



COVERSHEET

Minister	Hon Carmel Sepuloni	Portfolio	ACC
Title of Cabinet paper	Preparing for the 2021 ACC levy round: implementing three-yearly levy rounds	Date to be published	28 April 2021

List of documents that have been proactively released		
Date	Title	Author
28 April 2021	Preparing for the 2021 ACC levy round: implementing three-yearly levy rounds	Office of the Minister for ACC
28 April 2021	Cabinet Economic Development Committee Minute of Decision [DEV-21-MIN-0050]	Cabinet Office

Information redacted

YES

Any information redacted in this document is redacted in accordance with MBIE's policy on Proactive Release and is labelled with the reason for redaction. This may include information that would be redacted if this information was requested under Official Information Act 1982. Where this is the case, the reasons for withholding information are listed below. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

Some information has been withheld for the reason of confidential advice to Government.



Cabinet Economic Development Committee

Minute of Decision

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.

Preparing for the 2021 ACC Levy Round: Implementing Three-Yearly ACC Levy Rounds

Portfolio ACC

On 24 March 2021, the Cabinet Economic Development Committee (DEV):

Frequency of levy rounds

- 1 **noted** that on 11 December 2019, DEV agreed to set levies for one year only in 2020, and noted that officials will provide further advice to the Minister of Finance and the Minister for ACC on moving to a three-yearly levy setting cycle after the 2020 levy round [DEV-19-MIN-0348];
- 2 **noted** that on 1 July 2020, DEV agreed to roll over 2020/21 levy rates into 2021/22 due to the uncertainty caused by COVID-19 [DEV-20-MIN-0118];
- 3 **agreed** to move to three-yearly ACC levy rounds from 2021 (with the first levies to apply from 2022/23);

Funding policy

- 4 **noted** that as a consequence of paragraph 3 above, minor and technical changes to the Funding Policy Statement will be required;
- 5 **agreed** to amend the Funding Policy Statement from a levy-period basis to an annual basis;
- 6 **agreed** to change the cap on levy increases to a 5 percent annual cap (in addition to inflation adjustments for the Motor Vehicle Account);
- 7 **agreed** to correct the funding ratio calculation to align the Funding Policy Statement with the method ACC uses in calculating funding ratios in its reports, excluding the unexpired risk liability;

Funding Policy Statement

- 8 **noted** that the Funding Policy Statement will be gazetted immediately following Cabinet's decisions on three-yearly levy rounds and associated funding policy changes.

Janine Harvey
Committee Secretary

Hard-copy distribution: (see over)

Present:

Hon Grant Robertson (Chair)
Hon Dr Megan Woods
Hon Carmel Sepuloni
Hon Poto Williams
Hon Damien O'Connor
Hon Stuart Nash
Hon Willie Jackson
Hon Michael Wood
Hon Dr Ayesha Verrall
Hon Meka Whaitiri
Hon Phil Twyford
Rino Tirikatene, MP
Dr Deborah Russell, MP

Officials present from:

Office of the Prime Minister
Officials Committee for DEV

Hard-copy distribution:

Minister for ACC