
Consultation on: ACC Proposed Levy Rates 2025-28

From: Wood Processors and Manufacturers Association

To: www.shapeyouracc.co.nz

Contact: Mark Ross, Chief Executive – mark@wpma.org.nz

Date: 9 October 2024

Submission

Thank you for the opportunity to provide feedback on the ACC Proposed Levy Rates for 2025-28. As a general statement, we submit in support of the BusinessNZ submission.

Key points are highlighted as follows:

Improving Systems

Given the substantial increase in the number and length of claims since the last levy consultation in 2021, ACC should proactively improve systems for accepting and monitoring claims, while ensuring injured people receive rapid and effective rehabilitation and timely surgery where required to minimise overall costs (including earnings-related compensation) on the scheme.

Funding Policy Statement

ACC should be required to publicly explain why premiums are not adjusted to bring reserves to a fully funded state within three years if the proportion of claims liability funded falls below 100%. Conversely, if projected premiums are significantly higher than required to maintain a fully funded account (e.g. 110%), ACC should provide reasons for retaining such funds rather than returning them to premium payers.

No Claims Discount

ACC should reconsider its proposal to remove the No Claims Discount for businesses levied less than \$10,000 over a year.

Reintroducing Contestability

Over the medium term, the Government should consider reintroducing contestability in the provision of accident insurance cover. This would ensure improved outcomes for both levy payers and claimants under the scheme while retaining its essential no-fault nature.

Earners' Account

ACC should revisit its levy projections for the Earners' Account to ensure it is rapidly returned to a fully funded position. This is crucial given the financial risks to future levy payers (and potentially the Crown) associated with a significantly underfunded account.

Recovery at Work project

As active participants in the Recovery at Work trial, we are supportive of this project continuing as a means of returning injured workers back to the workforce faster, plus reducing the costs incurred by ACC and business owners.

Harm Reduction in the Workplace

We are supportive of ACC Levy funding being allocated towards programmes that are aimed at reducing harm in the workplace.

Despite ongoing efforts, the manufacturing sector continues to experience a high rate of work-related injuries compared to other industries, which have seen a decline in harm rates through concerted efforts. Addressing the challenge of reducing harm requires a focused approach. By identifying high-risk areas, understanding prevalent issues, and collaborating to design effective solutions, we can prioritize actions, foster innovation, and share experiences and insights for collective impact.

The Wood Processors and Manufacturers Association

About us:

The Wood Processors and Manufacturers Association (WPMA) was established in 2014 through a merger of the Wood Processors Association and the Pine Manufacturer's Association. We are a voluntary funded industry association with a strong focus on promoting wood as the heart of a future zero-carbon economy.

Our members are leaders in the New Zealand wood industry converting harvested logs into a wide range of products including sawn lumber, pulp, paper, panels, laminated products, mouldings, and engineered wood, through to the development of bioenergy solutions.

Total sales of industry products both domestically and globally in 2023 were approximately \$5 billion. The industry employs close to 30,000 staff, mostly in the New Zealand regions.

<https://www.wpma.org.nz/>