

31 January 2017

Mr Arden Macdonald  
[fyi-request-5199-11c6a1d4@requests.fyi.org.nz](mailto:fyi-request-5199-11c6a1d4@requests.fyi.org.nz)

Dear Mr Macdonald

### Official Information Act Request

We refer to your email of 12 January 2017.

#### Your request

You asked for the following information under the Official Information Act 1982 (the Act):

- 1) *There are some 3000 + part and full time Uber Drivers currently operating in New Zealand, can you please advise how many new ACC Levies for private hire driving have been applied for in the last 12 months.*
- 2) *Can you please advise what process is in place for how ACC verifies at the end of the tax year or during it, individuals who are driving commercially but not have not disclosed this to the ACC are brought to pay the levies applicable.*

#### Background information on ACC levy classifications

We calculate ACC levies for businesses and self-employed people based on information shared with us by Inland Revenue from tax returns. This includes earnings information, as well as a Business Industry Classification (BIC) code or description, which is information that describes what the employer or self-employed person's activity is.

We use the BIC information to determine a classification unit (CU), which then allows us to work out the rate per \$100 of liable earnings that the self-employed person or employer will need to pay in levies. The levy rates vary depending on the industry a self-employed person or employer is in. For example, a road freight company would have a higher levy rate than a legal firm.

#### Our response to part one of your request

Employers and self-employed people pay their levies based on the CU they have been assigned. However, there is no CU specific to private hire drivers, as the CU which they are classified within - 61230 Taxi and road transport (not elsewhere classified) - also covers other road passenger transport services such as taxi drivers and shuttle drivers. This means that a search of our data by CU code would not provide information at the level of specificity you have requested.

Private hire drivers have a specific BIC code (1462310 Hire care service – with driver), however, searching our data for this code will not capture all private hire drivers paying levies. This is because BIC codes are self-selected by levy-payers and are not a compulsory field on a tax return, which means we do not always receive a BIC code from Inland Revenue.

We are therefore unable to respond to this part of your request as the information you have requested is not held by ACC. This decision complies with section 18(g) of the Act.

**Our response to part two of your request**

As explained earlier in this response, we identify levy payers using information from tax returns that is shared with us by Inland Revenue.

When taxpayers file this information with Inland Revenue a 'true and correct' declaration of income and work status must be made to Inland Revenue. Filing a tax return which is misleading, untrue or incorrect may result in penalties or prosecution by Inland Revenue.

ACC is therefore reliant on the legal requirement that individuals and businesses file their tax returns in a timely manner, and do so in a way which shows a full, true and accurate picture of their circumstances, in order to invoice them with accurate levies.

When a levy payer contacts us, we check the CU assigned to their account for accuracy. If the CU assigned is not the most accurate one, we will change it to ensure the correct levies are invoiced.

**Queries or concerns**

If you have any questions about the information provided, ACC will be happy to work with you to answer these. Please address any concerns by emailing [GovernmentServices@acc.co.nz](mailto:GovernmentServices@acc.co.nz) or in writing to *Government Services, PO Box 242, Wellington 6140*.

You have the right to complain to the Office of the Ombudsman about our decision. You can call them on 0800 802 602 between 9am and 5pm on weekdays, or write to *The Office of the Ombudsman, PO Box 10152, Wellington 6143*.

Yours sincerely

**Government Services**