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## SUBMISSION ON 2021 ACC LEVY RATE PROPOSALS

We have provided a submission to ACC on its proposals [here](#) and for your convenience the key points are summarised below:

- ACC predicts an increasing trend of injuries and costs from road crashes for the years 2019 to 2026.
  - Our concern is that ACC has not provided sufficient information to show how it has arrived at this forecast. Furthermore, on the face of it, ACC's projections appear to be completely at odds with Government's Road to Zero safety strategy that aims to reduce deaths and serious injuries by 40 percent by 2030.
- ACC proposes incrementally increasing the levy for Class 9H (non-petrol-driven goods vehicles over 3500 kg) from \$275.41 in 2022-2023 to \$316.21 in 2024-2025.
  - Our concern is that while we acknowledge that in absolute terms the cost increases, circa \$20 per year per vehicle, are not a great amount, we are concerned that the percentage changes faced by truck business operators are disproportionately high when compared with the forecast injury costs. We have asked ACC to justify why trucks appear to be paying a higher share of the predicted increasing injury costs.
- ACC proposes there is a "57% lower levy in 2022/23 for pure electric vehicles compared to other non-petrol powered light vehicles ... to help incentivise the uptake of electric vehicles".
  - We are aware of Government's climate change policy promoting cleaner fuel however, unless ACC can show a good correlation between injury costs and motive power type, we are urging ACC to maintain a true course between vehicle types and their respective costs and levies. ACC has shown no rigorous or robust evidence to justify why it is incentivising electric vehicles and this approach creates risk of cross subsidisation of costs across the sector and undermines the fundamental philosophical market approach that those responsible for creating the costs should pay for those costs.

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- ACC refers to a \$374 million cost to support injuries related to motorcycles over the next three years. By our calculation that equates to approximately 14 percent of the total road crash injury new year claim costs of \$2,723 million for the same period.
  - We feel that motorcycle injury crash costs are grossly disproportionate to the 1 percent of vehicle kilometres travelled (vkt) they represent of the whole fleet's vkt. We are very concerned that motorcycles are not contributing their fair share to recover the injury costs they cause and we do not agree with Government's decision not to review the motorcycle levy at this time.

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