

7 June 2018

Opening remarks for the launch of Conal Smith's paper on a proposed Treasury Living Standards Dashboard: Monitoring Intergenerational Wellbeing

Tim Ng, Chief Economic Adviser

Tēnā koutou.

Ngā mihi nui ki a koutou katoa.

Nau mai, haere mai ki te Kaitohutohu Kaupapa Rawa.

Ko Tim Ng ahau.

Good morning everyone and welcome to the Treasury. I'm Tim Ng, Chief Economist here and it's my pleasure to welcome you to this briefing for the release of Conal Smith's paper, entitled

"Treasury Living Standards Dashboard: Monitoring Intergenerational Wellbeing".

Before introducing Conal and giving him the floor to take you through the main points in his paper, I wanted to take a few minutes just to give you some context for the paper. I assure you that we'll leave plenty of time for questions.

The release of this proposal and the start of public consultation on the Dashboard is a very important and exciting moment for us. As many of you know, the Treasury has been working on the Living Standards Framework (LSF) for some years now. The Government's ambition now to apply the Framework firmly at the core of its wellbeing policy programme, in a very thoroughgoing and comprehensive way, has given the work strong impetus and momentum. It has certainly led to a ramp up of activity both in the Treasury and across the state sector. It also means a lot of work for us to develop the tools and processes needed to support implementation.

You're going to see that through this year on the technical side, and in the application of LSF tools to the Government's Budget development process. These are actually just waypoints – very important waypoints to be sure, but waypoints nevertheless – in a multiyear process. We will certainly be using the Framework seriously in production this year, but this does not mean that the Framework itself is finished. Everyone is anticipating a lot of learning and adjustment along the way.

Let me restate briefly what the LSF is actually for, and say a few words about how the Dashboard fits in.

The LSF is best thought of as a set of organising principles that help us to diagnose and evaluate current conditions in New Zealand across economic, social and environmental domains, and to understand and advise on the collective impact of government policies and services – that is, impact in terms of the wellbeing of current and future New Zealanders.

In that sense, the LSF is a fundamental part of the Treasury's toolkit. We need and want to be as effective as possible in our role as guardians of the public purse, and as part of that role, our ambition is for the LSF to help underpin our day-to-day assessments of "value for money" across various government activities and interventions, actual and potential. It's about being smarter about what "value" means for our fellow citizens. It also means being more systematic about testing which government interventions – whether in the form of spending, transfers or regulation – are likely to provide the best bang for buck in terms of living standards, compared to the alternatives, including no intervention.

Where government intervention *is* employed as the most wellbeing-enhancing option, we also intend that the LSF will sharpen advice on strengthening collective impact and delivery across agencies, and broaden and deepen our common empirical language around that.

So onto the Dashboard itself. We commissioned Conal Smith, who is an independent wellbeing measurement expert, to develop some initial proposed measures for an LSF Dashboard that would flesh out the conceptual model with specific indicators, that will provide meaningful information about current and future wellbeing, and complement the existing fiscal and economic measures everyone is used to seeing in Treasury advice documents.

The Dashboard's first direct usage will be to support the production of Budget 2019, which the Government has said will be a Wellbeing Budget. In particular, the Dashboard, and the initial discussions we are already having around it, will help inform the Government's priority-setting process. Budget 2019 will be our first go at integrating and implementing the LSF within a core Government policy process. As I said, it will not be the end – but an important milestone in a multiyear programme.

To finish off before I hand to Conal, let me cover the consultation arrangements. We will have a roughly two month public consultation on Conal's Dashboard proposal, running from 7 June to 31 July.

Towards the end of the consultation period, in late July, please also watch out for another tranche of LSF discussion papers from the Treasury. These will be similar to the ones earlier this year, covering Māori wellbeing, Pacific people's wellbeing, and risk and resilience concepts in the LSF.

I'm now pleased to hand the floor to Conal, who's going to provide some highlights from his paper and then we will have some time for questions.