



Briefing Note: Ministry's Long Term Investment Plan feedback

To:	Minister Hipkins		
Date:	30/11/18	Priority:	Low
Security Level:	In Confidence	METIS No:	1169184
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Messaging seen by Communications team:	Yes	Round Robin:	No

Purpose of Report

The purpose of this paper is for you to:

Note that the Ministry is required to present a Long Term Investment Plan to The Treasury every three years. Treasury uses the plan to inform their analysis, assessment and advice.

Note that the heavily caveated Ministry Draft Long Term Investment Plan (LTIP) is required to be submitted to Treasury on 12 December.

Advise if you would like an oral briefing or to provide feedback by 10 December, either at the Agency Meeting or separately to discuss the summary LTIP.

Note that this Briefing will be proactively released.

Summary

- The Long Term Investment Plan (LTIP) has a long term horizon of at least 10 years. It describes the Ministry of Education's (the Ministry's) potential investment journey. It provides a rationale and signals the likely implications of investment choices and actions over the planning period. The Ministry's LTIP is due to Treasury on 12 December as one of the components assessed in the Investor Confidence Rating (ICR) assessment that all investment intensive agencies undergo every three years.

- We provided visibility of the Ministry's Draft LTIP in August and received high-level feedback from you at the agency meeting in August. We have updated the LTIP based on your feedback and further developments since the draft was developed.
- With decisions from the major education reviews yet to be made, and the future direction of education yet to be confirmed, the Ministry's draft LTIP can only articulate the Ministry's position at a point of time (current policy settings), and should be viewed as an ever evolving document. With the amount of uncertainty around the future direction of education and the potential scale of proposed changes, the LTIP is unreliable as an articulation of our future investment needs and is out of date as soon as any significant decision has been made.
- We are particularly sensitive about the LTIP content being seen as the Ministry's direction going forward, especially with consultation still underway, significant decisions (such as on the advice on Tomorrow's Schools) still to be made. The LTIP will be submitted to Treasury heavily caveated and clearly labelled 'DRAFT'. Treasury are aware of our concerns, and we have discussed with them the limitation of the LTIP in an environment of change. We have negotiated a slightly longer timeframe so we have been able to add additional caveats to the document.
- Despite the uncertainty, developing the draft LTIP has been a useful exercise to consolidate information and a narrative, and it will be updated regularly to reflect significant decisions as they are made.
- The largest change from the draft you saw earlier is in the scenarios section. We have also provided more information on wellbeing and digital elements as requested in your feedback. We have included the digital strategy roadmap and wellbeing domains and principles which underpin the proposed approach relating to child wellbeing in the full LTIP.
- Three scenarios were developed in conjunction with the Education Work Programme (EWP) and are heavily caveated. They are based on a continuum on removing the barriers to education and ranged from the status quo, through to a scenario where there were few barriers to education. None of the scenarios should be seen as a preferred direction for the Ministry.

All these scenarios considered the balance between quality, equity and efficiency, as well as a wellbeing lens. There are trade-offs between these three elements, due to real-world constraints such as resourcing, budget or infrastructure.

- We have attached to this briefing the summary A3 sheets that give an overview of the draft LTIP. The full LTIP is in presentation format and extends to around 200 slides.

Mark Flintoff

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Chief Financial Officer
Business Enablement and Support
30/11/2018

Next Steps

1. We will continue to understand the impact of options and decisions on the Ministry's long-term investment needs, and will update the LTIP regularly to reflect decisions as they are made.
2. We will update you further once we have received feedback on the LTIP from Treasury.

Proactive Release

3. It is intended that this Briefing (excluding information provided in the Annexes) is proactively released as per your expectation that information be released as soon as possible. Any information which may need to be withheld will be done so in line with the provisions of the Official Information Act 1982.

Agree / Disagree

Annexes

Annex 1: Draft A3 summary of LTIP