

BETTER INVESTMENT DECISIONS

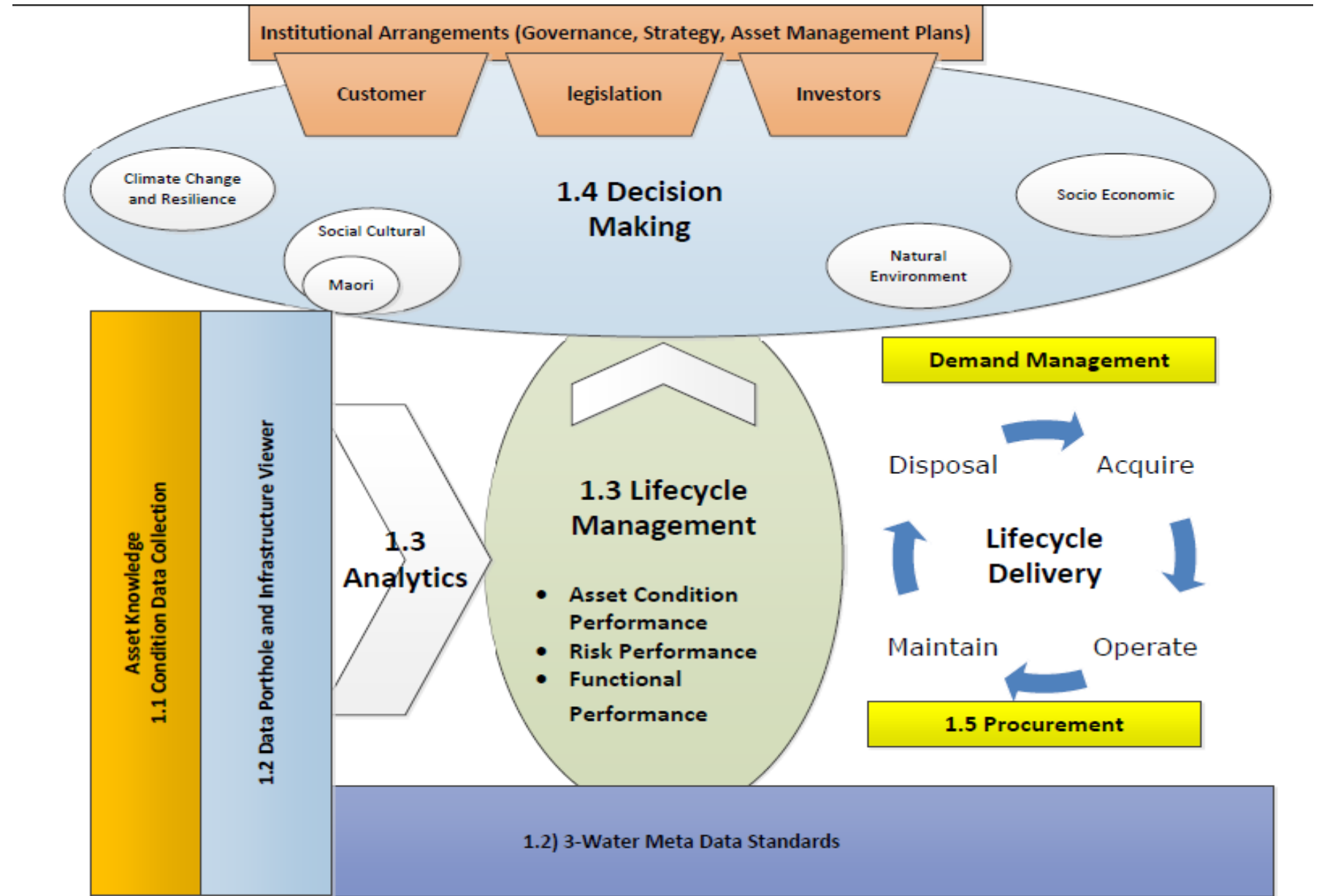
Dr. Theuns Henning
Theme 1 team Leader



THE OUTCOMES EXPECTED OF THE BIP PROGRAMME INCLUDE

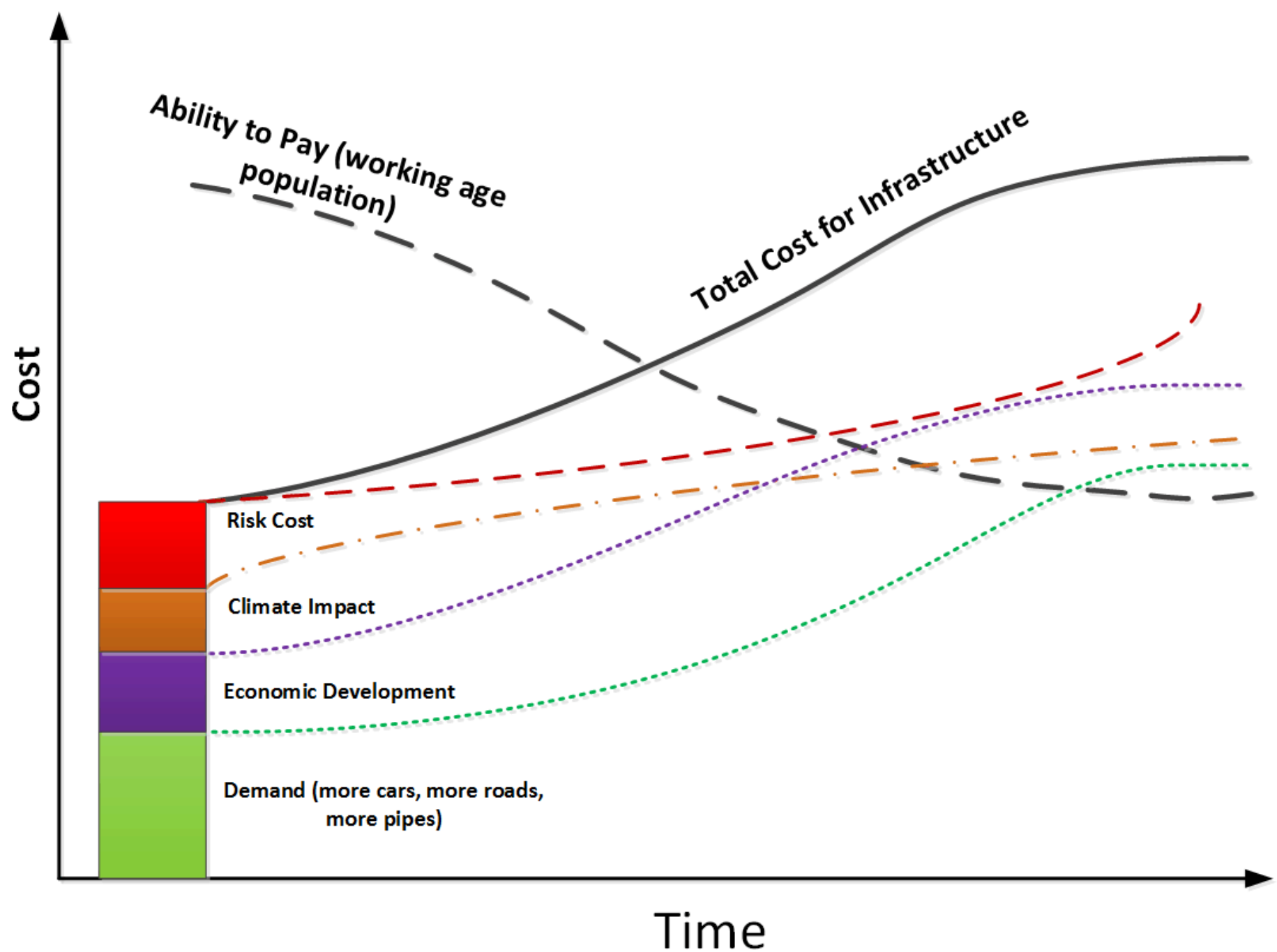
- **Improving infrastructure planning and investment decision-making by developing asset management tools that utilise big data, simulation and sensing technologies, and knowledge of the needs of communities. (Theme 1)**
- Improving building design, consenting and construction efficiencies by supporting the use of digital building methods and information-sharing processes, including digital twins and BIM-based consenting. (Theme 2)
- Improving the resilience and sustainability of buildings by developing new products/systems and design methods for the non-structural elements of buildings. (Theme 3)
- A smarter, more productive and more sustainable building industry. (Overall programme)

THEME 1
COVERS THE
ENTIRE ASSET
MANAGEMENT
PROCESS



PROBLEM

THE
INFRASTRUCTURE
CHALLENGE ARE
GROWING WHILE OUR
ABILITY TO PAY FOR
IT DECREASES



DIFFERENT
INVESTMENT
LEVELS REQUIRES
A DIFFERENT
DECISION
APPROACH



I can afford it



I need to make more
economical decisions



What is the
minimum I need



ASSET
MANAGEMENT
DECISION IS NOW
FOCUSING ON
COMMUNITY
OUTCOMES /
WELL-BEING

The Four Capitals

Intergenerational wellbeing relies on the growth, distribution, and sustainability of the Four Capitals. The Capitals are interdependent and work together to support wellbeing. The Crown-Māori relationship is integral to all four capitals. The LSF is being continually developed and the next iteration of the framework will consider the role of culture, including Māori culture, as part of the capitals approach in more detail.



Natural Capital



This refers to all aspects of the natural environment needed to support life and human activity. It includes land, soil, water, plants and animals, as well as minerals and energy resources.



Social Capital



This describes the norms and values that underpin society. It includes things like trust, the rule of law, the Crown-Māori relationship, cultural identity, and the connections between people and communities.



Human Capital



This encompasses people's skills, knowledge and physical and mental health. These are the things which enable people to participate fully in work, study, recreation and in society more broadly.

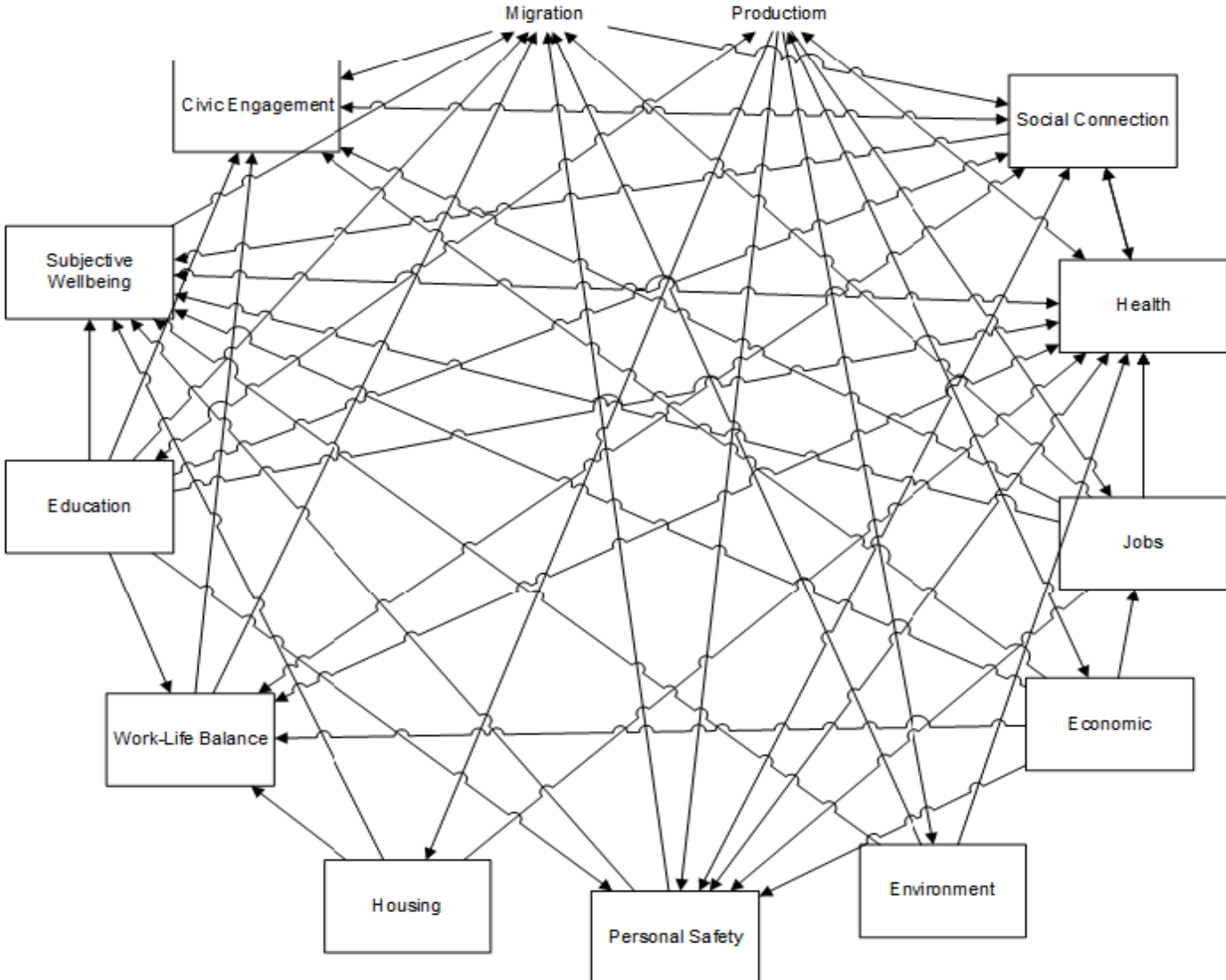


Financial / Physical Capital



This includes things like houses, roads, buildings, hospitals, factories, equipment and vehicles. These are the things which make up the country's physical and financial assets which have a direct role in supporting incomes and material living conditions.

WELLBEING MODELLING THE INTER- RELATIONSHIPS



MODEL

TREASURY'S LIVING STANDARD FRAMEWORK

Stock and Flow Models

- *Stock = state variable:*
 - A component of a system that stores stuff
- *Flow = input & output = rate of change = differential equation:*
 - The movement of stuff into or out of a stock

