



# New Zealand Gazette

OF THURSDAY, 16 DECEMBER 2010

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WELLINGTON: WEDNESDAY, 22 DECEMBER 2010 — ISSUE NO. 178

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## ACC

ACC BOARD'S RECOMMENDATIONS  
TO THE MINISTER FOR ACC

LEVY RATES FOR 2011/12  
AND  
INTRODUCTION OF EXPERIENCE RATING

PURSUANT TO THE  
ACCIDENT COMPENSATION ACT 2001

**ACC Board's Levy Recommendations for 2011/12 to the Minister for ACC**

Under the Accident Compensation Act 2001, the ACC Board has now recommended levy rates for the 2011/12 year to the Minister for ACC. In recommending these levy rates, the Board has considered submissions received as part of the public consultation process, which took place between 1 October and 29 October 2010. The Board's recommended levy rates for 2011/12 are the same as those consulted on, and are summarised in the following table:

ACC Account & purpose Who pays	Levy rate <sup>o</sup>	Current 2010/11	Proposed and recommended 2011/12	Proposed change
<b>Work Account:</b> cover for injuries that occur in the workplace  Paid by self-employed* and employers (invoiced directly by ACC)	Combined average <sup>^</sup> levy rate per \$100 liable earnings	\$1.47	\$1.47	no change
<b>Motor Vehicle Account:</b> cover for motor vehicle injuries occurring on public roads  Paid by motorists (through licensing fees & petrol levy)	Combined average <sup>^</sup> levy per vehicle	\$334.52	\$342.96	up \$8.44  (+2.5%)
<b>Earners' Account:</b> cover for non-work injuries  Paid by employees and self-employed (through PAYE)	Combined earners' levy rate per \$100 liable earnings	\$1.78	\$1.90	up 12c  (+6.7%)

<sup>o</sup> Note that these rates exclude GST

\* Self-employed and non-PAYE shareholders also pay the Earners' Account non-work claims levy

<sup>^</sup> These are average rates. Individual rates for industry groups and motor vehicle classes may increase or decrease.

**Recommendations for each group of levy payers**Employers and self-employed people

- increase the number of industry-based levy risk groups to cover 2011/12 work injuries from 117 to 143, mainly to support the introduction of experience rating
- maintain the existing 41 risk groups for injury claims prior to 1999
- maintain the current discount levels for the Workplace Safety Management Practices programme.

Motorists

- increase the petrol levy rate by 3 cents from 9.90 cents per litre to 12.90 cents per litre
- maintain the Motorcycle Safety Levy at \$30 per motorcycle
- split to the classification for goods service vehicles (GSV) into 2 subclasses based on weight, to address the high levy costs for those light-weight vehicles that are used for private use, when compared to those used for commercial purposes, such as trucks.

**Need more information?**

For information that accompanied the recommendations made to the Minister, you can:

- email: [levyconsultation@acc.co.nz](mailto:levyconsultation@acc.co.nz)
- write to Levy Consultation, ACC, PO Box 242, Wellington for a printed document
- visit us on our website: <http://www.acc.co.nz/about-acc/consultation-have-your-say>

For information of the Government's decisions on levy rates you can visit [www.beehive.govt.nz](http://www.beehive.govt.nz)

### ACC Board's Recommendations to the Minister for ACC on proposal to introduce experience rating

Under the Accident Compensation Act 2001, the ACC Board has now made recommendations to the Minister for ACC on the introduction of experience rating into the ACC Work Account. In making these recommendations, the Board has considered submissions received as part of the public consultation process, which took place between 1 October and 29 October 2010.

#### What is experience rating?

ACC levies are the main way in which the Government provides a financial incentive to businesses to improve their workplace safety. However, the current system of setting levies recognises and rewards, or penalises, safety records at an industry level. This means that businesses with good workplace safety records are carrying the cost of businesses that are less safe, and detracts from the incentives for improving safety.

Experience rating will modify the levies paid by individual employers and self-employed people. ACC has recommended that experience rating will begin from 1 April 2011.

#### Summary of the ACC Board's recommendations for the Experience Rating framework

Application	Threshold	Recommended level
Programme participation level	Level of annual work levy (current portion) used to determine the programme a business group will participate in	\$10,000
Experience period	The period used to determine which claims will be included in the experience rating framework	3 years
No-Claims Discount Programme (small employers)	Maximum discount/loading applied to the current portion of the Work Account levy	+/- 10%
<ul style="list-style-type: none"> <li>Number of weekly compensation claims and duration</li> </ul>	The number and duration of claims used to determine the level of loading or discount for small employers	no claims = 10% discount
		1–70 days paid = no change
		more than 70 days paid = 10% loading
Experience Rating Programme (large employers)	Maximum discount/loading applied to the current portion of the Work Account levy	+/- 50%
<ul style="list-style-type: none"> <li>Industry size modification</li> </ul>	Maximum proportion of discount/loading applied to experience rating programme modification	+/- 15%
<ul style="list-style-type: none"> <li>Experience rating modification</li> </ul>	Maximum proportion of discount/loading applied to experience rating programme modification	+/- 35%
– Rehabilitation component	Proportion of discount/loading applied to the experience rating modification	75%
– Risk management component	Proportion of discount/loading applied to the experience rating modification	25%

**Business grouping rules**

ACC has recommended introducing business grouping rules for the purposes of experience rating. The main objective is to group commonly owned or controlled businesses so that:

- experience rating is, as far as possible, based on common control of the workplace
- the claims histories of all entities that are under common control are taken into account when calculating a levy modification

ACC is recommending that the business grouping rules, and rules about business transfers, will be largely based on those that are applied in the Income Tax Act 2007, including the disclosure of certain information by employers.

**Need more information?**

For information that accompanied the recommendations made to the Minister, you can:

- email: [ERConsultation@acc.co.nz](mailto:ERConsultation@acc.co.nz)
- write to Experience Rating Consultation, ACC, PO Box 242, Wellington for a printed document
- visit us on our website: <http://www.acc.co.nz/about-acc/consultation-have-your-say>

For information of the Government's decisions on the introduction of experience rating in the Work Account you can visit [www.beehive.govt.nz](http://www.beehive.govt.nz)