



TE TAI ŌHANGA
THE TREASURY

The Treasury's Living Standards Framework

Presentation for the 2019 Audit New Zealand Updates

March 2019

Technological disruption



Social disparities



Environmental degradation



Climate change



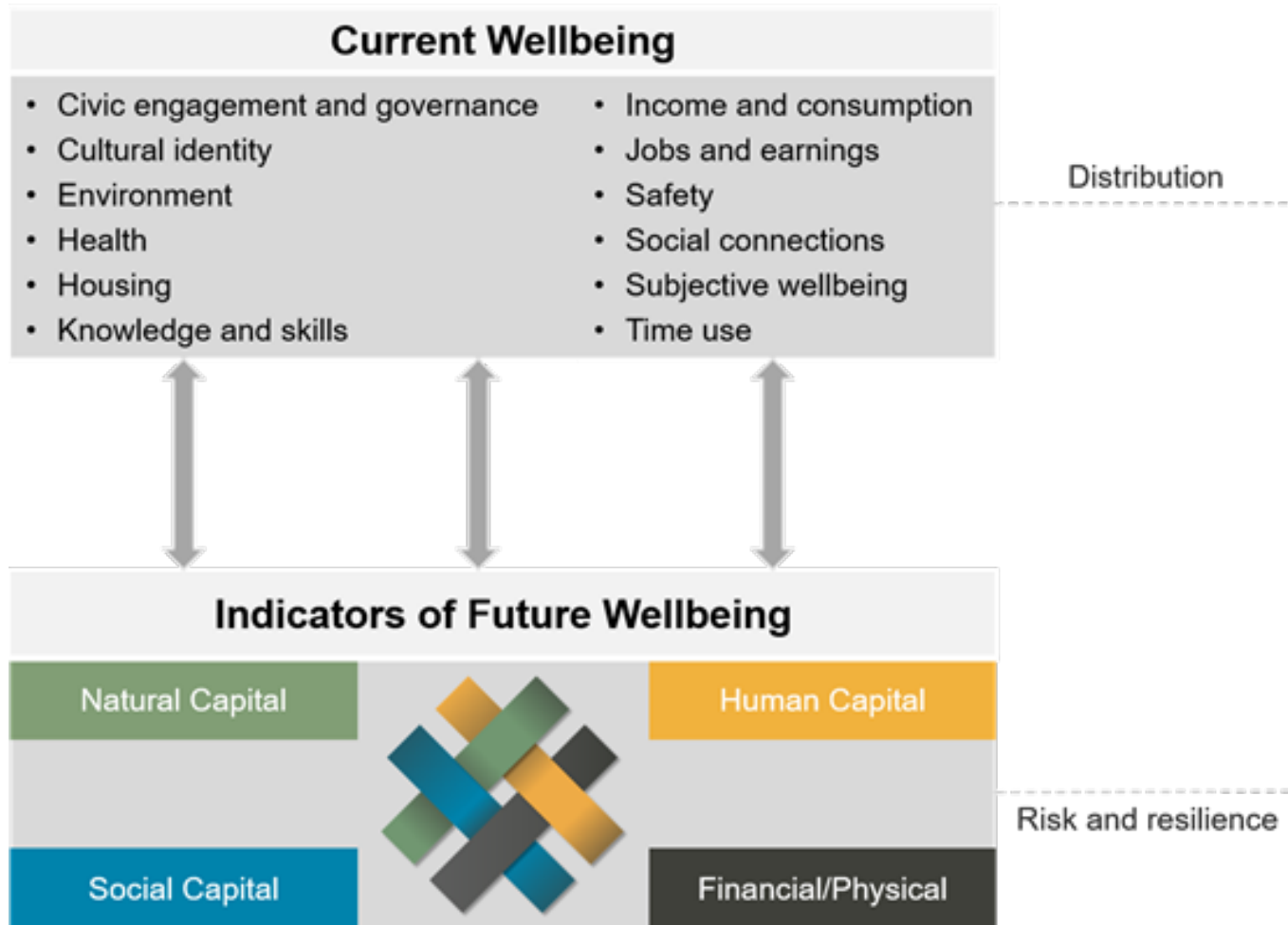
The basics of Treasury advice

- stable and sustainable macroeconomic framework
- productivity and innovation
- value for money and sound financial management
- advice on **prioritisation**, including choices of interventions
- **outcomes** and **mechanisms** (markets, price signals, incentives, government spending etc.)

The LSF and the advice process

- To strengthen coherence, transparency and the use of evidence...
- ... especially for complex, multi-dimensional, multi-generational, multi-agency issues
 - climate change adaptation
 - environmental degradation
 - social disparities
 - technological change
 - ... all around the core of a productive and efficient economy, connected to a clear articulation of wellbeing outcomes

LSF and Dashboard



<https://nztreasury.shinyapps.io/lbfdashboard/>

More work to be done

- LSF development needed:
 - child wellbeing
 - Te Ao Māori and Pasifika perspectives on wellbeing
 - NZ cultural identity
 - risk and resilience
- Indicators Aotearoa New Zealand alignment
- better coordination with agency outcomes frameworks
- Implications for agency reporting

The Treasury's LSF and the Government's wellbeing approach

Living Standards Framework

Government's wellbeing approach

The Treasury

Government's expectations of agencies

The LSF:

- is still being embedded in the Treasury – we don't have all the answers
- is helping focus Treasury's advice on intergenerational wellbeing
- sits alongside the Treasury's financial and economic frameworks
- will lead the Treasury to ask you different questions and bring a living standards flavour to our requirements (e.g. in the Budget process)

- The Government expects agencies to focus on improving intergenerational wellbeing -
 - reflect this in decision-making, internal and external planning and performance reporting
- The Treasury has published helpful info - see the FDP workspace/planners PSI page
- Tools include: Indicators Aotearoa NZ, LSF and LSF Dashboard, CBAX, OECD *How's Life*, agency-specific wellbeing models...

The Government's Wellbeing Budget

- Five priorities for 2019 Wellbeing Budget informed by LSF:
 - transition to a sustainable and low-emissions economy
 - supporting a thriving nation in the digital age
 - lifting Māori and Pacific incomes, skills and opportunities
 - reducing child poverty and improving child wellbeing
 - supporting mental wellbeing for all New Zealanders
- Budget bids are currently being assessed using LSF concepts and intervention logic

The Government's wellbeing expectations

In his IPANZ speech, Minister Robertson set out the Government's wellbeing expectations for agencies:

1. A whole-of-government approach

- step out of silos, and work together to assess, develop and implement plans to improve wellbeing

2. Look at intergenerational outcomes

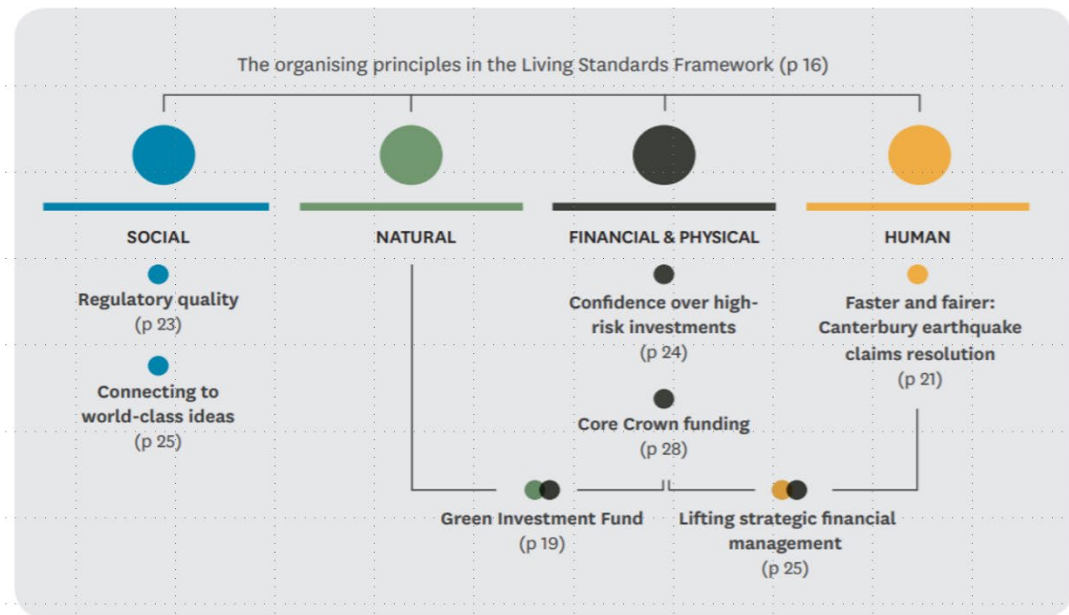
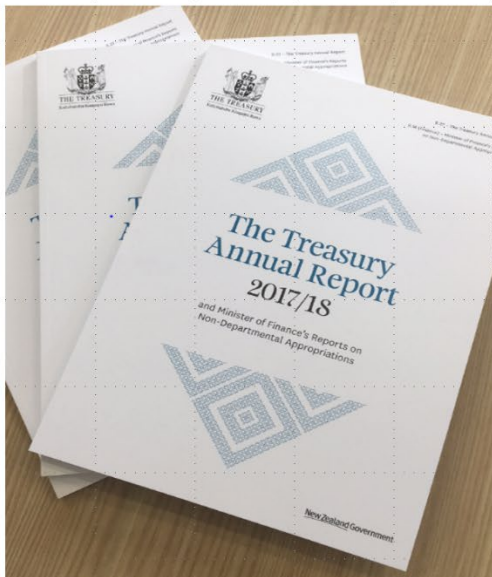
- focus on meeting present generations' needs as well as thinking about impacts on future generations

3. Move beyond narrow measures of success

- look at the Government's priorities, the development of the LSF Dashboard and the Indicators Aotearoa New Zealand work led by Stats NZ

For reporting - we recommend:

- Continue to meet legislative and non-legislative requirements (e.g. PFA or Crown Entities Act, audit information requirements)
- Describe your contribution to improving intergenerational wellbeing and how you are supporting the Government's wellbeing approach
- In a way that is meaningful to *your* agency - tell *your* performance story



Treasury used the LSF and other frameworks in its Annual Report to tell its story of progressing work on wellbeing

Some other examples to draw from



Housing NZ has taken a wellbeing approach to their strategic planning processes in developing a new outcomes framework

WORKSAFE

WorkSafe has described their contribution to improving wellbeing through the LSF capitals in their latest *Statement of Intent*



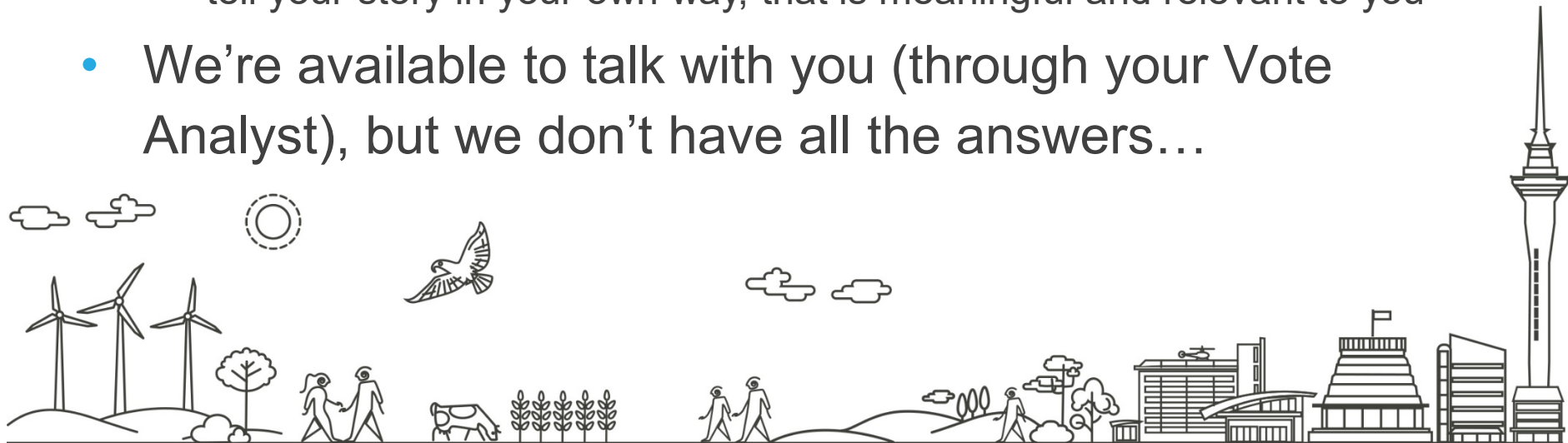
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Treasury has emphasised intergenerational wellbeing and higher living standards as its key focus in its latest *Statement of Intent*

Tip: look on the Finance shared workspace and planners' network PSI page for the Treasury's info sheet with prompts for developing accountability documents

Remember...

- The Government's wellbeing approach is broader than the LSF, which is the Treasury's tool and framework
- The LSF supports the Government's wellbeing approach
- The Government expects you to tell a meaningful story of how you are contributing to improving wellbeing
 - tell your story in your own way, that is meaningful and relevant to you
- We're available to talk with you (through your Vote Analyst), but we don't have all the answers...



Informing Government priorities

Measurement data

Agency outcomes' frameworks and reporting

Government decisions, priorities and communication

Information, analysis, advice

