Embedding an Investment Approach in New Zealand

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An Investment Approach

Knowing what you’re getting for investments (and that you got them).
An investment approach means understanding:

- Cost to serve
- Impact
- Drivers of future demand
- Outcomes
- Risks

Better management
Better investment decisions

GOAL - Government will make informed decisions about investing resources to deliver better outcomes for New Zealanders (including longer-term), and the investment system delivers and measures the expected impact of investments over time.
Current context - Challenges

Fiscal Inputs

Agencies

Outputs

Value

Results
Shifting focus: Impacts and sustainability across the System

- Prosperity
- Sustainability
- Capital stocks
- Resilience
- Economic
- Natural
- Social
- Human
- Cohesion
- Equity

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Investment Approach enablers …...

Asset management: *Investor Confidence Rating*

Drivers of future outcomes: *Data and analytics*

Value for money: *Major Project Monitoring*
Investment Approach enablers ……

2016 Budget Process: Investment Panel & Four Year Planning

CBAx: Measuring impact
Treasury supported initiatives....

Strategic Financial Management: 
Office of The Government Account

Social Investment Approach: 
Social Investment Unit

Citizen centric government: 
New Children’s Agency

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Building an investment system

Our vision: Government will make informed decisions about investing resources to deliver better outcomes for New Zealanders now and into the future.

1. Get the rules of the game right

- Fiscal strategy recognises future costs and benefits
- Incentives and processes focused on results, good investment and impact analysis

2. Develop a common value framework

- Measures for both assets and liabilities
- Common view of impacts and risks across portfolios

3. Government Investment Advice

- Overall advice on performance issues and investment priorities
Establish tools, rules and capability for effective investment in citizens.