



26 September 2019

Chief Economic Adviser
The Treasury
PO Box 3724
Wellington 6140

Via email: cea@treasury.govt.nz

Dear Tim

Culture, Wellbeing and the Living Standards Framework: A Perspective (DP19/02)

Chartered Accountants Australia and New Zealand welcomes the opportunity to provide feedback to the Treasury on *Culture, Wellbeing and the Living Standards Framework: A Perspective (DP19/02)*.

We strongly support Treasury's Living Standards Framework and are pleased to see that it will be subject to ongoing review. The Living Standards Framework should not be a static framework and will need to evolve with economic and social change and the increasing sophistication of measurement and assurance. We consider it important for Treasury to strike an appropriate balance between explicit inclusion in the Framework of additional aspects and the increasing complexity of the Framework that such additions will bring.

We have focused our feedback on key questions and aspects where we consider we can add the most value. Appendix A provides more information about Chartered Accountants Australia and New Zealand (CA ANZ).

General Comments

We support the comments in DP19/02 on the importance of cultural connection for children. However, in our opinion, New Zealand's current focus should be on improving fundamental outcomes (such as better health, education and housing) for children, as highlighted in this year's Wellbeing Budget.

It is vital that Māori and Pasifika heritage and culture are preserved. The greater inclusion of cultural metrics within the Living Standards Framework will help in this regard. We consider it important that culture incorporates New Zealanders' sense of identity and place and recognises the cultural vibrancy and vitality of all New Zealand's diverse communities, including newer immigrant communities.

Questions

4.1 Can the two indicators currently associated with the Cultural identity domain (Te reo Māori speakers and Ability to express identity) adequately monitor the major influences of cultural identity on wellbeing in New Zealand?

No, we do not consider these two indicators to be adequate to monitor the major influences of cultural identity on wellbeing. They do not represent the full breadth of cultural identity in New Zealand. Both are important – the first speaking to cultural assets and taonga and the second to cultural safety and respect. We support the inclusion of further indicators that relate to cultural engagement and vitality, which are also important dimensions.

4.2: What would be the advantages and disadvantages of creating a fifth capital stock under the heading of Cultural Capital in the Living Standards Framework, rather than adding one or more cultural capital indicators for each of the current four capitals?

Creating a fifth capital stock for cultural capital would treat culture as being separate from the existing four capitals. As the Paper demonstrates, there are key cultural aspects to all four existing capitals and culture is cross-cutting. We agree and consider it important to maintain this interconnectedness. In our view, including an additional capital stock would risk over-complicating the Living Standards Framework.

4.3: What are the strengths and weaknesses of the proposal to add further sections to the LSF Dashboard to reflect more collectivist approaches to wellbeing, such as Families and Whānau, including New Zealand communities, and Business, including New Zealand's place in the world?

We support the inclusion of two new sections in the LSF dashboard for families and whānau and business, as they are both important contributors to wellbeing. In this context 'business' should be viewed broadly to include public sector organisations and the not for profit and social enterprise sector as well as the private, for profit sector.

6: Indicators for Culture and Wellbeing

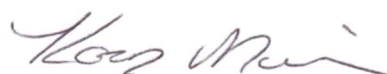
We consider it appropriate to include cultural measurement indicators within all four capitals of the Living Standards Framework. The indicators need to be measurable, attainable and specific. Whilst we appreciate culture is hard to measure, the indicators should focus on outcomes rather than outputs. The proposed cultural indicators for financial and physical capital and natural capital on page 35 represent a narrow output focus on these aspects of culture. For example, an indicator based on public financial support for culture does not address physical assets and taonga that are valued for their deep cultural significance. Likewise, an indicator based on hectares of public-owned land managed for conservation purposes does not address the cultural significance of the natural place. Similarly, the four alternative indicators for current wellbeing are also output focused. How a cultural event is defined will also be important for measurement.

Should you have any queries concerning the matters discussed above or wish to discuss them, please contact Karen McWilliams via email at karen.mcwilliams@charteredaccountantsanz.com or phone (+612) 8078 5451.

Yours sincerely,



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Appendix A

About Chartered Accountants Australia and New Zealand

Chartered Accountants Australia and New Zealand is a professional body comprised of over 120,000 diverse, talented and financially astute members who utilise their skills every day to make a difference for businesses the world over.

Members are known for their professional integrity, principled judgment, financial discipline and a forward-looking approach to business which contributes to the prosperity of our nations.

We focus on the education and lifelong learning of our members and engage in advocacy and thought leadership in areas of public interest that impact the economy and domestic and international markets.

We are a member of the International Federation of Accountants and are connected globally through the 800,000-strong Global Accounting Alliance and Chartered Accountants Worldwide which brings together leading Institutes in Australia, England and Wales, Ireland, New Zealand, Scotland and South Africa to support and promote over 320,000 Chartered Accountants in more than 180 countries.

We also have a strategic alliance with the Association of Chartered Certified Accountants. The alliance represents 788,000 current and next generation professional accountants across 181 countries and is one of the largest accounting alliances in the world providing the full range of accounting qualifications to students and business.