

MBIE Submissions Analysis – 2019/20 and 2020/21 ACC Levies

Minister's Proposals

Removal of Vehicle Risk Rating Scheme

Category	Issue	Submitter(s)	Comment
General	Support retention of VRR. (Encourages purchase of safer vehicles, improves road safety, reduces ACC's injury costs).	Road Transport Forum (2), Motor Trade Association (3), Motor Industry Association (7), Automobile Association (8), Federated Farmers (10), Bikers Rights Organisation New Zealand (11) and 31 other submitters.	No evidence in New Zealand or internationally that the VRR has encouraged purchase of safer vehicles or improved car fleet.
	Programme helps to raise public awareness around vehicle safety. Acts as an educational tool and can have a long-term impact on consumer decisions.	Motor Trade Association (3), Motor Industry Association (7), Automobile Association (8).	The information from the VRR can be retained and utilised in different interventions.
	Has a disproportionate impact on those with low incomes as they are unable to afford vehicles in higher bands.	10 other submitters.	Proposal to remove VRR would resolve this issue.
	Does not reflect the ability of the driver. Accidents are caused by driver and/or road conditions and not the vehicle.	8 other submitters.	Noted. Other factors such as driver ability and road conditions are significant.
	Unfair to penalise older well-maintained vehicles.	3 other submitters.	Proposal to remove VRR would resolve this issue.
	There are database issues which mean that two identical vehicles can be placed in different bands.	2 other submitters.	Proposal to remove VRR would resolve this issue.
	Driver's ability should be measured instead. Factors such as fines, convictions and involvement in accidents should be taken into account. Possibly through a 'DRR'.	9 other submitters.	Noted, however there are challenges connecting drivers with vehicles against which levies are collected.
	VRR should be changed as current band rates do act as sufficient incentive to use/purchase newer vehicles.	5 other submitters.	No evidence that current system is influencing behaviour. Evidence shows such policies have limited impact when cost is small.

	Road users should be charged on distance driven.	2 other submitters.	Noted. Petrol vehicles are to some extent distance charged. Officials will explore distance-based levies, for example, for non-petrol vehicles for potential consideration at the next levy round.
	Increased promotion of VRR should take place during licence renewal process.	Motor Trade Association (3)	No evidence that current system is influencing behaviour or changing fleet composition. Evidence shows such policies have limited impact when cost is small.
	Import restrictions should be placed on band 1 and 2 vehicles.	1 other submitter.	Noted. This is within the responsibility of other agencies, NZTA and Ministry of Transport.

Changes to self-employed levies

Category	Issue	Submitter(s)	Comment
New levy method	Agree in Principle. (Removes complexity for businesses and ACC).	Federated Farmers (10), Manage Company (13), and 17 other submitters.	Noted.
	Concern about possible confusion due to lack of communication from ACC.	Manage Company (13), and 2 other submitters.	Noted. There will be a communications strategy to clients.
	Concern about interaction with CoverPlus Extra.	Federated Farmers (10), Manage Company (13).	Noted and compatible. ACC will adjust contract details as needed, eg payment dates.
	Concern about the impact on ACC's investment portfolio and possibility on costs being transferred to another area.	2 other submitters.	Noted. Foregone investment should be offset by collection of first year levy reducing subsidisation by work account.

Prepayment	Would be beneficial to have ongoing payments. Remove issue of lump sum payments.	6 other submitters.	Noted.
	Option would only add confusion to business.	3 other submitters.	Noted.
	Difficult for start-ups due to variety of costs.	2 other submitters.	Noted. Change should reduce unexpected double up of first and second year levy invoices.
Recommendations	Improve integration with IRD.	2 other submitters.	ACC considering interface.
	Payment options on weekly, monthly or quarterly basis.	4 other submitters	ACC looking at prepay options.

Maintaining discount rates for ACC Fleet Saver

Category	Issue	Submitter(s)	Comment
General	Agree in Principle. (Improves safety outcomes, encourages improvement in industry health and safety practices).	Motor Industry Association (3), EROAD (9), Manage Company (13) and 2 other submitters.	Noted.
	Favours larger companies, should be same for everyone.	3 other submitters.	Noted. This aspect of the programme could be part of a broader future review.
	Expansion of ACC Fleet Saver to all motor vehicle classes.	Manage Company (13)	The programme is focused on specific risk associated with particular vehicle classes and user types.
	Review use of WSMP programme audit framework as means to enter Fleet Saver.	Manage Company (13)	Noted. This aspect of the programme could be part of a broader future review.

Change to Classification Unit 84330

There were no submissions received on this proposal.