

Hon Nikki Kaye

Minister for ACC

11 February 2015



Media Statement

Levy cuts closer following decision on new cars

Everything's on-track for a significant reduction in ACC motor vehicle levies from 1 July, says ACC Minister Nikki Kaye, who has decided how levies for new cars will be calculated.

"From 1 July 2015, the average motor vehicle levy, including the annual licence levy and petrol levy, will reduce from \$330 to \$195.

"This reflects the improved financial position of ACC's Motor Vehicle Account, and will return around \$438 million to levy payers.

"ACC will also introduce risk rating in July, which means annual licence levies for cars will reflect how well each car protects its occupants and other road users in a crash.

"This is fairer, and recognises that owners of safer cars, which are less likely to cause injuries, should pay lower levies. However, all car owners will pay reduced licence levies from July."

Cars make up the majority of New Zealand's motor vehicle fleet of over three million vehicles.

"Under risk rating, cars manufactured before December 2011 will be rated based on data collected about their safety performance in real world crashes.

"There's been discussion about how newer model cars are rated, given there's less real world crash data about these vehicles.

"Following public consultation and advice from ACC and MBIE, I've decided that the rating of cars manufactured after December 2011 will be based on a safety assessment of the vehicle's design and its performance in simulated crash testing."

ACC will publish information in the near future, showing the levies payable on specific makes and models of cars.

"The changes ACC is making will result in fairer levies and more money in the pockets of many New Zealanders, and I'd like to thank the public and stakeholders such as the Automobile Association, Motor Trade Association, Motor Industry Association and Imported Motor Vehicle Industry Association who contributed to the consultation process."