



COVERSHEET

Minister	Hon Carmel Sepuloni	Portfolio	ACC
Title of Cabinet paper	2022/23 – 2024/25 ACC Levies	Date to be published	22 December 2021

List of documents that have been proactively released		
Date	Title	Author
24 November 2021	2022/23 – 2024/25 ACC Levies	Office of the Minister for ACC
24 November 2021	Cabinet Economic Development Committee Minute of Decision, 2022/23 – 2024/25 ACC Levies [DEV-21-MIN-0249 refers]	Cabinet Office
17 November 2021	Stage 2 Cost Recovery Impact Statement: 2022/23 – 2024/25 ACC levies	Ministry of Business, Innovation and Employment
18 November 2021	Regulatory Impact Statement: Experience Rating – increase loading and add fatality modifier	Ministry of Business, Innovation and Employment
25 October 2021	2022/23 – 2024/25 ACC levies: Levy Scenarios and Super Rugby classification Units	Ministry of Business, Innovation and Employment
29 October 2021	ACC levies 2022/23 – 2024/25: Final ACC and MBIE recommendations	Ministry of Business, Innovation and Employment, Accident Compensation Corporation

Information redacted	YES / NO
<p>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.</p> <p>Some information has been withheld to protect confidential advice to Government and the privacy of natural persons.</p>	



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.

2022/23 – 2024/25 ACC Levies

Portfolio ACC

On 24 November 2021, the Cabinet Economic Development Committee:

- 1 **agreed** to set the average 2022/23, 2023/24, and 2024/25 levy rates for the Work, Earners' and Motor Vehicle Accounts in accordance with the Ministry of Business, Innovation and Employment's recommended levy rates, as follows:

	Current 2021/22 levy rates	MBIE's Recommended Levy Rates		
		2022/23	2023/24	2024/25
Work Account	\$0.67 per \$100 of payroll	\$0.63	\$0.63	\$0.63
Earners' Account	\$1.21 per \$100 wages	\$1.27	\$1.33	\$1.39
Motor Vehicle Account	\$113.94 per vehicle	\$113.94	\$113.94	\$113.94

- 2 **agreed** that the petrol levy will remain 6 cents per litre;

Redistribution of levy rates within Work and Motor Vehicle Accounts

- 3 **noted** that individual rates paid by levy payers are a combination of changes to the average rate, any risk adjustments to industry Classification Units, and vehicle classifications;
- 4 **agreed** that levy rates will be redistributed over the three-year levy period within the Work Account and Motor Vehicle Account according to risk ratings;

Effect of the levy rate decision

- 5 **noted** that in accordance with section 331 of the Accident Compensation Act 2001, ACC must publish, at the time regulations prescribing the rates of levies are made, a report detailing the effect the prescribed levy rates have on the relevant Accounts;

Changes to specific Classification Units

- 6 **agreed** to the changes to Classification Units and Levy Risk Groups specified in Appendix 5 to the paper under DEV-21-SUB-0249, from 1 April 2022;

Changing the rate of credit interest payable on provisional Work levies

7 **agreed** to update the rate of credit interest payable on provisional Work levies to 2.21 percent for the levy years 2022/23, 2023/24, and 2024/25;

Updating maximum and minimum liable earnings

8 **agreed** to the following changes to the maximum and minimum liable earnings:

	From (current amount)	Proposed for 2022-2023 levy period	Proposed for 2023-2024 levy period	Proposed for 2024-2025 levy period
Maximum for everyone	\$130,911	\$136,544	\$139,384	\$142,283
Minimum for everyone	\$36,816	\$42,465	\$43,349	\$44,250

Changes to the Experience Rating Programme

9 **agreed** to increase the maximum loading that can be applied to businesses' Work levies through the Experience Rating Programme, from 75 percent to 100 percent, from 1 April 2022;

10 **agreed** to impose a flat 20 percent Work levy loading in the first year after a fatal injury, followed by a 10 percent loading in the second year, to align to the current treatment of workplace fatalities in the No Claims Discount programme (for small businesses), as recommended by ACC, from 1 April 2023;

11 **noted** that the Minister for ACC is proposing that the Ministry of Business, Innovation and Employment works with ACC and WorkSafe to:

11.1 better communicate the impact of the Experience Rating system (encompassing ER and the No Claims Discount Programme) on the levies payable by businesses, to ensure the above change further incentivises them to work to reduce the incidence of workplace fatalities;

11.2 Confidential advice to Government

Legislative implications

12 **authorised** the Minister for ACC to make decisions on minor or technical matters that are consistent with the policy outlined in the above paragraphs;

13 **invited** the Minister for ACC to issue drafting instructions to Parliamentary Counsel Office to implement the above paragraphs.

Janine Harvey
Committee Secretary

Present: (see over)

Present:

Hon Grant Robertson (Chair)
Hon Carmel Sepuloni
Hon David Parker
Hon Poto Williams
Hon Kris Faafoi
Hon Willie Jackson
Hon Kiri Allan
Hon Dr David Clark
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