



Date 16/06/2014

**SUBMISSION:** Regarding the 2015/16 ACC Levy

### **1. Introduction**

1.1 This submission is made on behalf of the **Grey Power New Zealand Federation Inc.**

1.2 The Federation has consulted with its members

1.2 The contact is Jo Millar,

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1.3 Grey Power New Zealand Federation (Inc.) is a non-sectarian and non-party political, advocacy organisation that aims to advance, promote and protect the welfare and well-being of older people.

1.4 The Grey Power New Zealand Federation (Inc.) is made up of some 74 individual Associations with an overall membership of approximately 68,000.

### **2. General**

2.1 Grey Power has chosen to focus only on the motor vehicle levy proposals of the ACC levy.

2.2 In the main Grey Power supports a decrease in the ACC motor vehicle levy as proposed by the ACC Board. However the majority of Grey Power members who responded to our consultation process have concerns about the implementation of risk rating for light passenger cars based on vehicle safety although some mentioned other aspects of the ACC scheme.

### **3. Specific Comments:**

3.1 Several of the submissions to the Grey Power Federation disclosed concern for older people in the lower socio-economic category who drive older cars which are more likely to be rated as unsafe and therefore attract higher levies; the very people who would benefit from lower car registration costs miss out. This observation coincides with 'risks' in clause 69 of the Regulatory Impact Statement – ACC levies for 2014/15.<sup>1</sup>

3.2 The vehicle safety concept does not take cognizance of the many factors that contribute to injury risk; the Regulatory Impact Statement (Clause 54) referred to above does state that many factors contribute to injury risk and several Grey Power members alluded to this by pointing out that the injury "risk represented by the individual is based on age, experience, area of use, type of vehicle

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<sup>1</sup> Regulatory Impact Statement prepared by MBIE re the ACC levies for 2014/15

and driving record.”

**4. Recommendations:**

4.1 It is Grey Power policy that third party insurance be made compulsory.

4.2 Grey Power recommends that whilst supporting the ACC proposal to reduce ACC levies ACC considers the following from one of our members:

“If compulsory third party insurance was introduced on all motor vehicles insurance companies could determine the risk, [including injury risk] represented by an individual.” This risk would be based on other factors such as age, driving experience, driving record and the safety or otherwise of the vehicle. Therefore although research has disclosed that vehicle safety is the ‘most important component to reduce serious injury outcome’<sup>2</sup> Grey Power believes it is necessary to consider other factors.

**Conclusion:**

Grey Power New Zealand Federation Inc. trusts that ACC will consider its comments and recommendation and offers thanks for the opportunity to comment on the levy proposals.

Submission written on behalf of the Grey Power NZ Federation Inc. Health National Advisory Group Chair Jo Millar by Jan Pentecost, Grey Power Federation Advocacy Standing Committee Chairperson.

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<sup>2</sup> The Impact of Changes in the Australian Light Vehicle Fleet on Crashworthiness and Crash Outcomes. Austroads. <https://www.onlinepublications.austroads.co.au/items/AP-428-13> in Regulatory Impact Statement prepared by MBIE re the ACC levies for 2014/15