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He Whakaora.
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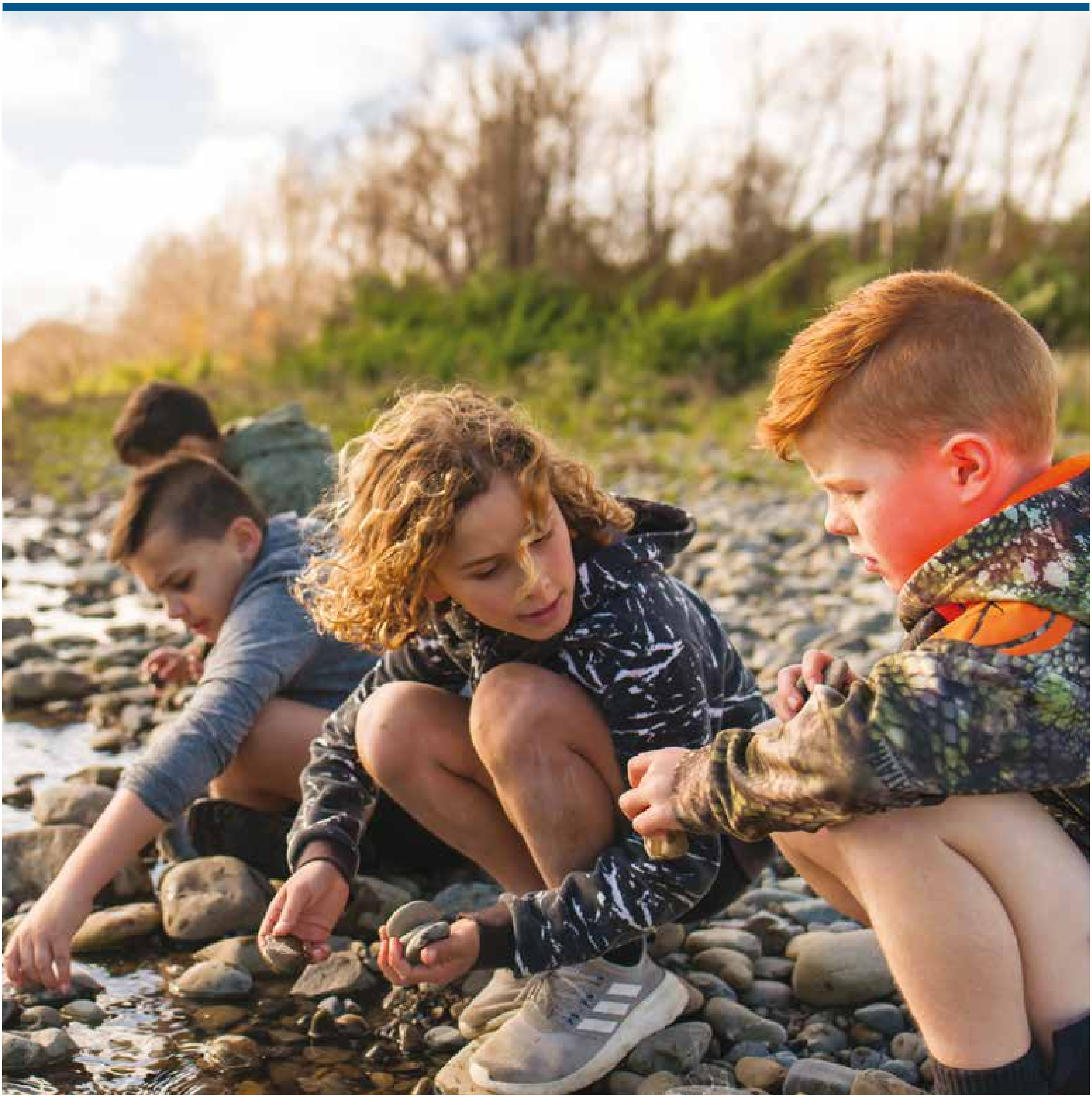
ACC levy system change proposals
2024 Levy Consultation

Ngā huringa ki te pūnaha tono utu a ACC
Ngā Huihuinga mō ngā Utu Hunga Whara 2024



Contents

Levy-related change proposals – 2024 Levy Consultation
Ngā huringa ki te pūnaha tono utu a ACC

In addition to the proposed changes to the levy rates, ACC and the Minister for ACC would like your feedback on several proposals for changes to the levy system.

ACC consults on both sets of proposals during levy consultation. Proposed changes for the Motor Vehicle and the Work Accounts are listed below.

Motor Vehicle Account

ACC's proposals

- Changes to the level of contribution that owners of motorcycles make towards the costs of injuries.

Minister for ACC's proposals

- Changes to how motorcycles are grouped by CC rating for the purposes of levying.
- Inclusion of a discount to the levy rates for motorcyclists on the successful completion of advanced rider safety training.
- Reclassification of battery electric vehicles and petrol hybrid electric vehicles.
- Removal of the Fleet Saver product

Work Account

ACC's proposals

- Removal of the No Claims discount for businesses levied less than $10,000 a year and changes to the level of subsidisation of the Experience Rating product by non-Experience Rated businesses.
- Changes to the threshold for medical fees and treatment costs that are considered in Experience Rating calculations.

Minister ACC's proposals

- Changes to how home improvement stores, professional sports and ballet are classified.
- Changes to the interest charged on payment plans, penalty interest and credit interest.
- Other changes to classification units (CUs) and levy risk groups (LRGs).

It's easy to have your say. Please go to ***ShapeYourACC.co.nz*** and fill out our feedback forms, or you can email your submission to us ***ShapeYourACC@acc.co.nz***

Submissions close on **Wednesday 9 October 2024**.

Proposed levy system changes to the Motor Vehicle Account
Ngā huringa ki ngā utu mō ngā waka

ACC's & Minister for ACCs proposals

Should ACC change motorcycle classifications, the level of contribution to costs, and recognise advanced training for motorcycle owners?

- **ACC proposes from 1 July 2025** increasing the levy contribution that motorcycle owners make to the costs of injuries from accidents involving motorcycles.
- **The Minister for ACC proposes from 1 July 2025** adding a new class of motorcycles, 0-250cc, and moving the boundary between medium-sized and large motorcycles from 600cc to 750cc
- **The Minister for ACC proposes from 1 July 2026** reducing levies by 25% for riders who've had advanced rider training within the past 2 years.

These proposals aim to better align risk by increasing contribution levels for injury costs, adding a new class of motorcycles for levying purposes, and discounting levies for trained riders.

ACC's Proposal

ACC proposes increasing motorcycle owners' contribution to the cost of injuries

ACC proposes to increase motorcycle levies to ensure that motorcycle owners contribute more to the cost of single-vehicle crashes, that occur on a public road, where the rider's actions have contributed to the crash.

Currently, owners of other types of vehicles pay for about 72% of the costs of injuries to motorcyclists that happen on public roads. Levies from motorcycle owners cover the remaining 28% of the cost of injuries to riders and their pillions. Motorcycles are the only class of vehicle that pays less than 100% of their associated costs.

	Status quo
Levy contribution required from motorcyclists to cover their injuries	$439.3m
Amount collected from motorcyclists	$123.5m
Amount funded from other vehicle levies	$315.8m
Percentage of contribution from motorcycles	28%
Average subsidy per vehicle	$24.87

Motorcycle crashes need some subsidisation so that levies don't become unaffordable. But the 2021 levy consultation raised concern over the degree of subsidisation of motorcycle injury costs.

Using the Crash Analysis System data held by NZ Police and NZTA Waka Kotahi, ACC has found that 37% of ACC claims for rider and pillion passenger injuries come from crashes on public roads where:

- only a single motorcycle was involved.
- and where Police assessed that the rider's actions contributed, at least in part, to the crash.

A proposed levy increase of 33%

ACC proposes raising motorcycle levies so that motorcycle owners fund the cost of single-vehicle crashes where the rider's actions have contributed to the crash. This would be fairer for owners of other vehicles who subsidise the bulk of injury costs related to motorcycle accidents.

The proposal seeks to increase the level of contribution towards the costs of motorcycle injuries from motorcycle owners to 37%. The proposal would increase the levy paid by owners of motorcycles and mopeds by 33%.

Distribution of costs for proposed increased in contribution of motorcycle owners to costs

	ACC proposed change to cross-subsidisation
Levy contribution required from motorcyclists to cover their injuries	$440.3m
Amount collected from motorcyclists	$162.9m
Amount funded from other vehicle levies	$277.4m
Percentage of contribution from motorcycles	37%
Average subsidy per vehicle	$21.84

Minister for ACC's proposals

1. The Minister for ACC proposes changing the classification of motorcycles

The Minister for ACC proposes establishing a new class of 0 to 250cc motorcycles, increasing the number of classes from three to four.

And the Minister proposes moving the boundary between medium-sized motorcycles and large motorcycles from 600cc to 750cc as this better aligns cc size to risk exposure.

A review showed ACC can add a grouping to the power bands for motorcycles

ACC reviewed the classes of motorcycles and mopeds for levying purposes, responding to questions from motorcycle owners.

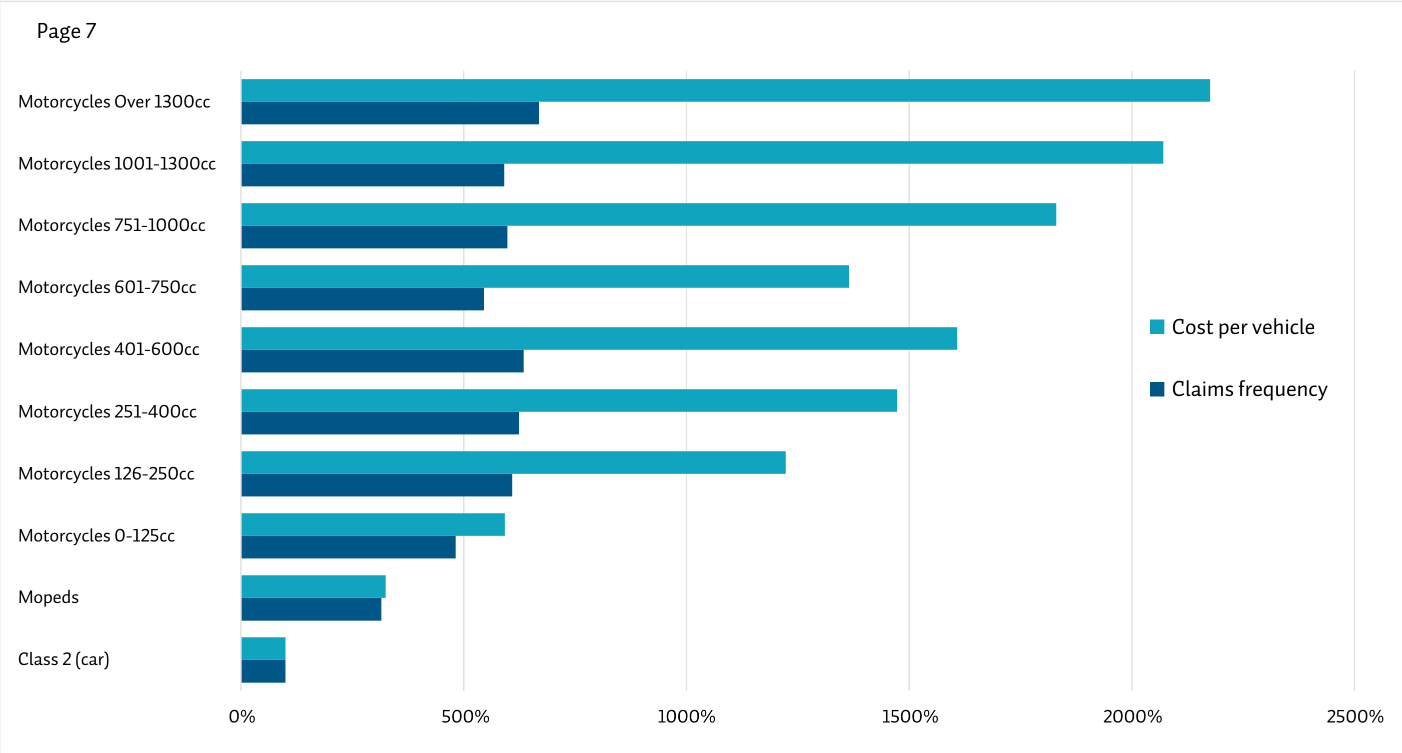
The current levy structure for mopeds and motorcycles — 3 classes

Vehicle classes	24/25 levy
Class 4A mopeds	$99.33
Class 4B 0-600cc motorcycles	$297.91
Class 4C 601+cc motorcycles	$397.18

The regulations class vehicles in the Motor Vehicle Account based on their relative risk. Motorcycles are also classed on engine capacity, rather than using a power-based metric, that can change over the life of the motorcycle.

To determine relativity, ACC compares data for claim frequency and cost per motorcycle for each exposure to the risk with Class 2 vehicles (petrol powered cars). As can be seen in the table below, if the risk of injury from an accident in a car is 100%, then a moped is three times more likely (321%) to have an accident-causing injury and injury costs are three times as high (307%). As the cc rating increases so does the average claim cost per vehicle, even while the number of claims per vehicle (claim frequency) remains similar for each cc rating over 126cc.

Comparative risk for different classes of motorcycles, relative to Class 2 vehicles (100%), based on an ACC review of accident data from 2017 to 2023



Levy payers need to be grouped to ensure that the risk relativity — and therefore levies — are reasonably stable. Previously, ACC used one class of mopeds and two classes of motorcycles to achieve this, however from ACC's review, the Minister proposes that stable levies can be achieved with three classes of motorcycles (and one class for mopeds) and would improve how well the levy aligns with the risk for each class of motorcycles.

It is proposed to group 0-125cc and 126-250cc motorcycles together even though there is a difference in relative risks between the two groups of motorcycles. The 0-125cc group of motorcycles has considerable variability in its risk profile over time due to the small number of vehicles in this group and are unsuitable to be a separate class. By combining them with the 126-250cc motorcycles, levy stability over time is established, and the levies charged are better aligned with the risk profiles than currently.

The impact of changing groupings on levies for owners of petrol-powered mopeds and motorcycles including the proposed increase in average levy for the Motor Vehicle Account

Class	Current registration levy	Recommended registration levy for 2025/26	Change in registration levy
Mopeds	$99.33	$66.34	Reduction of $32.99
0-250cc	$297.91	$244.48	Reduction of $53.43
251-600cc	$297.91	$343.28	Increase of $45.37
601-750cc	$397.18	$343.28	Reduction of $53.90
751cc+	$397.18	$485.98	Increase of $88.80

2. The Minister for ACC proposes recognising safer riders with lower levies

A decade of ACC data shows that riders who pass the RideForever course are 26% less likely to be injured in the road crash than other riders. RideForever is one of the world's longest running and largest rider training programmes.

ACC is satisfied that enough riders have been through the course, (as at 1 July 2024, 40,123 riders have received training), to ensure that the safety results are not a result of selection or confirmation biases.

The Minister for ACC is proposing to replace the current cashback scheme with a 25% lower levy rate, to recognise the lower risk of injury to riders who have advanced rider training, and to incentivize other riders to do the training.

To provide sufficient time to transition from the cashback programme, it is proposed to introduce the lower levy rate from 1 July 2026, and it will apply for two years from the date the rider has passed an approved training course. The two-year period recognises that skills are perishable. Retraining every two years will ensure the rider maintains their skills at a level that warrants the on-going lower levy.

Other courses, if similar, may also attract the lower levy

ACC's RideForever course has proven that advanced rider training lowers risk of injury. ACC recognises that other courses that provide training to the same standard in the same skills could reduce risk equally.

The Minister is proposing that ACC work with the Motorcycle Safety Advisory Council to develop and maintain a list of approved training courses that would be eligible for the lower levy rate. To be approved and attract the lower levy, the course must satisfy the council and ACC that it delivers at least the same outcomes as ACC's Gold RideForever course.

The cumulative impact of the proposals

If ACC's and the Minister's proposals are adopted, then the impacts on levy rates can be seen in the tables below. The tables show the impact of the proposed change in aggregate levy rates first followed by the impact of proposed changes that occur in the year. The final levy rates will depend on the range of proposals that are approved by the Government.

Proposed 2025/26 levies for mopeds and motorcycles

Motorcycle type/ capacity	Current (2024/25) levy rate	Impact of the proposed Motor Vehicle Account 2025/26 aggregate levy increase	Impact of proposed changes to engine capacity groups	Impact from proposed decrease of cross-subsidisation	Impact of recognition of advanced rider training (ART)	Proposed 2025/26 levy rate
Mopeds	$99.33	+$7.76	-$40.74	+$25.19	+$0.00	$91.53
0-250cc	$297.91	+$23.26	-$76.69	+$81.28	+$0.00	$325.76
251-600cc	$297.91	+$23.26	+$22.11	+$112.38	+$0.00	$455.67
601-750cc	$397.18	+$31.01	-$84.91	+$112.38	+$0.00	$455.67
751+cc	$397.18	+$31.01	+$57.79	+$157.31	+$0.00	$643.29

Proposed 2026/27 levies for mopeds and motorcycles

Motorcycle type/ capacity	Proposed 2025/26 levy rates	Impact of the proposed Motor Vehicle Account 2026/27 aggregate levy increase	Impact of proposed changes to engine capacity groups	Impact from proposed decrease of cross-subsidisation	Impact of recognition of advanced rider training (ART)	Proposed 2026/27 levy rate
Mopeds	$91.53	+$7.57	+$0.00	+$0.00	+$0.00	$99.10
0-250cc	$325.76	+$23.86	+$0.00	+$0.00	+$1.49	$351.11
0-250cc with Advanced Rider Training	$325.76	+$23.86	+$0.00	+$0.00	-$89.64	$259.98
251-600cc	$455.67	+$32.90	+$0.00	+$0.00	+$8.83	$497.40
601-750cc	$455.67	+$32.90	+$0.00	+$0.00	+$8.83	$497.40
251-750cc with Advanced Rider Training	$455.67	+$32.90	+$0.00	+$0.00	-$118.88	$369.69
751+cc	$643.29	+$45.96	+$0.00	+$0.00	+$13.06	$702.31
751+cc with Advanced Rider Training	$643.29	+$45.96	+$0.00	+$0.00	-$165.88	$523.37

Proposed 2027/28 levies for mopeds and motorcycles

Motorcycle type/ capacity	Proposed 2026/27 levy rates (without discount)	Impact of the proposed Motor Vehicle Account 2027/28 aggregate levy increase	Impact of proposed changes to engine capacity groups	Impact from proposed decrease of cross-subsidisation	Impact of recognition of advanced rider training (ART)	Proposed 2027/28 levy rate
Mopeds	$99.10	+$7.95	+$0.00	+$0.00	+$0.00	$107.05
0-250cc	$351.11	+$23.85	+$0.00	+$0.00	+$1.73	$376.69
0-250cc with Advanced Rider Training	$351.11	+$23.85	+$0.00	+$0.00	-$95.76	$279.20
251-600cc	$497.40	+$26.15	+$0.00	+$0.00	+$9.33	$532.89
601-750cc	$497.40	+$26.15	+$0.00	+$0.00	+$9.33	$532.89
251-750cc with Advanced Rider Training	$497.40	+$26.15	+$0.00	+$0.00	-$127.21	$396.34
751+cc	$702.31	+$35.86	+$0.00	+$0.00	+$14.42	$752.58
751+cc with Advanced Rider Training	$702.31	+$35.86	+$0.00	+$0.00	-$177.05	$561.11

Questions for levy payers

- Do you support **ACC's proposals** to increase the contribution that motorcycle owners make towards the cost of injuries from accidents on the road?
- Do you support the **Minister for ACC's proposal** to increase the number of classes of motorcycles?
- Do you support the **Minister for ACC's proposal** to recognise advanced rider safety training through a discount in levies?

Minister for ACC's proposal

Should ACC change how plug-in hybrids and battery electric vehicles are classified?

ACC previously used a light electric vehicle classification for plug-in hybrids and battery electric vehicles, which discounted levies for electric vehicles alongside other Government incentives. The ACC Minister proposes **from 1 July 2025** removing that class and removing the discount.

The ACC Minister proposes to remove the class 2a classification for electric vehicles

The ACC Minister proposes that vehicle owners exposed to the same risk pay the same levy. Battery electric vehicles (BEVs) and plug-in hybrid vehicles (PHEVs) are exposed to the same risk as internal combustion engine vehicles.

The Minister proposes removing the classification of light electric vehicles from the Motor Vehicle Account regulations. Light electric vehicles, including both PHEVs and BEVs, are currently classified in Class 2a.

Under his proposal:

- petrol-powered PHEVs would return to Class 2 (petrol-powered) vehicles, with no change to their levies.
- BEVs and diesel-powered PHEVS would move to Class 6 (non-petrol-powered) vehicles, and would no longer have their levies discounted.

This would mean that petrol-powered PHEV owners would pay their ACC levy when they buy petrol and pay their vehicle licence (rego). Owners of BEVs and diesel-powered PHEVs would pay their ACC levy through their vehicle licence.

Because BEV and diesel-powered PHEV owners don't buy petrol, the levy component of their vehicle licence will increase under this proposal.

Who would be impacted and what it would mean for them

New Zealand has approximately 75,000 BEV owners who, it is anticipated, would experience a $66.96 increase in annual vehicle registration costs under the new class.

The removal of the discount on diesel powered PHEVs and BEVs, would save owners of other vehicles around $15.8 million over the next three levy years.

The change represents a decrease in the licence levy of approximately $1.63 per year for each of New Zealand's 2.9 million light passenger vehicles.

It is expected that removing the discount for diesel power PHEVs and BEVs to have little or no impact on the uptake of electric vehicles.

Current state — PHEVs and BEVS are classed together as light electric vehicles with a discounted levy

For levying purposes, ACC splits the vehicle fleet into petrol-powered and non-petrol-powered vehicles. NZTA Waka Kotahi identifies each vehicle's primary fuel type when it is first registered as it enters New Zealand.

Currently, BEVs and PHEVs are classed as light electric vehicles (Class 2a). This classification provides a reduction of $58.98 when compared to the same petrol-driven vehicles. BEVs and diesel-powered PHEVs being part of Class 2a reduced their levies, because the ACC levy for petrol vehicles is collected in part through petrol sales, and those vehicles don't use petrol.

The previous Government directed ACC to consider how PHEVs and BEVs could be accommodated in the levy system, to support that Government's Electric Vehicle Programme.

The discounted levy was seen as a small incentive by that Government to increase the uptake of lower-emissions vehicles. The Clean Car Discount scheme and Clean Car Standard, both introduced in 2021, have achieved quicker uptake of low and zero-emission vehicles.

The Minister wants the levy system to be equal for people exposed to equal risk

The levy system is based on the principle that levy payers exposed to the same level of risk should pay the same levy.

This also means limiting cross-subsidisation and avoiding regressive levying. The current system uses incentives within ACC's levy system which cost other levy payers.

ACC has no data to determine whether low-emission vehicles are safer or riskier than petrol vehicles. When ACC introduced the lower levy rates for Class 2a vehicles, there were around 10,900 BEVs in the class. The value of the discount by other vehicle types was $0.62 million. Over the last 3 full levy years, BEV owners have paid $9.8 million less in levies.

Additionally, the vast majority of BEVs entering the fleet are new. This means that the current incentive settings shift costs from new vehicle owners to owners of other, often older and cheaper vehicles. This is a regressive levying approach.

EVs have exceeded the 2% target

Successive Governments have exempted light electric vehicles (EVs) from paying road user charges since 2009. In 2016, Cabinet decided to end this exemption once EVs made up 2% of New Zealand's light vehicle fleet. The Government at that time expected this to be achieved by 31 March 2024.

Data from the Ministry of Transport showed that EVs reached 2.03% of the light vehicle fleet in September 2023.

The current Government removed the Clean Car Discount from 31 December 2023 and the road user charges exemption from 1 April 2024, and we no longer see a need for ACC to provide an additional incentive.

Questions for levy payers

Do you support the **ACC Minister's proposals** to:

1. remove the current classification of light electric vehicles from the Motor Vehicle account?
2. charge vehicle owners the same levy if they are exposed to the same level of risk?

Minister for ACC's proposal

Should ACC close the Fleet Saver audit programme?

The Fleet Saver audit programme has not met its aims, and the transport sector now has other safety programmes. **The Minister for ACC proposes** from **1 July 2025**, to close Fleet Saver to new entrants and reassessments, and to close the programme **from 30 June 2029**.

Current state — businesses who meet Fleet Saver standards get discounted levies

Fleet Saver is a health and safety audit programme that was established to promote best practice for businesses with five or more heavy goods vehicles.

It provides voluntary standards for general safety management, driver training, and vehicle management. Businesses meeting Bronze, Silver or Gold Fleet Saver standards get four years of discounted levies.

Fleet Saver has not lowered the risk of injury in the transport industry. This is likely because:

- there has been limited uptake of the programme (only 35 business take part in the programme).
- programmes based only on audits have limitations.

Work levies for heavy goods vehicles (2024-25)

Standard of vehicle	Petrol-powered truck 2024/25	Non-petrol-powered truck 2024/25
Not in Fleet Saver	$243.59	$260.81
Bronze Fleet Saver standard	$217.50	$234.73
Silver Fleet Saver standard	$178.38	$195.61
Gold Fleet Saver standard	$139.26	$156.49

When we introduced Fleet Saver, we expected to grow the benefits of membership and encourage more businesses to join. After 10 years, this has not happened, and Fleet Saver now needs considerable investment to address technology and audit standard short-comings.

The transport sector is developing its own programmes. These address safety and wider concerns of the transport sector and regulators. ACC's overall approach to injury prevention is to encourage sectors to develop programmes that work for them. Redeveloping Fleet Saver would be at odds with this approach, given the work already happening in the sector.

Who would be impacted and what it would mean for them

Closing Fleet Saver will impact the 35 members currently in the programme. However, this represents just 6.7% of the heavy vehicle fleet in New Zealand.

Current members would continue to receive their discounted levy for the rest of their agreement with us — up to four years. After this, it is proposed that Fleet Saver is closed. The latest this can occur is 1 July 2029.

No other businesses would be able to enter the Fleet Saver programme after 1 July 2025. The Minister proposes this approach to give impacted businesses time to adjust to the new levies ACC will charge and to ensure that ACC honours its existing agreements.

The table below sets out the 2025/26 levy rates if the Fleet Saver removal proposal is accepted. The levies reduce overall due to experience change and are further reduced as there will be no new fleets entering the product.

Standard of vehicle	Petrol-powered truck 2025/26	Non-petrol-powered truck 2025/26
Not in Fleet Saver	$232.31	$249.95
Bronze Fleet Saver standard	$207.31	$224.95
Silver Fleet Saver standard	$169.82	$187.46
Gold Fleet Saver standard	$132.33	$149.97

Questions for levy payers

1. Do you support the **Minister for ACC's proposal** that Fleet Saver should close once current members have received their agreed discounts?

2. Should levy discounts be used to support the transport sector to improve safety in the future?

Proposed levy system changes to the Work Account
Ngā huringa ki ngā utu mō te wāhi mahi

ACC's Proposal

Should ACC remove the No Claims Discount and change the Experience Rating programme?

The No Claims Discount and Experience Rating programmes are not bringing the benefits relating to injury prevention and faster recovery that we thought they would. We propose two options for change.

We're proposing to:

- remove the No Claims Discount.

and either

- reduce the cross-subsidy for the Experience Rating, or
- remove the Experience Rating cross-subsidy altogether.

We're proposing two options for making the levy system more effective.

- **Option one** would remove the No Claims Discount and reduce the cross-subsidy for the Experience Rating programme by other businesses.
- **Option two** would remove the No Claims Discount and completely remove the cross-subsidy for the Experience Rating programme by other businesses. The Experience Rating programme would become self-funding for the first time.

Features of Option 1 — reduces the cross-subsidies for experience rated businesses

Option 1 would remove the No Claims Discount and reduce the level of cross-subsidisation of experience rated businesses. This:

- has a higher impact on the businesses receiving the No Claims Discount.
- has a smaller benefit to New Zealand businesses not in experience rating or getting the discount.
- lowers the cost for New Zealand's largest businesses.

Features of Option 2 — larger levy reduction for small and self-employed businesses

Option 2 removes both the No Claims Discount and the cross-subsidisation for experience rated businesses. Its features are:

- it gives a larger reduction of levies on average for small and self-employed businesses — 5.7%.
- it would reduce the impact of losing the No Claims Discount for the customers who currently get it.
- it adds 1.1% to the levies collected from the 13,000 largest businesses in New Zealand.

The current state isn't delivering, and is unfair

ACC introduced the experience rating framework in the Work Account in 2012, aiming to improve injury prevention and return to work outcomes as well as making levies fairer.

We introduced two programmes:

- A No Claims Discount programme for smaller businesses that have:
  - paid levies every year for the past three years.
  - at least one invoice for ACC support/services of less than $10,000.
- The Experience Rating programme for larger businesses that have been invoiced at $10,000 or more in levies in each of the past three years.

Businesses with less than three years of claims history are outside the programmes. However, they are paying a part of the levies for No Claim Discount and Experience Rating businesses.

How we calculate levies for these programmes

Both the No Claims Discount and Experience Rating programmes compare a business's claims history — to either a standard value (No Claim Discount) or a levy risk group (Experience Rating).

ACC then adds a loading to the standard levy the business would pay:

- a discount for relatively good performance.
- a loading for a relatively poor performance.

How the planned safety improvements and fair levies are playing out

The businesses in the two programmes earn about 80% of the total earnings that are subject to ACC levies (source: 2023 levy data).

We launched these programmes to incentivise improvements in workplace safety. It was believed that levies would fall because there would be fewer injuries, so less costs. But this hasn't happened.

Neither programme pays for itself. The value of the loadings that we charge on Experience Rating and No Claim Discount is less than the amount of money that we pay in discounts.

This shortfall is made up by the 477,000 businesses that are outside the No Claim Discount and Experience Rating programmes — including New Zealand's small businesses and self-employed people.

These smaller businesses are paying extra in levies to cross-subsidise the cost of claims from businesses within the No Claim Discount and Experience Rating programmes, which include some of New Zealand's biggest employers.

We announced that we intended to remove the No Claim Discount programme after investigating alternatives

In the 2018 levy consultation, ACC said that the No Claim Discount programme did not meet its initial goals and that other businesses continuing to cross-subsidise levies for No Claim Discount businesses was unfair.

Approximately 93% of the businesses inside the No Claim Discount programme pay discounted levies. But for most this is not because they actively manage their injury rates or return-to-work practices. They're levied a smaller amount because the volume of workplace injuries varies over time.

In the ACC Scheme, businesses exposed to greater risk of injuries to their workers should pay higher levies than businesses exposed to less risk. This means that businesses making more claims should be paying more; and businesses with fewer or no claims shouldn't cross-subsidise them.

We haven't found an alternative to the No Claims Discount programme that would address its shortcomings and help the programme to perform better. Instead, ACC has been partnering with higher-risk industries through our grant programme to help them improve health and safety.

We believe that over time these partnerships will lower the risk of injury in these industries and that this will be reflected in lower costs to ACC and therefore lower levies.

The Experience Rating programme has been refined in the 2018 and 2021 consultation rounds. In our working with employers, ACC is seeing early evidence that the new settings are providing a better incentive for employers to improve health and safety performance.

There are some early signs of improvement. But it's not certain whether the programme can improve performance in the Levy Risk Groups.

However, the uncertainty of the impact on prevention and recovery performance raised a question — whether the current level of cross-subsidisation from businesses not inside the No Claim Discount and Experience Rating programmes should continue.

If you're inside the scheme or outside it, you'll be affected

Currently, all businesses not in an incentive programme are cross-subsidising the discounts in the programme.

If we remove or reduce the level of cross-subsidy, we'll align the Work Account with one of its core principles — that each group of levy payers should pay for the cost of injuries that they can control or for which they are accountable.

Impacts on levy of both options

	Option 1: Remove NCD and reduce the subsidisation of ER	Option 2: Remove NCD and make ER self-funding
Businesses not eligible for NCD or ER	-3.3%	-5.7%
Businesses eligible for NCD (10% discount)	+7.4%	+4.7%
Businesses eligible for NCD (no discount)	-3.3%	-5.7%
Businesses eligible for NCD (10% loading)	-12.1%	-14.3%
Businesses eligible for ER	-1.7%	+1.1%

Employers in the Accredited Employer Programme are not impacted by this proposed change.

Option 2 provides the 93% of businesses in the No Claim Discount product who receive a 10% discount with the least impact as the product is removed. By removing all cross-subsidisation it also provides the largest benefit for businesses who are currently unable to access a discount. Large businesses who are experience rated have a small increase in levy as the cross-subsidisation is removed.

Under option 1 more businesses get a lower levy. However, the businesses who currently receive a 10% No Claim Discount will have a higher levy increase than under option 2.

Questions for levy payers

- Do you support **ACC's proposal** to remove the No Claims Discount and reduce the cross-subsidy for the Experience Rating programme by other businesses? If experience rated businesses performed better — with fewer claims and faster recovery — their levies would fall because the cost of their claims would fall.
- Do you support **ACC's proposal** to remove the No Claims Discount and completely remove the cross-subsidy for the Experience Rating programme by other businesses? The Experience Rating programme would become self-funding for the first time.

Impacts on example businesses

An example business	2025/26 levy if no change	Effect of option 1	Effect of option 2
Outside of No Claim Discount or Experience Rating			
A self-employed painting and decorating services business • liable earnings of $79,000	$1,351	$1,306	$1,273
A technical and vocational education and training business • liable earnings of $230,000	$230	$222	$217
A house construction business • liable earnings of $196,000	$3,058	$2,957	$2,882
An engineering design and engineering consulting services business • liable earnings of $79,000	$87	$84	$82
No Claims Discount programme			
Self-employed manufacturing business making wooden furniture and upholstered seats • liable earnings of $43,000 • No Claim Discount modifier of -10%	$449	$482	$470
A footwear retailing business • liable earnings of $880,000 • No Claim Discount modifier of -10%	$1,742	$1,872	$1,825
A physiotherapy services business • liable earnings of $90,000 • No Claim Discount modifier of -10%	$154	$165	$161
A house construction business • liable earnings of $310,000 • No Claim Discount modifier of +10%	$5,320	$4,676	$4,559
A preschool education business • liable earnings of $814,000 • No Claim Discount modifier of +10%	$5,551	$4,880	$4,757
Experience Rating programme			
A courier pick-up and delivery services business • liable earnings of $5,349,000 • Experience Rating modifier of -30%	$49,799	$48,975	$50,322
A dairy cattle farming business with: • liable earnings of $799,000 • Experience Rating modifier of -10%	$15,676	$15,417	$15,841
A plumbing services business • liable earnings of $2,548,000 • Experience Rating modifier of +20%	$42,195	$41,496	$42,638

ACC's Proposal

Should ACC increase the minimum cost threshold for claims to count towards your experience rated work levy?

Medical and treatment costs are increasing. **ACC proposes from 1 April 2025** to increase the threshold for these costs that affect your work levy if you're in the Experience Rating programme.

ACC proposes to increase the threshold to $750

ACC proposes to increase the threshold for medical and treatment costs from $500 to $750 from 1 April 2025. This change reflects increased costs since 2011, when the previous threshold was last set.

The new threshold will mean that approximately 15% of claims will impact the business's experience rating. These claims are usually more severe and represent approximately 75% of total medical and treatment costs (consistent with the intent of the programme).

As always, you can reduce your work levy by:

- preventing injuries at work.
- helping your injured employees recover and get back to work sooner.

Current state — total costs over $500 for work-related injuries can affect your work levy

The Experience Rating programme is for employers paying $10,000 or more in work levies.

Once you're in the programme, you could get a discount off your levy, or you could pay more, depending on:

- the number of weekly compensation days paid for each claim.
- the number of work-related injury claims with total medical and treatment costs over $500.

We assume that costs for claims above the threshold are more likely to be preventable than those below. Any claims with total costs below the threshold do not affect your work levy.

Read more about Experience Rating

Who would be impacted and what it would mean for them

Adjusting the threshold to $750 will affect about 10% of employers. They will have a change to their Experience Rating band — either one band higher or lower. This band change will affect the discount or loading we apply to their work levy, but the effect will be small.

Calculating your Experience Rating has more about Experience Rating bands, discounts, and loadings.

Question for levy payers

Do you support **ACC's proposal** to increase the threshold for medical and treatment costs from $500 to $750 for the purpose of calculating Experience Ratings?

Minister for ACC's Proposal

Should ACC change how it classifies home improvement stores?

The Minister for ACC is proposing, from **1 April 2025**, to move home improvement stores to a single classification. It will roughly halve levies for some stores and raise them about 20% for others.

Customers have said the current state is unfair and complex. Similar businesses with similar risks are being levied at different rates. The new classification will apply one classification unit to similar stores.

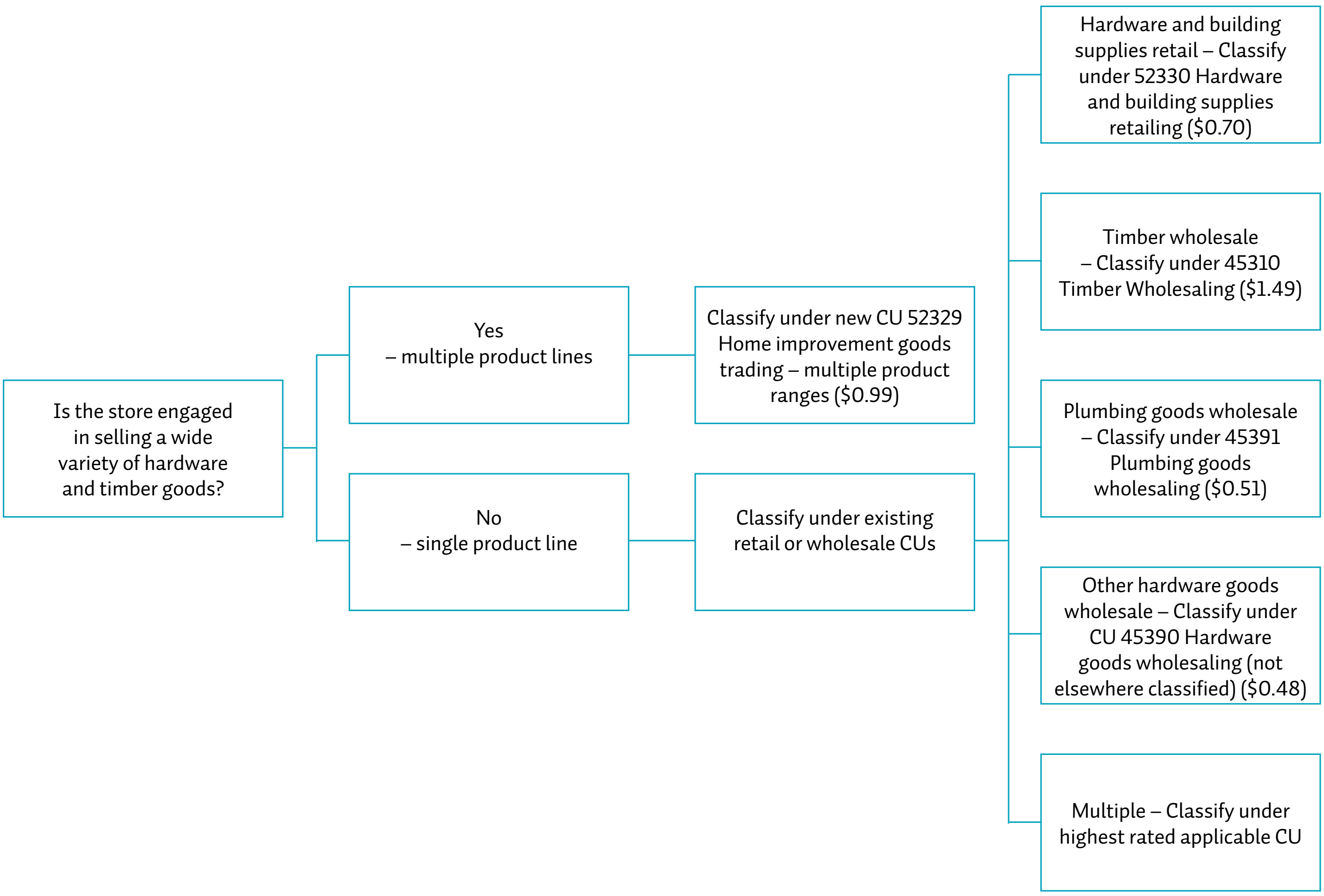
The Minister proposes a new classification unit for home improvement stores

The ACC Minister proposes classifying home improvement stores that sell multiple retail and wholesale products under a new classification unit: *CU 52329 Home improvement goods trading – multiple product ranges*.

A new Levy Risk Group *(LRG 430 Home improvement goods trading)* would be created specifically for this classification unit, meaning that the levy rate would reflect that these stores have a different risk profile from stores that operate as a single category, or are solely retail or wholesale.

Proposed new classification for home improvement stores

The chart below sets out the proposed new approach to classifying home improvement stores with the proposed 2025/26 levy rates.



Current state — levies depend on the kind of products sold and type of sale

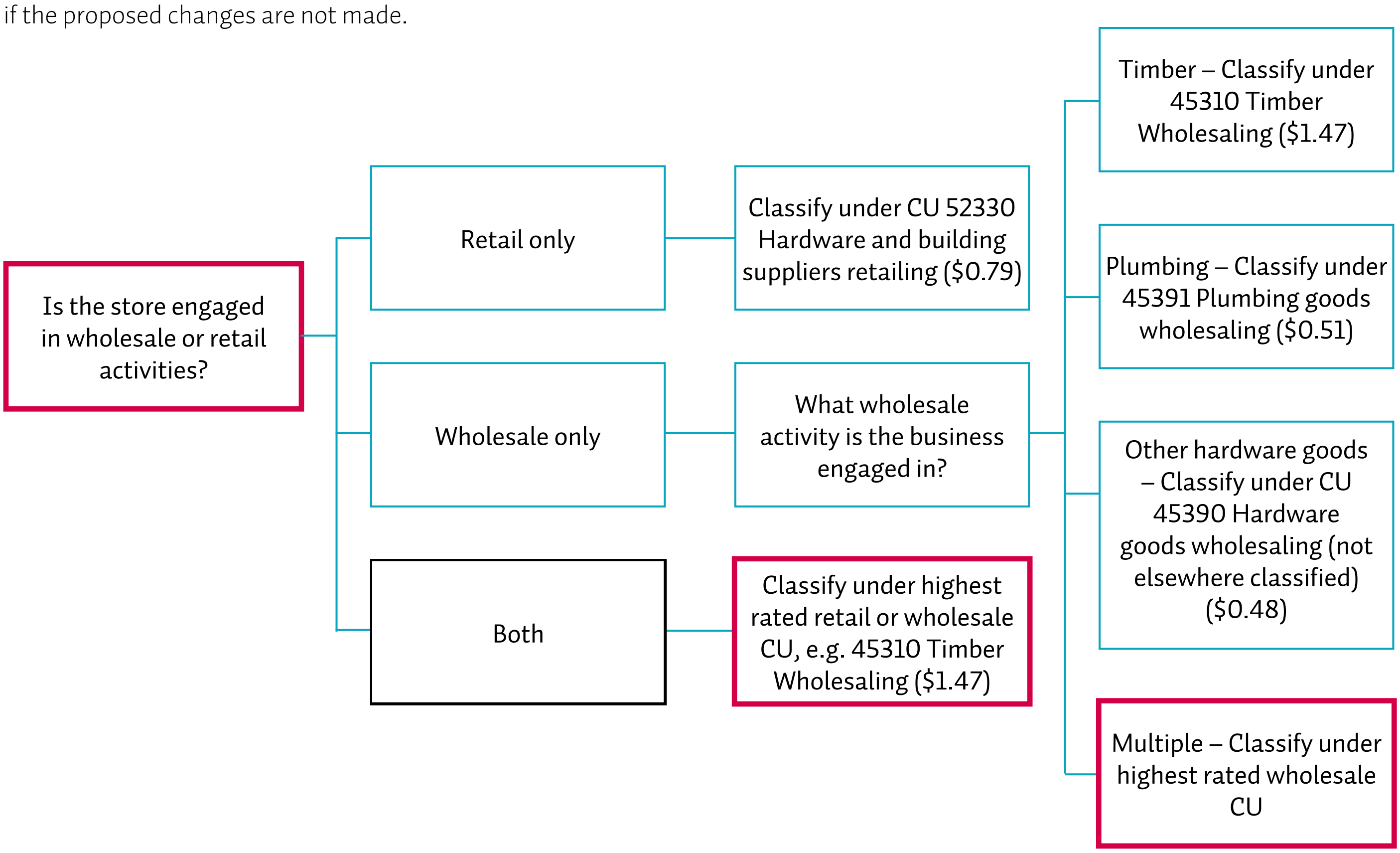
Until now, ACC has classified home improvement stores — often large-format hardware stores — under different classification units, depending on their business activity.

Considerations include:

- the types of products they sell.
- whether they sell to the public or businesses — retail or wholesale.

Unless a store is eligible for more than one classification unit, ACC applies the highest risk-rated wholesale or retail classification unit to the payroll. That's even if the specific business activity is only a small part of their business.

The chart below sets out the current approach to classifying businesses including home improvement stores and their 2025/26 levy if the proposed changes are not made.



Proposing a fairer, less complex system

Customer feedback to ACC tells us that the current approach is unfair. Similar businesses are being levied at different rates even though their risk is similar.

The Minister agrees that we need to remove unnecessary complexity in the classification system and improve fairness for our customers.

Who would be impacted and what it would mean for the

Home improvement stores with activities covered by:	2025/26 levy if no change	Will move to:	Proposed 2025/26 levy
Multiple existing classification units from the categories of: • Hardware, • Building and Garden Supplies Retailing • Timber and Hardware Goods Wholesaling	Varies	CU 52329 Home improvement goods trading – multiple product ranges	$0.99

Stores with a single activity, such as selling hardware goods only to retail, covered by:	2025/26 levy if no change	Will:	Proposed 2025/26 levy
A single classification unit from the categories of: • Hardware • Building and Garden Supplies Retailing • Timber and Hardware Goods Wholesaling	Varies	Remain under existing classification unit	Will vary

Type of business	2025/26 levy if no change	Will move to:	Proposed 2025/26 levy
Home improvement stores classified under: • CU 52330 Hardware and building supplies retailing	$0.79	CU 52329 Home improvement goods trading – multiple product ranges	$0.99
Home improvement stores classified under: • CU 45310 Timber wholesaling	$1.47	CU 52329 Home improvement goods trading – multiple product ranges	$0.99
Stores with a single activity, classified by a single CU, such as: • Selling hardware goods only to retail	Depends on classification unit	Remain under existing classification unit	Depends on classification unit

Question for levy payers

Do you support the **Minister for ACC's proposal** for home improvement stores selling multiple product ranges to the public and businesses be classified under this new classification unit?

Proposed new Classification units (CU)

Home improvement goods trading

Classification unit number	Classification unit name	Proposed change
52329	Home improvement goods trading – multiple product ranges	• New classification unit for home improvement stores whose activities are covered by multiple existing CUs from Hardware, Building and Garden Supplies Retailing or Timber and Hardware Goods Wholesaling. • Assigned LRG 430 - Home improvement goods trading • proposed levy rate: $0.99

Proposed new Levy Risk Group

Trade

Levy risk group number	Levy risk group name
430	Home improvement goods trading

Minister for ACC's Proposal

Should ACC lower levies for sports administration and increase them for professional ballet?

Currently, some purely administrative sports clubs and their support staff are levied at the same rate as sport participants, despite not facing the same risks. The **Minister for ACC proposes** to modernise the classification structure, from **1 April 2025**, for sports, create a new classification for those who do not employ players (participants), and levy ballet at a rate that recognises its risk to performers.

The Minister is proposing changes to the levy classification units for sport that better reflect the risks of injury. These are:

- removing the distinction between community and professional sports in the classification unit structure.
- creating a new classification unit for clubs and administrators who don't employ players.
- including professional ballet in a levy risk group that better reflects their claims experience.
- group higher risk sports participants and their employers, specifically football, rugby, rugby league, cricket and motorcycling, and their national organisation together for the purposes of levy setting.

The Minister's proposal groups community and professional players together

Under the proposal, all players who are paid to play their sport (at either a community or professional level) would come under a single classification unit for their sporting code. This would simplify the process of choosing a correct classification unit and the classification units would apply to all self-employed players and all clubs that employ players. The new and renamed classification units consolidate smaller sports where appropriate, while recognising growth sports. (See the proposed new classification units below).

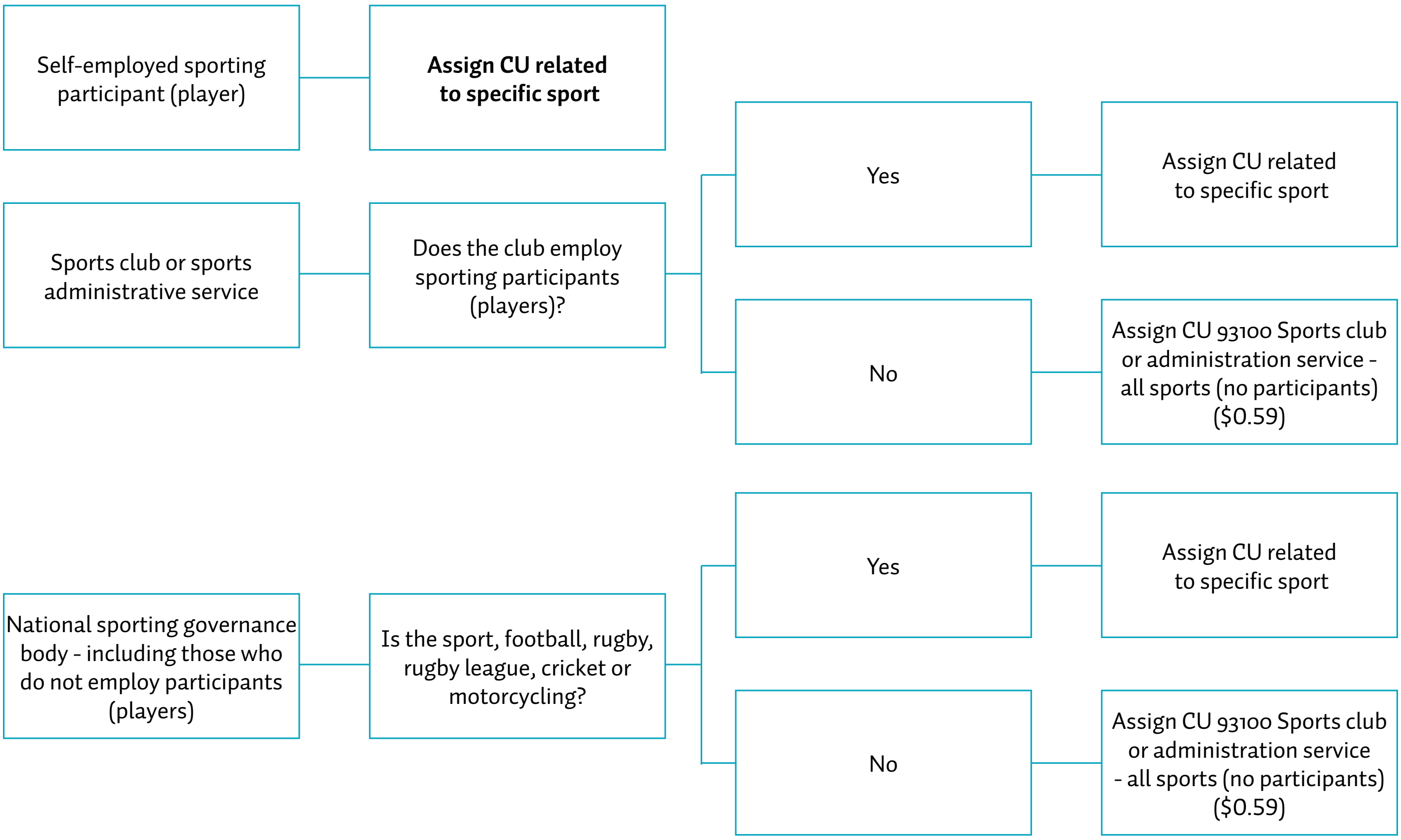
In line with the standard levy calculation, a community player earning a lower income would still pay less in levies than a professional player with higher earnings.

The proposal recognises the lower risk profile of support staff

The Minister is also proposing to create a new classification unit for all sports clubs or sports administrators that don't employ any players. The new classification unit is named '93100 Sports club or administration service — all sports (no participants)'.

This new classification unit would include coaching and other support staff, but not the sporting participants (players) themselves – as players face a different level of risk. These groups have a lower risk profile than players and clubs that employ players, and their levy should reflect that.

Proposal — how clubs with no employed players will have a different classification unit



The Minister is proposing to levy professional ballet at a more appropriate level for the risk

The Minister is proposing to create a new classification unit for ballet, separate to other performing arts activities. This classification unit would be assigned to a levy risk group consistent with the risk exposure of ballet performers, which is in line with sports participants rather than other performing artists.

The Minister is proposing national governance bodies should be grouped with participants and their employers for higher risk sports

By creating a separate classification unit for purely administrative sports clubs, some sport participants will pay significantly higher levies due to their national organisation's office-based employees no longer being included in their classification unit.

The Minister therefore is proposing that for higher risk sports, participants and their employers, specifically football, rugby, rugby league, cricket and motorcycling, and their national organisation should be grouped together for the purposes of levy setting.

This recognises that in the case of higher risk sports, national governance bodies who control the sport play a significant role in the safety of players and should contribute to the cost of injuries that occur in the sport they control. In some cases, this will allow ACC to charge a lower levy to these participants.

Lower risk national sports clubs or teams and regionally based sports clubs or teams that do not employ players would remain classified under the new administrative classification unit.

Current state — many community and professional sports have separate classification units, administration is not classified separately

Under the current classification unit structure, many sports clubs and players are levied under different classification units based on whether they are considered community or professional.

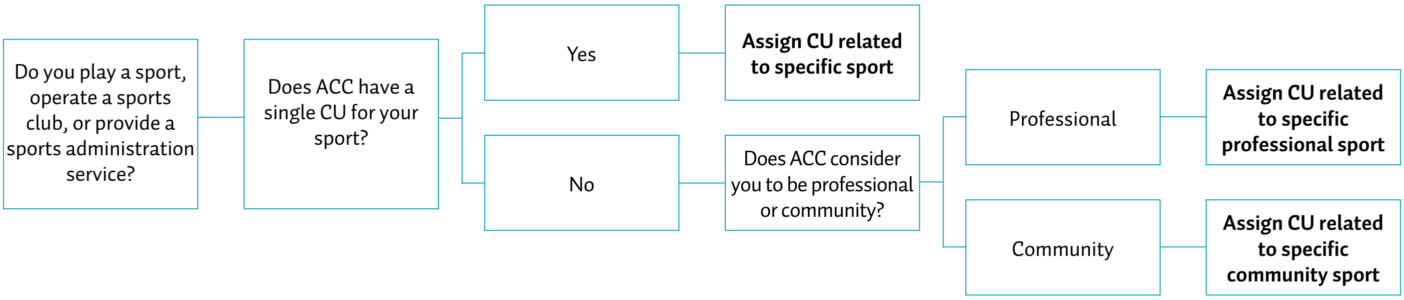
Where a sport is covered by more than one classification unit, local clubs that don't employ players are grouped into community sport classification units, while clubs with employed players or players who are self-employed are commonly grouped into professional sport classification units.

Amateur sportspeople, who play sport primarily for leisure or fitness, do not pay work levies. They are instead covered by either the Earners' or Non-Earners' accounts and are not impacted by this proposal.

Sports administration has been included under the relevant sporting classification unit since the 2003-2004 levy year. In the current structure, professional sports administrators pay levies based on the same classification unit and rate as paid players — even though they don't employ the players themselves.

ACC received feedback that this approach is unfair. It doesn't reflect that some professional sports teams are solely administrative, don't employ players, and therefore face a much lower risk.

Current state — how players, clubs and administrators are assigned classification units



The existing classification unit structure hasn't been updated to reflect changes in sport playing trends. For example, we don't have a specific classification unit for football (which has grown in popularity), but we do have classification units for smaller sports, such as softball and baseball. Sports without specific classification units are grouped together when setting levy rates.

Ballet shares a similar exposure to risk and claims experience as some sports players. However, ballet is currently classified as a performing art alongside less risky activities, such as theatre and opera, and therefore pays a lower levy.

Who would be impacted and what it would mean for them

Under the Minister's proposal, paid-to-play sports players would generally pay higher levy rates to better reflect their risk exposure to injury. Under the current state, these players are sometimes cross-subsidised by businesses who do not employ players in the sports activity.

Professional ballet companies would pay a significantly higher levy under this proposal, as this better reflects recent claims experience.

There is no proposal for changing how equine and horse racing organisation are classified.

Significant impacts and levy risk group (LRG) movements

Activity/sport	Customer impact for 2025/26 levies
Cricket players	Remains under renamed LRG 917 Arts and recreation services (medium-high-risk group)
Football players	Movement from LRG 919 Equine and Sporting Activities (high-risk group) $5.13 to renamed LRG 917 Arts and recreation services (medium-high-risk group) $2.61
Operating a ballet company	Movement from LRG 903 Entertainment and Performing Arts $0.39 to renamed LRG 917 Arts and recreation services (medium-high-risk group) $2.61
Operating a community sports club (without employing players)	Remains under renamed LRG 911 Arts and recreation services (low-medium-risk group)
Operating a rugby team (employing players)	Remains under renamed LRG 919 Arts and recreation services (high-risk group)
Operating a rugby team (without employing players)	Movement from LRG 919 Equine and Sporting Activities (high-risk group) $5.13 to renamed LRG 911 Arts and recreation services (low-medium-risk group) $0.59
Triathletes	Movement from LRG 919 Equine and Sporting Activities (high-risk group) $5.13 to renamed 911 Arts and recreation services (low-medium-risk group) $0.59

Different sports would be levied at different rates

The impact of our proposal for each business will depend on both the risk of the individual sport and the employment structure in each code. For example, the appropriate classification unit will consider whether the sports club or team is the employer of the players, or whether they're contracted as self-employed.

A full table of all proposed classification unit and levy risk group changes can be found at the end of the document.

The Minister is proposing change in response to feedback

The proposed changes aim to simplify and modernise the classification of the sports sector.

When last consulted in 2021, professional sports organisations told ACC that the classification structure didn't consider how their organisations were operating. In particular, their feedback highlighted the difference between solely administrative organisations and those that employed players.

Changes weren't possible at the time, as doing so would have affected a wide range of sports and ACC needed more time to work through the implications. That's why the changes are being proposed now.

Questions for levy payers

- Do you support the **Minister for ACC's proposal** that sports administrators, and those who do not participate in the sport, should be classified separately from players, reducing their levy, but increasing levies for those who play the sport?
- Do you support the **Minister for ACC's proposed** sports participation classification units?
- Should national governance bodies for higher risk sports be included in the participation classification unit for each sport, even if they do not employ participants?
- Do you support the Minister for ACC's proposal that ballet should pay a higher levy rate that better reflects their risk?

Minister for ACC's Proposals

1. Should ACC charge interest on all delayed levy payments?

Customers can pay their ACC levies in delayed instalments using a payment plan. ACC applies zero interest on only some of the current payment plan options. The Minister for ACC is proposing, applying interest on all payment plans and using a formula to apply interest more flexibly.

The Minister for ACC is proposing to apply interest on all levy payment plans using a formula that responds to the wider economy

ACC charges interest on some levy payment plans when businesses and self-employed people choose to pay in instalments.

The Minister for ACC is proposing to replace the flat rate with the following formula, which would apply to all payment plans.

$$\text{Interest charged} = \text{Levy invoice} \times \left[\left(\frac{\text{Base rate} + \text{Use of money adjustment}}{12} \right) \div 2 \right] \times \text{length of plan}$$

Here's what each of the variables in that formula means:

Variable	Explanation	Proposed value
Levy invoice	The total amount due on a customer's final invoice.	Will vary from customer to customer.
Base rate	An economic indicator which changes to reflect interest rates in the wider economy.	The floating first mortgage new customer housing rate as at 1 April 2024 as reported by the Reserve Bank of New Zealand in their regular retail interest rates reporting ***https://www.rbnz.govt.nz/statistics/series/exchange-and-interest-rates/retail-interest-rates-on-lending-and-deposits.*** Currently 8.63%.
Use of money adjustment	The expected investment return ACC would have made if the customer had paid their levy invoice in full and on time, taking into account the base rate above.	2.5%
Length of plan	The length of the payment plan ACC has agreed with the customer.	Will vary from customer to customer.

The rates would be reviewed on 1 April each year.

Using data from May 2024, for a levy invoice of $10,000 where ACC agreed to a payment plan over six months, here's how we would calculate the interest:

$$\text{Interest charged} = \$10{,}000 \times \left[\left(\frac{8.63\% + 2.5\%}{12} \right) \div 2 \right] \times 6$$

Interest charged=$278.25

The Minister wants feedback on when we might cancel or waive interest

The Minister is proposing conditions in which ACC may cancel or waive interest from the payment plan. These conditions are listed below.

The kinds of debt the Minister is considering that may not attract interest

Category	Description
Aged debt	All debts that are time-barred by statute.
Insolvent debt	All debts that fall under legal insolvency.
Ceased trading debt	All debts with entities that are no longer trading and have no funds or assets.
Deceased debt	All debts issued to deceased estates.
GNA (Gone No Address) debt	All debts that have not had an address or means of contact for four years or more.
Hardship debt	All debts unpaid due to financial or medical hardship.
Unreleased Invoices	All debts with invoices that have been withheld or not sent out for more than four years.
Administrative error	All debt created due to administrative error.
Review decision	All debt where ACC's review process has changed a previous decision that ACC has made.

Current state — Customers can pay in instalments over 3 or 6 months with no interest

The vast majority of businesses pay their ACC levy invoice on time and in full. However, ACC allows businesses and self-employed people who are unable to pay on time to pay their work or earners' levy in instalments.

Currently, three payment plans are available:

- paying the levy invoice over 3 months or 6 months at 0% interest.
- paying the levy invoice over 10 months at 2.73% interest.

Instalment plans are common in other contexts. For example, taxes can be paid by instalments, subject to an interest charge from Inland Revenue.

Why the Minister is proposing this change

The interest rates that we charge currently are too low, which encourages customers to delay paying levies. This is unfair to the majority of levy payers who pay their levy invoice in full and on time.

Using a formula to calculate the interest rate, rather than a flat rate specified in regulations, means that the rate can respond to changes in the wider economy without the need to update legislation.

Questions for levy payers

1. Do you support the **Minister for ACC's proposal** for applying interest charges, based on a formula to all payment plans?
2. Should ACC use the RBNZ's Floating first mortgage new customer housing rate as the base rate for calculating interest?
3. What do you think of the proposed categories where ACC would waive or cancel interest on levies paid in instalments?

2. Should ACC's penalty interest rate for when someone doesn't pay their levy on time be updated?

Most levy payers pay their levy invoices in full and on time. However, a small number of levy payers do not (or will not) pay.

Defaulters pay a low rate of penalty interest

When someone doesn't pay their levy invoice, ACC charges a penalty interest of 1% of the outstanding invoice, compounded monthly.

The penalty rate hasn't changed since 2008 and is out of step with wider interest rates in the economy.

The **Minister for ACC is proposing** to amend the rate of penalty interest to align it with the proposed formula for calculating interest on instalment plans. The formula would be:

$$\text{Interest rate} = \frac{\text{Base rate + Use of money adjustment}}{12} + 1\%$$

Variable	Explanation	Proposed value
Base rate	An economic indicator which moves according to interest rates in the wider economy.	The floating first mortgage new customer housing rate as at 1 April 2024 as reported by the Reserve Bank of New Zealand in their regular retail interest rates reporting ***https://www.rbnz.govt.nz/statistics/series/exchange-and-interest-rates/retail-interest-rates-on-lending-and-deposits.*** Currently 8.63%.
Use of money adjustment	The expected investment return ACC would make if someone paid their levy invoice in full and on time, taking into account the base rate above.	2.5%

The rates would be reviewed on 1 April each year.

The interest rate calculated by the formula would compound monthly. This would help encourage levy payers to pay their levy in full, as quickly as possible, or to set up a payment plan.

The Minister is proposing this change for fairness

It's not fair to levy payers who pay their levies in full and on time, if others do not pay their levies and receive no effective penalty.

When setting penalty interest rates, ACC still has to ensure that levies are affordable, so the Minister is proposing aligning the penalty interest rate to the interest rates on instalment plans.

Questions for levy payers

1. Do you support the **Minister for ACC's proposal** on penalty interest?
2. What do you think of tying the rate of penalty interest to the interest on payment plans?
3. Do you think the proposed penalty rate is sufficient to encourage timely paying of levies?

3. Should ACC's credit interest rate be updated to reflect market conditions?

ACC applies credit interest if the amount collected from levy payers through provisional levies (invoices based on an estimate of the levies payable) is $1,000 or more than the final levy assessment. ACC does not charge employers interest if provisional levies are less than the final levies.

Self-employed and private domestic workers are not charged provisional levies, so aren't eligible for credit interest.

The Minister is proposing aligning interest on overpayments with Government Bonds

The Minister for ACC is proposing to update the credit interest rate payable on overpayments to align to the three-year Government Bond Rate. This would increase the credit interest rate for overpayments from 2.2% to 4.05%. The rate would be reviewed on 1 April each year.

The Minister is proposing this change because the credit interest rate hasn't been updated since 2021 when interest rates were at historic lows.

If the credit interest rate is too low, then ACC is not fairly reimbursing levy payers who overpay their levy. If the rate is too high, then levy payers are incentivised to overpay their levies and accrue interest.

Questions for levy payers

1. Do you support the **Minister for ACC's proposal** on credit interest?
2. What do you think of updating the amount of credit interest payable to align to the three-year Government Bond rate?
3. What do you think of fixing the amount of credit interest payable for a three-year period?

Minister for ACC's Proposals

Classification units and Levy risk groups

Every business and self-employed individual is assigned a classification unit by ACC based on their business activity. We group similar businesses and self-employed individuals this way to make sure that levies are fair, and to ensure that the costs of claims are shared fairly among the industries responsible for those costs.

Classification units are then grouped into one of 143 levy risk groups based on injury risk profiles (the frequency and severity of injury, plus how long it takes for an injured worker to return to work - represented by the estimated total cost of claims, compared to wages paid).

As part of the levy setting process, ACC reviews all classification unit descriptions and levy risk group placements to better match emerging risk profiles and ensure the system remains fair and equitable to levy payers. We also use customer feedback to inform our proposals, ensuring that classification units accurately reflect the New Zealand economy.

Proposed new Classification units (CU)

Home improvement goods trading

Classification unit number	Classification unit name	Proposed change
52329	Home improvement goods trading – multiple product ranges.	• New classification unit for home improvement stores whose activities are covered by multiple existing CUs from Hardware, Building and Garden Supplies Retailing or Timber and Hardware Goods Wholesaling. • Assigned LRG 430 - Home improvement goods trading. • proposed levy rate: $0.99.

Creative and performing arts activities

Classification unit number	Classification unit name	Proposed change
92415	Performing arts – ballet.	• New classification unit for ballet companies or self-employed ballet dancers. • Assigned LRG 917 - Arts and recreation services (medium-high-risk group). • proposed levy rate: $2.61.

Sports and physical recreation activities

Classification unit number	Classification unit name	Proposed change
93100	Sports club or administration service - all sports (no participants).	• New classification unit for all sports club or sports administration services that do not employ participants (players). • Assigned LRG 911 - Arts and recreation services (low-medium-risk group). • proposed levy rate: $0.59 .
93183	Sports club or participant – football (including national governance bodies).	• New classification unit for all football clubs that employ players, or the players themselves. • Assigned LRG 917 - Arts and recreation services (medium-high-risk group). • proposed levy rate: $2.61.
93189	Sports club or participant - athletics, cycling and swimming.	• New classification unit for all athletics, cycling or swimming clubs that employ players, or the players themselves. • Assigned LRG 911 - Arts and recreation services (low-medium-risk group). • proposed levy rate: $0.59 .
93191	Sports club or participant - basketball.	• New classification unit for all basketball clubs that employ players, or the players themselves. • Assigned LRG 911 - Arts and recreation services (low-medium-risk group). • proposed levy rate: $0.59.

Proposed <u>renamed</u> Classification units (CU)

Creative and performing arts activities

Classification unit number	Classification unit name	Proposed Classification unit name	Proposed change
92410	Performing arts operation.	Performing arts operation (not elsewhere classified).	• Rename classification unit to Performing arts operation (not elsewhere classified). • Move ballet companies or self-employed ballet dancers from this CU to CU 92415. • Assigned LRG 903 - Arts and recreation services (low-risk group). • proposed levy rate: $0.38.

Sports and physical recreation activities

Classification unit number	Classification unit name	Proposed Classification unit name	Proposed change
93175	Sport and physical recreation – professional sport (not elsewhere classified).	Sports club or participant (not elsewhere classified).	• Rename classification unit to Sports club or participant (not elsewhere classified). • Businesses who do not employ participants or play the sport move to CU 93100. • Businesses remain under this classification unit if they employ players or play the sport. • Assigned LRG 915 - Arts and recreation services (medium-risk group). • proposed levy rate: $4.31.
93180	Sport and physical recreation – professional rugby.	Sports club or participant – rugby (including national governance bodies).	• Rename classification unit to Sports club or participant - rugby (including national governance bodies). • Businesses who do not employ participants or play the sport move to CU 93100. • Businesses remain under this classification unit if they employ players or play the sport. • Assigned LRG 919 - Arts and recreation services (high-risk group). • proposed levy rate: $5.41 .
93181	Sport and physical recreation – professional rugby league.	Sports club or participant – rugby league (including national governance bodies).	• Rename classification unit to Sports club or participant - rugby league (including national governance bodies). • Businesses who do not employ participants or play the sport move to CU 93100. • Businesses remain under this classification unit if they employ players or play the sport. • Assigned LRG 919 - Arts and recreation services (high-risk group). • proposed levy rate: $5.41.
93182	Sport and physical recreation – snow skiing.	Sports club or participant – snow sports (including ski field operators) (not elsewhere classified).	• Rename C classification unit to Sports club or participant – snow sports (not elsewhere classified). • Businesses who do not employ participants or play the sport move to CU 93100. • Businesses remain under this classification unit if they employ players or play the sport. • Assigned LRG 915 - Arts and recreation services (medium-risk group). • proposed levy rate: $1.28.

Sports and physical recreation activities

Classification unit number	Classification unit name	Proposed Classification unit name	Proposed change
93187	Sport and physical recreation – tennis.	Sports club or participant – racket sports (not elsewhere classified).	• Rename classification unit to Sports club or participant - racket sports (not elsewhere classified). • Businesses who do not employ participants or play the sport move to CU 93100. • Businesses remain under this classification unit if they employ players or play the sport. • Assigned LRG 911 - Arts and recreation services (low-medium-risk group). • proposed levy rate: $0.59.
93192	Sport and physical recreation – boating or yachting.	Sports club or participant – water sports (not elsewhere classified).	• Rename classification unit to Sports club or participant - water sports (not elsewhere classified). • Businesses who do not employ participants or play the sport move to CU 93100. • Businesses remain under this classification unit if they employ players or play the sport. • Assigned LRG 915 - Arts and recreation services (medium-risk group). • proposed levy rate: $1.15.
93194	Sport and physical recreation – professional cricket.	Sports club or participant – cricket (including national governance bodies).	• Rename classification unit to Sports club or participant - cricket (including national governance bodies). • Businesses who do not employ participants or play the sport move to CU 93100. • Businesses remain under this classification unit if they employ players or play the sport. • Assigned LRG 917 - Arts and recreation services (medium-high-risk group). • proposed levy rate: $2.61.
93195	Sport and physical recreation – golf.	Sports club or participant – golf.	• Rename classification unit to Sports club or participant – golf. • Businesses who do not employ participants or play the sport move to CU 93100. • Businesses remain under this classification unit if they employ players or play the sport. • Assigned LRG 911 - Arts and recreation services (low-medium-risk group). • proposed levy rate: $0.59.
93197	Sport and physical recreation – motorcycling.	Sports club or participant – motorcycling (including national governance bodies).	• Rename classification unit to Sports club or participant – motorcycling (including national governance bodies). • Businesses who do not employ participants or play the sport move to CU 93100. • Businesses remain under this classification unit if they employ players or play the sport. • Assigned LRG 919 - Arts and recreation services (high-risk group). • proposed levy rate: $5.41.

Sports and physical recreation activities

Classification unit number	Classification unit name	Proposed Classification unit name	Proposed change
93198	Sport and physical recreation – motor racing.	Sports club or participant – motor racing.	• Rename classification unit to Sports club or participant – motor racing. • Businesses who do not employ participants or play the sport move to CU 93100. • Businesses remain under this classification unit if they employ players or play the sport. • Assigned LRG 915 - Arts and recreation services (medium-risk group). • proposed levy rate: $1.28.
93199	Sport and physical recreation – netball.	Sports club or participant – netball.	• Rename classification unit to Sports club or participant - netball. • Businesses who do not employ participants or play the sport move to CU 93100. • Businesses remain under this classification unit if they employ players or play the sport. • Assigned LRG 915 - Arts and recreation services (medium-risk group). • proposed levy rate: $1.28.

Proposed <u>removed</u> Classification units

Sports and physical recreation activities

Classification unit number	Classification unit name	Proposed change
93170	Sport and physical recreation – community rugby.	• Disestablish this classification unit. • Businesses who do not employ participants or play the sport move to CU 93100. • Businesses who employ players or play the sport move to CU 93180.
93171	Sport and physical recreation – community rugby league.	• Disestablish this classification unit. • Businesses who do not employ participants or play the sport move to CU 93100. • Businesses who employ players or play the sport move to CU 93181.
93174	Sport and physical recreation – community cricket.	• Disestablish this classification unit. • Businesses who do not employ participants or play the sport move to CU 93100. • Businesses who employ players or play the sport move to CU 93194.
93184	Sport and physical recreation – softball or baseball.	• Disestablish this classification unit. • Businesses who do not employ participants or play the sport move to CU 93100. • Businesses who employ players or play the sport move to CU 93175.
93185	Sport and physical recreation – squash or badminton.	• Disestablish this classification unit. • Businesses who do not employ participants or play the sport move to CU 93100. • Businesses who employ players or play the sport move to CU 93187.
93186	Sport and physical recreation – swimming.	• Disestablish this classification unit. • Businesses who do not employ participants or play the sport move to CU 93100. • Businesses who employ players or play the sport move to CU 93189.
93188	Sport and physical recreation – water skiing.	• Disestablish this classification unit. • Businesses who do not employ participants or play the sport move to CU 93100. • Businesses who employ players or play the sport move to CU 93192.
93190	Sport and physical recreation – community (not elsewhere classified).	• Disestablish this classification unit. • Businesses who do not employ participants or play the sport move to CU 93100. • Businesses who employ players or play the sport move to the relevant participation classification unit.
93193	Sport and physical recreation – cycling.	• Disestablish this CU. • Businesses who do not employ participants or play the sport move to CU 93100. • Businesses who employ participants or play the sport move to CU 93189.

Proposed placement changes of Classification unit (CU) to Levy Risk Group (LRG)

Amusement and other recreation activities

Classification unit number	Old classification unit name	Proposed change
93400	Amusement and other recreation activities (not elsewhere classified).	• Move this classification unit from levy risk group (LRG) 911 Sporting and Recreational Activities (lower-risk group) to LRG 913 Recreational Facilities Operation. • proposed levy rate: $0.70.

Beverage and tobacco product manufacturing

Classification unit number	Old classification unit name	Proposed change
21900	Cigarette and tobacco product manufacturing.	• Move this classification unit from levy risk group (LRG) 121 Beverage, Tobacco and Snack Manufacturing to LRG 251 Manufacturing (low-risk group). • proposed levy rate: $0.27.

Furniture and other manufacturing

Classification unit number	Old classification unit name	Proposed change
29230	Mattress manufacturing.	• Move this classification unit from levy risk group (LRG) 253 Furniture and Other Manufacturing to LRG 131 Textile and Rubber Product Manufacturing. • proposed levy rate: $0.67.

Gambling activities

Classification unit number	Old classification unit name	Proposed change
93220	Casino operation.	• Move this classification unit from levy risk group (LRG) 903 Entertainment and Performing Arts to LRG 921 Museums and Gambling Activities. • proposed levy rate: $0.34.

Printing (including the reproduction of recorded media)

Classification unit number	Old classification unit name	Proposed change
24300	Reproduction of recorded media.	• Move this classification unit from levy risk group (LRG) 251 Manufacturing (low-risk group) to LRG 541 Publishing. • proposed levy rate: $0.11.

Recreational goods retailing

Classification unit number	Old classification unit name	Proposed change
52420	Toy and game retailing.	• Move this classification unit from levy risk group (LRG) 426 Retail Trade (low-medium risk group) to LRG 424 Retail Trade (low-risk group). • proposed levy rate: $0.33.

Proposed new Levy Risk Groups (LRG)

Trade

Levy risk group number	Levy risk group name
430	Home improvement goods trading.

Proposed renamed Levy Risk Groups

Arts and recreation services

Levy risk group number	Current levy risk group name	Proposed levy risk group name
903	Entertainment and Performing Arts.	Arts and recreation services (low-risk group).
911	Sporting and Recreational Activities (lower-risk group).	Arts and recreation services (low-medium-risk group).
915	Sporting and Recreational Activities (medium-risk group).	Arts and recreation services (medium-risk group).
917	Equine and Sporting Activities (medium-high risk group).	Arts and recreation services (medium-high-risk group).
919	Equine and Sporting Activities (high-risk group).	Arts and recreation services (high-risk group).

Manufacturing

Levy risk group number	Current levy risk group name	Proposed levy risk group name
121	Beverage, Tobacco and Snack Manufacturing.	Beverage and Snack Manufacturing.

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