

RE: Open Letter: Covid-19 sparks systemic change beyond 'shovel-read' projects

From [Hon Phil Twyford](#)
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To climatejusticetaranaki@riseup.net

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Dear Catherine and Climate Justice Taranaki,

Thank you for writing to me about the principles underlying the Government's response to COVID-19, particularly as it relates to our economic and infrastructure work. New Zealand is facing a profound public health and economic challenge, and many things will not return to the way they were before this pandemic. Your insights are a welcome contribution to finding the best response to this challenge, and I appreciate you sending them to me.

This Government recognises climate change is the greatest challenge of our time. After years of government inaction and economic growth at the expense of our environment, our Government is taking positive steps to ensure New Zealand leads the world in combatting climate change. We want our economy to recover and grow in a sustainable way, while also protecting and enhancing our natural environment. This thinking will be at the forefront of our decision-making, including our considerations about funding infrastructure projects.

However, especially given the severe impacts COVID-19 has had on peoples' business and work, we need to make decisions that will help people too. For Budget 2020, we remain committed to a wellbeing approach. Our priorities are:

Just Transition – Supporting New Zealanders in the transition to a climate-resilient, sustainable and low-emissions economy

- **Future of Work** – Enabling all New Zealanders to benefit from new technologies and lift productivity through innovation
- **Māori and Pacific** – Lifting Māori and Pacific incomes, skills and opportunities
- **Child Wellbeing** – Reducing child poverty and improving child wellbeing
- **Physical and mental wellbeing** – Supporting improved health outcomes for all New Zealanders.

The impacts of COVID-19 are dynamic, and our Government is working hard to respond to the situation as it unfolds, and to support businesses and individuals through these difficult times. My responsibility, as Minister for Economic Development, is to understand what those impacts are and how best to support New Zealanders and our economy through the transition to a new way of doing things. Of course, to do that, we need a vision of what that new way of doing things looks like.

Last year, Minister Robertson and I set out our vision for how our economy could support New Zealand in our [Economic Plan](#). Our key focus is creating a strong economy that is productive, sustainable and inclusive. We outlined eight key shifts that would enable that to happen:

The NZ economy moves from volume to value with kiwi businesses, including SMEs, becoming more productive

1. People are skilled, adaptable and have access to lifelong learning
2. Deeper pools of capital are available to invest in infrastructure and grow NZ's productive assets
3. Our regions are strengthened and revitalised
4. There is a step change for Māori and Pacific economies
5. Sustainable and affordable energy systems are established
6. Land and resource use delivers greater value and improves environmental outcomes
7. Our housing market is transformed to unlock productivity growth and make houses more affordable.

These shifts will drive our thinking around proposed infrastructure projects as infrastructure investment will not only provide direct stimulus to the economy as we transition down alert levels, it is also a key enabler for realising our vision for a successful, sustainable, and resilient post-COVID economy.

Yours sincerely,

Hon Phil Twyford

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Minister for Economic Development

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