



THE TREASURY
Kaitohutohu Kaupapa Rawa

Working Towards Higher Living Standards for New Zealanders

John Whitehead

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THE TREASURY
Kaitohutohu Kaupapa Rawa

Treasury's vision:

A world class Treasury working for higher living
standards for New Zealanders

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Outline

1. Rationale
2. The Framework
3. What Next?

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Rationale

1. This is not new territory for Treasury
2. We want to challenge external perceptions
3. We aim to monitor progress and improve living standards

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Treasury's Role

1. Treasury's core role: economic, fiscal, and regulatory
2. Treasury's central agency role: oversight of state sector
3. Consistent with other economic agencies

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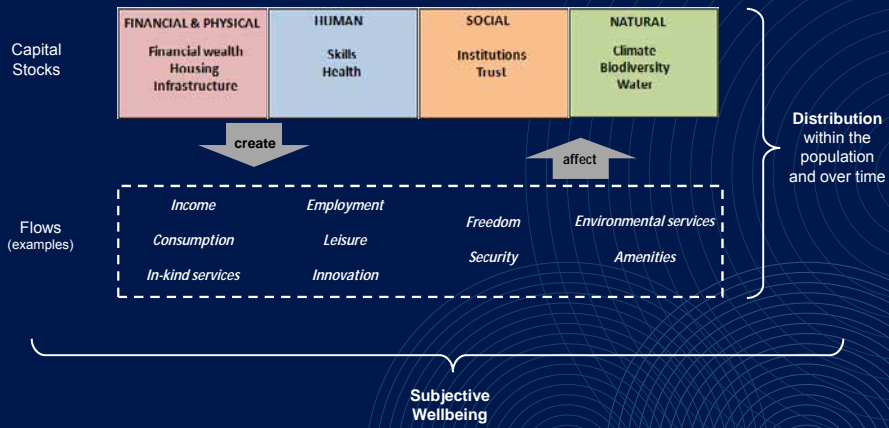
The Framework

1. Broad range of factors: material and non-material
2. Freedoms, rights, and capabilities
3. Distribution across society
4. Long-term view
5. Subjective measure as a cross check

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A Capital Approach

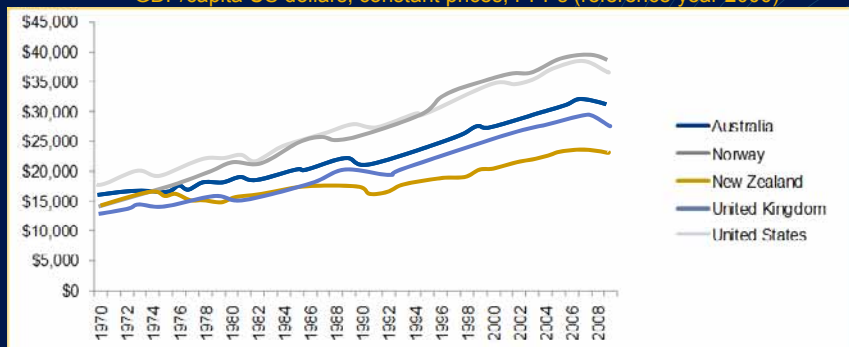


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Economic growth

GDP/capita US dollars, constant prices, PPPs (reference year 2000)



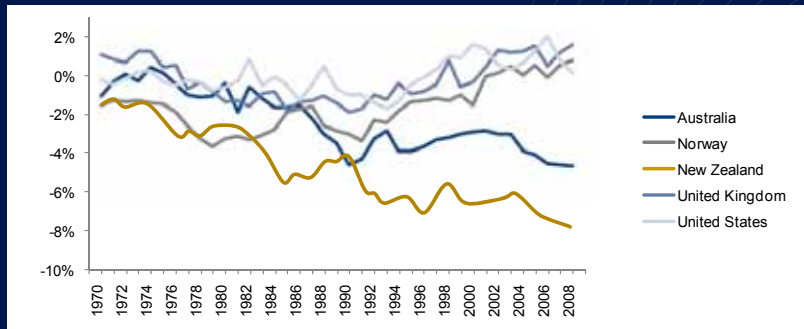
Source: OECD (2010)

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Gap between growth and incomes

GNI/capita less GDP/capita - US dollars, current prices, PPPs



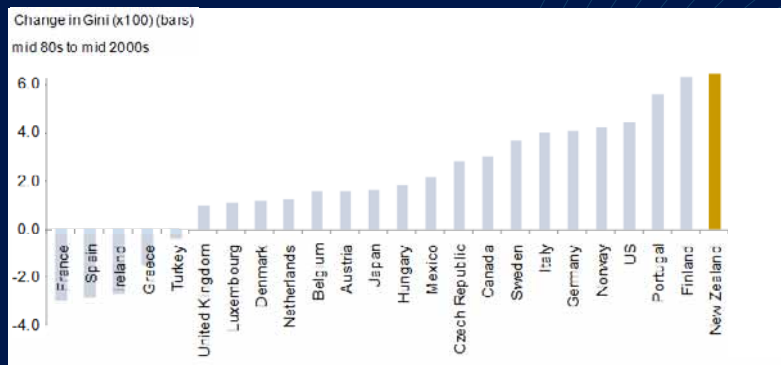
Source: OECD (2010)

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Income inequality

Gini Coefficient



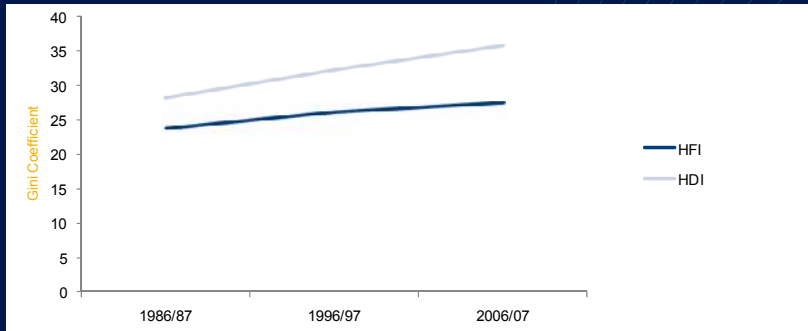
Source: OECD (2010)

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Income inequality

Gini Coefficient – before (HDI) and after (HFI) government spending



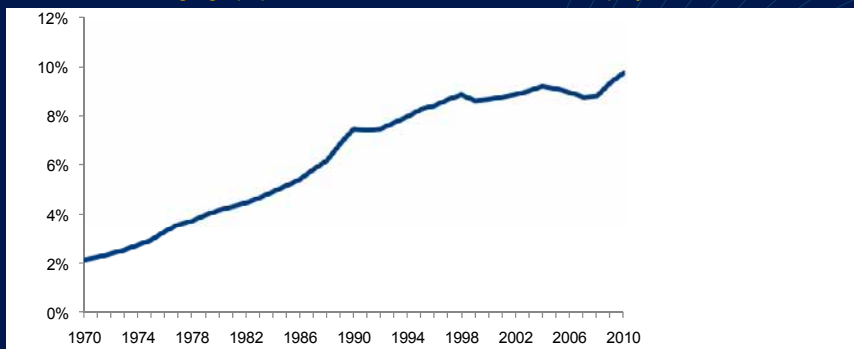
Source: Aziz, O. & Gibbons, M. (2010)

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Growth in benefits

% of working age population on benefits other than unemployment benefit



Source: Welfare Working Group (2011)

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Variance in education outcomes

Variance in 2006 PISA scores within schools



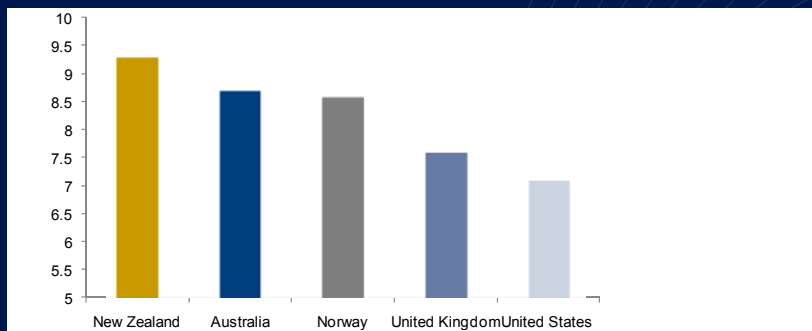
Source: OECD (2011)

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Lack of perceived corruption

Lack of perceived corruption in government (2010)



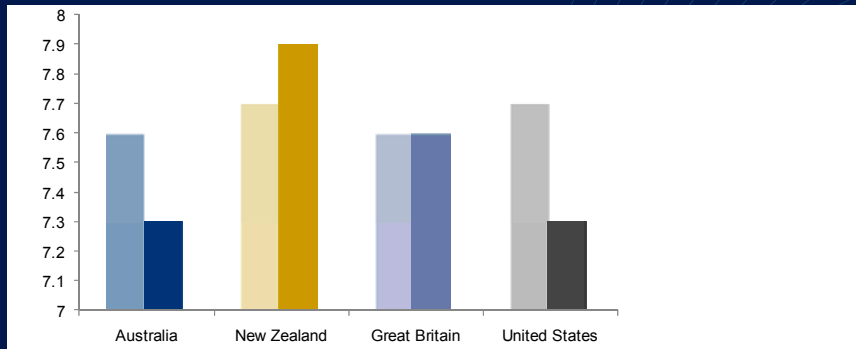
Source: Transparency International (2010)

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Subjective well-being

Average life satisfaction 1995-8 vs 2004-6



Source: World Values Survey (2009)

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What Next?

1. Build our internal consistency and our external credibility
2. Encourage and engage in discussion, debate, and education

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Treasury's vision

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