

# A wellbeing budget for NSW

## Foundation paper

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# **Acknowledgment of Country**

The Department of Planning and Environment acknowledges the Traditional Owners and Custodians of the land and waterways on which we live and work, and pays respect to Elders past, present and future.



Image from <u>ABC News</u>

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## **Executive summary**

A wellbeing economy... moves beyond the tyranny of gross domestic product as a sole measure of progress to account for things that really matter: our physical and mental health, the resilience of our environment, the cohesiveness of our communities, and how fairly economic wealth is distributed in our society (Jones, 2021).

Globally, there is increasing interest in wellbeing frameworks and budgets to understand and communicate our overall progress, and to focus policy and investment decisions towards economically, socially, culturally, and environmentally sustainable outcomes. The Covid-19 pandemic and disasters such as the 2019-20 bushfires and 2022 floods have further concentrated attention on our individual and collective wellbeing, as suggested by the call to 'build back better'.

The Department of Planning and Environment (DPE) is developing a pilot to test the value of such an initiative for New South Wales (NSW). This paper provides a foundation for discussions around what a NSW Wellbeing Framework and Budget might look like.

Wellbeing is a holistic concept that typically encompasses the economy, the environment, health, housing, knowledge and skills, community, culture, and our institutions and governance systems. It is about both how we *are* doing in terms of objectively observable outcomes, and how we *feel* we are doing subjectively. We can measure wellbeing at individual, community, and societal levels.

Wellbeing approaches to budgeting have emerged in response to limitations in conventional economic measures of progress, and growing concern about humanity's unsustainable growth trajectory and increasing inequalities. There are many approaches already established or in development within Australia (for example, the Australian Capital Territory) and internationally (for example, Aotearoa New Zealand, Canada, Wales, and Germany), from which NSW can learn.

Wellbeing frameworks are usually organised in domains, indicators, and measures. Typically, each domain comprises several indicators. Measures for indicators can be objective, subjective, or both. In a wellbeing budget, progress against measures is usually presented in a dashboard format and complemented by narrative descriptions to form a multi-layered impression of overall wellbeing.

A NSW Wellbeing Framework and Budget can borrow from existing models in other jurisdictions. It can also leverage existing data that is already being collected for evaluation purposes across multiple government programs, rather than having to collect all new data. It can build upon existing government initiatives that align with a wellbeing approach such as NSW Treasury's Outcome Budgeting process and the Department of Premier and Cabinet's Subjective Wellbeing Survey. Accordingly, a NSW Wellbeing Framework and Budget is a natural evolution of these initiatives.

Preliminary research suggests that, while some parts of wellbeing frameworks are almost universal, aspects requiring careful consideration in NSW may include:

- the structure of the framework
- the mix of objective versus subjective measures and the question of monetisation
- equity and diversity of wellbeing, particularly wellbeing outcomes for vulnerable groups
- how First Nations people may understand wellbeing in unique ways that respect connection with Country, culture, and Indigenous knowledge.

Together, these considerations require a collaborative methodology that includes citizen science and Aboriginal science, thereby strengthening community 'ownership' of the framework.

A NSW Wellbeing Framework and Budget will enable the things that matter to us to be valued, integrated, compared, and reported in one place. This will support better decision-making to help improve wellbeing over time.

## 1. Background

In April 2021, the NSW Department of Planning and Environment<sup>1</sup> (DPE) Cluster Leadership Team agreed to explore developing a Wellbeing Budget for NSW. The idea was one of the finalists in the DPE Daring Ideas challenge, initiated in late 2020 to highlight DPE's value of being daring. For the challenge, a cross-cluster team of 20 staff collaborated to develop the concept of the Wellbeing Budget and pitch it to the judges, comprising the DPE Secretary and two Deputy Secretaries. This Foundation Paper responds to the judges' decision to progress the idea by outlining some of the key concepts and considerations in developing a Wellbeing Framework and Budget for NSW.

## 2. A model of wellbeing for NSW

The **purpose** of preparing this Foundation Paper is to ensure the NSW Wellbeing Budget project remains faithful to the original idea and is in line with the departmental values of being not only daring, but also collaborative, creative, kind, and inclusive.

The **aim** of this paper is to provide a foundation for discussions about what a Wellbeing Framework and Budget might look like in NSW, what are its constituent dimensions, how it might operate, and how to ensure it has integrity. This should guide decisions about the project as it develops. To illuminate the concept of wellbeing, the paper draws on existing frameworks elsewhere, and discusses key design considerations.

## 2.1. What is wellbeing?

As a concept, wellbeing may mean different things to different people. Some may think about wellbeing in terms of people's physical and mental health, or personal quality of life. Others may think about it at the level of community cohesion, networks, relationships, and resilience to change. Others may conceive of wellbeing in terms of overall public health, culture, environmental quality, and the quality of democratic systems. All of these conceptions are legitimate. The ACT Wellbeing Framework<sup>2</sup> offers this definition:

Wellbeing is about how we are doing, as individuals, as a community, and as a place to live. It's about having the opportunity and ability to lead lives of personal and community value – with qualities such as good health, time to enjoy the things in life that matter, in an environment that promotes personal growth and is sustainable. Measuring wellbeing is about having a sense of our progress around the things that matter to our quality of life, and help us to live our lives well.

The holistic, intersectional nature and seemingly expansive scope of the wellbeing concept can make it highly complex to understand and analyse. The work of researchers, and reference to other frameworks, offer useful ways to help us organise our thinking. Section 3 of this paper introduces the framework that typically underpins a wellbeing budget – domains, indicators, and measures. First, though, we need a model to explain the different levels of wellbeing – that is, individual, community, and societal. Boyce et al.<sup>3</sup> explain these as follows:

**Individual/personal wellbeing:** how a person feels about their own life. This is typically expressed in terms such as:

- happiness
- subjective wellbeing

<sup>&</sup>lt;sup>1</sup> Department of Planning, Industry and Environment at the time, and until changed to DPE in December 2021.

<sup>&</sup>lt;sup>2</sup> <u>https://www.act.gov.au/wellbeing</u>

<sup>&</sup>lt;sup>3</sup> Boyce et al., 2020.

- life satisfaction
- wellness
- prosperity
- quality of life.

The ACT's Personal Wellbeing Index<sup>4</sup> reflects this level and is a subset of its broader Wellbeing Framework.

**Community wellbeing:** what we need to live well locally, within our communities. Discussions on the community level of wellbeing typically feature terms such as:

- social capital
- thriving places
- neighbourliness
- social cohesion
- pro-social behaviours.

Many local councils focus on this level, as exemplified by the City of Sydney Community Wellbeing Indicators Report 2019.<sup>5</sup> Some organisations also apply this approach. For example, DPE's Health and Wellbeing Strategy<sup>6</sup> encompasses both a community-level and individual-level view of wellbeing, since it focuses on what a community of practice (DPE) can do to enhance the individual wellbeing of its people.

**Societal wellbeing:** what we need to live well together as a society, now and into the future. This includes consideration of inequalities between people and places, and our responsibility to future generations and our natural environment. It features broader ideas such as:

- social progress
- sustainable development
- human development
- wellbeing economy.

At this societal level, we can consider questions such as:

- Is NSW progressing towards better wellbeing for its residents?
- Are our communities as connected or cohesive as they were a generation ago?
- Do we have enough safe and affordable housing?
- Are we creating a more equitable NSW?

These are, of course, complex questions for which there might not be simple or straightforward answers. For that reason, a wellbeing budget considers a broad range of indicators and metrics to better understand and communicate how NSW is progressing and (hopefully) improving outcomes for its communities.

A helpful way to conceptualise the relationship between these three levels visually is by representing personal wellbeing existing within community wellbeing, which in turn exists within societal wellbeing (Figure 1).

<sup>&</sup>lt;sup>4</sup> <u>https://www.act.gov.au/wellbeing/explore-wellbeing-data/personal-wellbeing</u>

<sup>&</sup>lt;sup>5</sup> https://www.cityofsydney.nsw.gov.au/surveys-case-studies-reports/community-indicators-report

<sup>&</sup>lt;sup>6</sup> <u>https://intranet.dpie.nsw.gov.au/your-services/human-resources/work,-health-and-safety/health-and-wellbeing</u>



#### Figure 1: Levels of wellbeing

In practice, of course, the terms and ideas listed above may not neatly fall into one level, and some aspects of wellbeing may operate at more than one level. We can illustrate this through the example of social cohesion. As Biddle<sup>7</sup> explains, social cohesion is about "how much we trust each other, how connected we feel to others and to what extent we feel solidarity and empathy with others." When we consider this definition, it is apparent that social cohesion can refer to either the community level or the societal level. Clearly, therefore, an integrated, holistic approach to understanding wellbeing in NSW makes sense both conceptually and in practice.

## 2.2. What is a wellbeing budget?

Wellbeing frameworks and budgets enable the performance of the things that matter to us to be integrated, compared, and reported in one place, and help us to focus policy and investment on improving our wellbeing both overall and in targeted priorities.

A wellbeing budget considers qualitative, subjective, and cultural evidence in addition to traditional economic measures to create a more dynamic and informed picture of our social progress. As the process captures a broader range of evidence, across both quantitative and qualitative sources, a wellbeing budget can be extremely effective at identifying trends and emerging risks, informing government decision-making and targeting investment to achieve positive outcomes for the community.

### 2.3. Does NSW need a wellbeing budget?

#### 2.3.1. Wellbeing and social progress

The idea for a NSW wellbeing budget – or for a framework that would support such a budget – is not new. Nearly ten years ago, a briefing paper for the NSW Parliamentary Research Service<sup>8</sup> considered the options for measuring wellbeing in NSW and noted that the idea was already several decades old.

Jurisdictions around the world are increasingly developing and implementing their own wellbeing frameworks and budgets, tailored to reflect the needs and concerns of their communities. The

<sup>7 2021.</sup> 

<sup>&</sup>lt;sup>8</sup> Drabsch, 2012.

pioneer was Bhutan,<sup>9</sup> but more recent examples include Aotearoa New Zealand, Canada, Wales, and Germany. The UK launched 'Levelling Up the United Kingdom' in February 2022, as a platform to "spread opportunity more equally".<sup>10</sup> In Australia, the ACT Wellbeing Framework is well established, and Western Australia and Victoria are exploring similar frameworks. Globally, the UN Sustainable Development Goals<sup>11</sup> provide a more holistic set of progress measures, as does the Organisation for Economic Co-operation and Development (OECD) Better Life Index.<sup>12</sup>

Various non-governmental organisations also produce complementary frameworks and indicators. For example, the Centre for Social Impact published a Social Progress Index<sup>13</sup> from 2015 to 2018 with twelve indicators, performance being comparable across states and territories. A follow-up impact measurement tool called the Indicator Engine was launched in March 2022, as part of the Amplify Social Impact initiative.<sup>14</sup> The University of Canberra runs a Regional Wellbeing Survey,<sup>15</sup> which produces extensive data tables based on people's self-reported assessment of their wellbeing. These models could be viewed as basic or partial versions of a more holistic or comprehensive wellbeing framework. At the very least, they provide existing indicators of wellbeing progress.

Commenting on the development of wellbeing budgets in Aotearoa New Zealand, Justin Connolly summarises the distinctiveness of a wellbeing-oriented economy:

To move to a wellbeing economy recognises that economic development in the 21st Century means delivering ecological as well as human wellbeing. It recognises that a healthy environment underpins thriving human life. It knows that a healthy economy is made up of both monetary and non-monetary activity. It encourages indigenous knowledge to strength our economies in unique ways. And it takes an inter-generational lens to decision-making and investment.<sup>16</sup>

#### 2.3.2. Responding to limitations of economic measures of progress

The growing popularity of wellbeing frameworks and budgets may be a response to the limitations of existing economic measures, such as Gross Domestic Product (GDP), that show a limited and partial view of progress and are imperfect barometers for understanding our broader progress, including environmental, social, and cultural factors. Thus in 1968, Robert F. Kennedy famously remarked that GDP measures everything "except that which makes life worthwhile."<sup>17</sup>

GDP, which measures the monetary value of goods and services produced within a nation's borders in a given year, has the benefit of being well established, but it distorts policy priorities by:

- excluding non-market production (for example, domestic labour, volunteering);
- treating all expenditure equally, even if it reduces welfare or harms the environment;<sup>18</sup>
- overlooking unequal distribution of outcomes, even as average incomes rise.<sup>19,20</sup>

<sup>&</sup>lt;sup>9</sup> <u>https://www.gnhcentrebhutan.org/history-of-gnh/</u>

<sup>&</sup>lt;sup>10</sup> https://www.gov.uk/government/publications/levelling-up-the-united-kingdom

<sup>&</sup>lt;sup>11</sup> <u>https://sdgs.un.org/goals</u>

<sup>&</sup>lt;sup>12</sup> OECD, 2021.

<sup>&</sup>lt;sup>13</sup> <u>https://amplify.csi.edu.au/social-progress-index/</u>

<sup>&</sup>lt;sup>14</sup> <u>https://amplify.csi.edu.au/amplify-online/amplify-online-what-it-looks/</u>

<sup>&</sup>lt;sup>15</sup> <u>https://www.regionalwellbeing.org.au/</u>

<sup>&</sup>lt;sup>16</sup> Connolly, 2021.

<sup>&</sup>lt;sup>17</sup> https://en.wikisource.org/wiki/Remarks at the University of Kansas

<sup>&</sup>lt;sup>18</sup> For example, the cost of managing invasive species in Australia was estimated at AU\$3.8 billion in 2011-12 (Bradshaw et al., 2021). While this expense clearly reflects environmental damage, for GDP purposes it counts as an addition, that is, more damage leads to higher GDP.

<sup>&</sup>lt;sup>19</sup> Muir, Saunders & Weier, 2020.

<sup>&</sup>lt;sup>20</sup> van Bavel & Rijpma, 2021.

GDP, therefore, despite its widespread use, is not as 'objective' as we might assume – rather, it is an average of total production, expenditure, and income, and its calculation involves numerous methodological challenges and imperfections.<sup>21</sup> Other economic indicators that significantly influence policymaking are similarly limited by their modelling assumptions. For example, the official unemployment rate excludes millions of Australians who may want paid work but do not satisfy the particular definition of being 'in the labour force'.<sup>22</sup> This problem is exacerbated when we interpret these indicators not only to understand our past performance, but also when they strongly guide our future policy directions and decision making.

The increasing adoption of wellbeing frameworks and budgets is also driven by a strong imperative for ecological and social sustainability, given the inherent constraints of our biosphere, also known as 'limits to growth', or 'planetary boundaries'.<sup>23</sup> In response, new approaches to economics itself are increasingly becoming mainstream, as exemplified by 'post-growth economics'<sup>24</sup> and 'doughnut economics',<sup>25</sup> and related concepts such as circular economy, regenerative economy, and common-good economy.<sup>26</sup> The more holistic concept of wellbeing has therefore gained traction, and underpins influential alternatives such as the UN Sustainable Development Goals (SDGs).<sup>27</sup>

The Covid-19 pandemic and natural disasters like the 2019 bushfires and the 2022 flood events have further prompted a shift in community sentiment to reprioritise attention towards healthy environments, cohesive communities, and strong cultures.<sup>28</sup> A wellbeing approach can help governments to take a broader lens, to 'build back better'<sup>29</sup>, and even to align with international models like the OECD Better Life Index. Focusing on wellbeing as the overarching policy goal supports integrated outcomes for social, cultural, environmental, economic, and governance aspects of people's lives.<sup>30</sup>

NSW Treasury is already implementing a broader approach to measuring progress, as evidenced by the Outcome Budgeting process.<sup>31</sup> A core task for the pilot phase of the NSW Wellbeing Budget project is therefore to consider Outcome Budgeting and other existing government initiatives, such as the Department of Premier and Cabinet's Subjective Wellbeing Survey. These are discussed further in Section 5.3 of this paper. As such, this project is a natural evolution of the current policy direction.

## 3. Key elements of a wellbeing framework and budget

To develop a NSW Wellbeing Budget – and a NSW Wellbeing Framework to support and guide it – we do not need to start from scratch. Not only does NSW Government already have various initiatives that provide stepping stones to a wellbeing framework, but also there are many established wellbeing frameworks around the world, so the key elements are well understood.

<sup>&</sup>lt;sup>21</sup> Martin, 2021.

<sup>&</sup>lt;sup>22</sup> for example, Hutchens, 2021.

<sup>&</sup>lt;sup>23</sup> Meadows, Randers & Meadows, 2004.

<sup>&</sup>lt;sup>24</sup> Jackson, 2016.

<sup>&</sup>lt;sup>25</sup> Raworth, 2018.

<sup>&</sup>lt;sup>26</sup> Wellbeing Economy Alliance, 2021, p. 21.

<sup>&</sup>lt;sup>27</sup> <u>https://sdgs.un.org/goals</u>

<sup>&</sup>lt;sup>28</sup> Lomas, 2020.

<sup>&</sup>lt;sup>29</sup> for example, <u>https://www.oecd.org/coronavirus/policy-responses/building-back-better-a-sustainable-resilient-</u> recovery-after-covid-19-52b869f5/

<sup>&</sup>lt;sup>30</sup> 'Governance' is a common inclusion in wellbeing frameworks because of the need for robust systems for integrity in decision-making, where people trust that their views will be respected and influence outcomes.

<sup>&</sup>lt;sup>31</sup> <u>https://www.treasury.nsw.gov.au/budget-financial-management/reform/outcome-budgeting</u>

Furthermore, the Wellbeing Economy Alliance provides valuable resources<sup>32</sup> that can help policy makers design and implement a framework and evaluate its impact on wellbeing. Trebeck and Baker<sup>33</sup> summarise many of the themes of this Foundation Paper by proposing that a wellbeing budget needs to be:

- holistic and human
- outcomes-oriented
- rights-based
- long-term
- preventative
- precautionary
- participatory.

Wellbeing frameworks generally feature a common structure, comprising domains, indicators, and measures, and wellbeing performance is usually presented in dashboards. This section introduces these elements and discusses some considerations in their design.

**Domains** are simply labels to categorise aspects of wellbeing and help organise the framework. They may relate directly to tangible policy areas, such as education, environment, housing and transport; and/or they may be more intangible, such as identity, safety, governance, and culture.

Across existing wellbeing frameworks, the number of domains varies. Canada's framework<sup>34</sup> has five domains (prosperity, health, environment, society, and good governance), whereas the OECD Better Life Index, which closely informs the Aotearoa NZ<sup>35</sup> and Ireland<sup>36</sup> frameworks, and the NSW DPC Subjective Wellbeing Index, uses 11 domains. The ACT Wellbeing Framework<sup>37</sup> has 12 domains, while the Netherlands and Wales have seven each.

**Indicators** are specific, observable, and measurable characteristics of change that show progress within a domain. Indicators within a wellbeing budget sometimes can all stand as equally important, or they can be weighted to reflect different priority levels. The NSW Wellbeing Budget can incorporate indicators already tracked through State Outcome Budgeting and program evaluation frameworks, giving them more prominence in reporting and usage.

**Measures** (or metrics) are used to assess and track performance against an indicator. They can be either objective (i.e., something *directly measurable* such as the proportion of the population living within 500 metres of a railway station), or subjective (i.e., something based on *how people perceive or experience it*, such as the proportion of people who agree that they can easily get to the places they need to by public transport).

The selection of indicators and measures is a critically important – and challenging – task. To illustrate, the example of housing affordability is insightful. In NSW, it is well known that housing affordability is an ongoing challenge, and often a key focus for both government policy and public debate. But how should we measure it?

Figure 2 below suggests six possible measures, but there are many more. For example, the Australian Institute of Health and Welfare identifies several ways of measuring housing affordability and housing stress.<sup>38</sup> Furthermore, as Figure 2 shows, affordability is just one potential indicator of housing as a domain; others may include housing security and the level of homelessness. The

<sup>&</sup>lt;sup>32</sup> Wellbeing Economy Alliance, 2021.

<sup>&</sup>lt;sup>33</sup> 2021, pp. 57-63.

<sup>&</sup>lt;sup>34</sup> Department of Finance Canada, 2021.

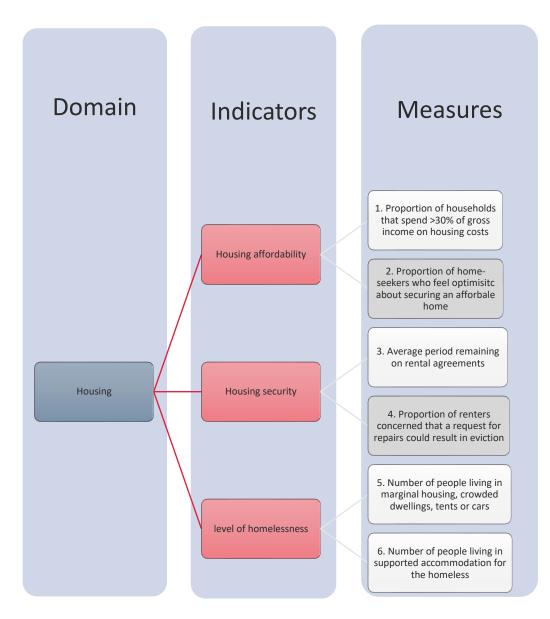
<sup>&</sup>lt;sup>35</sup> <u>https://www.treasury.govt.nz/publications/wellbeing-budget/wellbeing-budget-2021-securing-our-recovery</u>

<sup>&</sup>lt;sup>36</sup> Department of the Taoiseach, 2021.

<sup>&</sup>lt;sup>37</sup> ACT Government, 2020.

<sup>&</sup>lt;sup>38</sup> https://www.aihw.gov.au/reports/australias-welfare/housing-affordability

ACT Wellbeing Framework<sup>39</sup> also considers housing suitability, which covers accessibility and quality of housing.



#### Figure 2: Example indicators and measures for the domain 'Housing'

Note that the six measures in Figure 2 track housing in quantitative terms only. The shaded measures (numbers 2 and 4) are subjective measures expressed quantitatively. Qualitative research, analysis, and description would provide a richer description that helps us to understand how housing contributes to wellbeing more comprehensively. This complexity illustrates why it is so important to have a methodologically rigorous process in designing a wellbeing framework.

**Dashboards** can be effective communication tools for complex, multivariate wellbeing information as they can be designed to suit user needs, and can be complemented by narrative descriptions to paint a multi-layered picture of overall wellbeing performance. Through data storytelling, a dashboard can be designed to instruct and guide a general user through notable features of the framework and data.

<sup>&</sup>lt;sup>39</sup> ACT Government, 2020, p. 19.

A dashboard designed for a researcher or analyst can provide detailed metadata alongside raw data, with capability to extract data. As noted by Drabsch<sup>40</sup> and Hoekstra,<sup>41</sup> a dashboard designed in this way can reduce the need to subjectively weight different measures. Another popular option is a single index, which summarises overall wellbeing in one number for ease of communication. However, Hoekstra notes that such an approach by definition does not capture the multidimensionality of wellbeing, or differences in wellbeing performance across different domains. Clearly, a third option is to use both a single index *and* a dashboard. Regardless, wellbeing data is best communicated with an accompanying narrative, enabling us to tell the stories behind the numbers.

## 4. Key design considerations for the NSW Wellbeing Framework and Budget

Wellbeing is all-encompassing, which makes it very challenging to conceptualise, and to ensure nothing significant is overlooked. At the same time, the interdependent nature of many contributing factors to wellbeing means that separating those factors into categories, or domains, risks losing some of its holistic nature.

For example, domestic violence is closely correlated with homelessness for women and children.<sup>42</sup> Similarly, the quality of our social connections and natural environment strongly influences our propensity for loneliness, which in turn has public health impacts.<sup>43</sup> So, if we separate interrelated social issues for analytical purposes, we risk having only a partial understanding of the *intersectional* nature of wellbeing itself, misguiding our policy responses. It also demonstrates that DPE has a role to play in an integrated effort to tackle domestic violence, which might intuitively be considered beyond its departmental remit.

The answer to these challenges is likely to be thoughtful, participatory design and careful evaluation over time. The selection of domains, indicators and measures should be a conversation among all stakeholders, including subject matter experts and NSW communities. At the same time, 'perfection' may not be the goal at first, and many existing frameworks evolve over time in response to new understandings and priorities. The Wellbeing Economy Alliance's policy guide<sup>44</sup> for building wellbeing frameworks can provide a useful reference document for NSW.

Meanwhile, this section identifies four aspects requiring careful consideration in designing a wellbeing framework and budget in the NSW context: design and structure, quantitative versus qualitative measures, equity and wellbeing for First Nations people.

### 4.1. Design and structure

Several jurisdictions globally have developed some kind of wellbeing framework, but framework designs and structures vary. These jurisdictions are highly diverse socio-demographically, and include Canada, Wales, Iceland, Germany, and Bhutan. Some use other terms synonymously or interchangeably with wellbeing, such as living standards, happiness, genuine progress, or quality of life. The Wellbeing Economy Alliance<sup>45</sup> now has a collaboration of 'Wellbeing Economy

<sup>&</sup>lt;sup>40</sup> 2012, p. 17.

<sup>&</sup>lt;sup>41</sup> 2020, p. 8.

<sup>&</sup>lt;sup>42</sup> for example, Equity Economics, 2021.

<sup>&</sup>lt;sup>43</sup> Hammoud et al., 2021.

<sup>&</sup>lt;sup>44</sup> Wellbeing Economy Alliance, 2021.

<sup>45</sup> https://weall.org/

Governments' or WEGo,<sup>46</sup> sharing expertise and policy practices, and working to advance a shared ambition of building wellbeing economies.

There is no universal design for a wellbeing framework and the choice of approach should reflect community values. Many jurisdictions, including New Zealand, have chosen to align with existing frameworks such as the OECD Better Life Index.<sup>47</sup> The benefit of such alignment is the ability to make easy comparisons with other jurisdictions. Alternatively, some jurisdictions such as Wales have created their own domains, informed through community and academic collaboration. This approach aims to ensure the framework reflects the needs and priorities of the community.

This section discusses these examples – as well as the ACT – in greater detail and notes the scope of NSW wellbeing data already available in the OECD Better Life Index.

#### 4.1.1. Aotearoa New Zealand and the OECD Better Life Index for NSW

The Aotearoa New Zealand Wellbeing Budget is built around the NZ Living Standards Framework shown in Figure 3 below, and has been delivered in 2019, 2020, and 2021. The 2019 and 2020 budgets organised wellbeing into 12 domains, based closely on the OECD Better Life Index. Reflecting an intergenerational perspective, the budgets also incorporate four 'capitals' (human, natural, social, and economic), to indicate resources available for future wellbeing, and therefore as determinants of wellbeing.

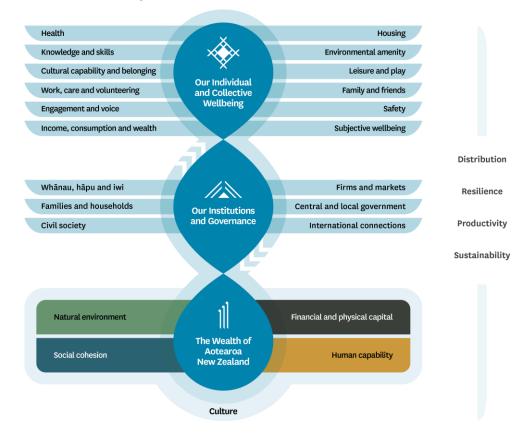


Figure 3 New Zealand Living Standards Framework

 <sup>&</sup>lt;sup>46</sup> Current members are Finland, Iceland, New Zealand, Scotland, Wales, and Canada (<u>https://weall.org/wego</u>).
<sup>47</sup> OECD, 2021.

In 2021, the budget expanded to incorporate He Ara Waiora as a cultural framework. The budget now considers the alignment of *all* budgetary initiatives (not just those focused on the Māori community) with the five principles of He Ara Waiora:

- Kotahitanga working in an aligned, coordinated way;
- Tikanga making decisions in accordance with the right values and processes;
- Whanaungatanga fostering strong relationships through kinship and/or shared experience that provide a shared sense of belonging;
- Manaakitanga enhancing the mana of others through a process of showing proper care and respect;
- Tiakitanga guardianship, stewardship (e.g., of the environment, particular taonga, or other important processes and systems).

Alongside the budget, the NZ Government has identified five "enduring wellbeing objectives," such as "reducing child poverty and improving child wellbeing," selected through "a collaborative and evidence-based approach."<sup>48</sup> The NZ Government measures each year's performance against these objectives, with a focus on long-term, sustained investment. The aim is that each budget contributes to achieving each objective over time through policy responses.



Figure 4: OECD Regional Wellbeing map for NSW. (https://www.oecdregionalwellbeing.org/AU1.html)

The Aotearoa NZ model is clearly instructive for NSW, and has been described as "comprehensive, long-term, and indeed visionary".<sup>49</sup> Indeed, the OECD Better Life Index on which it is based already publishes data on wellbeing in Australia. This is mapped down to the level of states and territories, but not to regions within them. In contrast, the Aotearoa NZ data is mapped across 14 regions, enabling more localised comparisons.

The OECD Better Life Index regional wellbeing map for NSW is shown in Figure 4. The numbers are scores out of 10 and enable comparison within Australia and with other OECD regions. For example, the score of 7.9 for 'Access to services' places NSW sixth out of the eight states and territories, and in the top 29% of all OECD regions.<sup>50</sup>

As noted, the Aotearoa NZ model also places a strong emphasis on culture, and this dimension can be applied and adapted for NSW. The country's geographical proximity, and its historical-cultural context of colonial development, also mean that any wellbeing framework will have parallels with NSW. The underpinning 'capitals' model is also well established. However, caution may be needed with language here, as the term 'capitals' can inadvertently imply that the environment or community are 'stocks' that can be added to and depleted, or even bought and sold.<sup>51</sup>

<sup>&</sup>lt;sup>48</sup> <u>https://www.treasury.govt.nz/publications/wellbeing-budget/wellbeing-budget-2021-securing-our-recovery-</u> <u>html#section-4</u>

<sup>49</sup> Salvaris, 2019.

<sup>&</sup>lt;sup>50</sup> <u>https://www.oecdregionalwellbeing.org/AU1.html</u>

<sup>&</sup>lt;sup>51</sup> Monbiot, 2018.

#### 4.1.2. Wales

The Wales wellbeing framework is centred around seven domains or 'wellbeing goals' enshrined in the *Well-being of Future Generations (Wales) Act 2015.* These aspirational and interconnected goals draw from the United Nations Sustainable Development Goals with the addition of a specific focus on Welsh culture and language. The goals are framed through a sustainable development lens, or "ensuring that future generations have at least the same quality of life as we do now"<sup>52</sup> and were determined following a dialogue on 'The Wales We Want'<sup>53</sup> with over 7,000 participants.



#### Figure 5: Wellbeing goals for Wales

A review of this approach found the advantage of using legislation in this way is that it operates independently of political partisanship and demonstrates a long-term focus.<sup>54</sup> The same review also found, conversely, some shortcomings in its effectiveness such as loopholes in implementation (e.g., insufficient funding, poor accountability) and a lack of enforcement powers.

### 4.1.3. Australian Capital Territory

The Australian Capital Territory (ACT) Wellbeing Framework<sup>55</sup> is a more recent initiative, building on a wellbeing forum held in May 2019, and extensive community engagement subsequently. It also has 12 domains, as well as a Personal Wellbeing Indicator that sits outside the domains and represents the 'individual' level of wellbeing only. All domains are treated equally and are communicated via a dashboard.<sup>56</sup> The ACT released its first wellbeing budget in 2021.<sup>57</sup>

<sup>&</sup>lt;sup>52</sup> <u>https://gov.wales/well-being-of-future-generations-wales</u>

<sup>&</sup>lt;sup>53</sup> https://cynnalcymru.com/wp-content/uploads/2021/04/The-Wales-We-Want-Report-English-Final.pdf

<sup>&</sup>lt;sup>54</sup> Jones et. al., 2021, p. 7.

<sup>&</sup>lt;sup>55</sup> ACT Government, 2020.

<sup>&</sup>lt;sup>56</sup> <u>https://www.act.gov.au/wellbeing/explore-wellbeing-data</u>

<sup>&</sup>lt;sup>57</sup> https://www.treasury.act.gov.au/ data/assets/pdf file/0008/1870136/2021-22-ACT-Budget-Outlook.pdf

Each domain in the ACT Wellbeing Framework has between three and seven indicators. The framework document clearly defines these indicators and identifies both quantitative and qualitative data sources (for example, 'national statistics', or 'self-rated survey'). The ACT Government has reported the intention, over time, to disaggregate averages to help understand variations in wellbeing across the community. Based on outcomes of engagement, there is also a strong focus on intergenerational wellbeing, and on sustainability.

The ACT Government intends to use the Wellbeing Framework to inform decision-making, rather than just to measure progress and outcomes:

The ACT Government is committed to using the Wellbeing Framework and the information it provides to inform Government priorities, policies and investment decisions – including through the annual Budget process. The Government will use reporting from the Framework to help inform Budget priority areas that will assist in the development and prioritisation of initiatives.<sup>58</sup>

The ACT Government is supporting the framework with whole-of-government training, online resources, and an active wellbeing 'community of practice'.

The framework is also supported by a Wellbeing Impact Assessment tool,<sup>59</sup> which is a mandatory requirement for all Budget proposals (2021-22 onwards) and Cabinet business (2022 onwards) in the ACT. Wellbeing impact assessment summaries must now be released for all Cabinet decisions under the open access requirements of the ACT's *Freedom of Information Act 2016*. This is consistent with recent developments in social impact assessment in NSW, and with the accompanying guideline.<sup>60</sup>

### 4.2. Managing data: quantitative and qualitative measures

Quantitative measures are of course used in all budgets to monitor economic indicators, and to help guide government policy reforms and new initiatives. For example, to inform investment in social housing, decision-makers might review the number of people in NSW who currently access social housing, the number of people on waiting lists for social housing, and the average waiting periods.

At the same time, qualitative measures can help us understand wellbeing more deeply, and the context underlying it. Methods for collecting qualitative material typically include interviews, focus groups, workshops, and surveys. Findings are usually analysed for common themes, and to identify patterns and differences, and can be represented via narrative description, images, or other graphical representations. Qualitative measures of wellbeing might include:

- What makes people feel most safe in their communities?
- How has Covid-19 affected people's sense of social connection/isolation?
- How confident are people about the future for themselves and their families?
- Are people able to access the health and education services they need?
- How well equipped do people feel to cope with an emergency or a natural disaster?

By understanding both quantitative and qualitative dimensions of wellbeing, governments can respond with stronger insights for effective policy interventions and investments. Since the potential list of measures is almost infinite, collaboration with subject matter experts as well as extensive community engagement will help to identify relevant measures for a NSW Wellbeing Budget. Data and insights should then be reported annually, enabling tracking of progress over

<sup>&</sup>lt;sup>58</sup> ACT Government, 2020, p. 31.

<sup>&</sup>lt;sup>59</sup> <u>https://www.act.gov.au/\_\_data/assets/word\_doc/0004/1910974/Wellbeing-Impact-Assessment-Template.docx</u>

<sup>&</sup>lt;sup>60</sup> <u>https://www.planningportal.nsw.gov.au/major-projects/assessment/policies-and-guidelines/social-impact-</u> <u>assessment</u>

time. It is also expected that measures would evolve as new insights emerge and as priorities change.

#### 4.2.1. Monetisation

As noted above, wellbeing frameworks typically include both qualitative and quantitative aspects. However, the quantitative data tends to attract the majority of attention, and an important methodological consideration is whether any quantitative measures can be reasonably monetised.

In principle, the benefit of expressing something in monetary terms is that it then becomes easier to integrate it into business decision-making; to compare relative values of things, and potentially substitute on aspect of wellbeing for another. This is illustrated by DPE's 'Valuing Green Infrastructure and public spaces'<sup>61</sup> initiative, which aims to elevate the role of green space in planning by directly valuing it in monetary terms to communicate cost-effective outcomes for the community. Examples of measures used by the initiative include:

- 18 cents per household per year to remove one truckload of rubbish from our waterways<sup>62</sup>
- Average spend of \$58 by museum visitors in local shops and services.<sup>63</sup>

The question of monetisation also reflects an ongoing philosophical debate in social research and evaluation more broadly. If we express a social phenomenon in monetary terms, does this help us to understand it – and respond to it with policy change, whose effectiveness we can then continue to measure and monitor quantitatively? For example, loneliness across Australia is estimated to cost \$2.7 billion per year,<sup>64</sup> a figure that might seem likely to prompt policy responses to strengthen social connectedness. Or, conversely, does monetisation *diminish* our understanding by 'reducing' lived experience to numbers?

The appeal of monetising intangible aspects of life is very powerful, because it translates everything into a single measure – a dollar – thereby simplifying investment decisions. For example, New Zealand has implemented a CBAx tool, which attempts to monetise social impacts, costs and benefits as part of its wellbeing budget. NZ Treasury's CBAx Tool User Guidance encourages monetising wellbeing impacts "where possible and supported by evidence."<sup>65</sup> The aim is to enable initiatives to be assessed against the wellbeing domains according to their monetary cost or benefit. To illustrate, the CBAx tool uses an example of a vaccination program for children. It identifies four wellbeing domains that could be affected and estimates the monetary magnitude of impact within each domain. The tool also requires users to state the quality of evidence underpinning the assessment (high, medium, or low), and to identify all assumptions. This leads to the question of what evidence would be considered 'high quality', and what assumptions considered reasonable to justify monetisation?

Consider the 'environment' domain, which we might expect to be relatively easy to measure with quantitative indicators, and arguably even to monetise. For example, we have scientific measures for levels of pollutants, groundwater levels and quality, and biodiversity. But here too, some things are difficult to measure, and very challenging to monetise. In a recent paper, Bradshaw et al.<sup>66</sup>

<sup>&</sup>lt;sup>61</sup> <u>https://www.dpie.nsw.gov.au/premiers-priorities/valuing-green-infrastructure-and-public-spaces</u>

<sup>&</sup>lt;sup>62</sup> See infographic at <u>https://www.dpie.nsw.gov.au/premiers-priorities/valuing-green-infrastructure-and-public-</u>

<sup>&</sup>lt;u>spaces/.</u> Sydney Water surveyed households in the Georges, Cooks and Parramatta river catchments. They found on average people were willing to pay \$0.18 per annum for 10 years for every additional truck load of rubbish and litter removed from the waterways annually.

 <sup>&</sup>lt;sup>63</sup> See infographic at <u>https://www.dpie.nsw.gov.au/premiers-priorities/valuing-green-infrastructure-and-public-spaces/.</u> Vibrant streets and public facilities generate positive social, economic, cultural and environmental outcomes.
Studies have shown that museum visitors spend an additional \$58 on average on food, beverages and retail goods.
<sup>64</sup> Duncan et al., 2021.

<sup>&</sup>lt;sup>65</sup> NZ Treasury, 2020, p. 1.

<sup>&</sup>lt;sup>66</sup> Bradshaw et al., 2021, p. 533.

estimate the total observed cost of invasive species in NSW since 1960 to be US\$5.25bn, the highest of all Australian states and territories. However, the authors note that this is probably a substantial underestimate, because it counts only the costs of managing the damage, and excludes ecological damage, erosion of ecosystem services, and loss of cultural values.<sup>67</sup>

Accordingly, monetising metrics can inform key aspects of a wellbeing budget. However, monetising *all* metrics can create false equivalencies or lead to skewed decision-making. As such, monetised metrics may be more useful for communicating value to the community than for informing policy decisions.

## 4.3. Equity

As noted earlier in this paper, GDP does not consider the distribution of society's resources. Whether expressed as an overall figure, or per capita, it considers every dollar to be of equal value, whether it flows to the wealthiest or the poorest in society.<sup>68</sup> The same applies to the distribution of other contributors to wellbeing. For example, a headline figure on the incidence of crime, or on the incidence of a health condition, tells us nothing about whether that crime or health condition is being experienced evenly across the population or disproportionately by some sectors. Similarly, comparatively examining access to jobs, education, health care, and social support can reveal sharp inequalities across different locations.<sup>69</sup>

It is well known that certain groups, or people who live in certain locations, tend to be marginalised and vulnerable, or worse off, in society generally. Higher inequalities are generally associated with lower public health and wellbeing outcomes,<sup>70</sup> as well as less stable economies, lower social mobility, higher crime rates, lower civic participation, and reduced likelihood of subjective happiness.<sup>71</sup> For these reasons, widening inequalities are undesirable from a public policy point of view, and, according to Piketty,<sup>72</sup> only avoidable through deliberate intervention. Policy interventions can address inequalities and vulnerabilities most effectively if they are fully informed with relevant data, disaggregated to compare outcomes for different social groups.

An important function of a wellbeing budget, therefore, is to examine differences in wellbeing outcomes across different geographical or spatial areas and across demographic, social, and cultural groups. Identifying, describing, and (where appropriate) quantifying such differences can help to pinpoint places and groups to target for investing in better wellbeing outcomes.

For example, a wellbeing dashboard might present indicators across certain 'vulnerable or marginalised' groups,<sup>73</sup> such as:

- Indigenous peoples
- women
- isolated elderly people
- children and young people
- single-parent households

<sup>&</sup>lt;sup>67</sup> Bradshaw et al., 2021, p. 545.

<sup>&</sup>lt;sup>68</sup> for example, Drabsch, 2012, p. 14.

<sup>&</sup>lt;sup>69</sup> For example, Gladstone, 2021.

<sup>&</sup>lt;sup>70</sup> for example, Wilkinson & Pickett, 2009.

<sup>&</sup>lt;sup>71</sup> <u>https://equalitytrust.org.uk/about-inequality/impacts</u>

<sup>&</sup>lt;sup>72</sup> This is explained in extensive detail by Thomas Piketty (2014) in his landmark work, *Capital in the 21st Century*. <sup>73</sup> In undertaking research for the Wellbeing Budget, we should always be careful with labelling people in certain categories. Lived experience is always more complex than data. For example, there is no agreement on a satisfactory term for 'CALD' people, mainly because the diversity within it makes a single broad category almost meaningless, or reductionist, inadvertently negating the diversity it seeks to highlight. Accordingly, analysis should always seek a more nuanced approach, focusing on the diversity of experience between different sub-groups, and on intersectional factors that may further influence wellbeing outcomes (Shepherd, Ravulo & Phillipson, 2021).

- those on very low incomes
- those living with disabilities or poor health
- ethnic minorities, migrants, those who are culturally and linguistically diverse (CALD) or those from non-English speaking backgrounds
- those experiencing homelessness or insecure housing
- those living outside metropolitan areas
- those who are unable or unwilling to express or represent themselves and their needs.<sup>74</sup>

A NSW Wellbeing Budget should consider reporting data for these groups specifically as a way to track changes where policy intervention can be most effective. It should also consider how to best capture the contribution of reduced inequality – and of intergenerational equity - to overall state wellbeing.

### 4.4. Wellbeing for First Nations people

DPE recognises the need for specific interventions to lift wellbeing for First Nations people in NSW. This recognition is reflected in programs such as *Our Place on Country*, *Closing the Gap*, and *Roads to Home* (see Section 5.3 of this paper).

Wellbeing has a specific set of meanings for First Nations peoples that extends beyond mainstream Western concepts. From a First Nations perspective, wellbeing is a holistic concept that depends on a network of relationships between individuals, family, kin, community, culture, and Country. This view recognises the importance of connection to land, water, skies, culture, spirituality, and ancestry. The Mayi Kuwayu National Study of Aboriginal and Torres Strait Islander Wellbeing, for example, is currently exploring relationships between wellbeing, connection to Country, cultural practices, spirituality, language use and other factors.<sup>75</sup>

For Aboriginal and Torres Strait Islander peoples, an individual's wellbeing depends on the broader community's collective wellbeing, and "involves harmony in social relationships, in spiritual relationships and in the fundamental relationship with the land and other aspects of physical environment."<sup>76</sup> Respecting Aboriginal conceptualisations of wellbeing also requires thoughtful attention to the *process* of researching it.

Developing and applying a wellbeing framework is essentially a social research process. However, it has long been recognised that mainstream Western methods for undertaking social research are neither appropriate nor effective for understanding Aboriginal culture and communities. Indeed, the act of research is seen by many as a continuation of repressive relations of power, especially if it is research 'on', rather than 'with', Aboriginal people. As a social practice, research is inextricably linked with the European colonial project of pursuit of knowledge 'about' Indigenous peoples.<sup>77</sup> In practice, "Western conceptions of culture, values, time, space, and knowledge have been privileged historically as more valid interpretations than Indigenous accounts."<sup>78</sup> In turn, this privileging of Western science over Aboriginal science has actively helped to promote a view of land not as something having intrinsic value, or something that might be essential for wellbeing, but as "something to be tamed and brought under control."<sup>79</sup> As Page & Memmott<sup>80</sup> put it, "while holistic thinking and relational networks are intrinsic to Native thought, western science is

<sup>&</sup>lt;sup>74</sup> Adapted from Vanclay et al., 2015.

<sup>&</sup>lt;sup>75</sup> <u>https://rsph.anu.edu.au/research/projects/mayi-kuwayu-national-study-aboriginal-and-torres-strait-islander-wellbeing</u>

<sup>&</sup>lt;sup>76</sup> Haswell et al., 2013, p. 24.

<sup>&</sup>lt;sup>77</sup> Phillips, 2003, p. 3

<sup>&</sup>lt;sup>78</sup> Parsons, 2010, p. 85.

<sup>&</sup>lt;sup>79</sup> Smith, 1999, p. 51.

<sup>&</sup>lt;sup>80</sup> Page & Memmott, 2021, p. 23.

reductionist and therefore compartmentalises knowledge." This implies a need for 'decolonising methodologies'.<sup>81</sup>

Recent works by Page & Memmott and Neale & Kelly<sup>82</sup> provide especially helpful and relevant directions for developing some kind of 'decolonised' approach to thinking about what wellbeing means for Aboriginal people, and therefore how best to apply such an approach. Three interrelated themes stand out, and lead to three implications for a NSW Wellbeing Budget.

#### 4.4.1. Connection to Country – people as part of Country

Building on the influential work of Bruce Pascoe<sup>83</sup> and Bill Gammage,<sup>84</sup> Page & Memmott outline how Aboriginal people are inherently connected to Country. To explain the concept of Country, and connection with people, we can learn from Danièle Hromek's introduction to the NSW Government Architect publication, 'Designing with Country':

The western experience of land is one of property, an appropriated ground given a monetary value, a landscape that is tamed, built upon, produced, owned. In the Aboriginal sense of the word, Country relates to the nation or cultural group and land that they/we belong to, yearn for, find healing from and will return to... Country soars high into the atmosphere, deep into the planet crust and far into the oceans. Country incorporates both the tangible and the intangible, for instance, all the knowledge and cultural practices associated with land. People are part of Country, and their/our identity is derived in a large way in relation to Country. Their/our belonging, nurturing and reciprocal relationships come through our connection to Country. In this way Country is key to our health and wellbeing.<sup>85</sup>

Here we can see multiple connections at once – not only are Aboriginal people inherently connected with Country, knowledge, and culture, but also ultimately all these things are tied to wellbeing. In practice, this illustrates the usefulness of the concept of *cultural health* of Country, which will bring an important layer of understanding within what is typically the 'environment' domain of wellbeing frameworks. To illustrate the depth of this idea, the DPE Cultural Science team has developed a 'cultural health checklist' with 76 indicators.

#### 4.4.2. Indigenous knowledge as an integrated system

Neale & Kelly contrast the 'compartmentalised' western knowledge system with the 'integrated' Indigenous system. This is not to assert that one is right and the other wrong, but rather that their different methods of organising knowledge "produce a vehicle for cross-cultural fertilisation so that each can learn from the other".<sup>86</sup> Drawing on Martin Nakata's concept of the 'cultural interface',<sup>87</sup> they propose the term 'the third archive'<sup>88</sup> to describe an integrated approach to using both forms of knowledge complementarily, i.e. an integration of today's manual and digital archive systems with traditional systems that rely on oral culture and memory.

#### 4.4.3. Oral culture with knowledge archived in Country via Songlines

Songlines are the Aboriginal version of western encyclopaedias, according to Neale & Kelly.<sup>89</sup> They are how Aboriginal people store memory about Country – including for example, where edible

<sup>&</sup>lt;sup>81</sup> Smith, 1999.

<sup>&</sup>lt;sup>82</sup> Neale & Kelly, 2020.

<sup>&</sup>lt;sup>83</sup> Pascoe, 2018.

<sup>&</sup>lt;sup>84</sup> Gammage, 2012.

<sup>&</sup>lt;sup>85</sup> Quoted in NSW Government Architect, 2020.

<sup>&</sup>lt;sup>86</sup> Neale & Kelly, 2020, p. 67.

<sup>&</sup>lt;sup>87</sup> Neale & Kelly, 2020, p. 146.

<sup>&</sup>lt;sup>88</sup> Neale & Kelly, 2020, pp. 45-66.

<sup>&</sup>lt;sup>89</sup> Neale & Kelly, 2020, pp. 86-88.

and medicinal plants can be found, in what season to harvest them, and who has cultural authority to share stories about them. This system has evolved through retelling over tens of thousands of years, with knowledge passed on to new generations. That retelling could be via narrative stories, song, dance, art, and/or ceremonial performance – 'acting out' the story. Recent research on brain plasticity shows that our capacity to 'rewire' our brains – thereby creating new neural pathways – is enhanced by associating memories with music, dance, art, and especially places. In other words, we are much better at remembering something, such as an event, or an experience, or the name of a plant, if we associate it with a particular location. A Songline can therefore be understood as a sequence of locations, each of which acts as mnemonic cues for cultural knowledge, and which collectively form an easily recalled narrative.

Collectively, these three ideas help us to design methodologies in ways that respond to Aboriginal cultural values and the imperative of decolonisation. Implications for a NSW Wellbeing Framework and Budget would appear to include:

- The framework, including identification of relevant indicators and metrics, should be codesigned with Aboriginal communities to reflect their perspectives of wellbeing and cultural science practices.
- An Aboriginal cultural lens should be applied across all wellbeing domains to demonstrate connection and integration, rather than constituting its own domain separated from other aspects of wellbeing.
- Provisions for data governance should respect and support Aboriginal peoples' data sovereignty.<sup>90</sup>
- Ongoing improvement will require continuous engagement via cultural conversations to inform adjustments to our understanding of wellbeing over time.

## 5. Applying the Wellbeing Budget

### 5.1. Practical objectives

A NSW wellbeing budget needs to be designed and used in a way that can support better decisions about key priorities, policies, and investments. Some other tools, such as the Better Life Index and the UN Sustainable Development Goals, exist to shed light on performance at a macro level for the purpose of tracking progress. The additional value in a NSW Wellbeing Budget would be to provide a robust, holistic and practical tool to support decision-making. For example, drawing on some examples from this Foundation Paper, a NSW Wellbeing Budget could practically help to deliver targeted investment in policy areas such as:

- environmental sustainability and intergenerational equity
- equitable access to health, educational, social, community, and cultural services
- self-determination for First Nations peoples
- resilient and sustainable livelihoods
- access to safe, comfortable, and affordable housing
- cohesive, safe communities and families free from fear, abuse, and violence.

A wellbeing budget for NSW can support long-term, holistic integrated planning and outcomesfocused investment, especially when its research design incorporates participatory and Aboriginalled approaches to science, monitoring, and evaluation.<sup>91</sup>

<sup>&</sup>lt;sup>90</sup> CSIRO, 2020.

<sup>&</sup>lt;sup>91</sup> Holden, Rosenberg & Dixon, n.d.

Nevertheless, we cannot expect a wellbeing budget to deliver everything we want overnight. It is a long-term project, focused on intergenerational equity and the future.<sup>92</sup> To be sustainable, it cannot be subject to electoral cycles or ideological preferences. It will take time to shift thinking and for policy decisions to deliver sustained – and sustainable – outcomes.<sup>93</sup>

## 5.2. Work to date

In April 2021, the idea of a NSW Wellbeing Budget was a finalist in the DPE 'Daring Ideas' challenge and was approved by the DPE senior executive for a pilot phase. In September 2021, the DPE Cluster Leadership Team endorsed the project scope of works. The project is overseen by a Project Control Group (PCG) comprising eight Directors and six Executive Directors across DPE, nominated by the head of each Division.

In January and February of 2022, the project team facilitated nine internal engagement workshops. The purpose of the workshops was to invite DPE staff into the design process, to hear advice, ideas and insights, to understand information needs relating to wellbeing, and to identify potential project alignments.

The internal design workshops attracted 89 attendees from 122 workshop registrations, which translates to an attendance rate of 72 per cent, well above the industry average of 53 per cent.<sup>94</sup> The sessions demonstrated that there is considerable appetite and support for a Wellbeing Budget from across DPE, and participants identified several alignments with projects across the cluster.

### 5.3. Existing NSW Government initiatives relating to wellbeing

The Wellbeing Budget pilot project is well positioned as an evolution of existing NSW Government initiatives. Two key initiatives in particular are relevant to designing and introducing a NSW Wellbeing Budget: NSW Treasury's Outcome Budgeting process, and NSW Department of Premier and Cabinet's Subjective Wellbeing Survey.

#### 5.3.1. Outcome Budgeting

The Wellbeing Budget pilot project recognises that the NSW Treasury Outcome Budgeting process has close alignment with a Wellbeing approach. Outcome Budgeting was announced in the 2017-18 NSW Budget. It is designed to focus investment decisions on outcomes for people by putting their needs first.<sup>95</sup> It comprises 37 State Outcomes across ten portfolios and includes outcome and performance measures to illustrate progress against each outcome.

A State Outcome is one that the NSW Government is seeking to achieve for the people of NSW. Each State Outcome has indicators of performance, programs associated with achieving the State Outcome, and performance measures (qualitative and quantitative) for those programs. DPE is responsible for delivery of four of the State Outcomes:

- Connecting communities to resilient and sustainable energy and local environments
- Maximise community benefit from government land and property
- Sustainable, secure, and healthy water resources and services
- Create a strong and liveable NSW

DPE's Outcome and Business Plan (OBP)<sup>96</sup> outlines how it plans to deliver on these State Outcomes, and report performance to Treasury. Budget bids and New Policy Proposals (NPPs)

<sup>&</sup>lt;sup>92</sup> An example of using a future vision to contemplate policy directions is offered by Nash (2022).

<sup>&</sup>lt;sup>93</sup> Connolly, 2021.

<sup>&</sup>lt;sup>94</sup> GoToWebinar (2019).

<sup>&</sup>lt;sup>95</sup> <u>https://www.treasury.nsw.gov.au/budget-financial-management/reform/outcome-budgeting</u>

<sup>&</sup>lt;sup>96</sup> <u>https://intranet.dpie.nsw.gov.au/about-us/our-dpie-vision,-priorities-and-values/obp/DPIE-OBP.pdf</u>

must evaluate how they will impact on State Outcome indicators and program performance measures.

A Wellbeing Budget will incorporate the established elements of the Outcome Budgeting Process, and supplement with additional data and evidence, such as subjective indicators, community-identified metrics, liveability and affordability measures, and environmental capital considerations.

### 5.3.2. Subjective Wellbeing Survey

The Subjective Wellbeing Survey is a 30-minute electronic survey managed by DPC, designed to track the subjective wellbeing of a sample of 6,000 NSW residents. It runs every six months and has seen eight waves as at February 2022. The results have not yet been made public, although there is an intention to do so. The survey itself is distributed by a market research organisation, to provide a level of independence from government. The questions include three sections:

- self-assessed wellbeing against 11 criteria (based on the OECD Subjective Wellbeing Index)
- levels of satisfaction with 15 Government services
- special topics of interest that change with each wave.

The self-assessment under the first section of the survey is used to generate an overall 'Subjective Wellbeing Index' that is tracked over time, and that is disaggregated to enable comparison across different social groupings (for example, age, gender, region). The survey questions ask participants to rate both their level of satisfaction and the level of importance they attach to the item. This enables identification of priority policy areas as those with both relatively low satisfaction and high importance, at least subjectively. There are also opportunities for free-text responses, allowing a more qualitative picture to emerge.

### 5.3.3. Other wellbeing initiatives

DPE has a broad range of further programs with reported performance outcomes that explicitly target components of wellbeing, and these were identified in the internal design workshops. Examples include Our Place on Country,<sup>97</sup> Everyone Can Play,<sup>98</sup> Citizen Science,<sup>99</sup> Greening our City,<sup>100</sup> Roads to Home,<sup>101</sup> Valuing Green infrastructure and public spaces,<sup>102</sup> and Social Impact Assessment.<sup>103</sup> These programs and others all report performance outcomes, therefore, that could be integrated into a NSW Wellbeing Budget.

Other NSW agencies also support wellbeing-related outcomes and/or produce data that could integrate with a NSW Wellbeing Budget. Examples include the Greater Sydney Commission,<sup>104</sup> Department of Regional NSW,<sup>105</sup> NSW Department of Education,<sup>106</sup> and NSW Department of Communities and Justice.<sup>107</sup>

<sup>&</sup>lt;sup>97</sup> <u>https://www.dpie.nsw.gov.au/ data/assets/pdf\_file/0005/348980/Aboriginal-Outcomes-Strategy.pdf</u>

<sup>98</sup> https://everyonecanplay.nsw.gov.au/

 <sup>&</sup>lt;sup>99</sup> <u>https://www.environment.nsw.gov.au/research-and-publications/your-research/citizen-science</u>
<sup>100</sup> https://www.nsw.gov.au/premiers-priorities/greening-our-city

<sup>&</sup>lt;sup>101</sup> https://www.planning.nsw.gov.au/Policy-and-Legislation/Aboriginal-land-use-planning/Roads-to-Home

<sup>&</sup>lt;sup>102</sup> https://www.dpie.nsw.gov.au/premiers-priorities/valuing-green-infrastructure-and-public-spaces

<sup>&</sup>lt;sup>103</sup> <u>https://www.planningportal.nsw.gov.au/major-projects/assessment/policies-and-guidelines/social-impact-assessment</u>

<sup>&</sup>lt;sup>104</sup> <u>https://www.greater.sydney/city-shaping-impacts-of-covid-19/wellbeing</u>

<sup>&</sup>lt;sup>105</sup> <u>https://www.regional.nsw.gov.au/our-work/pwa-rd/regional-programs</u>

<sup>&</sup>lt;sup>106</sup> <u>https://education.nsw.gov.au/student-wellbeing/whole-school-approach/wellbeing-framework-for-schools</u>

<sup>&</sup>lt;sup>107</sup> <u>https://www.dcj.nsw.gov.au/community-inclusion.html</u>

Where relevant, existing programs could be adapted or extended to integrate with wellbeing measurement. For example, while citizen science conventionally involves people monitoring plants and animals, as a form of community involvement this could be expanded into other environmental monitoring – and beyond – while connecting people more closely with their surroundings.<sup>108</sup> The Australian Citizen Science Project Finder lists 352 projects (as of 11th January 2022) when filtered to NSW,<sup>109</sup> suggesting considerable scope to involve communities in this type of monitoring. As a variation on citizen science, many formal research initiatives now incorporate large-scale citizen input via smartphones.<sup>110</sup> Furthermore, citizen science is not only about people being involved in collecting data but also in solving the problems highlighted by the data. For example, involving recreational fishers in monitoring species abundance can turn them into informed advocates for effective marine zoning.<sup>111</sup>

## 6. Conclusions

This Foundation Paper offers some preliminary guidance, and hopefully inspiration, for developing a framework for a NSW Wellbeing Budget. The next steps in the process are to develop a partial wellbeing framework within DPE by August 2022, with collaboration of DPE staff responsible for delivering various programs that contribute to wellbeing. If approved by DPE senior leadership and the NSW Board of Secretaries, the next phase would be to develop a full wellbeing framework, informed by community engagement, from 2022-23. This could then inform the budget process, if endorse by NSW Cabinet.

Reflecting the considerations discussed in this paper, the design and monitoring processes should be highly participatory.<sup>112</sup> Indeed, the Wellbeing Economy Alliance positions 'meaningful participation' as the core policy design principle, extending this to community participation in monitoring implementation of the framework.<sup>113</sup> Development of the ACT Wellbeing Framework included an eight-month community consultation period, nearly 3,000 people, and roundtable sessions involving over 100 community organisations, to listen to "the stories and experiences of the people from across the ACT."<sup>114</sup>

Developing a wellbeing framework in NSW should be similarly grounded in people's lived experiences, in all their diversity, as well as building on existing data and similar frameworks globally. It would enable us to apply citizen science and Aboriginal science to inform and support our individual and collective wellbeing. This will take time, but it offers an opportunity to build a revitalised, refocused economy that provides a true picture of our progress and development and that improves wellbeing for all.

<sup>&</sup>lt;sup>108</sup> Roger & Motion, 2021.

<sup>&</sup>lt;sup>109</sup> Australian Citizen Science Association, 2022.

<sup>&</sup>lt;sup>110</sup> for example, Hammoud et al., 2021.

<sup>&</sup>lt;sup>111</sup> Possingham, 2021.

<sup>&</sup>lt;sup>112</sup> e.g. Salvaris, 2019.

<sup>&</sup>lt;sup>113</sup> Wellbeing Economy Alliance, 2021.

<sup>&</sup>lt;sup>114</sup> ACT Government, 2020, p. 3.

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