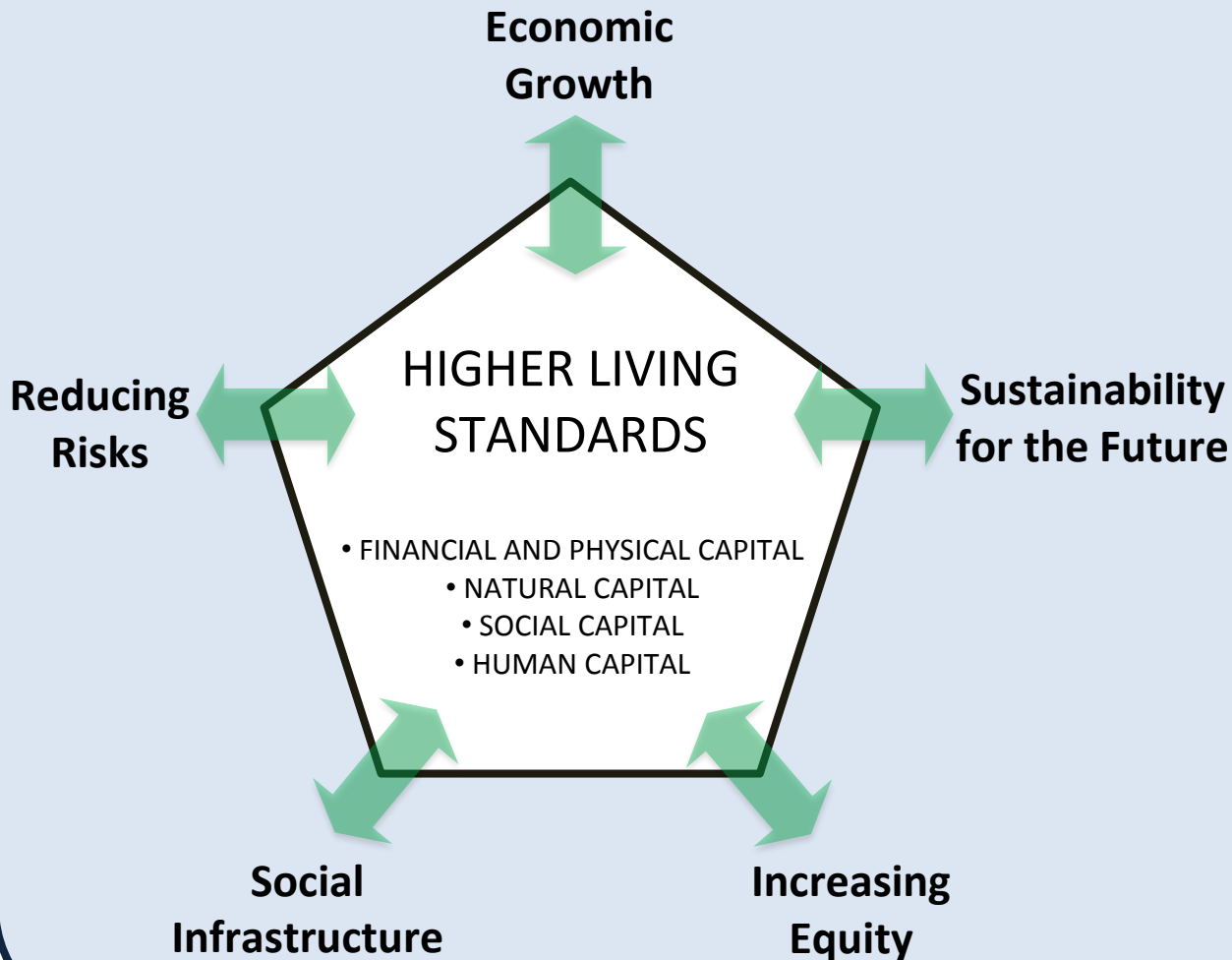


LIVING STANDARDS: THE HEART OF OUR POLICY ADVICE

Assess the impact of policy across key living standards dimensions



Economic Growth

- Does this improve the opportunities or incentives for higher incomes or greater economic growth?
- Does this remove obstacles that hinder resources moving to their most efficient use, or enhance the ability of people to take up new opportunities?

Sustainability for the Future

- Does this impact on the capital stocks for future use (e.g. physical capital, human capital, or the sustainability of the environment)?

Increasing Equity

- Does this impact on the distribution across society (both intra and intergenerational)?
- Does this improve opportunities for people to improve their position?

Social Infrastructure

- Does this impact on core institutions that underpin our society (e.g. trust in the rule of law, democracy, Crown-Māori relationship, cultural identity)?
- Does this impact on the trust and connections between people?

Reducing Risks

- Does this impact on NZ's ability to withstand unexpected shocks?
- In particular, does this impact on our macro-economic position (debt, deficits, inflation etc)?

Considering these five key aspects when developing your policy advice will ensure that Treasury consistently embeds Living Standards in our advice. It is an adjunct to, not a replacement for, a good evidenced-based process for developing free and frank advice. Need help or more information? See Girol Karacaoglu.