



COVERSHEET

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|-------------------------------|---|-----------------------------|------------------|
| Minister | Hon Matt Doocey | Portfolio | ACC |
| Title of Cabinet paper | ACC Financial Sustainability – levies and performance improvement | Date to be published | 13 December 2024 |

| List of documents that have been proactively released | | |
|--|---|---------------------------------------|
| Date | Title | Author |
| 28 August 2024 | <i>Consultation on 2025/26 – 2027/28 ACC levies</i> | <i>Office of the Minister for ACC</i> |
| 28 August 2024 | <i>ECO-24-MIN-0174 - 2025/26 – 2027/28 ACC Levies: Approval to Consult</i> | <i>Cabinet Office</i> |
| 25 November 2024 | <i>ACC Financial Sustainability – levies and performance improvement</i> | <i>Office of the Minister for ACC</i> |
| 25 November 2024 | <i>CBC-24-MIN-0118 – Cabinet Business Committee Minute of Decision</i> | <i>Cabinet Office</i> |
| 25 November 2024 | Appendix 5 – Cost Recovery Impact Statement 2025/26, 2026/27, 2027/28 ACC Levies | <i>MBIE</i> |
| 25 November 2024 | Appendix 6 – RIS New classification unit for home improvement stores and sports and physical recreation | <i>MBIE</i> |
| 25 November 2024 | Appendix 7– RIS Removing ACC's No Claims Discount | <i>MBIE</i> |
| 25 November 2024 | Appendix 8 – RIS Reviewing motorcycle groupings to enable levy rates to better reflect crash and claim data | <i>MBIE</i> |
| 25 November 2024 | Appendix 9 – RIS ACC's Ride Forever programme | <i>MBIE</i> |
| 25 November 2024 | Appendix 10 – RIS Levy portion for plug-in hybrids and battery electric vehicles | <i>MBIE</i> |
| 25 November 2024 | Appendix 11 – RIS ACC's Fleet Saver | <i>MBIE</i> |
| 25 November 2024 | Appendix 12 – RIS ACC interest rates and bad debt | <i>MBIE</i> |

Information redacted

YES / NO (please select)

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.

In Confidence

Office of the Minister for ACC

Cabinet Business Committee

ACC Financial Sustainability – levies and performance improvement

Proposal

- 1 This paper seeks Cabinet’s agreement to:
 - 23.1 set average levy rates for 2025/26, 2026/27, and 2027/28 for the ACC Work, Earners’ and Motor Vehicle Accounts;
 - 23.2 levy-related technical policy proposals to improve fairness; and
 - 23.3 note the actions I will take to improve ACC’s financial sustainability and approve my intent to commission an external review of ACC

Relation to government priorities

- 2 The proposals in this paper are related to the Government priority of delivering better public services. Setting levy rates for ACC is a statutory requirement under the Accident Compensation Act 2001 (AC Act).

Executive Summary

- 3 The Accident Compensation Scheme (the Scheme) is a significant contributor to New Zealand’s fiscal outlook. Levies are set every three years, and in any given year are intended to be equivalent to the lifetime cost of rehabilitating those who are injured in that year, excluding the cost of claims made by non-earners (which are government funded) and investment returns.
- 4 The lifetime cost of claims has been increasing, driven by general inflationary pressures, declining ACC performance and Court decisions that have expanded the boundaries of the Scheme.
- 5 To ensure the sustainability of the Scheme, we need to increase levies and improve ACC’s performance. This paper seeks decisions on the levy rates and policy changes to improve the fairness of the Scheme, which links to my portfolio priority to ensure that ACC regulations are efficient, effective and current.
- 6 The paper also asks Cabinet to note the steps that I am taking to improve ACC’s performance. This will support my portfolio priority to deliver improved rehabilitation outcomes.
- 7 Regardless of ACCs performance, relatively moderate levy increases are required now to ensure the financial sustainability of the Scheme.

Background

8 ACC collects levies for its levied Accounts at rates set every three years [DEV-21-MIN-0050 refers]. The rates are only required to be set for the Motor Vehicle, Earners', and Work Accounts. **Appendix One, Table One** provides a summary of how the Accounts are funded and the types of injuries they fund.

Setting levies balances a range of objectives and factors

9 Setting levy rates involves trading off a range of competing factors, including fully funding the Accounts, levy stability, intergenerational equity, collecting the minimum amount necessary, and the public interest.

10 I have considered recommendations against section 166A of the AC Act which outlines the principles of financial responsibility in relation to the levied Accounts. Additionally, I have taken into account the public interest, including feedback from public consultation, cost of living and the wider economic environment when recommending levy rates. I have also considered non-levy options, however, some level of levy increase is required alongside improved performance.

All three Accounts are in a state of decline which means future levy payers will be paying for present day treatment

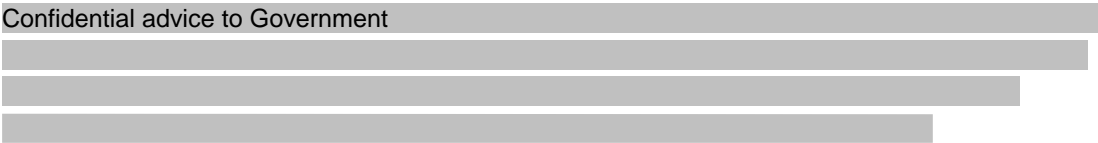
11 At the start of the 2025/26 levy year, the Work and Motor Vehicle Accounts are projected to be above the target funding position of 100%. Over a ten-year horizon, both Accounts are projected to fall below the 100% target funding ratio as the expected increase in costs is projected to be higher than the increase in levy rates. Even with 5% levy increases each year, the Work Account is forecast to have a funding ratio of 94% in ten years, whereas the Motor Vehicle Account is forecast to be funded to 97%.

12 The Earners' Account is projected to be in deficit at the beginning of the 2025/26 levy period and there is a significant gap between the levy rate and new year accident costs. Even with a 5% increase to levies each year for ten years, the Account is expected to decrease to a 67% funding ratio over a ten-year funding horizon.

Actions to improve ACC's declining performance

13 The Scheme's performance has been declining for around 10 years. Poor rehabilitation rates, an increase in the cost of weekly compensation and higher average payments have placed pressure on all the levied Accounts. Additionally, there were 71,000 more new claims registered in 2023/24 compared to 2022/23, reflecting a 3.6% increase.

14 Confidential advice to Government



15 I recognise increasing levies given ACC's previous poor performance is a difficult choice, particularly given the recent cost of living impacts on households. However, I

have concluded that we need to both increase levies and progress actions to improve ACC's performance.

16 Confidential advice to Government [Redacted]
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17 I am monitoring key performance indicators and discussing these in my regular meetings with the ACC Board Chair. Confidential advice to Government [Redacted]
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[Redacted]
[Redacted]

Confidential advice to Government
[Redacted]

- 18 In addition, given the year-on-year decline in ACC performance over the last decade, there is a strong case for an external review of ACC. It is my intention to commission an external review of ACC focused on whether ACC as an organisation has, for example, the right interventions and settings in place, for getting people rehabilitated and back to work and independence as quickly as possible. I intend to bring in experts with experience working with compensation schemes.
- 19 I have directed officials to draft a terms of reference and I will consult with the Minister of Finance on these. I will include this external review in my communications of the Government's decision on levies.
- 20 Delivering improved rehabilitation outcomes by the end of the term is one of my portfolio priorities. I expect the external review would support the delivery of this priority and deliver improved support to assist New Zealanders in their recovery and return to work.
- 21 Independent actuarial advice has highlighted that even a small increase in performance from ACC would provide funding ratios in ten years of 100% in the Work Account, 110% in the Motor Vehicle Account, and 69% in the Earners' Account, subject to capped levy increases continuing to be agreed over that period.
- 22 Confidential advice to Government
- [Redacted content]

Aggregate levy recommendations

Proposed levy increases

- 23 I recommend an increase to levies over the next three years at the 5% levy increase cap set out in the ACC Funding Policy Statement, which effectively balances the need to fully fund the Accounts while maintaining affordability for levy payers. The recommended levy rates are set out in **Table Two** below. MBIE, ACC and Treasury support this approach.

| Levy | Current 2024/25 levy rates | Recommended levy rate | | | Net change over 3 years |
|----------------------------|-------------------------------------|-----------------------|---------------------|---------------------|-------------------------|
| | | 2025/26 | 2026/27 | 2027/28 | |
| Average Motor Vehicle levy | \$113.94 per vehicle | \$122.84 (+7.8%) | \$131.94 (+7.4%) | \$141.69 (+7.4%) | \$27.75 ↑ |
| Earners' levy rate | \$1.39 per \$100 of liable earnings | \$1.45 (+4.3%) | \$1.52 (+4.8%) | \$1.59 (+4.6%) | \$0.20 ↑ |
| Average Work levy rate | \$0.63 per \$100 of liable earnings | \$0.66 (+4.8%) | \$0.69 (+4.5%) | \$0.72 (+4.3%) | \$0.09 ↑ |

- 24 I do not intend to progress ACC's recommendation to increase the ACC petrol levy from 6.0 cents per litre to 6.8 cents in 2025/26, 7.5 cents in 2026/27 and 8.3 cents in 2027/28. While this would offset some of the impact on the price to register a vehicle,

it would also impose higher costs on households' weekly budgets. I recommend instead that we should adopt the approach ACC consulted the public on (and MBIE's recommendation) to increase the motor vehicle levy by increasing the registration cost per vehicle.

The proposed levy increases have been subject to public consultation and expert review

- 25 An independent quality assurance of ACC's actuarial forecasts and assumptions, upon which ACC's recommended levy rates are based, has been undertaken by MBIE's independent actuary, Finity Consulting Pty Limited (Finity). Finity noted that ACC has applied the FPS appropriately, and that ACC's recommended levy rates are reasonable and consistent with the principles of financial responsibility as set out in the AC Act. Finity also provided a summary of alternative levy paths, requested by MBIE.
- 26 Unlike ACC's recommended levy rates, MBIE's recommendations do not need to give effect to the requirements of the FPS, and may also take that wider public interest into account. The results of the consultation is discussed at paragraph 30

Technical policy proposals to improve fairness and operational efficiency – Work and Earners' Accounts

- 27 Following consultation, I propose to progress the following levy-related technical proposals in the Work and Earners' Account, with changes to reflect feedback received. A summary of proposals, and the recommended changes (if any) are outlined in **Table Three** below.

| Proposal | Change from consultation |
|---|--|
| <p>Changes to the way businesses are grouped in Classification Units (CU) to reflect joint risk profiles:</p> <ul style="list-style-type: none"> - Change for home improvement stores to one single CU - Modernising sport classifications to reflect some organisations do not employ players, and to reflect risk to professional ballet dancers. | <p>Supported by industry - no change to proposal for home improvement stores.</p> <p>Widely supported, but concern raised by NZ Rugby about intersection with World Rugby Bylaws and by the Royal New Zealand Ballet on the financial impact. Where there has been a significant increase to levies (e.g. for professional ballet, rugby league or football), I propose increases will be phased over three years.</p> |
| <p>Remove No Claims Discount (NCD) and cross-subsidisation of Experience Rating (ER) framework to provide greater equity in the levy system. Two options were consulted on, with the other simply reducing the level of cross-subsidisation.</p> | <p>68% of submitters supported the recommended proposal. I propose to progress the removal NCD and ER cross subsidisation by 1 April 2026.</p> |
| <p>Increase experience rating medical threshold from \$500 to \$750. This sets the level at which a businesses experience rating is not impacted.</p> | <p>80% support - no change to proposal.</p> |
| <p>Accredited Employers Programme (AEP) cost increases to reflect the cost of running the AEP scheme. Appendix Four provides a summary of these changes.</p> | <p>54% support - no change to proposal.</p> |
| <p>Update maximum and minimum liable earnings to reflect movement in the Statistics New Zealand Labour Cost Index. Appendix One, Table Two provides the yearly increase.</p> | <p>70% supported - no change to proposal.</p> |

| Proposal | Change from consultation |
|---|---|
| Use of interest rates– ability to charge interest on all delayed levy payments (either through instalments or through penalty interest) | 41% supported – no change to proposal. To allow system changes to be made, I propose interest rates will be applicable by 1 April 2026. Until regulations are made, transitional interest rates on payment plans, as introduced by the Accident Compensation (Interest on Instalment Plans) Amendment Act 2024 will apply at a rate of 0% on three- and six-month plans, and 2.73% on ten-month plans. |
| Credit interest payable by ACC when a levy payer overpays their levy bill. | 73% supported. To align with IR practice I propose to amend the formula to use the Reserve Bank 90-day Government Bank Bill yield minus 100 basis points. |
| Set circumstances ACC can waive interest payments. | 63% supported – no change to proposal. |

Technical proposals to improve fairness and operational efficiency – Motor Vehicle Account

28 Following consultation, I propose the following levy-related technical proposals in the Motor Vehicle Account to progress, with changes to reflect feedback received. A summary of proposals, and the recommended changes (if any) are outlined in **Table Four** below. When considering motorcycle proposals, I have balanced an increase in costs to motorcyclists against the ability to receive a levy discount through one of the proposed changes.

| Proposal | Change from consultation |
|--|---|
| From 1 July 2026, introduce a 25% discount on levies to riders that have completed an advanced rider safety course (e.g. RideForever), | 86% supported – no change to proposal. |
| Increase the level of cross-subsidisation from owners of motorcycles to the cost of injuries to motorcyclists from 28% to 37%. | 91% disagreed, though this was supported by the NZ Automobile Association (AA), Motorcycle Safety Advisory Council (MSAC) and Motor Industry Association (MIA) with a suggestion of a gradual transition. I propose to introduce a staged increase of 33% from 1 July 2026 and 37% from 1 July 2027. |
| Introduce 0-250cc, 251-750cc and 751+cc motorcycle risk groups to better reflect that the cost of injuries increases as the engine capacity of a motorcycle increases. | 70% disagreed, though AA, MSAC and MIA supported proposal with a delayed timeframe. I propose to introduce the new groupings from 1 July 2026. |
| Levy portion for diesel plug-in hybrids and battery electric vehicles to be increased to align with other non-petrol vehicles. | 58% supported – no change to proposal. |
| Remove the graduated discount for Fleet Saver participants that are audited against ACC safety and vehicle management practice standards. Proposed closure to new entrants and reassessments from 1 July 2025, and to completely close the programme for 30 July 2029. | 72% supported – no change to proposal |

Cost-of-living Implications

29 These proposals will have an impact on New Zealanders' cost of living, particularly where levies will impact the portion of their take-home pay. Some businesses will see an increase to their levies and interest rates, which could be passed on to consumers.

- 30 However, I have balanced this concern against the likelihood that if levies were not to increase, future generations will face significant levy increases in future levy rounds.

Financial Implications

- 31 ACC's contribution to the Treasury's Budget Economic and Fiscal Update (BEFU) 2024 reflected an assumption that levy uplifts of approximately 5% per annum will be granted (plus inflation for the Motor Vehicle Account). If levies are set at a different level than assumed in the BEFU forecast, this could have material impacts on fiscal indicators and will have a material impact on returning a surplus in Crown Accounts by the end of the 2028 financial year.

Legislative Implications

- 32 Changes to the Accident Compensation (Work Account Levies) Regulations, the Accident Compensation (Earners' Levy) Regulations, and the Accident Compensation (Experience Rating) Regulations are required to be made prior to 1 April 2025. Changes to the Accident Compensation (Motor Vehicle Account Levies) Regulations are required to be made prior to 1 July 2025. Changes to the Injury Prevention, Rehabilitation and Compensation (Interest Rate for Late Payment of Levies) Regulations 2002 are required to be made by 1 July 2026.

Impact Analysis

Regulatory Impact Statement

- 33 A Stage 2 Cost Recovery Impact Statement has been completed in relation to ACC levy rates, and six Regulatory Impact Statements have been completed in relation to policy changes. These are attached as **Appendices Five to Twelve**. The Regulatory Impact Analysis Team at the Ministry of Regulation has determined that the other proposals in this paper are exempt from the requirement to provide a Regulatory Impact Statement.
- 34 The Stage 2 Cost Recovery Impact Statement: *2025/26 – 2027/28 ACC levies* was reviewed by a MBIE Quality Assurance panel. The panel considers that it meets the Quality Assurance Criteria. The panel considers that the cost recovery impact statement makes a clear and convincing case for the proposed levy changes and sets out the trade-offs in a range of alternative options.
- 35 MBIE's Regulatory Impact Analysis Review Panel has reviewed the Regulatory Impact Statements prepared by MBIE. The panel considers that the information and analysis summarised meets the Quality Assurance criteria.

Population Implications

- 36 ACC levies are paid by motorists, earners and businesses (including the self-employed). **Appendix One, Table Three** demonstrates the financial impact of the levy options on various households and businesses.

Human Rights

- 37 The proposals contained in this paper are unlikely to raise issues of consistency under the New Zealand Bill of Rights Act 1990 and the Human Rights Act 1993.

Use of external Resources

- 38 As part of MBIE's role in providing independent actuarial advice, consultants from Finity undertook analysis of ACC's proposed levy rates against the FPS for compliance measures, as well as testing a range of scenarios to support MBIE's advice. Procurement of this advice cost \$75,000 (excluding GST) from Vote Labour Market.

Consultation

- 39 Section 331 of the AC Act requires ACC to undertake public consultation prior to making recommendations to the Minister for ACC. Public consultation occurred between 11 September and 9 October 2024. ACC received 8,748 submissions which included major industry stakeholders. A report on the submissions is attached as **Appendix Thirteen**.
- 40 Following public consultation, the ACC Board provided its levy rate recommendations to me on 25 October 2024. These have been posted on ACC's website and publicly notified in the New Zealand Gazette as required by the AC Act.
- 41 The following Government agencies were provided an opportunity to comment on this Cabinet paper: Accident Compensation Corporation, New Zealand Customs Service, the Treasury, Inland Revenue, Waka Kotahi NZ Transport Agency, Sport New Zealand, Ministry of Culture and Heritage, Ministry of Transport, Ministry of Health, Ministry for Pacific Peoples, Ministry for Women, Worksafe New Zealand and Te Puni Kōkiri. The Department of the Prime Minister and Cabinet has been informed of this paper.

Communications

- 42 I intend to announce the levy rates in December 2024, following Cabinet agreement. My intention to commission an external review of ACC will be included in this announcement.

Proactive Release

- 43 This paper will be made available to the public on MBIE's website, subject to appropriate redactions.
- 44 ACC is required by section 331 of the AC Act to publish a report detailing the effect the prescribed levy rates are expected to have on the Accounts at the time regulations prescribing the rates of levies are made by Cabinet.

Recommendations

I recommend that the Cabinet Business Committee:

- 1 **Note** that ACC’s Accounts are in a state of decline and even with an increase to levies through the 2025-2028 round, the funding ratio for all three Accounts will fall below 100% over a ten-year horizon;
- 2 **Note** that ACC’s input into the Budget Economic and Fiscal Update was based on 5% levy rate increases, plus inflation for the Motor Vehicle Account;
- 3 **Note** that independent advice provided to MBIE by Finity Consulting Ltd highlighted that a 1% increase in the rehabilitation performance will have a positive impact on the funding ratio over a ten-year period, subject to levy increases continuing up to the capped amounts over that period;
- 4 **Note** I will develop a draft terms of reference for an external review of ACC, in consultation with the Minister of Finance;

5 Confidential advice to Government

6 Confidential advice to Government

Average 2025/26, 2026/27, 2027/28 levies

- 7 **Agree** to set the average 2025/26, 2026/27 and 2027/28 levy rates for the Work and Earners’ Accounts in accordance with ACC and MBIE’s recommended levy rates:

| Levy | Current 2024/25 levy rates | Recommended levy rate | | | Net change over 3 years |
|----------------------------|-------------------------------------|-----------------------|---------------------|---------------------|-------------------------|
| | | 2025/26 | 2026/27 | 2027/28 | |
| Average Motor Vehicle levy | \$113.94 per vehicle | \$122.84 (+7.8%) | \$131.94 (+7.4%) | \$141.69 (+7.4%) | \$27.75 ↑ |
| Earners’ levy rate | \$1.39 per \$100 of liable earnings | \$1.45 (+4.3%) | \$1.52 (+4.8%) | \$1.59 (+4.6%) | \$0.20 ↑ |
| Average Work levy rate | \$0.63 per \$100 of liable earnings | \$0.66 (+4.8%) | \$0.69 (+4.5%) | \$0.72 (+4.3%) | \$0.09 ↑ |

Technical policy proposals to improve fairness and operational efficiency – Work and Earners’ Accounts

- 8 **Agree** to the changes to Classification Units and Levy Risk Groups specified in **Appendix Three**;
- 9 **Agree** to remove the No Claims Discount, and cross-subsidisation in the Experience Rating framework, from 1 April 2026;
- 10 **Agree** to increase the medical treatments threshold costs from \$500 to \$750;
- 11 **Agree** to the changes to the Accredited Employers Programme as specified in **Appendix Four**;
- 12 **Agree** to the following changes to the maximum and minimum liable earnings;

| | Current amount | 2025/2026 levy period | 2026/2027 levy period | 2027/2028 levy period |
|-------------------------|----------------|-----------------------|-----------------------|-----------------------|
| Maximum earnings | \$142,283 | \$152,790 | \$156,641 | \$160,244 |
| Minimum earnings | \$44,250 | \$49,365 | \$50,501 | \$51,632 |

13 **Agree** to introduce interest rates, calculated via formula, for levies paid through the following circumstances, from 1 April 2026:

13.1 Debit interest charged on instalment plans;

13.2 Penalty interest; and

13.3 Credit interest;

14 **Agree** to introduce new regulations to clarify circumstances under which ACC may waive or cancel interest on instalment plans;

Technical proposals to improve fairness and operational efficiency – Motor Vehicle Account

15 **Agree** to introduce a 25% discounted levy for motorcycle owners who have completed advanced rider training from 1 July 2026;

16 **Agree** to increase the contribution of motorcyclists in the Motor Vehicle Account to better cover the cost of motorcycle claims, with a staged increase of 33% from 1 July 2026 and 37% from 1 July 2027;

17 **Agree** to introduce new motorcycle risk groups with the associated ACC levy portions payable during the annual vehicle licensing process from 1 July 2026;

18 **Agree** to increase the ACC levy portion payable for non-petrol-powered plug-in hybrid electric vehicles and battery electric vehicles;

19 **Agree** to remove the Fleet Saver programme, with no new entrants allowed from 1 July 2025, and to completely close the programme from 30 June 2029;

Drafting and decisions

20 **Authorise** the Minister for ACC to make decisions on minor or technical matters that are consistent with the policy outlined in these recommendations;

21 **Invite** the Minister for ACC to issue drafting instructions to Parliamentary Counsel Office to implement these decisions.

Authorised for lodgement

Hon Matt Doocey

Minister for ACC

Appendix One: Tables and graphs

Table One: Summary of ACC Accounts

| Account | Funded by | Pays for |
|------------------|---|---|
| Motor Vehicle | Levies on motor vehicle owners through registration fees and users at the petrol pump | Accidents on public roads involving moving vehicles |
| Earners' | Levies on earners through PAYE (or invoiced directly by ACC for self-employed people) | Earners' non-work injuries (not including motor vehicle and treatment injuries) |
| Work | Levies on employers and the self-employed (based on information from Inland Revenue) | Work-related injuries |
| Non-Earners' | Government appropriation | Non-earners' injuries (not including motor vehicle and treatment injuries) |
| Treatment Injury | Levies from the Earners' Account and Government appropriation from the Non-Earners' Account | People injured as a result of medical treatment |

Table Two: Maximum and minimum liable earnings

| | From (current amount) | 2025/2026 levy period | 2026/2027 levy period | 2027/2028 levy period |
|------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Maximum earnings | \$142,283 | \$152,790 | \$156,641 | \$160,244 |
| Minimum earnings | \$44,250 | \$49,365 | \$50,501 | \$51,632 |

Table Three: Impact on businesses and households (additional cost per week compared to 2024/25)

| Situation | 2025/26 | 2026/27 | 2027/28 |
|---|---------|---------|---------|
| A household with an income of \$129,000 and 3 vehicles (2x petrol driven car/SUV; 1 x diesel driven ute) | \$2.02 | \$4.30 | \$6.60 |
| A household with an income \$85,000 and 2 diesel driven vehicles (1 car or SUV and 1 ute) | \$1.32 | \$2.81 | \$4.32 |
| Retired couple with one car (petrol-driven) | \$0.17 | \$0.35 | \$0.52 |
| Small house construction business with 8 employees each earning \$70,000 and a small fleet (3 x diesel driven ute/van, 3 x petrol driven car) | \$10.77 | \$3.20 | \$5.49 |
| Medium sized architect business with 35 employees (average income of \$81,000 each) and 5 petrol driven cars | \$0.86 | \$1.73 | \$8.07 |

Confidential advice to Government

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Appendix Three: Changes to Classification Units and Levy Risk Groups

Retail and wholesale trade

| Type of business | 2025/26 levy | Will move to: | Proposed 2025/26 levy |
|--|--------------|---|-----------------------|
| Home improvement stores classified under: • CU 52330 Hardware and building supplies retailing | \$0.79 | CU 52539 Home improvement goods trading – multiple product ranges | \$0.99 |
| Home improvement stores classified under: • CU45310 Timber wholesaling | \$1.47 | CU 52539 Home improvement goods trading – multiple product ranges | \$0.99 |

Sporting organisations

| National organisations: | Current levy | | | New levy (2025-2028) | | |
|-----------------------------------|---|---|--------------|--|---|---------------------------------|
| | Levy Risk Group | Classification Unit | 2024/25 levy | Levy Risk Group | Classification Unit | Indicative levy rate (Uncapped) |
| Rugby league | 911 - Sporting and Recreational Activities (lower-risk group) | 93171 Sport and physical recreation - community rugby league | \$0.54 | 919 - Arts and recreation services (high-risk group) | 93181 Sports club or participant - rugby league (including national governance bodies) | \$5.38 |
| Rugby | 919 - Equine and Sporting Activities (high-risk group) | 93180 Sport and physical recreation - professional rugby | \$5.77 | | 93180 Sports club or participant - rugby (including national governance bodies) | |
| Motor cycling | 726 - Administrative Services | 78540 Office administrative services | \$0.19 | | 93197 Sports club or participant - motor cycling (including national governance bodies) | |
| Cricket | 917 - Equine and Sporting Activities (medium-high risk group) | 93194 Sport and physical recreation - professional cricket | \$2.66 | 917- Arts and recreation services (medium-high-risk group) | 93194 Sports club or participant - cricket (including national governance bodies) | \$2.60 |
| Football | 911 - Sporting and Recreational Activities (lower-risk group) | 93190 Sport and physical recreation - community (not elsewhere classified) | \$0.54 | | 93183 Sports club or participant - football (including national governance bodies) | |
| Professional Participants: | | | | | | |
| Rugby league | 919 - Equine and Sporting Activities (high-risk group) | 93181 Sport and physical recreation - professional rugby league | \$5.77 | 919 - Arts and recreation services (high-risk group) | 93181 Sports club or participant - rugby league (including national governance bodies) | \$5.38 |
| Rugby | 919 - Equine and Sporting Activities (high-risk group) | 93180 Sport and physical recreation - professional rugby | \$5.77 | | 93180 Sports club or participant - rugby (including national governance bodies) | |
| Motor cycling | 919 - Equine and Sporting Activities (high-risk group) | 93197 Sport and physical recreation - motor cycling | \$5.77 | | 93197 Sports club or participant - motor cycling (including national governance bodies) | |
| Cricket | 917 - Equine and Sporting Activities (medium-high risk group) | 93194 Sport and physical recreation - professional cricket | \$2.66 | 917- Arts and recreation services (medium-high-risk group) | 93194 Sports club or participant - cricket (including national governance bodies) | \$2.60 |
| Football | 919 - Equine and Sporting Activities (high-risk group) | 93175 Sport and physical recreation - professional sport (not elsewhere classified) | \$5.77 | | 93183 Sports club or participant - football (including national governance bodies) | |

Appendix Four: Changes to the Accredited Employer Programme

The table below sets out the values of the factors proposed to be used by ACC in financial years 2025/26, 2026/27, 2027/28.

| Factor | Claim management period | Current (FY24/25) | Proposed (FY25/26 - FY27/28) |
|---|-------------------------|-------------------|------------------------------|
| Average PDP discount | 1 year | 50.0% | 45.6% |
| | 2 years | 58.1% | 52.9% |
| | 3 years | | 55.9% |
| | 4 years | | 60.3% |
| Administration costs | All | 2.30% | 2.00% |
| Bulk healthcare costs | All | 4.60% | 5.20% |
| Unallocated primary health cost contribution | All | 1.30% | 1.50% |
| Average stop loss cover (PDP) | All | 0.97% | 0.80% |
| Average stop loss and high cost claims cover (FSC) | All | 9.66% | 11.13% |

Appendix Thirteen: Summary of Submissions