



THE TREASURY

Kaitohutohu Kaupapa Rawa

# Using wellbeing statistics to improve how government and business interact

Suzy Morrissey

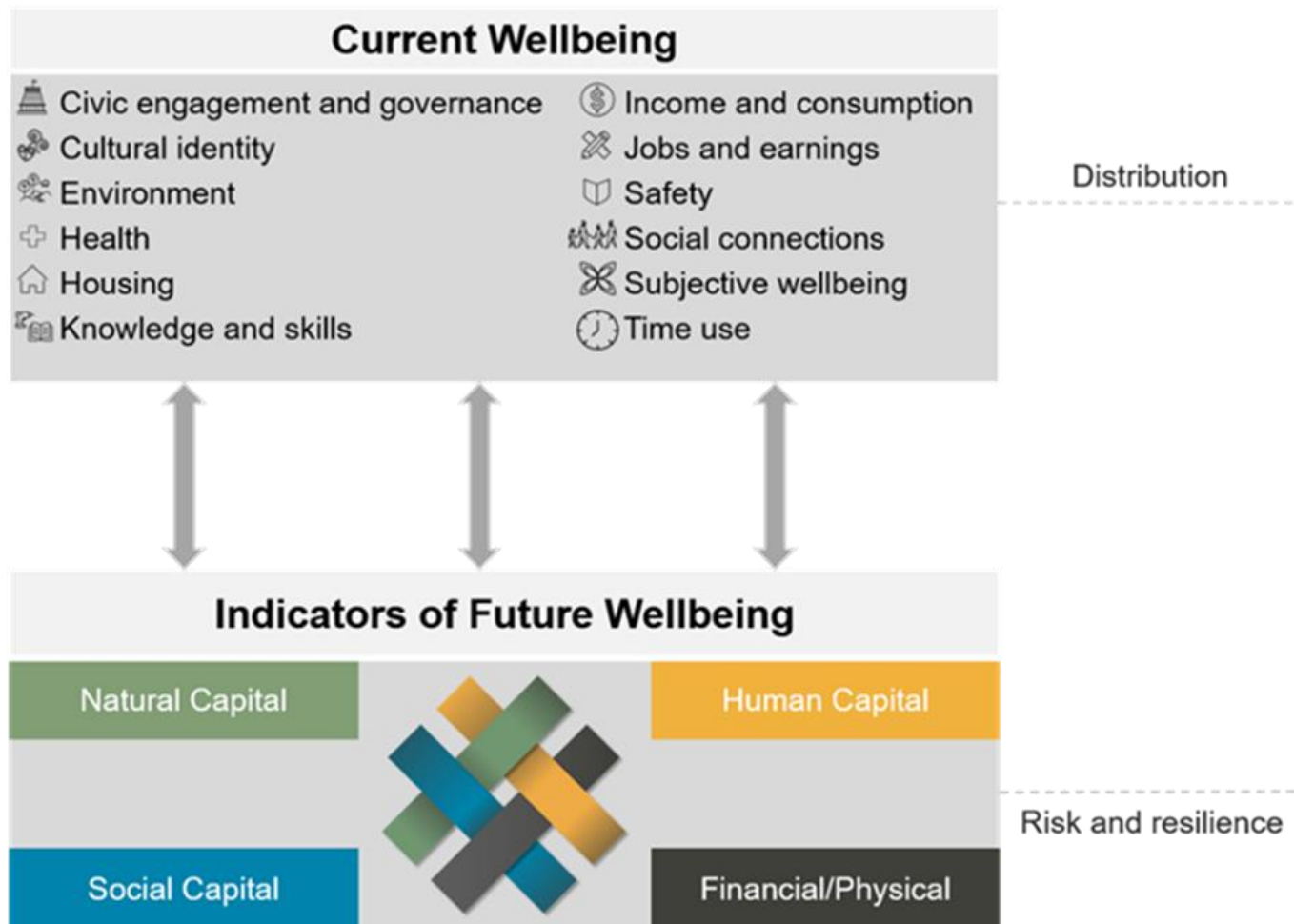
Principal Advisor, Office of the Chief Economist

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# Outline of presentation

- The Treasury's Living Standards Framework (LSF)
  - Four Capitals, Analysis, Measurement
- How the LSF helps The Treasury and the Public Sector
- Linking business and the LSF through International Integrated Reporting Council (IIRC) framework
- How the LSF can help business
- Challenges...

# Treasury's Living Standards Framework



# LSF – Two Functions

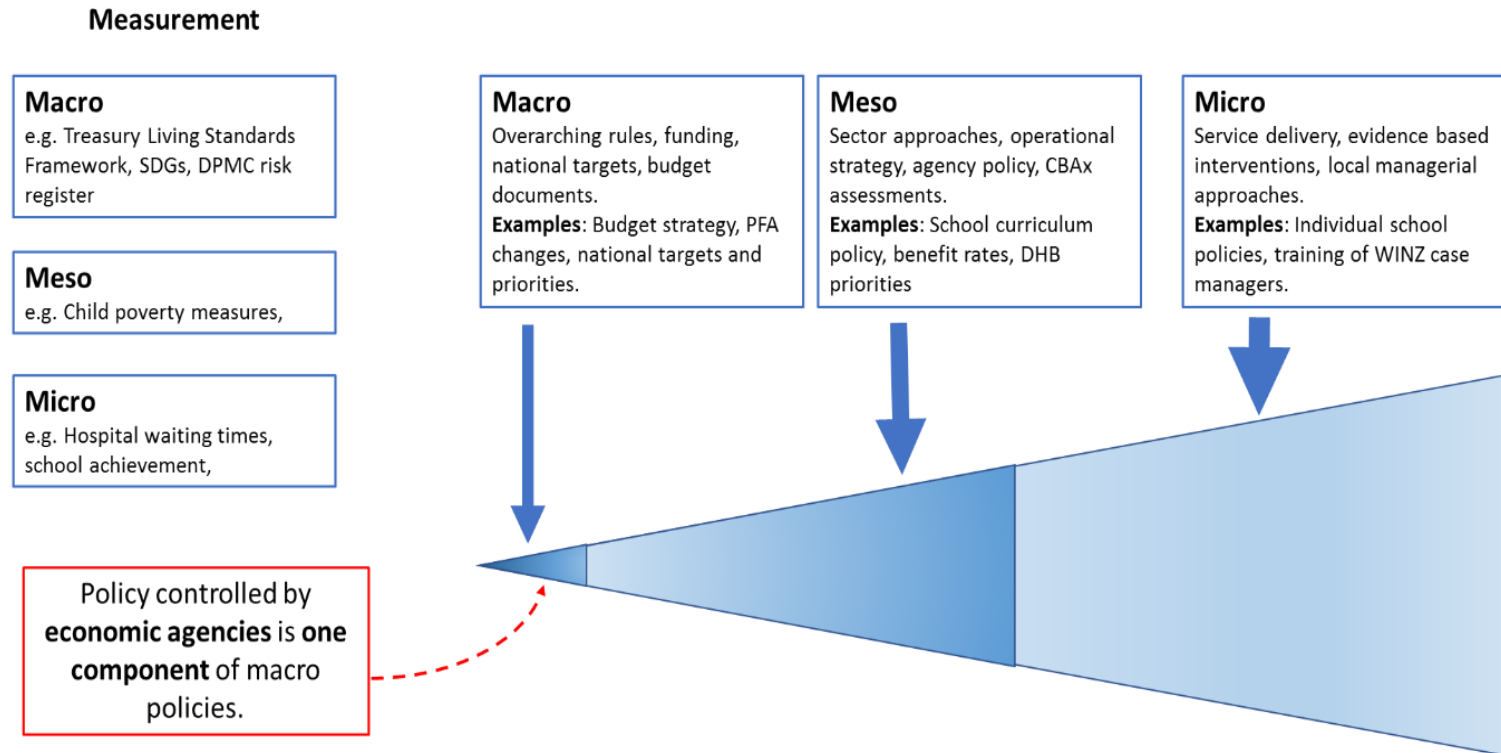
- Analysis
  - Improving the quality of our policy advice through explicit discussion of impacts on various elements of current wellbeing and impact on future wellbeing
- Measurement
  - LSF Dashboard to be released in December
  - Indicators of current and future wellbeing
  - Distributional data, internationally and temporally comparable, politically durable, credible

# How the LSF helps The Treasury and the Public Sector

- Applying the LSF requires us to make connections across the public sector
- Policies are linked instead of agencies operating in silos
- LSF (wellbeing) is a more appropriate way to consider the success of different agencies as their various roles are not measured by GDP indicators or their proxies... but they are measured by changes in wellbeing

# How the LSF helps The Treasury and the Public Sector

## Implementation Layers of Wellbeing Policies



# Linking business and the LSF through the IIRC framework

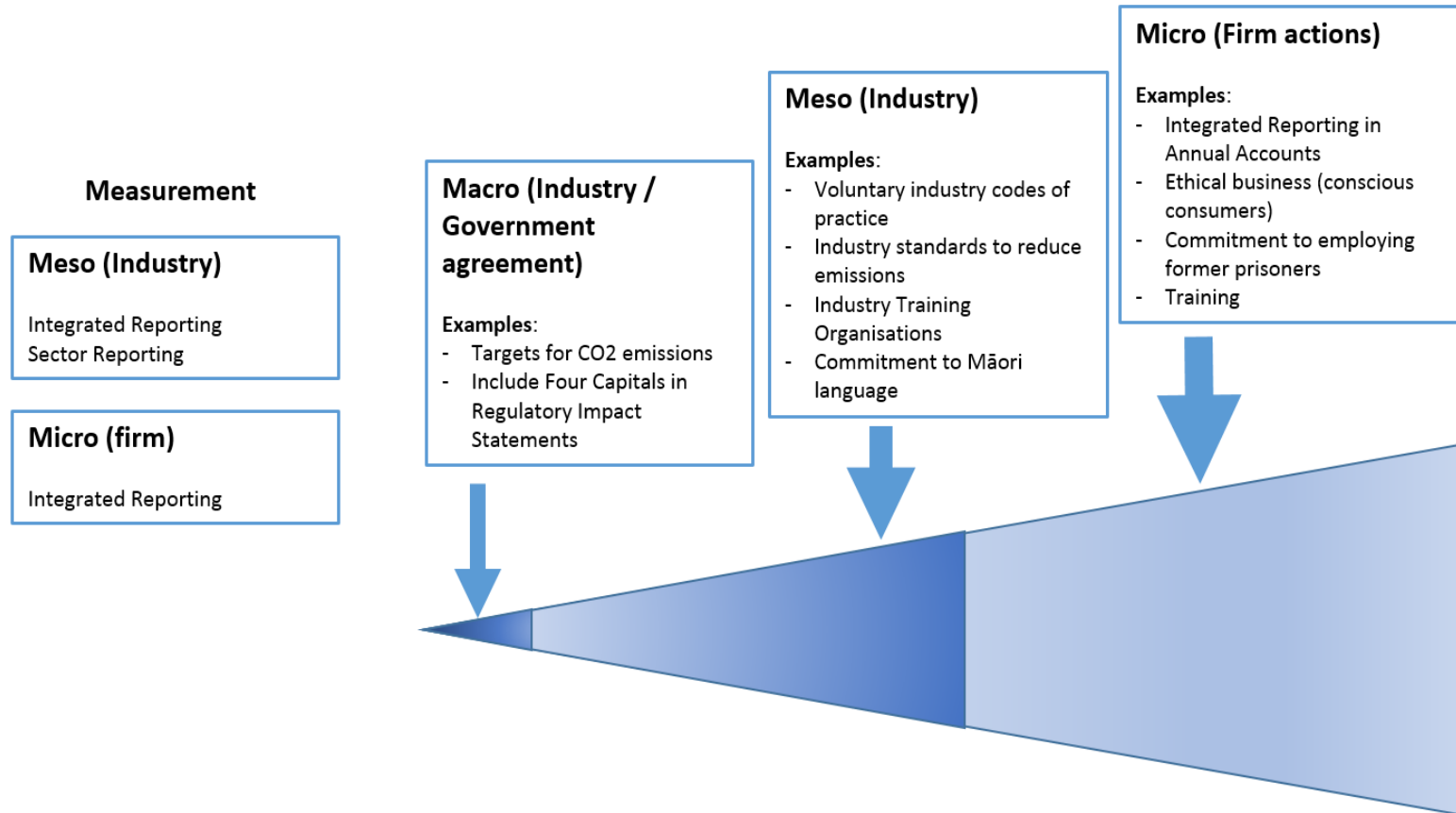
- The LSF borrows heavily from the International Integrated Reporting Council (IIRC) framework
- Both are models of production, but instead of integrated reporting creating value for the firm, we produce wellbeing
- IIRC recognises the role of institutions and governance, and the importance of identifying risks and opportunities

# How the LSF can help business

- A robust and long-term perspective on national success
- A stable framework for understanding government decisions and intentions helps business plan and invest
- A clearer sense of where business is expected to engage and contribute to wider social and environmental outcomes.
  - Understanding the impact business (and others) are having on natural, human, and social capital stocks
  - Understanding the external risks and opportunities faced by business
- A potential means to consistently understand the costs to business of government interventions



# How the LSF can help business



# Challenges...

- Measuring NZ cultural identity, and reflecting our diverse culture, especially te ao Māori perspectives
- Ensuring LSF measurement improves policy and outcomes
- Understanding causality, improve issue not the performance measures
- Data gaps, frequency of collection
- Role of administrative data, potential to use alongside survey data, benefits arise from both

# Thank you

For more about Treasury's Living Standards Framework go to our website:

<https://treasury.govt.nz/information-and-services/nz-economy/living-standards>

To contact us: [cea@treasury.govt.nz](mailto:cea@treasury.govt.nz)

