

9 October 2024



Accident Compensation Commission  
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New Zealand

By email: [ShapeYourACC@acc.co.nz](mailto:ShapeYourACC@acc.co.nz)

Kia ora

### **ACC Levy System Change Proposals**

Tourism industry Aotearoa welcomes the opportunity to make this submission on the **ACC Levy System Change Proposals, 2024 Levy Consultation**.

### **Tourism Industry Aotearoa**

TIA is the peak body for the tourism industry in Aotearoa New Zealand. With around 1,300 members, TIA represents a range of tourism-related activities including hospitality, accommodation, adventure activities, attractions, retail, airports and airlines, transport, as well as related-tourism services.

TIA is sharply focused on ensuring the sustainable future of the industry, and this is clearly articulated in our key guiding documents and programmes, including the tourism industry's strategic framework, *Tourism 2050 – A Blueprint for Impact, He Pae Tukutuku*. The central idea in

### **The tourism industry**

Tourism is the movement of people to places where they don't normally live to 'do, see, visit or experience'.

In the year to March 2023 (the latest data point we have) tourism expenditure was \$37.7 billion, and with tourism making up 11.4% of exports and supporting 11.3% of New Zealand's employment.<sup>1</sup> Since then, further recovery has taken place as tourism works to restore its position alongside Dairy as New Zealand's largest export earning industries.

Tourism is made up of several sectors, including aviation, land transport, accommodation, hospitality, retail, rental services, and activities and adventures. Tourism activity is spread right around our country bringing business opportunities, employment and community vibrancy at places where other sectors cannot operate.

For these economic and community reasons, it is important we get it right in tourism.

### **Tourism and ACC**

ACC has an important role in tourism is providing comprehensive no-fault accident cover for international and domestic visitors who get out of their normal environments to enjoy New Zealand and the many things to see, do and enjoy across our country. The nature of the ACC system has meant that the industry has grown and developed to facilitate this movement of people and the things that they do.

As such, TIA strongly supports the ACC system, and we vigorously advocate for the retention of the key features of ACC as they relate to tourism.

### **Levy Consultation**

TIA has an interest in the financial health of the ACC system and so broadly supports the intent of the process underway.

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<sup>1</sup> Tourism Satellite Account, YE March 2023, Stats NZ, February 2024.

With respect to the questions in the consultation document, TIA does not have specific expertise or experience to address them in detail. Instead, we refer to the submission of Business New Zealand and we support the key points that they raise.

One point we would like to provide specific expression of concern relates to the proposal to remove the No Claims Discount for businesses levied less than \$10,000 over a year.

While there may be benefits in reducing cross-subsidisation, we are more concerned about ensuring there are the right incentives to encourage the desired outcomes. Surely, rewarding a business with the best safety performance should be designed into the system, and a lower effective levy rate would seem a sensible way of doing this. To not provide some form of no claims discount would reward poor performers.

Given that the tourism industry is made up of many medium to small businesses for which operating safely is part of the Manaakitanga that they provide, we view it as extremely important that good conduct is rewarded, and not the other way around.

**Recommendation:** ACC reconsider its proposal to remove the No Claim Discount for businesses levied less than \$10,000 over the year.

### **Conclusion**

Thank you for the opportunity to submit on this matter and please do not hesitate to get in contact if you have any queries. Bruce Bassett can be contacted on 021 609 674 or [bruce.bassett@tia.org.nz](mailto:bruce.bassett@tia.org.nz).

Ngā mihi,

A handwritten signature in blue ink, appearing to read 'R Ingram', followed by a period.

Rebecca Ingram  
Chief Executive