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## Submission to Treasury on the Living Standards Framework

### Introduction

- 0.1. The National Council of Women of New Zealand, Te Kaunihera Wahine o Aotearoa (NCWNZ) is an umbrella group representing 245 organisations affiliated at either national level or to one of our 19 branches. In addition, about 350 people are individual members. Collectively our reach is over 350,000 with many of our membership organisations representing all genders. NCWNZ's vision is a gender equal New Zealand and research shows we will be better off socially and economically if we are gender equal. Through research, discussion and action, NCWNZ in partnership with others, seeks to realise its vision of gender equality because it is a basic human right. This submission has been prepared by the NCWNZ Consumer Affairs & Economics Standing Committee and the Parliamentary Watch Committee after consultation with the membership of NCWNZ. Feedback from a Feminist Economist<sup>1</sup> and NCWNZ Staff Specialists has also contributed to this submission.
- 0.2. NCWNZ has previously made numerous submissions and resolutions covering the broad scope of the proposed Living Standards Framework Dashboard.
- 0.3. Comments in this submission have taken into account and are referenced against the Kōtātā Insight report by Conal Smith.

### 1. Executive Summary

- 1.1. NCWNZ supports the principle of developing a wellbeing framework, and in particular the aim of intergenerational wellbeing. Our recent submission on mental health was a clear reminder of how far we have to go to achieve wellbeing for present and future generations. However, NCWNZ has significant concerns relating to the inherent difficulty in defining and measuring such a concept. To report against targets that must be measurable poses the risk of incentivising outputs rather than meaningful, less quantitative outcomes.
- 1.2. Likewise, we welcome a framework that is not entirely reliant on GDP, which has never been an adequate measure of women's work or of gender equality, or, in particular women's unpaid work. However, there is little indication that women and their contribution, particularly in unpaid work, will

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<sup>1</sup> <https://kapitiindependentnews.net.nz/prue-hymans-column-13/>

be any more visible than they have often been in other frameworks and dashboards, linked to the UN System of National Accounts.

- 1.3. It is regrettable there is no indication of how this framework and measurements will relate to the Sustainable Development Goals, targets and indicators, to which New Zealand has been a signatory since 2016 but has not yet made a voluntary national report. Nor does it indicate any correlation with UN Human Rights Treaties and Conventions including the Convention on the Elimination all Forms of Discrimination Against Women (CEDAW). This is particularly concerning given the highly critical examination from the UN CEDAW committee this month. CEDAW's encouragement to the government to use the SDG framework was explicit. It is NCWNZ is currently developing a Gender dashboard with relevant, quality data across four key strategic areas, from a range of sources, but this will have a different level and purpose to this National framework.
- 1.4. We note that a separate document is being developed with Maori but we regret this was not done prior to consultation as many of the traditional concepts that are innately important to Maori have become integral not only to indigenous values but to the culture. and values of New Zealanders more widely. Conversely some of the concepts that are central to this Dashboard and Framework require clear definitions, and people may feel alienated rather than motivated by the language from a Western European OECD economic model, for example, the central statement in the opening diagram in the consultant's report that "Intergenerational wellbeing relies on the growth, distribution and sustainability of the Four Capitals. Capitals are interdependent and work together to support wellbeing."
- 1.5. Furthermore NCWNZ is concerned this piece of work is being led by The Treasury and strongly recommends that it be led by a cross government department/political party/sector and community steering group. It is NCWNZ's view that the lack of this type of collective leadership could lead to silo approaches to setting and monitoring of targets. On the other hand if there is an genuinely intersectoral approach to implementation there will be different challenges, particularly within a tight timeframe, in relation to joined up policy approaches, ministerial responsibility and budget which will need to be carefully considered.
- 1.6. However, should the proposed Framework and Dashboard progress NCWNZ makes the following comments and recommendations to ensure a robust, meaningful and effective tool is established.

## **2. Comments on the Living Standards Framework**

- 2.1. NCWNZ recognises that collecting and monitoring of appropriate data can inform how effectively the welfare system is achieving the outcomes that are necessary for people to be able to participate in a meaningful manner in their communities. Such a framework can also keep New Zealand accountable, highlight the country's strengths and weaknesses, and help to identify where more work should be prioritised.
- 2.2. It has long been noted that economic performance does not necessarily result in high standards of wellbeing. In August 1989 MA student Stuart Kane presented research findings from his study that

rated the top ten towns and cities by social wellbeing using a number of indicators measuring income, unemployment, economic and physical health and access to medical care. It also took into account family breakdown, public safety, crime rates, education, social participation and equality, access to recreation and leisure activity. Mr Kane summarised his findings by saying the study showed high economic performance did not necessarily result in high standards of wellbeing and encouraged more work to be done on social well-being in New Zealand.

- 2.3. NCWNZ recognizes the need to clarify the purpose of a proposed framework and the significant opportunities establishing such a framework can provide.
- 2.4. NCWNZ recognises that having and agreeing to a standards measurement also requires effectively ensuring government commits to establishing and maintaining more equitable living standards.
- 2.5. Feminist Economist Prue Hyman notes Gabriel Makhoul, Secretary to the Treasury, was recently interviewed on National Radio<sup>2</sup> where he claimed that it would be groundbreaking if NZ actually used the approach to inform policy work.
- 2.6. Prue Hyman also notes there is a lack of indication of how policy would be formulated and that there is no specific mention of whose living standards are being talked about.
- 2.7. The Gender Equal White Paper and dashboard work that NCWNZ has developed recognises an overall context is required to achieve our objectives and suggests the same context elements are required to achieve wellbeing objectives. As such establishing understanding and knowledge, striving to change culture, clear leadership and governance, alongside data and monitoring will be required to achieve intergenerational wellbeing and not all of these elements appear to be addressed in the proposed framework.

### **3. Adapting the OECD/Better Life Model to the New Zealand Context**

- 3.1. NCWNZ recognises the opportunity to learn and adapt new ideas from the international best practice that will improve the quality of life in New Zealand. However, it is also noted that there are limitations when comparing against other country statistics and measurements and that consistency of methodology would need to be established.
- 3.2. It is noted by NCWNZ that wellbeing theory is complex, unobservable and differs across cultures, religions and beliefs and therefore this proposed framework should allow for this within the culture of Aotearoa. This framework needs to reflect the embedded bi-cultural nature of Aotearoa, with our national priorities and adapt an understanding of national wellbeing. The use of language is noted as having significant impact on the ability to ensure this.
- 3.3. NCWNZ notes that in Figure 4, page 9 the outcomes are not well detailed and as such it will be unclear what wellbeing “looks like” which poses risks for a measurement tool. NCWNZ does recognise the oft-made point that ideas about wellbeing seem to cluster around certain concepts

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<sup>2</sup> <http://www.radionz.co.nz/national/programmes/sunday/audio/2018635582/measuring-what-makes-life-worthwhile>

across different cultures but notes concern no consideration appears to be given in this work for a perspective drawn from Te Ao Maori.

- 3.4. NCWNZ would like to know the importance of the complementary work, referred to on p2-3 and its impact on the Framework to ensure that the process does not marginalises our tangata whenua.
- 3.5. NCWNZ notes more broadly that although the OECD model is imported, the high compatibility with measures in the Social Report – which featured consultation with Maori according to this report – provides some comfort that this will be appropriate for NZ.
- 3.6. A number of NCWNZ members also point to the absence of an emphasis on gender diversity and equal pay in the OECD framework.

#### **4. The proposed Indicators and Measures**

- 4.1. NCWNZ believes indicators should align and be considered against other significant national and international instruments and that as a starting point New Zealand should be ensuring all Sustainable Development Goals are met for all New Zealanders.
- 4.2. Where elements in these instruments are missing NCWNZ recommends the proposed framework looks to include them. Such instruments are:
  - Convention on the Elimination of All Forms of Discrimination against Women [CEDAW] themes [Participation in Public and Political Life, International Representation and Participation, Education, Employment, Health, Economic and Social Life, Rural, Legal, Marriage and Family - Domestic Violence]
  - NCWNZ Gender Equal Work and Gender Dashboard themes [Economic Independence, Safety and Health, Equality in Education and the Workforce, Influence in Decision-Making]
  - NCWNZ Enabling Women’s Potential white paper key requirements [Understanding and Knowledge, Culture, structural changes, Data and Monitoring, Leadership and Governance]
  - Sustainable Development Goals – SDGs [Poverty, Zero Hunger, Health and Wellbeing, Quality education, Gender Equality, Clean water and sanitation, Affordable clean energy, Decent work and economic growth, Industry/Innovation/Infrastructure], and an overarching, ambitious vision of leaving no-one behind.
- 4.3. Overall the proposed indicators and framework were seen as high level and not easily understood by a number of NCWNZ members. It was also noted that the focus appeared to be predominantly financial and based on monetary matters and that measures appear more suited to adults than to younger members of society. To be a meaningful inter-generational framework, NCWNZ would advocate for more emphasis to be placed on babies, children, youth and young adults.

- 4.4. To ensure this intergenerational focus is embedded in the framework NCWNZ encourages Treasury to take into account Child Poverty Action Group proposed measures, particularly as these relate to all forms of households including those with and without children.<sup>3</sup>
- 4.5. NCWNZ notes on pages 14-15, that the report suggests that cultural capital is relatively unimportant and says “cultural capital often appears to be used to mean the human and social capital associated with minority cultures.” However, NCWNZ advocates that cultural capital needs to be seen in terms of power structures, and how dominant cultural groups (men, white people etc) use cultural capital to maintain and recreate existing inequities and power relationships that suit them. NCWNZ believes this is a significant factor in why more marginalised groups tend to have poorer outcomes.

### Social Capital

- 4.6. The social aspect of life for all the generations is noted which NCWNZ supports. Aspects such as poverty, child poverty, elderly poverty, homelessness, lack of medical care for all generations, the causes and the prevention of domestic violence etc are particularly important for individuals and communities. The recent publication from the Ministry for Women “‘Something’s got to change’ Insights from mothers”<sup>4</sup> provides an example of a thoughtful, wide ranging report of the reality of lives, that goes beyond data.

### Indicators of distribution and inequality [page 23]

- 4.7. The material standard of living discussion only suggests measures for households and NCWNZ wishes to see family and individual indicators included as without these, particularly between genders, inequities will not be picked up. NCWNZ notes this section refers only to mean income and would like to see median income included because it is less susceptible to being skewed by outliers.
- 4.8. NCWNZ notes and supports the discussion on page 21 regarding the importance of the distribution of outcomes and the groups who are facing the most disadvantages. However, on p38 when distribution is further explored it is limited to ethnicity and sex as indicators. NCWNZ wishes to see disability, socio-economic status, sexuality and gender identity included and multi-factoral analysis used to examine distribution in order for this to be meaningful for New Zealanders’ lives.

### Market Outcomes [page 24]

- 4.9. NCWNZ notes “Market Outcomes, Jobs and Earnings” does not include people not in the paid workforce who would like paid work but are no longer “registered unemployed” anywhere; people in unpaid work which includes both voluntary work and caregiving work; and those underutilised or working part-time when they wish they could work more hours. All three of these groups are likely to be of interest in terms of gender, disability and ethnicity differences and it is recommended that

<sup>3</sup> <https://www.cpag.org.nz/assets/180727%20CPAG%20Submission%20on%20the%20Treasury%20Living%20Standards%20dashboard%20FINAL.pdf>

<sup>4</sup> [http://women.govt.nz/sites/public\\_files/Something%27s%20got%20to%20change.pdf](http://women.govt.nz/sites/public_files/Something%27s%20got%20to%20change.pdf)

labour force participation, underutilisation and median weekly earnings and the youth NEET (Not in Employment, Education or Training) rate are included.

## **Non-market Outcomes**

### **Health [page 24]**

- 4.10. The health indicators on page 24 do not include any measures particular to women's lives such as access to sexual and reproductive healthcare and access to primary healthcare including the potential barrier of resourcing, geography and demographic factors which NCWNZ would like to see be included.
- 4.11. Whilst on page 25 "Knowledge and attainment" it is suggested educational attainment at upper secondary can be compared internationally NCWNZ does not believe there is any existing research in New Zealand that indicates this provides better life outcomes, whereas attaining NCEA Level 3 and University Entrance does provide access to better life outcomes. NCWNZ also notes the absence of any suggested measure of educational attainment in particular subject areas despite the evidence of different career outcomes for students from different areas of study. This includes STEM subjects such as IT and engineering where women continue to be underrepresented.

### **Cultural Identity/Ūkaipōtanga [page 25]**

- 4.12. A measure only provides value when understood in the contexts of people's ability to find meaningful work, experience education, social services and community life without barriers and participate in the ways they wish to in community safely. NCWNZ suggests measuring discrimination as an additional indicator to contextualise people's lives. Furthermore, NCWNZ notes that "culture" may mean different things for different groups, for example cultures of shared belonging such as sexuality or gender diverse communities.

### **Safety [page 26]**

- 4.13. Of significant concern to NCWNZ is the absence of indicators relating to the safety of the most vulnerable genders in the community with regard to sexual violence, domestic violence and suicide which are not included.

### **Civic Engagement and Governance [page 26]**

- 4.14. The introduction of a measure on Civic Engagement and Governance which examines rates of leadership for ethnicity, gender and disability is supported by NCWNZ. Governance at every level of the public sector should reflect the New Zealand population profile and this measure should investigate that.

### **Social Connections [page 26]**

- 4.15. NCWNZ recommends Social Connections has an additional measure which includes resources available for individuals to have the social connection they choose as this is likely to be a barrier for some groups who are more marginalised.

### **The Capital Stocks [page 27]**

- 4.16. NCWNZ dislikes the reduction of aspects of wellbeing to capital. Whilst it is recognised these phrases are well-used they illustrate an approach to human beings as embedded in only economic relations rather than social beings for whom the economic sphere is but one part of their lives.
- 4.17. NCWNZ wishes to see the addition of statistics that measure differences between population groups and households and that take into account individual net worth in addition to household to allow various groups of the population to be represented [page 29].

### **Human Capital [page 32]**

- 4.18. Whilst the Human Capital discussion notes that relationships between people will be dealt with under Social Capital NCWNZ believes both sections conceptualise individual attainments only. The framing for Human Capital appears narrow and should be reframed to include whether people have access to educational opportunities to support their career goals; participation in the workforce; and productivity measures that allow you to understand different parts of the population.

### **Social Capital [page 33]**

- 4.19. Much of the introductory text focuses on relationships between people however none of the measures appear to really test this. NCWNZ also notes that the idea that private social capital is independent of total quantity of resources available is not true in our view. For example, New Zealand has become a much more economically split population since the 1980s, and that gap has enormous implications on the social wellbeing of all New Zealanders.

## **5. The Potential Objections**

- 5.1. As Prue Hyman notes Treasury may be trying to get the best of all worlds by appearing to take account of the many critiques of gross national product while still maintaining their 'rigorous' approach and failing to develop indicators which truly respond to the concerns long raised by feminist and other heterodox economists.
- 5.2. NCWNZ is concerned that pages 39-40 describes the work of developing the Framework will be done by Treasury as such complex social issues require broad consultation and input from a wide variety of expert stakeholders or there is risk of misinterpreting information which will produce unintended consequences.

- 5.3. There is concern amongst NCWNZ members about the levels of measuring and evaluation that may be required to administer the Framework. NCWNZ believes the demonstrable benefits of a such a Framework should be well outlined and outweigh costs both in terms of money, time, and personnel resource.
- 5.4. Different government departments, silo approaches to data collection, and contracting out of services were noted by NCWNZ members as concerns that could adversely affect consistency of any monitoring.
- 5.5. NCWNZ members commented on the complexity of the proposed framework, dashboard and the accompany Kōtātā Insight report. As such some felt any dashboard and measure would not engage the community. Other models were recommended such as the Six Dimensions of Wellness Model developed by Dr Bill Hettler.<sup>5</sup>

## 6. The Living Standards Dashboard Themes

- 6.1. Whilst NCWNZ members generally like the headings put forward it is also recommended greater explanation be made so that the average person can understand and feel comfortable with them. The NCWNZ Enabling Women's Potential White Paper outlines a model and context setting that assists in generating understanding amongst the wider community.
- 6.2. Access and general awareness of the Framework and any Dashboard appeared to NCWNZ to be limited and only located if one searched The Treasury website. To be more widely available, understood and to gain better engagement particularly by younger people NCWNZ recommends use of a wide range of media including social media.
- 6.3. NCWNZ recognizes it may take time, ongoing promotion and awareness raising of the Framework and Dashboard before stakeholders, users and the wider community become to understand and relate to it. Hence determining how appropriate the themes may become clearer over time.

## 7. The Review of the Living Standards Dashboard

- 7.1. To ensure reviews and any subsequent changes are effective NCWNZ believes the framework, dashboard and review periods need to extend beyond political terms.
- 7.2. A number of NCWNZ members suggested any review of the Dashboard should have provision for emergency reviews should it become apparent that data needs to be updated.
- 7.3. NCWNZ supports the recommendation of increasing the frequency and sample size of the NZ General Social Survey particularly as it may allow for more multi-factoral analysis and think this can also be the opportunity to review the questions and make sure we are taking the most advantage of this engagement with New Zealanders. This requires consultation with expert stakeholders inside and outside government.

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<sup>5</sup> [https://www.nationalwellness.org/page/Six\\_Dimensions](https://www.nationalwellness.org/page/Six_Dimensions)

- 7.4. NCWNZ notes the discussion on page 39 the Living Standards Themes referring to two to four issues with high policy relevance which will be investigated in more depth than other issues and wishes to see decision-making about these themes take place with input from New Zealanders, expert stakeholders and other government departments. It is also noted that this report seems to suggest this decision would be made in-house at Treasury.
- 7.5. NCWNZ notes the comment on page 43 regarding the Time Use Survey and strongly supports increasing the frequency of the survey and a wider use of the data collected in that survey. It is important to recognise that unpaid work has a significant detrimental impact on individual's well-being and that this impact falls unevenly on some parts of the population - particularly women, and even more so for some ethnic groups. Time spend in childcare is a big part of this, but it is becoming increasingly important to acknowledge care for the elderly being a much larger part of the unpaid work of women.
- 7.6. The UN Committee on the Elimination of Discrimination against Women (CEDAW) has just released its Concluding observations on the eighth periodic report of New Zealand. The Committee was critical of the data collection and analysis which NZ provides on the situation of women and recommended that a centralized system be set up "for the collection, analysis and dissemination of comprehensive data, disaggregated by sex, age, disability and ethnicity...". The Committee wanted to see measurable indicators to assess trends in the situation of women.

## 8. Conclusion

- 8.1. Overall NCWNZ has concerns regarding the development of a Living Standards Framework and Dashboard and makes recommendations regarding an apparent absence of gender analysis during its development. Furthermore, NCWNZ encourages greater consultation and involvement of parties across Ministries, Government Departments, political parties, sector and community groups to ensure The Treasury is not solely responsible for a tool that is to reflect the wellbeing of the entire Aotearoa community in terms of Financial, Environmental, Economic and Social Capital.



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