill course may be missed due to the proposed lower levy rate not coming into effect until July 2026. They note that many riders may delay doing the course in 2025 as they will not get the full benefit of the levy reduction as it only applies for a two-year period after completion of the course. In their view, it would seem logical that riders would apply to attend courses as close to July 2026 as possible to get the full two-year benefit. As an alternative, the AA recommend that any rider attending an advanced skills riding course in 2025 be allowed the lower rate for a three-year period and that the lower levy rate then applies for two years from 2026. Alternatively, a lower rate be set for 2025 due to the discount rate not being available.
- For TNZ, their support for the proposal is on the proviso that ACC has high confidence and evidence to show that there is a commensurate reduction in claims for riders that meet this criterion.
- MIA recommend that, in addition to the initial advanced rider training course, it is mandatory for riders to undertake refresher training every two years, with a full renewal or resit required every five years to maintain the discount.
- MIA and the AA support extending the discount to other eligible advanced safety courses. The MIA advocates for developing a list of approved training courses that will ensure motorcyclists across the country have access to training options that qualify them for reduced levy rates.
- While BRONZ support the safer rider proposal, they do however believe the incentive should be incremental across all course levels, regardless of license term. In their view, this would see even further reduction of incidents and accidents and, thereby, costs to ACC in all sectors.

- Both the MIA and the AA note in their submissions their support for maintaining the current Motorcycle Safety Levy without changes.

ACC's response

The support from submitters for this proposal is welcomed. This proposal is part of a package of proposed changes that have an impact on motorcycle owners. The package of proposals seeks to create a set of fairer levies for motorcyclists. The proposal regarding the level of contribution is about setting what is a fair share of costs that motorcyclists should fund. If the proposal is accepted, the bulk of motorcyclist's injury costs (63%) will still be funded by owners of other vehicles. The proposed classification changes address the fact that smaller bikes are currently subsidising the costs for larger bikes. This proposal goes some way towards recognising the argument presented by motorcycle owners that safer riders should pay less. Each proposal is presented individually as Government can accept, modify or reject each of the proposals.

The proposal allows for the expansion of what rider training programmes are recognised over time. The policies and procedures associated with this will be developed by ACC and MSAC jointly.

Electric and plug-in hybrid vehicles

Should ACC change how plug-in hybrids and battery electric vehicles are classified?

ACC previously used a light electric vehicle classification for plug-in hybrids and battery electric vehicles, which discounted levies for electric vehicles alongside other Government incentives. From 1 July 2025 the ACC Minister proposes removing that class and removing the discount.

Consultation question(s)

1. Do you support the ACC Minister’s proposal to:

- remove the current classification of light electric vehicles from the Motor Vehicle account?
- charge vehicle owners the same levy if they are exposed to the same level of risk?

Consultation feedback



Disagreement with the proposal was often due to a view that BEVs and PHEVs are safer vehicles because they are more modern cars, with some submitters providing evidence to support this claim, such as vehicle safety ratings. These submissions disagreed with the crux of the proposal that BEVs and PHEVs are exposed to the same risk as internal combustion engine vehicles.

“The key here is “same risk” As EVs are newer and highly speeded vehicles they have higher safety ratings and driver assists than most of the petrol and diesel fleet.”

Some highlighted that it states in the consultation documents **that ACC currently have no data to determine whether low-emission vehicles are safer or riskier than petrol vehicles.** Some submitters sought to provide evidence that BEV and PHEVs pose lower risk, or requested that ACC wait to make decisions until there is clearer evidence on how these vehicle types contribute to injury risk and costs.

“Maintain the status quo until proper study and consultation can determine if low-emission vehicles are safer or riskier.”

“I think the consultation here is disingenuous as the level of information is surface at best. How can we make calls on risk, be it higher or lower if you provide no information?”

Submitters were divided in their support for continued Government incentives to increase uptake of BEVs and PHEVs for environmental and health reasons. **Many submitters who disagreed with the proposal did so because they support continued incentives to increase uptake of electric vehicles.** These submissions said that BEVs and PHEVs should pay lower ACC levies to encourage greater uptake to reduce emissions and environmental pollution; some also highlighted flow-on effects and savings for the economy and health system.

“I don't like this idea at all. Why make electric cars more expensive? We're supposed to be helping the environment right? If you do this, less people will buy electric cars, and we'll have more pollution. It's not fair to people trying to do the right thing by buying cleaner cars.”

“Air pollution from motor vehicles alone is estimated to result in 2,247 premature deaths, nearly 9,400 hospitalisations, over 13,200 cases of childhood asthma and more than 330,000 restricted activity days each year in Aotearoa New Zealand at a cost of more than \$10.5 billion.”

Other submitters told us that ACC levy rates should be limited to covering Scheme costs and not be used to influence consumer choices or create incentives for certain groups.

A handful of submissions, including significant submissions from representative bodies within the EV sector, felt the proposal would **impact on electric and hybrid vehicle owners, retailers and markets by effectively increasing the cost of ownership.** They noted it would compound recent price increases created by the new Road User Charges and the removal of the Clean Car Discount.

“Removal of other incentives such as CCD and RUC-introduction have lead to a decline in EV sales. Partly due to hybrid cars having a similar running cost, as they pay less fuel tax than an EV (about half).”

“I own an EV. I pay 2.1 times the road tax compared to driving my previous 5 liters per 100kms car. I already pay 2.1x the RUC of petrol cars. So no, go away”

“But I cannot afford this I will have to sell the EV.”

“By handicapping our EV industry, we're not just missing the boat on green technology—we're deliberately sinking it... The government must immediately scrap this shortsighted plan and instead double down on EV incentives to secure our place in the future global economy.”

Some feedback highlighted that PHEV users would be disproportionately impacted because they are also subject to petrol levy increases. Other submitters, including The Motor Industry Association (MIA) and Drive Electric, argued the proposed classifications would create disproportionately higher costs for BEVs.

The proposed levy changes for electric and plug-in hybrid vehicles led many submitters to suggest ACC change our overall approach to collecting the Motor Vehicle levy

Many submitters told us that ACC's current approach to collecting Motor Vehicle levies is not quite right, with some suggesting we revisit this approach to better align costs based on risk rather than vehicle type or transport mode. Similar sentiment was raised by most significant submissions received on this proposal, including stakeholders within the transport and insurance sector.

Currently ACC collects Motor Vehicle levies through

1. petrol at the pump – currently at \$0.06 per litre
2. part of the vehicle licence (registration) fee. This fee differs based on whether a vehicle is petrol or diesel powered, and the 'vehicle class' it belongs to. Different rates are charged for different vehicle classes based on analysis of crash and injury data for vehicles belonging to that class.

Submitters suggested three alternative approaches ACC could consider:

Basing the levy on individual vehicle risk, rather than broad vehicle classes

This could involve determining risk based on analysis of claims data for individual models of motor vehicles, vehicle safety ratings or New Zealand Transport Agency crash data.

"Simply apply the levy system-wide using evidence-led, risk-based decision making. ACC is interested in risk of harm, therefore base the levy on; safety rating; advanced safety controls; survivability and urban emissions impact (for societal health impact)."

"You can do this system-wide and create a fully equitable system - it's not rocket science"

Removing the petrol levy collecting the levy solely through registration costs on a per-vehicle basis

It was suggested that this approach would simplify the system by removing the need to have different registration fees for petrol, diesel, electric, and hybrid vehicles to compensate for their varying contribution via the petrol levy.

"make all vehicles pay towards it when reviewing the vehicle license (rego)"

Collecting the levy through Road User Charges

Others suggested ACC collect the Motor Vehicle levy through Road User Charges as a more appropriate reflection of risk exposure and usage for all vehicles regardless of vehicle class or petrol consumption.

"For me as a PHEV owner the fairest option would be for levies to be charged as part of the RUC system"

"As petrol vehicles pay per litre of fuel - include it in the RUC of the BEV or PHEV to fairly apply it."

"If the Government plans on moving all petrol vehicles to RUC, it should wait until that happens and incorporate the levy from petrol to RUC in addition, for fairness, but until then leave EV's alone as it is not a level playing field."

Significant submissions

5 significant submissions provided feedback on this proposal.

Support for the proposal was provided in submissions from the **NZ Automobile Association (AA)**, **Ia Ara Aotearoa Transporting New Zealand (TNZ)**, and **Chartered Accountants Australia and New Zealand (CA ANZ)**.

The **Motor Industry Association (MIA)** supported the intent of the proposal and agreed with the classification of petrol-powered PHEVs as Class 2 (petrol-powered) vehicles, and the reclassification of BEVs and diesel-powered PHEVs as Class 6 (non-petrol-powered) vehicles. However, they:

- noted that reclassifying BEVs as Class 6 vehicles with a flat “non-petrol” motor vehicle levy of \$109.06 in 2025 could disproportionately penalise BEVs, because this flat rate is considerably higher than the combined average levies for newer petrol PHEVs and HEVs, which benefit from improved fuel efficiency and lower ACC levies due to reduced petrol consumption.
- expressed concerns about the timing of the proposal given the current economic and market challenges and the residual effects of previous policy changes related to electric vehicles. They suggested that transition be carefully managed to avoid negative impacts on the industry, market, and consumers.

Despite support for the proposal, **Ia Ara Aotearoa Transporting New Zealand (TNZ)** recommended ACC undertake a review of Motor Vehicle Account to better align levies with claimants based on risk rather than vehicle type or transport mode, a suggestion also provided in submissions Tesla and Drive Electric (below).

Two significant submitters – **Tesla** and **Drive Electric** – did not support the proposal, highlighting that:

- the proposal incorrectly assumes electric vehicles have the same risk exposure as internal combustion engine vehicles
- while they agree with the principle to *charge vehicle owners the same levy if they are exposed to the same level of risk*, the proposal as designed does not achieve this because owners of safer vehicles charged higher levies than owners of more dangerous ones. Specifically, the way that levies are being applied is not due to risk but to different levels of fuel efficiency for different petrol vehicles and the distance calculation being applied. In this way the application of levies is being done in a way that favours petrol PHEVs, petrol hybrids and efficient petrol cars
- instead of removing an ‘incentive’ for diesel PHEVs and BEVs and applying an ACC levy based on risk, this proposal will penalise many drivers of diesel PHEVs and BEVs, which are on average newer and safer cars than the entire fleet. This would be a perverse outcome and undermine confidence in the ACC levy system
- Drive Electric noted that if a risk lens was applied, then BEVs are going to be considerably safer, on average, than the average petrol and petrol hybrid fleet, based on age
- Tesla recommend ACC take a more sophisticated, data-driven approach to motor vehicle levies akin to its approach to the Work Account, e.g. basing levies on the claims record of individual models of motor vehicles, vehicle safety ratings or New Zealand Transport Agency Crash Analysis System data
- alternatively, Tesla suggest removing the petrol levy and raising all revenue on a per-vehicle basis, in line with the Government’s move to abolish the fuel excise duty and charge all vehicle Road User Charges.

ACC’s response

Battery Electric Vehicles (BEVs) have not been in the market long enough to build sufficient claim data in New Zealand on their safety performance. In addition, late model ICE vehicles also have similar safety features to BEVs, so could be considered to be as equally safe.

ACC acknowledges submissions that vehicles should be levied depending on their safety rating. However, in 2019 the previous Government removed the vehicle risk rating component of the vehicle levy, which applied different levy rates to different makes and models of cars based on their safety ratings. Vehicle risk rating was removed because it penalised low-income households, who could not afford the safer vehicles, and were therefore incurring additional cost they could not avoid by purchasing a safer vehicle.

Fleet Saver

Should ACC close the Fleet Saver audit programme?

The Fleet Saver audit programme has not met its aims, and the transport sector now has other safety programmes. From 1 July 2025 the Minister for ACC proposes to close Fleet Saver to new entrants and reassessments, and to close the programme from 30 June 2029.

Consultation question(s)

1. Do you support the Minister for ACC’s proposal that Fleet Saver should close once current members have received their agreed discounts?
2. Should levy discounts be used to support the transport sector to improve safety in the future?

Consultation feedback



While sentiment feedback indicated more submitters (73%) generally supported the proposal, written feedback indicated a more mixed sentiment, noting that:

- incentives that reward safety performance should be encouraged and promoted
- incentives that fail to perform should be discontinued
- Fleet Saver is beneficial for its members and on-site audits improved safety practice.

26% of SYA and email submissions on this proposal included written feedback (n=20). Key themes were that:

Submitter feedback highlighted that **incentive programmes that reward safety performance should be encouraged**, and suggested that ACC failed to promote Fleet Saver adequately which was why it failed to meet its aims.

“No, the incentives to improve safety performance that this scheme encouraged result in it being a win win for all parties, the scheme just requires promotion rather than being discontinued.”

Submitters also questioned whether there had been **any claims analysis for Fleet Saver customers that looked at their health and safety performance compared to those outside of the programme**. We also received general commentary noting a **decline in ACC’s service quality** (affecting both claims and business customers).

“Has there been any analysis comparing the companies in the programme to those outside the programme i.e. rather than base this decision on how many companies took it up, maybe have a look to see if it worked for the people that took it up?”

“ACC's performance has been extremely disappointing over recent years, one workplace injury during COVID impacted on our levies heavily for reasons beyond our control, ACC's support and response was lacking in professionalism, which impacted on our safety reputation. Response times were lacking and sometimes non existent, including Fleetsaver renewal application.”

Other submissions acknowledged that **incentives that promote and reward safety performance should continue** to be a focus for ACC, while others noted that those **failing to perform should be discontinued**.

“Only if it works. Seems it doesn't so why subsidise failure.”

Some submitters commented favourably of their membership in the programme, **outlining the benefits of Fleet Saver**, and specifically highlighted that **on-site audits directly improved safety practice** in a tangible way compared with those conducted online.

“It's also beneficial to have an auditor who personally visits and goes through the HSMS as well as fleet management. This carries more weight than online audits.”

Significant submissions

2 significant submissions provided feedback on the Fleet Saver proposal.

The 2 significant submitters - **Ia Ara Aotearoa Transporting New Zealand (TNZ)** and **HW Richardson Group (HWR)** - both oppose the proposal to close the Fleet Saver audit programme. Their submissions highlight the following:

- TNZ note that the levy discount programme promotes general safety management, driver training and vehicle management, and is utilised by a number of its members. Members have advised TNZ that the levy savings delivered by Fleet Saver are used to deliver safety improvements, including safe and fuel-efficient driver training.
- Rather than close the programme, TNZ submits that ACC should consider reducing the barriers to entry, and partner with TNZ to establish what road freight businesses need to incentivise greater uptake. They cite the recent Road Freight Recovery at Work Pilot as an example of how collaboration can increase uptake and engagement with ACC's programmes and resources. TNZ would like the opportunity to attempt this with the Fleet Saver programme before any steps were taken to close it.
- HWR question the rationale behind the proposed removal of the Fleet Saver programme suggesting that it is “counterproductive to ensuring safer more efficient outcomes both on and off New Zealand's roads”. They strongly believe this initiative should remain.
- As New Zealand's largest user of the Fleet Saver scheme, HWR do not accept the notion that Fleet Saver has “not met its aims” and are interested to understand what data has been used by ACC to inform this assessment. They cite the many benefits that Fleet Saver has had for HWR, including using the savings to internally fund their driver training programme and their Safe and Fuel-Efficient Driving programme, both of which have positively impacted driver behaviour.
- HWR believe more investment and better marketing of Fleet Saver, in partnership with the industry (and firms like theirs), would result in better uptake and a better outcome to ensure safer and more efficient practices are met by industry.
- In response to the question: *Should levy discounts be used to support the transport sector to improve safety in the future?*, HWR provide the following suggestions:
 - In the event that Fleet Saver is discontinued, it be replaced with an alternative form of incentive for transport businesses. This alternative could be targeted to deliver a driver training rebate scheme through accredited providers. This initiative could be managed as a 'coupon system' for driver training, which could be used by transport firms to engage accredited driver trainers (either by businesses using their own internal driver trainers or an external driver training providers) to meet the safer more efficient driving objectives.
 - Firms, such as HWR, that invest capital and procure heavy vehicles for their fleet that have state of the art safety design, should be afforded levy relief. They note that private investment into safer heavy vehicles lowers driver / public risk which has a positive flow on effect to ACC.

ACC's response

ACC acknowledges that participants in the programme find it valuable and believe that the use of an audit programme is helpful for them. The discounts that are applied to members in Fleet Saver are being funded by businesses that own heavy goods vehicles and are not in the programme or are ineligible for the programme (i.e. they own less than 5 heavy goods vehicle).

This cross-subsidisation creates an obligation on the programme to provide a benefit to the entire sector. This can only be achieved through large scale participation in the programme which has not occurred across its history. ACC has two options for this product – keep it and invest considerable levy payer funds to update technology and the audit programme and then run a significant marketing campaign to drive uptake, or remove the product and create space for an industry based programme, such as TruckSafe, to enter the market.

Evidence from across health and safety jurisdictions shows that industry developed and driven programmes achieve more than government developed ones. ACC has seen this through its prevention investment in the forestry and construction industries.

Trucking firms who reduce workplace injury through participation in other programmes will benefit from lower levies through experience rating. The proposed slow wind-out of the programme (discounts apply for 4 years) provide the opportunity for industry to work with ACC on appropriate financial incentives ahead of the next levy consultation.

No Claims Discount and Experience Rating subsidy

Should ACC remove the No Claims Discount and change the Experience Rating programme?

The No Claims Discount and Experience Rating are not bringing the benefits relating to injury prevention and faster recovery that we thought they would.

ACC is proposing from 1 April 2025 to remove the No Claims Discount, and either

- reduce the cross-subsidy for the Experience Rating, or
- remove the Experience Rating cross-subsidy altogether.

Consultation question(s)

1. Do you support ACC’s proposal to remove the No Claims Discount and reduce the cross-subsidy for the Experience Rating programme by other businesses? If experience rated businesses performed better — with fewer claims and faster recovery — their levies would fall because the cost of their claims would fall.
2. Do you support ACC’s proposal to remove the No Claims Discount and completely remove the cross-subsidy for the Experience Rating programme by other businesses? The Experience Rating programme would become self-funding for the first time.

Consultation feedback



Many submitters, including most significant submitters, provided feedback that opposed the removal of the NCD – an option which was not available in either of the consultation questions posed by ACC.

Supporters of the proposal agreed **that if the intended framework isn't working, ACC should change it so it does.**

Some submitters voiced that **the current ER programme is flawed, not working as intended, and does not accurately reflect an organization's commitment to injury prevention.** Submitters feel the ER system unfairly penalizes businesses for factors beyond their control, despite their commitment to safety. They suggest it should consider a business's overall safety efforts, not just claims history, to provide a fairer assessment.

"Discounts should be based on a broader health and safety assessment to reward continuous improvements."

"Businesses should not be disproportionately penalised for isolated incidents that occur due to factors such as an individual's mindset or personal circumstances, which are beyond our control."

Those who disagreed with the removal of the NCD felt that **good behaviour should be rewarded. They told us that** the NCD encourages and rewards good health and safety practices.

"I think there should be a no claims discount for any business large or small that have no claims in the last 3 years. This encourages and rewards worksite safety. Which comes at a cost to the business."

"Potentially impact what organisations do for health and safety by removing this"

"We are a small business with no work place claims for over 20 years. The loss of the no claims discount removes the only benefit we get for good work place safety."

"This is tough, businesses who are performing well should be applauded, these options may dis incentivise them and risk more harm to workers."

Other submitters felt that **small businesses would be unfairly impacted by the removal of the NCD.**

We heard that many businesses benefit from the current discount in what is a challenging financial environment. The loss of the NCD would have negative financial impacts on these businesses.

"I benefit from the no claims discount and am a small business. This ten percent discount is huge to me. To lose this, at a time when other ACC rates will be increasing, is too big a hit. Sometimes the right thing to do is to reward those who have no claims and incent responsible behaviour, irrespective of whether on a straight cost/benefit assessment the discount does not necessarily 'pay for itself'."

Alternative suggestions

Some submitters suggested that **ACC reduces but does not remove the NCD.** Reductions to 7.5 or 5% to keep the programme sustainable were suggested.

"Reduce the NCD ie to 7.5% or even 5% but please don't disincentivise those of us that try hard to maintain safe workplaces/earn a NCD"

Others suggested **billing smaller amounts across the year** to reduce the impact of the yearly ACC invoice on businesses.

"The way your levies are billed could also be reviewed. Paying such a big amount in a single invoice can be quite daunting, especially for those businesses who actually claim."

Submitters suggested **ACC finds meaningful ways to acknowledge and incentivise safety-conscious businesses.**

"We urge ACC to consider a system that rewards good behaviours and the implementation of effective safety systems, offering businesses meaningful discounts for positive safety outcomes. This could act as a

real incentive to continue improving safety standards. Conversely, businesses with poor claims history combined with poor systems of safety should face higher costs or reduced discounts, creating a balanced system of reward and accountability.”

“A broader view of safety, considering proactive efforts, would create a fairer and more effective experience rating system, encouraging the right behaviors across all businesses.”

“We submit that there may be better ways to incentivize employers to improve workplace safety. One possibility could be to reward employers who participate in WorkSafe's SafePlus program.”

Significant submissions

21 significant submissions provided feedback on this proposal.

Support for the proposal was provided in submissions from **LeaderBrand (LB), Chartered Accountants Australia & New Zealand (CA ANZ), NZ Federation of Commercial Fisherman (NZFCF), and Qantas Group**. Their submissions highlight the following:

- CA ANZ suggest ACC investigate alternative mechanisms to lower workplace injury risk. CA ANZ note that when considering relevant options, it is important to ensure that all businesses are treated fairly. In particular, small businesses and self-employed people should not be disadvantaged or cross-subsidising others.
- Qantas Group note that as the Experience Rating system does not provide any real mechanism to aid injury management it should be removed entirely. In terms of the feedback sought, Qantas Group stated they prefer Option One.

16 significant submitters did not support the proposal: **BusinessNZ, Manage Group (MG), NZ Security Association (NZSA), Forestry Industry Contractors Association (FICA), Civil Contractors (CCNZ), Building Service Contractors (BSCNZ), Specialist Trade Contractors Federation (STCF), Scaffolding, Access & Rigging NZ (SARNZ), Crane Association of NZ (CANZ), Wood Processors and Manufacturer Association (WPMA), The Employers and Manufacturing Association (EMA), Rural Contracting NZ (RCNZ), Foodstuffs NZ, Tourism Industry Aotearoa (TIA), Recruitment, Consulting and Staffing Association (RCSA), NZ Shearing Contractors Association (NZSCA)**. These submissions highlight the following:

- The No Claims Discount serves an important purpose in incentivising workplace safety and should be retained. In their view, the discount provides a tangible financial incentive for small businesses to prioritise workplace safety and injury prevention and removing the discount could lead to reduced focus on safety measures.
- Several submitters believe smaller businesses should have the opportunity to derive the benefit of lower levies where they have lower accident rates within their risk class as this drives better outcomes for their employees. Businesses have little ability to reduce their ACC levies, but this is one mechanism that allows for it, so they believe the No Claims Discount should therefore remain in place.
- RCSA point out that many small businesses operate on tight margins. The loss of this discount could have a significant impact on their overall costs. Removing the discount for smaller businesses, while retaining the experience rating for larger ones, also creates an inequitable system that disadvantages smaller enterprises.
- BusinessNZ and RCSA believe that the experience-rating, including the No Claims Discount, is essential to ensure strong incentives for employers to improve their accident rates. In their view this is particularly crucial given the lack of contestability in ACC insurance, which limits businesses' ability to lower their levies despite exemplary accident records.

- RCSA also note that the current system is well understood by businesses and removing it would create unnecessary complexity and confusion.
- RCNZ and NZSCA disagree with ACC's assessment that these programmes are not bringing benefits related to injury prevention and faster recovery. They note that ACC introduced these programmes as an incentive / risk and reward tool, and they are functioning exactly as they were intended to. If ACC goes ahead with the proposed changes, both RCNZ and NZSCA submit that option two would be a better option for its members.
- Several other submitters also noted that they do not believe the data supports ACC's proposals.
- Given the current state of the Recovery at Work programme, EMA suggest it is in ACC's interest to embrace and promulgate the experience rating to incentivise employers to open the door for employees wanting/needing to return to work. However, EMA note that employers need to understand the Experience Rating system better and have access to easy-to-use tools to utilise the benefits of the system. EMA recommends further work be programmed to produce a real time smart Experience Rating calculator. This tool could show the benefits of injury prevention initiatives plus the benefits of leading a recovery at work programme in conjunction with medical providers and ACC staff. EMA also recommend ACC in conjunction with learning providers co-author a seminar/course to reinvigorate businesses to better understand the recovery at work system and note they would be happy to discuss this further.
- Tourism Industry Aotearoa (TIA) claims that as the tourism industry is made up of many small to medium businesses, it is extremely important that good conduct is rewarded, and not the other way around.
- MG, NZSA, FICA, CCNZ, BSCNZ, STCF, SARNZ, and CANZ note that they do in principal support the removal of cross subsidisation and that the schemes should be cost neutral. However, in practice this could lead to an increase in costs on employers which could be deemed aggressive. They each believe employers need to take greater ownership over their claims space, as long as ACC's framework supports it.
- MG, NZSA, FICA, CCNZ, BSCNZ, STCF, SARNZ, and CANZ separate but same submissions make a number of recommendations:
 - Removing the fatality modifier. They note that the fatality modifier increases the Experience Rating loading by 20% in the first year and 10% in the second year on the back of a business experiencing a fatality. MG, NZSA, FICA, CCNZ, BSCNZ, STCF, SARNZ, CANZ do not agree with this as it clouds ACC's role to that of WorkSafe New Zealand the regulator.
 - Placing a hold on changes to the No Claims Discount scheme until it provides clear data to support its rationale for recommending it to cease.
 - Pausing on changing the cross subsidisation so that it can evolve how it supports employers to manage their claims more effectively and efficiently as noted in this submission. In their view, a particular focus should be placed on providing greater accountability back to employers; education; and managing medical certification.
 - Removing the contestable grant framework to drive injury prevention programmes.
 - Providing direct support to industry associations for them to drive injury prevention programmes for their industry.

The New Zealand Initiative's submission does not explicitly oppose the proposals but expressed disappointment that the No Claims Discount, which was intended to reward good outcomes and penalise bad outcomes, will be ceased. They note that it is positive that there are signs of improvement for Experience Rating Programme after recent refinements, but that there is still cross-subsidisation from those outside the programme. In their view, cross-subsidisation should be minimised, so changes to reduce it would be welcome. The Initiative's strong preference is for competitive provision that would enable businesses (large and small) to make their own arrangements with insurance providers, which would include premiums that reflect claims experience.

ACC's response

Businesses that are not eligible for any discount on their levy are currently being charged an additional \$12 million each year to subsidise the discounts received by businesses who are large enough to be in the No Claims Discount or Experience rating products. New Zealand has a poor health and safety record with our fatalities per 100,000 workers significantly higher than in Australia and the UK.

Despite this, 92% of the businesses in the No Claims Discount product receive a discount, indicating good safety/rehabilitation behaviours. The approach ACC uses to assess the performance of a business in the No Claims Discount product, is disconnected from what drives better behaviours in business, which is why we argue that the product is ineffective. It is difficult to ask businesses outside the product, to continue to pay an additional \$12 million a year, to fund discounts for businesses for random fluctuations in injury and claims.

We are committed to work with industry and sectors, to support small and medium businesses to better manage their risk of injury, and to support their return-to-work practices. We are also open to the possibility of reintroducing financial incentives for businesses if they can be linked to driving better behaviours in the workplace.

We have reviewed the timing for removal of the No Claims Discount product, and are recommending that this occur on the 1 April 2026, which provides time for businesses to prepare for the loss of the discount they are receiving currently.

Threshold for medical fees and treatment costs for Experience Rating programme

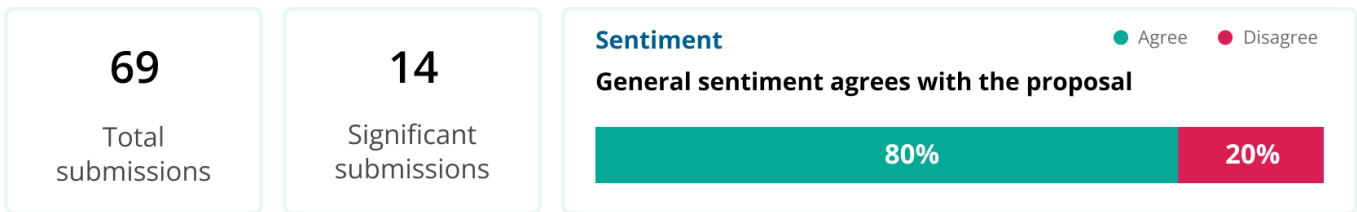
Should ACC increase the minimum cost threshold for claims to count towards your experience rated work levy?

Medical and treatment costs are increasing. ACC proposes from 1 April 2025 to increase the threshold for these costs that affect your work levy if you're in the Experience Rating programme.

Consultation question(s)

1. Do you support ACC's proposal to increase the threshold for medical and treatment costs from \$500 to \$750 for the purpose of calculating Experience Ratings?

Consultation feedback



“However, the lack of adjustment over the past 13 years has meant that employers have crossed the \$500 threshold more frequently than they should have, due to rising costs not being reflected in the programme.”

“Albeit consistently applied across employers it has placed an unfair burden on employers by capturing claims that would otherwise have been below a more appropriate threshold.”

Some submitters questioned if the increase from \$500 to \$750 was high enough, telling us that this is a low level of cover before employers are penalised.

“Yes but it needs to be higher - given the levies being paid this is a very low level of cover before employers are penalised.”

“Is \$750 high enough?”

Alternative suggestions:

One submitter suggested **ACC should ensure it is regularly assessing the threshold (and impact on Experience Rating)** so that businesses are not penalised in the future by rising rehabilitation rates and costs which don't align with inflation.

“ACC should bake in ways to regularly assess this metric...”

Significant submissions

14 significant submissions provided feedback on this proposal.

All 14 significant submitters support the proposal to increase the threshold for medical treatment costs to \$750: **LeaderBrand, Manage Group (MG), NZ Security Association (NZSA), Forestry Industry Contractors Association (FICA), Civil Contractors (CCNZ), Building Service Contractors (BSCNZ), Specialist Trade Contractors Federation (STCF), Scaffolding, Access & Rigging NZ (SARNZ), Crane Association of NZ (CANZ), Rural Contracting NZ (RCNZ), Qantas Group, Foodstuffs NZ, NZ Shearing Contractors Association (NZSCA), and NZ Federation of Commercial Fisherman (NZFCF).**

Those submitters who did provide additional comment typically thought the proposal was reflective of the increase in medical costs. Foodstuffs NZ further noted that they recommend ACC consider increasing the threshold to \$1,000 to future proof the threshold against inflation for the upcoming levy period.

ACC's response

Lifting the threshold for medical and treatment costs to \$750 aligns it to the level of injury severity when the threshold was last set at \$500 in 2011.

ACC agrees with submitters that the threshold needs to be reviewed more frequently and commits to review the threshold at each future levy consultation round.

ACC expects the change will impact 17% of experience rated businesses.

Classification of Home Improvement Stores

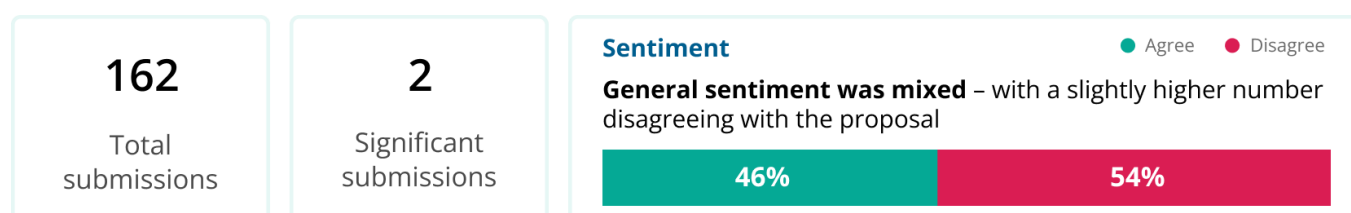
Should ACC change how it classifies home improvement stores?

The Minister for ACC is proposing, from 1 April 2025, to move home improvement stores to a single classification. It will roughly halve levies for some stores and raise them about 20% for others.

Consultation question(s)

1. Do you support the Minister for ACC's proposal for home improvement stores selling multiple product ranges to the public and businesses be classified under this new classification unit?

Consultation feedback



Sentiment feedback and written feedback on this proposal was mixed. We heard that

- the proposed changes would help simplify the classification system and make it more fair
- the classification **proposal favours large businesses at the expense of smaller enterprise**
- hardware and building supplies can be classified under existing retail classification codes
- lack of consistency in classifying hardware and building supplies businesses may necessitate a new classification code

We received 2 significant submissions on this proposal; both supported the introduction of the new home improvement classification unit.

39% of SYA and email submissions on this proposal included written feedback (n=62). Key themes were that:

Those in support told us a more **accurate classification based on business activity emphasised fairness** and made it **easier for businesses to understand their levy**.

"This sounds fair and the stores will get a better idea of their classification."

Those who disagreed told us the proposal **unfairly benefits large businesses** (specifically the timber industry) at the **expense of smaller businesses**, for whom **increased costs would flow on to their customers**.

"... saying it's complex is just an excuse so the Timber wholesaling industry can benefit and other retailers are penalized. This will result in higher prices for the public and bigger profits for big business."

Submissions made by representatives from the home improvement and building supplies sector highlighted that **hardware and building supplies should be classified under an existing retail classification unit** and that the new proposed code specific to this activity is not required and **would add unnecessary complexity**.

"We agree on the simplification of application, and for hardware stores of a similar nature to all be on the same Classification Unit, however we do not support the proposal for a new classification unit to be created for home improvement stores."

“Our submission is for Hardware and Building supplies stores that sell to the public are classified under existing CU’s relating to retail operations.”

Other submitters echoed sentiments that **costs are too high for smaller businesses at the moment** and that ACC needs to make sure **levies accurately reflect risk**.

“Our primary comment is, at which point would a hardware store change from the existing classification unit, to the proposed new one? Does it reflect on size, customer base or store design? The risk to workers present on our site is fundamentally the same as that of any hardware retailer (regardless of customer nature), but very different to a bulk supplies merchant where we purchase our stock from, who would be considered wholesalers.”

“Furthermore, it will additional compliance costs in an already stressed environment with rising costs in a recessionary market.”

Significant submissions

2 significant submissions provided feedback on this proposal, one from BSDL Group (includes Carter Stores/Branches) and another from a business who wishes to remain anonymous.

Both submissions support the proposal to introduce a new classification unit for home improvement stores who sell multiple retail and wholesale products. Their submissions highlight that:

- the new classification will allow for equality in application across similar building and timber merchants brands.
- BSDL believe the the proposed CU 52329 is fairer and more descriptive / accurate for the entire levy group and those within the group who would be disadvantaged through a levy increase should not detract from the overall merit of the proposal.
- the business who wishes to remain anonymous would, however, like to see clear guidelines around how the ACC assesses a business when there are distinct business activities e.g. a frame and truss manufacturer and home improvement store at the same location.

ACC’s response

The new classification will allow for a consistent and fair application of levies for all home improvement stores.

Sellers of single product lines, such as standalone timber yards, will not benefit from this proposal. Guidance will be provided on our Business Industry Classification (BIC) code website to assist businesses to determine whether they are a home improvement store for the purposes of the new classification unit (CU).

The proposed new home improvement CU has a significantly lower levy rate than timber wholesaling, reflecting the different risk profiles of businesses selling multiple product lines.

ACC recognises that some home improvement stores will incur higher levies under this proposal. This is often because these businesses were historically misclassified under the existing hardware and building supplies retailing CU, instead of the higher-rated timber wholesaling CU.

Professional sports and ballet classification units

Should ACC lower levies for sports administration and increase them for professional ballet?

Currently, some purely administrative sports clubs and their support staff are levied at the same rate as sport participants, despite not facing the same risks. From 1 April 2025 the Minister for ACC proposes to modernise the classification structure for sports, create a new classification for those who do not employ players (participants), and levy ballet at a rate that recognises its risk to performers

Consultation question(s)

1. Do you support the Minister for ACC’s proposal that sports administrators, and those who do not participate in the sport, should be classified separately from players, reducing their levy, but increasing levies for those who play the sport?
2. Do you support the Minister for ACC’s proposed sports participation classification units?
3. Should national governance bodies for higher risk sports be included in the participation classification unit for each sport, even if they do not employ participants?
4. Do you support the Minister for ACC’s proposal that ballet should pay a higher levy rate that better reflects their risk?

Consultation feedback



Others urged consideration of injury severity and frequency for specific sports, community sports participants paying a scaling levy per player, and a suggestion of **mandatory private medical insurance for professional sports players**.

“Professional sports should have private medical insurance.”

Feedback emphasised **risk exposure of professional players and recognition of physical risk** being reflected in the classification units and subsequent levy rates.

“This seems to be a sensible approach in order to differentiate between business units within sporting organisations that have varying levels of risk.”

Respondents appreciated the **clarification of the classification system for the sporting industry** that the proposal suggested.

“This proposal will make the classification unit system a clearer process for those in the sporting industry that don't employ players.”

“Sensible for sports administrators to pay a lower rate than players.”

Several voices highlighted the **targeting of ballet** specifically, noting its **vulnerability in a struggling arts sector**.

“Do not agree with the increase in the levy for ballet companies.”

“Introducing a higher levy would have a huge impact on the already under-funded arts scene in New Zealand.”

Submissions provided by representatives from the ballet sector communicated that the proposal to increase levy costs directly threatened the sector and would ultimately prove counterproductive, as it would **force resources to be withdrawn directly from injury prevention initiatives** undertaken by the sector to make up the additional expenditure.

“The company's preventative measures will save ACC and RNZB money long term, however, they will not be able to continue to invest in these measures with the increase in ACC fees.”

“Overall, these proposed changes will ultimately result in less performances, dancers losing jobs and increased injuries for the Royal New Zealand Ballet.”

Significant submissions

3 significant submissions provided feedback on this proposal.

Super Rugby Clubs in New Zealand and **New Zealand Rugby** are supportive of the proposal that sports administrators, and those who do not participate in the sport, should be classified separately from players.

Super Rugby Clubs in New Zealand note that the proposal for a new classification for employers who do not employ players is in line with previous Super Rugby Club feedback. While they accept that some level of cross subsidisation is needed, they believe the level of cross subsidisation has been unreasonable.

While NZ Rugby support the new classification, they strongly disagree with the proposal that NZ Rugby, as the National Governance Body (NGB) for Rugby, is to remain in the same classification as that of the players that it employs. In their view, this implies that NZ Rugby *“has the ability to influence the rules of the game, across all levels of the game in New Zealand, and therefore reduce the risk of injury.”* They note that while *“NZR is seriously committed to reducing injury to our players and has a number of initiatives and programmes in place to enable this to occur, [...] World Rugby Byelaw 5 plainly prohibits NZR ‘controlling the sport’ in relation to the employee players which is the fundamental cornerstone of the Minister’s recommendation.”*

The Royal New Zealand Ballet (RNZB) is the third submission for this proposal. RNZB accepts the proposal ‘that ballet should pay a higher levy rate that better reflects their risk’ but believe the categorisation of

professional ballet as “medium-high” risk (LRG917) is neither fair nor appropriate to their activity. They note a range of arguments in support of their submission:

- Professional clinical advice that ballet poses less risk than the contact and equine sports in LRG917.
- Errors and misjudgements in data underpinning ACCs recommendation. Covid-19 period provides a poor indicator of future costs of injuries.
- RNZB began additional investment in injury prevention 2023. Data from this period onwards should be given greater weighting. Lifetime cost of injuries incurred by RNZB is being overstated due to the demographic makeup of our employees.
- Downwards trend in RNZB’s injury claims is expected to continue and will bring our claims into line with the risk profile of our activity and that of similar activities (non-contact sport).
- Difference between actual costs to ACC and projected levies. The proposed assessment would incur fees to RNZB of more than \$100k per annum greater than the cost to ACC of injuries incurred by RNZB.
- Impact on business. The difference between the proposed fees and past fees is up to 480%. RNZB would no longer be able to meet core funding requirements required of us by our principal funder Manatū Taonga (Ministry for Culture and Heritage).

RNZB note that the arts sector more widely will likely be impacted by this proposed change. The consequences, of which, will be particularly damaging for smaller companies and freelance practitioners. In their view, there will be unintended consequences, economic and otherwise, from such a drastic change.

RNZB recommends that if change must be made, the categorisation of professional ballet moves to LRG 915 (medium risk). This will bring levies for professional ballet in line with activities that bear a similar risk profile.

RNZB also recommends that any change is brought in gradually over time to allow more time for both RNZB and the wider industry to adapt and thereby cause less economic damage. A further review in three years’ time would provide an appropriate timeframe to assess whether any additional changes should be made to the Risk Levy categorisation.

ACC’s Response

ACC is satisfied that the methodology in the proposal aligns with good practice and results in a balanced distribution of costs based on injury risk and severity.

The proposal improves the alignment of levy charged with risk of injury. This is a complex sector and the proposals are attempting to improve the fairness of the levies without adding to the complexity of the classification system. We are satisfied that for most situations the proposal improves on the current approach to classification of businesses.

We acknowledge that for some businesses there is a significant increase in levies when the proposal implemented on 1 April 2025. Feedback from several businesses including the Royal New Zealand Ballet Company have indicated that this will place undue difficulty on them.

ACC has reviewed its claim data to ensure we remain satisfied with the proposed LRG allocations and have not found reason to adjust the proposed changes. However, we are recommending that the increases, where significant, be phased in over three years, rather than the one consulted upon.

Interest on payment plans, penalty and credit interest

Should ACC charge interest on all delayed levy payments?

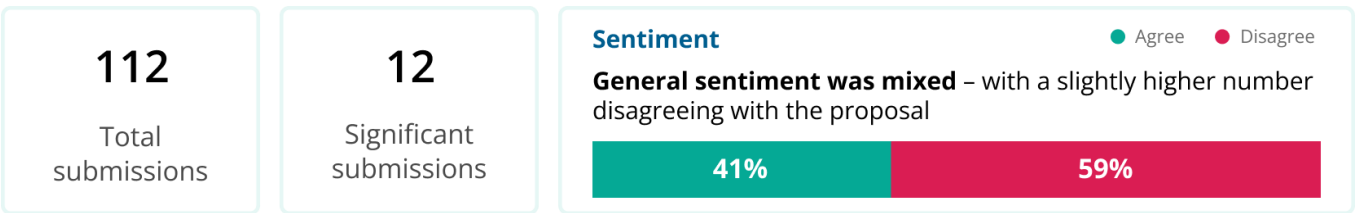
Customers can pay their ACC levies in delayed instalments using a payment plan. ACC applies zero interest on only some of the current payment plan options. The Minister for ACC is proposing, from 1 April 2025, to apply interest on all payment plans and using a formula to apply interest more flexibly.

Consultation question(s)

The specific questions are outlined in the analysis of consultation feedback below, but broadly cover:

- Should ACC charge interest on delayed levy payments?
- Should ACC’s penalty interest rate for when someone doesn’t pay their levy on time be updated? The Minister for ACC is proposing to amend the rate of penalty interest to align it with the proposed formula for calculating interest on instalment plans.
- Should ACC’s credit interest rate be updated to reflect market conditions? The Minister is proposing aligning interest on overpayments with the three-year Government Bond Rate. This would increase the credit interest rate for overpayments from 2.2% to 4.05%. The rate would be reviewed on 1 April each year.

Consultation feedback



Sentiment feedback was mixed, with more submitters (59%) disagreeing with the proposal.

Reasons for submitters disagreed with ACC charging interest on payment plans included:

- concerns about the future viability of small businesses
- negative financial impacts on self-employed, sole-traders and small businesses
- payment plans without interest are seen as beneficial to businesses.

Almost all significant submissions received on this proposal **do not support ACC applying interest charges.**

32% of SYA and email submissions on this proposal included written feedback (n=36). Sentiment and written feedback for each consultation question is provided below:

Question: Do you support the Minister for ACC’s proposal for applying interest charges, based on a formula to all payment plans?

13 submitters provided sentiment feedback on this question: 38% agreed (n=5); 62% disagreed (n=8).

“Very supportive as this will be fairer to all levy payers and ensure their aren't disincentives to pay on time. Under the current settings you aren't doing your job as a CFO if you don't have your business on a 6 month payment plan.”

"No if a payment plan is set up and adhered to then no interest should be paid"

"The calculation looks too complicated. Why not switch around the approach to what insurance companies do and people are familiar with. An annual rate paid on due date, six-monthly rate and monthly rate up front - building in only the "investment return ACC would have made", to keep incremental costs small as possible, for spreading the payments."

"With the cost of living paying levies is difficult as it is for small business owners. Penalising them for paying over time is making it harder for all of us that are already struggling"

"Interest should not be charged on levys paid within the first 6 months of the invoice especially for self employed people. Budgetting is difficult especially in this economy."

"If people have made plan to pay invoice off over a set time then why should they be penalised??? They are making the effort to pay that off adding the interest at those high rates just makes it harder and longer to pay. We need to be helping self employed people more"

Question: Should ACC use the RBNZ's Floating first mortgage new customer housing rate as the base rate for calculating interest?

10 submitters provided sentiment feedback on this question: 60% agreed (n=6); 40% disagreed (n=4).

"No. ACC should simply use the true cost of not receiving the payment on time, which equals "Use of money adjustment" - don't get greedy."

Question: What do you think of the proposed categories where ACC would waive or cancel interest on levies paid in instalments?

8 submitters provided sentiment feedback on this question: 63% agreed (n=5); 37% disagreed (n=3).

"Yes BUT: Some but not all. Many of these categories are ones that would have had a series of actions required prior to reaching that stage - without knowing the steps ACC takes to recover this debt, it is difficult to then say it is ok to wipe the debt."

"The proposed plan will work well as cancelling or waiving interest rate will be beneficial."

"More administrative burden for businesses."

"Too broad."

"Instalments" in ACC terms are a fixed amount every month. A sole trader Ice-cream vendor may well have the ability to pay in summer but not so in winter. It would be better if each year the Trader could pay in summer and set up instalments then but this is not what is proposed.

"If instalments are paid then no Interest or charges should be paid. We can all pay our council rates in instalments at no charge so ACC should be the same."

"If instalment is missed then 1 month grace is given then interest should be charged."

"Take same approach as the rest of the insurance industry."

Question: Do you support the Minister for ACC's proposal on penalty interest?

11 submitters provided sentiment feedback on this question: 64% agreed (n=7); 36% disagreed (n=4).

"Penalty interest, yes. Set at "use of money adjustment". Simple and reflective of true cost. How about implementing notification messages to customer's phones telling them they have missed a payment."

"The penalty exists because of the charges bro. But hey, why not cripple the entire business with more financial burden."

"I think the base rate is too high and more of a disincentive to not pay."

Question: What do you think of tying the rate of penalty interest to the interest on payment plans?

6 submitters provided sentiment feedback on this question: 50% agreed (n=3); 50% disagreed (n=3).

"Makes sense"

"This will make it clear and easy to understand."

"Too complicated."

"Penalty interest needs to be higher, or people will just go on payment plans and the rest of us wind up subsidising people who are wilfully delinquent"

"I think the GNA should stay as this is an easy way to avoid payment. The person will show up in the system again through IRD or Hospital system and can then be contacted and made to pay their debts."

"Monthly compounding could be adversely punitive. Granted the interest is being applied because a debt hasn't been paid. However, to enable someone to clear the debt, suggest quarterly compounding, not monthly."

Question: Do you support the Minister for ACC's proposal on credit interest?

11 submitters provided sentiment feedback on this question: 73% agreed (n=8); 27% disagreed (n=3).

"Yes, since I have been in the situation once that through wrong coding of my business category, I had been largely overcharged."

"Yes, it needs to be more reflective of the current rate. If you are going to apply that principle to debit interest it is only fair to do the same for credit interest. It should however be applied from a lower threshold than \$1000 - if you are going to charge interest from the first dollar, why should you not pay it?"

"Yes, if charging penalty interest then there should be credit interest at the same rate. Set to reserve bank rate at start of the year."

Question: What do you think of updating the amount of credit interest payable to align to the three-year Government Bond rate?

10 submitters provided sentiment feedback on this question: 50% agreed (n=5); 50% disagreed (n=5).

"I do not mind changing the interest rate as long as the way it is charged stays the same i.e only on payment plans greater than 6 months."

"As long as the rate is fair, yes I would support this."

"Align it to what ACC would get if invested = use of money adjustment or simply the reserve bank rate at the start of the year."

"Absolutely unnecessary- how many extra staff are required to administer this?"

"Disagree. Needs to be a market rate more reflective of overall interest rates. Especially if you're using a floating mortgage rate for interest calcs."

“It is hard enough out there for business who are treated like fatted calves, hit with so many compliance costs. Do not make it even harder for them by taking away the ability to pay their annual ACC account over a period of time without penalty.”

Alternative suggestions:

Some submitters asked if **ACC could bill invoices monthly rather than annually.**

“Invoices are only provided once a year, that is a huge lump sum for someone that is self employed and they should be given a reasonable time to pay it without incurring interest. Or ACC should bill them monthly so it is a more manageable cost”

Significant submissions

12 significant submissions provided feedback on this proposal.

11 significant submitters do not support the proposal to apply interest charges: **LeaderBrand (LB), Manage Group (MG), NZ Security Association (NZSA), Forestry Industry Contractors Association (FICA), Civil Contractors (CCNZ), Building Service Contractors (BSCNZ), Specialist Trade Contractors Federation (STCF), Scaffolding, Access & Rigging NZ (SARNZ), Crane Association of NZ (CANZ), Rural Contracting NZ (RCNZ), and NZ Shearing Contractors Association (NZSCA).** Their submissions highlight the following:

- NZSCA and RCNZ believe that ACC’s Levy System Change Proposal is not only misleading but also factually incorrect when reviewing data which they recently sourced via an Official Information Act request.
- RCNZ submits that ACC has no justification in applying interest on payment plans, given the rationale it raises. RCNZ notes the following:
 - ACC’s proposal to increase their members Work Levy rate by 23% (on average), coupled with applying interest on payment plans is going to place many of their members in financial hardship.
 - The Minister would do well to consider existing economic conditions, and particularly the economic conditions in the rural sector. They note that it is clear through Federated Farmers 2024 survey data that confidence is low and 72% of respondents are either making a loss or only breaking even.
 - Payment plan interest charges and increased levy costs for agricultural contractors will likely be passed on to farmers who in general are already financial squeezed.
 - ACC should not use the RBNZ’s Floating first mortgage new customer housing rate as the base rate for calculating interest.
- LB note they currently pay their levy invoice in instalments over 6 months with 0% interest. With the new proposal they would be charged an additional \$15k per annum or around 2.78% interest. LB feels this is “out of touch with businesses who are already feeling massive pressures of high interest rates, high costs, and high wages”. Consequently, LB also do not support the proposal that ACC use the RBNZ’s floating first mortgage new customer housing rate as the base rate for calculating interest.
- MG, NZSA, FICA, CCNZ, BSCNZ, STCF, SARNZ, and CANZ recommend the following:
 - Not introducing an interest charge on any short-term payment plan.
 - That interest charges remain on the 10-month instalment plan.
 - ACC to focus its energy on collecting bad debt rather than on charging businesses who clearly demonstrate their intent to pay.

- ACC to review the current position for when use of money interest is payable and apply to any situation where ACC has the use of a 'client's' money for a period exceeding 1 year.

RCSA's submission does not explicitly support the proposal but does recommend ACC use the RBNZ Official Cash Rate, rather than the Floating First Mortgage New Customer Housing Rate as the base rate for interest charged on levy payment plans and penalty interest for late payments. In their view, this would result in a more stable, transparent, and widely accepted benchmark for ACC's interest calculations.

While LeaderBrand do not support the proposal to apply interest charges they do support the following:

- the proposed categories where ACC would waive or cancel interest on levies paid in instalments.
- the proposal on credit interest. They note that any overpayment should receive credit interest to be reflected in the reimbursement to the business.
- updating the amount of credit interest payable to align to the three-year Government Bond rate. They note the bond rate reflects long-term financial stability and is more predictable and consistent than using the OCR which can fluctuate.

Under certain circumstances, LeaderBrand also supports the proposal on penalty interest but feel that businesses who regularly pay their invoices on time should be allowed a chance to rectify the outstanding money at the discretion of ACC, before any penalty interest rates are charged. In their view,

"[t]his allows a fairness to those who would in normal circumstances be able pay their levies in full and on time. In this economic environment, even good businesses have times of hardship, and this should be taken into account prior to any penalties being added."

ACC's response

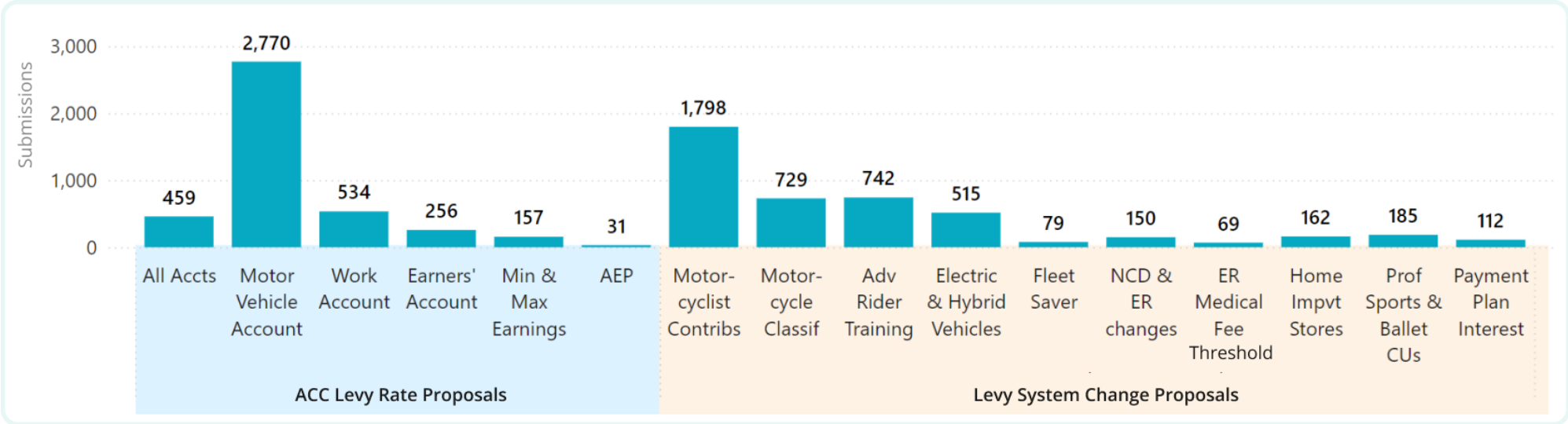
We have reviewed the proposed formula for calculating interest rates and acknowledge it is complicated. We believe that the application of interest should apply in every situation where payment plans exist which is similar practice as used by insurance companies that charge a higher overall premium when a client select payment options more frequent than annually.

We have considered alternative approaches to the base rate and use of money adjustment proposed. We believe that an option suggested by submitters of using the Official Cash Rate as the base rate has merit as it is easily understood and recognised by businesses. However, we believe we need to retain the 2.5% use of money adjustment.

Adopting the OCR as the base rate would change the interest rate (as calculated on the 15th October 2024) from 10.88% under the current proposal to 7.25% using the OCR as the base rate.

Appendix 1: Summary graphs of submission feedback

Total Submissions by Proposal



Total Submissions Trending over Consultation Period

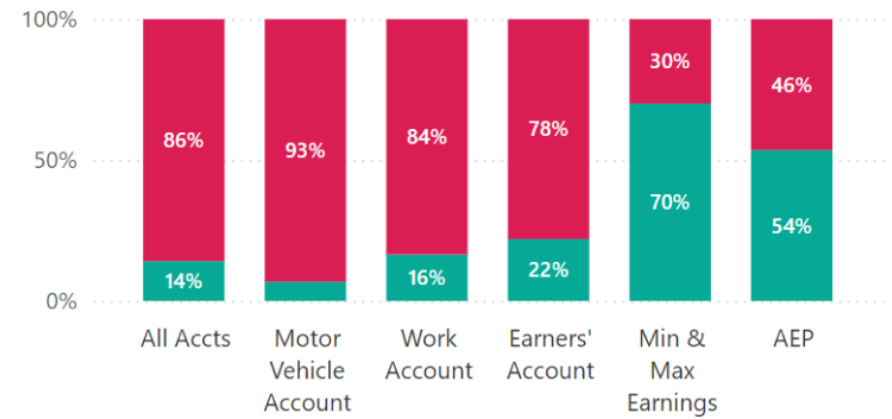


ACC Levy Rate Proposals Breakdown

Numbers of submissions

Proposal	Sentiment	Structured	Significant	Emails
All Accounts	318	141		
Motor Vehicle Account	2,270	462	10	28
Work Account	407	101	21	5
Earners' Account	205	51		
Min & Max Earnings	130	27		
AEP	28	3		
Total	3,358	785	31	33

Sentiment ● Agree ● Disagree

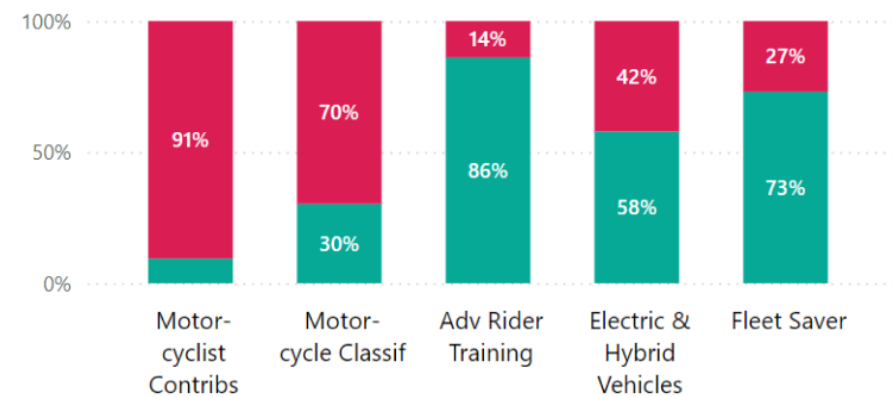


Levy System Change Proposals Breakdown | Motor Vehicle Account

Numbers of submissions

Proposal	Sentiment	Structured	Significant	Emails
Motorcyclist Contributions	1,362	431		5
Motorcycle Classification	585	139		5
Adv Rider Training	599	143		
Electric & Hybrid Vehicles	425	88	2	
Fleet Saver	63	13	2	1
Total	3,034	814	4	11

Sentiment ● Agree ● Disagree

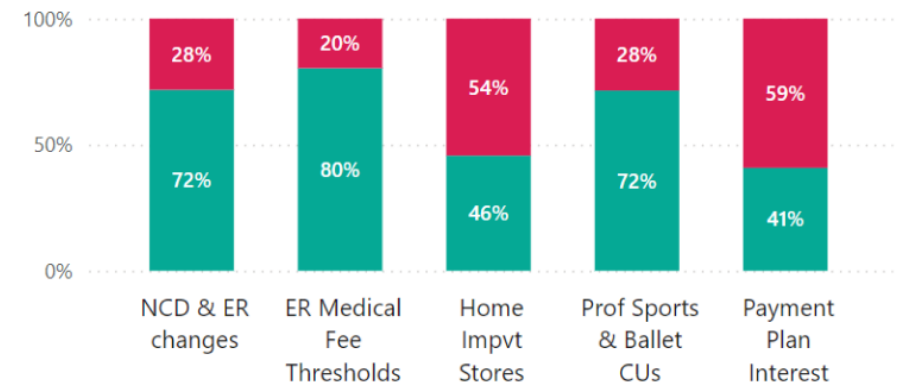


Levy System Change Proposals Breakdown | Work Account

Numbers of submissions

Proposal ▲	Sentiment	Structured	Significant	Emails
NCD & ER changes	117	32	1	
ER Medical Fee Thresholds	56	13		
Home Improvement Stores	116	44	2	
Prof Sports & Ballet CUs	151	22	3	9
Payment Plan Interest	93	19		
Total	533	130	6	9

Sentiment ● Agree ● Disagree



Appendix 2: Summary themes table

Consultation questions	Total submissions	Agree	Disagree	Total written feedback	Theme 1: Negative financial impacts	Theme 2: ACC's management of the scheme	Theme 3: ACC's approach to levying risk	Theme 4: Evidence and consultation process	Theme 5: Wider impacts of levy system	Alternative suggestions for ACC to consider
General support for all proposals - all Accounts	459	14%	86%	239	N = 151 (63%) Increase inappropriate, ill considered, inequitable	N = 76 (32%) Concern about efficiencies and rising costs	N = 106 (44%) Better classification of businesses to reflect risk	N = 45 (19%) Concerns about use of claims data and evidence Want improvements to consultation process	N = 19 (8%) Economic and industry impacts of levies	N = 95 (40%) Limit ACC cover for tourists Shorter timeframe between consultations/ more regular engagement
Motor Vehicle Aggregate Q: support to proposed increase* Q: balance – petrol use vs registration**	2,770	7%	93%	1080	N = 410 (38%) Aversion of registration - illegal riding Motorcyclist historically paying too much	N = 65 (6%) No increase required; ACC has surplus from investments	N = 624 (58%) Cyclist & unregistered riders don't pay levies; have higher risk of injury Most motorcycle injuries caused by third party Personal risk factors application when determining levies	N = 82 (8%) Transparency on unregistered vehicles contribution to injuries	N = 57 (5%) Environmental & wellness benefits Ease congestion on the roads ACC has a role in promoting motorcycling for economic and environmental reasons	N = 557 (52%) Levy the rider, not bike Collect levies through petrol Single levies for all vehicles
Work account Q: support to A/B options***	534	16%	84%	224	N = 111 (50%) Concerns about future viability of business	N = 64 (29%) Focus on reducing waste & fraudulent claims ACC is inefficient ACC should not pay for tourists	N = 71 (32%) Tailored levies that reflect risk exposure (option A)	-	-	N = 39 (18%) Self-employed to take out a private insurance
Earners' Account (EA)	256	22%	78%	102	N = 72 (71%) Individuals and small businesses are struggling with cost-of-living pressures	N = 50 (49%) ACC provides substandard service Scheme not being managed effectively	N = 24 (24%) Small businesses and individuals are paying disproportionately to their risk	-	-	N = 45 (44%) Greater individualisation of Earners' levy based on risk profiles
Maximum and Minimum Liable Earnings	157	70%	30%	49	N = 22 (45%) Low earners are severely impacted by minimum limits.	-	N = 39 (80%) Contribution should reflect pay	-	-	N = 20 (41%) Liable amounts should be based on true earnings

Consultation questions	Total submissions	Agree	Disagree	Total written feedback	Theme 1: Negative financial impacts	Theme 2: ACC's management of the scheme	Theme 3: ACC's approach to levying risk	Theme 4: Evidence and consultation process	Theme 5: Wider impacts of levy system	Alternative suggestions for ACC to consider
Accredited Employers Programme	31	54%	46%	7	-	-	-	-	-	-
Motorcyclists' Contribution	1,798	9%	91%	908	N = 382 (42%) Financial impacts on riders Riders pay into multiple accounts - earners, car drivers, motorcycles Will cause people to ride unregistered	-	N = 736 (81%) Car drivers, poor roads contributing to injuries Levying based on bike, not rider	N = 121 (13%) Limited clarity of unregistered vehicles contribution to injuries	N = 122 (13%) Motorcycle riders have lower emissions and cause less road congestion ACC should influence law making on use of safety gear	N = 358 (39%) Levy the rider, not the bike Move to Road User Charges model
Motorcycle Classification	729	30%	70%	286	N = 25 (9%) Makes motorcycling unaffordable High financial burden on daily commuters	N = 5 (2%) ACC does not listen to motorcyclists ACC' provides substandard service	N = 160 (56%) Motorcycle capacity (CC) isn't right measurement of risk	N = 23 (8%) Evidence to support CC to inform classifications	N = 13 (5%) Increases create inequities in transport access in rural & lower socio-economic areas	N = 172 (60%) Levy the rider not the bike Power to weight ratio Collect through Road User Charges
Advanced Rider Training	742	86%	14%	279	N = 59 (21%) The incentive should be higher Motorcyclists are paying a lot in levies	-	-	-	N = 92 (33%) Advanced rider training is useful and well-received	N = 99 (35%) Car drivers should undergo safety training Years without crashes should be rewarded
Electric & Hybrid Vehicles	515	58%	42%	214	N = 23 (11%) Hybrids pay at the pump (new RUC)	-	N = 122 (57%) Hybrid and electric vehicles pose different risks, and this should be reflected in levies	N = 19 (9%) ACC lacks information on electric and hybrid vehicles contribution to injury, injury costs	N = 68 (32%) Impact on uptake and market for EV/PHEVs ACC has a responsibility to help achieve emissions goals	N = 64 (30%) All road users contribute equally Keep discount Remove petrol levy Collect through RUC
Fleet Saver	79	73%	27%	20	-	N = 11 (55%) ACC did not promote Fleet Saver adequately	-	-	-	-

Consultation questions	Total submissions	Agree	Disagree	Total written feedback	Theme 1: Negative financial impacts	Theme 2: ACC's management of the scheme	Theme 3: ACC's approach to levying risk	Theme 4: Evidence and consultation process	Theme 5: Wider impacts of levy system	Alternative suggestions for ACC to consider
No Claim Discount & Experience Rating Changes	150	72%	28%	48	N = 15 (31%) Changes are unfair for small businesses	-	N = 4 (8%) Low-risk injury sectors should continue to receive NCD	-	N = 5 (10%) Removal can disincentivise good behaviours	N = 6 (13%) Reduce but do not remove the NCD Break up invoices Reward safety-conscious businesses
Threshold For Medical Fees & Treatment Costs	69	80%	20%	17	N = 9 (53%) Thresholds should be increased to keep up with rising healthcare costs	-	-	-	-	N = 7 (41%) Threshold should be higher
Home Improvement Stores Classification	162	46%	54%	62	-	-	-	-	N = 5 (8%) Levy increases will be passed on to consumers	N = 5 (8%) Mixed support for new classification
Professional Sports and Ballet Classification	185	72%	28%	56	-	-	N = 20 (36%) Support the recognition of risk	N = 19 (34%) Evidence sought to justify the increase	-	-
Interest on Payment Plans, Penalty and Credit Interest	112	41%	59%	36	N = 16 (44%) Changes are unfair for small businesses, self-employed and sole traders	N = 6 (17%) Focus on reducing waste & fraudulent claims	-	-	-	N = 9 (25%) Break up invoices Reward safety-conscious businesses

*	Balance between collecting levies for petrol-driven vehicles from petrol use (currently 48%) and collecting them when vehicles are licensed (registration) is right?
**	Do you think the balance between collecting levies for petrol-driven vehicles from petrol use (currently 48%) and collecting them when vehicles are licensed (registration) is right?
***	Would you prefer the levy system to be (A) more tailored to recognise risk exposure but with more volatility, or (B) more stable levy rates but less recognition of individual business activity?

Theme 1 	Negative financial impacts Increases to levies will have significant financial impacts due to current economic conditions.
Theme 2 	ACC's management of the Scheme: ACC needs to lift our performance and improve efficiencies.
Theme 3 	ACC's approach to levying risk Improvements are needed to ACC's current approach to determining and calculating levies based on risk
Theme 4 	Evidence and consultation process There are opportunities to improve confidence in how ACC develops our levy proposals and runs the consultation process.
Theme 5 	Wider impacts of levy system ACC should consider how our levy settings impact on broader government goals, including economic and environmental impacts
Alternative suggestions for ACC to consider	Submitter provided alternative approaches for this proposal, including approaches to levy collection.
-	Theme was not significantly present in submissions for this proposal

Appendix 3: General Feedback

Several significant submitters provided feedback on aspects that do not specifically relate to Levy Consultation proposals but have a bearing on the ACC Scheme. This feedback is summarised below.

The claim lodgement process: an employers' perspective

EMA note one of the biggest and most complained about issues attached to the ACC Scheme is the injury claim lodgement process. EMA, claim they have long advocated for employers being part of the claim's acceptance process. They note the current system accepts the claim and only after that decision is an employer invited to accept, contest or reject the claim as being work related, legitimate or under suspicion. To refute the claim is, in their view, a long and arduous process; it was meant to be easy and non-formal but has however turned into a quasi-court room. EMA note that employers frequently "just give up and accept the claim as a fait accompli which is bad law and can push up claim numbers and costs".

Reintroducing Contestability

BusinessNZ suggest that, over the medium term, the Government should consider reintroducing contestability in the provision of accident insurance cover. In their view, this would ensure improved outcomes for both levy payers and claimants under the scheme while retaining its essential no-fault nature.

Manage Group, NZ Security Association, Forestry Industry Contractors Association, Civil Contractors, Building Service Contractors, Specialist Trade Contractors Federation, Scaffolding, Access & Rigging NZ, Crame Association of NZ (separate submissions that are the same) similarly suggest that ACC consider private partnership alternative claim management solutions that can include partnerships with industry directly.

Factoring in external pay equity settlements

BusinessNZ urge ACC to revisit their contract pricing adjustments to allied health sector contracts such as vocational rehabilitation services in relation to pay equity and annual inflation applied within the multi-employer collective agreement (MECA).

Addressing capacity difficulties in the medical profession

Due to capacity difficulties in the medical profession (GPs), EMA recommend the introduction of other Recovery at Work providers along the lines of the current Third-Party Administrators (TPA's) used by businesses within the Accredited EP scheme. The recovery of claimants is their sole focus along with working with businesses to open doors and embrace a full recovery at work programme. This could be extended to all other non-work injuries.

EMA also recommends that medical providers be subject to experience rating in terms of incentivising GP's and others on sound durable return to work outcomes. EMA note that it is not just employers who enable sound and durable return to work outcomes, but rather the entire echo system supporting the patient.

Improving the Claims Dispute Process for Labour Hire Arrangements

RCSA note the current system does not adequately account for the triangular nature of these employment relationships, where workers are employed by one entity but supervised day-to-day by another.

RCSA recommend expanding the evidence considered in claims disputes to include statements and testimonies from client or host organizations where labour hire workers are placed. These parties often have the most direct knowledge of workplace conditions and incidents.

RCSA suggest implementing a formal process for labour hire firms to obtain relevant information from client organizations to assist in assessing and, if necessary, disputing claims.

In their view, ACC should provide guidance and training to case managers on the unique aspects of labour hire arrangements to ensure fair assessment of claims in these contexts.

RCSA propose considering the establishment of a specialized unit or process within ACC to handle claims related to labour hire and other non-standard work arrangements. These changes would create a fairer

system that recognizes the realities of modern work arrangements while still protecting workers' rights to compensation for legitimate workplace injuries.

Considering the role of ACC in the review into Work Health and Safety

The New Zealand Initiative's (The Initiative) submission refers to the Government's review into work health and safety. The Initiative agrees that the current health and safety system is performing poorly. They also agree with the statement that "Workers, organisations, and businesses spend a lot of time and money trying to comply with health and safety rules and regulations, yet New Zealand's workplace fatality rate is far too high compared with countries like Australia and the United Kingdom."

In the Initiative's view, any review of health and safety must consider the role of ACC and the signals it sends. They believe ACC levies should send sharp pricing signals on risk and safety experience to encourage safer practices. This would reduce the reliance on the use of regulations that many consider to be neither clear, sensible, proportionate, or effective. Fundamentally, the review should consider from first principles whether ACC's no-fault system and statutory monopoly helps or hinders health and safety.

The Initiative recommend that the concurrent review into Work Health and Safety should consider the role of ACC in the health and safety system.

Making client information more accessible

Manage Group, NZ Security Association, Forestry Industry Contractors Association, Civil Contractors, Building Service Contractors, Specialist Trade Contractors Federation, Scaffolding, Access & Rigging NZ, Crane Association of NZ point out that over the last 4 years, ACC has been requiring the use of the Official Information Act to request client specific information. This is when there is an ACC Authority to Act in place for that employer (ACC1766). They believe this is the incorrect use of not only the Official Information Act process but also undermines the efficacy of the ACC1766 form and process. They recommend ACC stop using the Official Information Act process for sourcing client specific information that, in their view, should be directly accessible via the ACC1766 process.

Appendix 4: Communications and engagement summary

ShapeYourACC consultation platform

Key Statistic	Week one (11-19/9) 9-day period	Week two (20-26/9) 7-day period	Week three (27/9 – 3/10) 7-day period	Week four (4-9/10) 6-day period	Total
Unique visitors	*10,720	5,114	3,542	3,624	22,242
Page views	*34,780	17,751	9,029	9,790	71,350
Document downloads	337 downloads by 140 users	197 downloads by 79 users	146 downloads by 61 users	139 downloads by 61 users	819 downloads by 289 users

	Top three visited topic pages: 11 September – 09 October	Page views
1.	Motor vehicle account aggregate rate	8,172
2.	Increasing motorcycle owners' contribution to the costs of injuries	4,923
3.	Changing the classification of motorcycles	2,841

Media

In total there were **114 media stories** published in print, online and broadcast media throughout this period. Most of these came in the first week (102 stories) when the consultation process was announced on 11 September.

At the start of consultation, we invited select journalists to a media briefing with Deputy Chief Executive Corporate Stewart McRobie and Chief Executive Megan Main. This generated several balanced articles in Tier one outlets including 1 News, The Post and RNZ.

In general, the sentiment of the media coverage was neutral/negative and was a factor in the media reputation score of 58/100 for September. It was clear from this Meltwater report that the briefing work ahead of the levy consultation process made a difference and resulted in fair and balanced reporting.

Highlights of the media coverage include:

- [AA expressing their support for the proposed changes in an interview on RNZ](#)
- [Chief Executive Megan Main's interview on RNZ's Morning Report](#)
- [Petria Hume's contribution to Newsroom on the cost of ballet injuries](#)

A key trend was opinion pieces on ACC levies by prominent journalists including Stuff's Piers Fuller and Mike Yardley, Newstalk ZB's Mike Hosking, Kerre Woodham and John Macdonald.

Social media

- The paid campaign performed strongly with nearly 2 million total video views, around 845,000 of which were views of 50% or more of the video.
- The best-performing paid videos were Megan Main's overview (75,000 views of 75% or more on Meta) and the earners video fronted by Rēnata Blair (44,500 views of 75% or more on Meta).

- The highest numbers of click throughs to the Shape Your ACC website were from the overview video (4,200 clicks on TikTok), households (2,300 clicks on TikTok) and earners (2,000 clicks on Meta).
- We organically posted 34 pieces of content across our owned social media channels (LinkedIn x 8, Instagram x 7, Facebook x 7, TikTok x 4, YouTube x 8).
- Our best performing organic post was Megan Main's general overview video with 5,936 views, followed closely by the households video on 5,768 views. The other best-performing organic videos were motorcycles (4,685) and small businesses/self-employed (2,228).
- Across the social campaign, we received 1,933 messages and responded 249 times.
- There were over 2,250 organic clicks through to the Shape Your ACC website.

Engagement

- Face to face meetings were held with nine significant submitters.
- Over 500 business customers received a tailored invite to engage in Levy Consultation 2024. There were 80 follow up conversations which included either a phone conversation, virtual or in person meetings. All 130+ Accredited Employers were included in the initial invite, with 45 also choosing to attend a webinar.
- eDMs were sent to 820 businesses that were not included in the targeted campaign. 354 businesses opened this email and 81 of those clicked through to the Shape Your ACC website. A follow up/reminder eDM was sent to the 466 businesses who didn't open the first email. 57 businesses opened this email and 11 of those clicked through to the Shape Your ACC website.
- Newsletters and other channels of sector organisations were used to promote levy consultation to their members. We also MBIE's Biz.gov newsletter to reach over 795,000 businesses.