



Hon Phil Goff, M.P

Leader of the Opposition

16 October 2009

Hon John Key
Prime Minister
Parliament Buildings
WELLINGTON

Dear Prime Minister,

AMENDMENTS TO ACC

I am aware that the Government lacks the required voting support from its support parties to extend the date for full funding of, amongst other things, the motor vehicle account under ACC.

Both Labour and the Government support this extension of the date for full funding, which enables the full funding of ACC's liabilities from earlier years to be spread over the period to 2019 rather than 2014.

It has been clear since the release of the ACC briefing to incoming Ministers that this is necessary. David Parker, on behalf of Labour, has had a Member's Bill in the ballot this year. A copy is attached. It is short and non-controversial bill.

Labour would support the Government adopting the Parker Bill. We would also support a Government bill that picked up, and was restricted to, the equivalent clauses in the Parker Bill.

By doing this the majority of registration and petrol levy increases are avoided.

I also agree with your comments that an honest conversation is needed with New Zealanders about the trade-off between the scope of cover and levy costs.

Despite independent reports showing the New Zealand scheme is cheaper than Australian equivalents, cost is of course relevant and it is proper that an open discussion be held about that.

What we do not agree with is reducing the scope of cover under the cover of the reductions caused by extending the date for full funding. These two issues ought to be separated.

Neither should the lack of Parliamentary support for your current ACC Bill be used as an excuse to privatise the insurance function of ACC, which is what "opening up the work account" to competition amounts to.

I look forward to your reply.

Yours sincerely,

A handwritten signature in blue ink, appearing to read "Phil Goff". The signature is stylized with a large, looping flourish at the end.

Hon Phil Goff
Leader of the Labour Party