

ACC – Finalised 2013/14 levy rates

The Government has announced it will hold all ACC levy rates for the coming year at current levels.

The decision came in spite of the ACC Board's recommendation to reduce the combined Work and Earners' account levies by 13% and 12% respectively (the recommendation for the Motor Account was for no change).

The Minister said "we need to have confidence that reductions are stable and sustainable. This has not always been the case", and also acknowledged that continuing uncertainty in the economic environment and the impact on the Crown's operating balance were factors in the decision to "err on the side of caution".

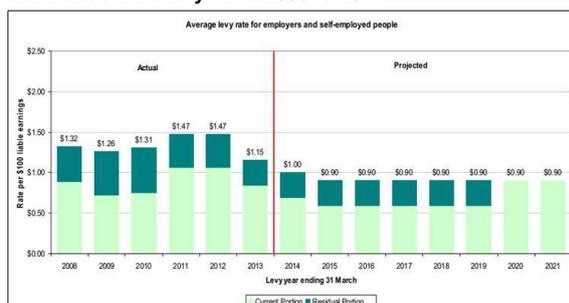
The finalised (combined) rates for each of the accounts are shown in the table below.

	\$
Work Account	
per \$100 liable earnings	1.15
Earners' Account	
per \$100 liable earnings (excl. GST)	1.48
Motor Account	
per vehicle (excl. GST)	334

An obvious implication of retaining the higher rates for the Work and Earners' accounts is that, all else being equal, we should expect marginally lower rates from 2014/15 onwards than those projected at consultation. Similarly, the funding positions of the two accounts should be expected to be slightly improved.

The projected future rates, taken from the Consultation Documents, are shown in the charts below.

Work Account: Levy rates 2008 to 2021



Earners' Account: Levy rates 2008 to 2021



Other ACC announcements

The Government has also introduced three new initiatives to take effect in 2013 aimed at focussing businesses on workplace safety management.

The Workplace Safety Discounts (WSD) programme which offers employers and self-employed people a 10% discount on the standard levy, and currently available only to businesses in seven high-risk industries, is to be extended to all industries. In addition, the maximum liable earnings entry criterion is to be increased from \$519k pa to \$537k pa.

A Fleet Safety Incentive Programme is to be launched that will provide heavy truck fleet owners the opportunity to reduce their vehicle licence levies by demonstrating good safety management practices. There will be three levels of audit rating – silver, gold and platinum – though detail of the standards required to achieve these ratings as well as the discounts available will not be published until January 2013.

ACC has also made a change to the vehicle classification structure for Goods Service Vehicles (GSV). To reduce cross-subsidies, the GSV classes will be further split into 'light' (< 3.5 tonnes) and 'heavy'. The change will mean a small reduction in levies for light vehicle owners and an increase for heavy vehicle owners; however heavy vehicle owners may be able to offset some of the increase by joining the Fleet Safety Incentive Programme.

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