

# The Treasury

## Budget 2015 Information Release

### Release Document July 2015

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Key to sections of the Official Information Act 1982 under which information has been withheld.

Certain information in this document has been withheld under one or more of the following sections of the Official Information Act, as applicable:

- [1] 6(a) - to prevent prejudice to the security or defence of New Zealand or the international relations of the government
- [2] 6(c) - to prevent prejudice to the maintenance of the law, including the prevention, investigation, and detection of offences, and the right to a fair trial
- [3] 6(e)(iv) - to damage seriously the economy of New Zealand by disclosing prematurely decisions to change or continue government economic or financial policies relating to the entering into of overseas trade agreements.
- [4] 9(2)(a) - to protect the privacy of natural persons, including deceased people
- [5] 9(2)(b)(ii) - to protect the commercial position of the person who supplied the information or who is the subject of the information
- [6] 9(2)(ba)(i) - to prevent prejudice to the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied.
- [6a] 9(2)(ba)(ii) - to protect information, where the making available of the information would be likely otherwise to damage the public interest
- [7] 9(2)(d) - to avoid prejudice to the substantial economic interests of New Zealand
- [8] 9(2)(f)(iv) - to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials
- [8a] 9(2)(f)(ii) - to maintain the current constitutional conventions protecting the collective and individual ministerial responsibility
- [9] 9(2)(g)(i) - to maintain the effective conduct of public affairs through the free and frank expression of opinions
- [10] 9(2)(h) - to maintain legal professional privilege
- [11] 9(2)(i) - to enable the Crown to carry out commercial activities without disadvantage or prejudice
- [12] 9(2)(j) - to enable the Crown to negotiate without disadvantage or prejudice
- [13] 9(2)(k) - to prevent the disclosure of official information for improper gain or improper advantage
- [14] Not in scope

Where information has been withheld, a numbered reference to the applicable section of the Official Information Act has been made, as listed above. For example, a [4] appearing where information has been withheld in a release document refers to section 9(2)(a).

In preparing this Information Release, the Treasury has considered the public interest considerations in section 9(1) of the Official Information Act.

## Provisioning for ACC levy reductions in the Budget 2015 forecasts

1. **note** that on 28 April 2015 Cabinet delegated authority to the Minister of Finance and Minister for ACC to finalise the details of the ACC levy path to be provisioned for in the Budget 2015 forecasts;
2. **agree** to make provision in the 2015 Budget forecasts for ACC levy reductions in 2016/17 and 2017/18 that support the move towards solvency bands of 100% to 110% over a 10 year horizon for ACC's levied accounts as agreed by Cabinet in July 2014

*Agree / Disagree*  
*Minister of Finance*

*Agree / Disagree*  
*Minister for ACC*

3. **agree** to a provision in 2015 Budget forecasts of \$372m for ACC levy reductions in 2016/17 and a further \$161m in 2017/18

*Agree / Disagree*  
*Minister of Finance*

*Agree / Disagree*  
*Minister for ACC*

4. **note** that these reductions reflect the following indicative average levy rates (by levy year):

| <b>Account</b>        | <b>Average levy rate 2016/17</b> | <b>Average levy rate 2017/18 and out-years</b> |
|-----------------------|----------------------------------|--|
| Earners' Account      | \$1.23 per \$100 liable earnings | \$1.20 per \$100 liable earnings               |
| Work Account          | \$0.80 per \$100 liable earnings | \$0.70 per \$100 liable earnings               |
| Motor Vehicle Account | \$117.98 per vehicle             | \$117.98 per vehicle                           |

5. **note** that these indicative reductions in average levy rates would see a reduction in Motor Vehicle Account levies in one year, and reductions in Work and Earners Account levies over two years (noting that the interaction between Work Account levy reductions and the ending of the residual levy will need to be considered)
6. **note** that these levy reductions are based on economic factors as at March 2015 and claims experience as at December 2013;
7. **note** that no final decisions on 2016/17 levy rates are sought now, and that final decisions on the rates to apply
  - 7.1 will be taken after levy consultation and recommendations by the ACC Board; and
  - 7.2 will take account of wider public interest considerations as required by the Accident Compensation Act
8. **note** that the ACC Board will develop its proposals for consultation and its recommendations to the Minister for ACC based on updated ACC claims experience and economic factors later in 2015;

Hon Bill English  
**Minister of Finance**

Hon Nikki Kaye  
**Minister for ACC**

Date:

Date: