



MP for Te Atatu

Minister for Economic Development

Minister of Transport

Minister for Urban Development

22 JUN 2020

Sir Brian Roche
Chair
Waka Kotahi NZ Transport Agency Board
Private Bag 6995
WELLINGTON 6141

Dear Sir Brian

Approach to financial support for the National Land Transport Fund

Thank you for your letters of 30 April and 27 May 2020 where you sought confirmation of the Crown's approach to providing financial support for the National Land Transport Fund (NLTF) in light of COVID-19.

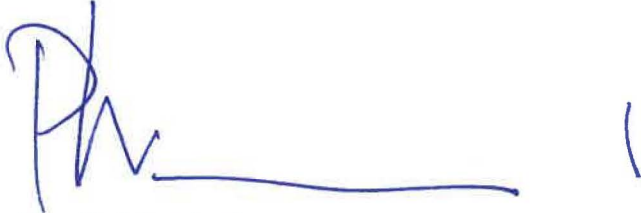
I recognise that COVID-19 has been a system-wide shock that has created uncertainty for the sector and New Zealanders. Waka Kotahi's operations are not immune to this and – as you have indicated – our forecasting indicates a material reduction in revenue to the National Land Transport Fund (NLTF).

As noted in your most recent letter, we have created a new \$425 million borrowing facility that enables Waka Kotahi to address the cash flow impacts from COVID-19 through to 30 June 2020. This extra borrowing capacity enables Waka Kotahi to deliver the pipeline of infrastructure investment and support economic recovery.

I understand and share your concerns about the funding pressures on the NLTF and Waka Kotahi's ability to deliver the current and next National Land Transport Programme (NLTP). My priority is to continue the delivery of projects through the NLTP, as these shovel-ready activities help to provide confidence in the pipeline of works/investment, and are important for supporting the economy and employment. However, I recognise that this must be balanced with the other demands for Crown funding (both in the transport and other sectors). Nonetheless, I have asked my officials to prioritise work on developing options for addressing the revenue shortfall in the NLTF, and expect to Cabinet to agree to an approach by 29 June 2020.

My officials will continue to collaborate with those in Waka Kotahi to develop options to provide funding certainty. I appreciate Waka Kotahi's input to resolving the challenges in the current economic climate.

Yours sincerely

A handwritten signature in blue ink, consisting of a stylized 'P' and 'T' followed by a long horizontal line and a vertical stroke at the end.

Hon Phil Twyford
Minister of Transport

Copy to: Nicole Rosie
Chief Executive, Waka Kotahi NZ Transport Agency

Peter Mersi
Chief Executive, Ministry of Transport