

7 February 2023

Attention: VicHealth response to the Measuring What Matters Consultation

Thank you for the opportunity to respond to the Measuring What Matters Consultation. The Budget Statement 4: Measuring What Matters is a significant opportunity to set a transformative agenda and have an integrated approach to wellbeing to develop a national framework to achieve better wellbeing outcomes for the Australian population now and into the future.

As you may be aware, the Victoria Health Promotion Foundation (VicHealth) is an independent government authority established under the Victorian *Tobacco Act 1987* with a mandate to promote good health for all Victorians and provide evidence-based policy advice. We are a pioneer in health promotion, working with partners to discover, implement and share solutions to the health problems facing Victorians and Australians. We seek a community where everyone enjoys better health and wellbeing. VicHealth works to keep people healthy, happy and well – preventing chronic disease and reducing the burden of poor health on everyday Australians.

It has been clear for a long time to many of us that Gross Domestic Product (GDP) and other economic indicators are not an accurate measure of how we're fairing as a society and this was further exacerbated during the last few years as Australia was hit by multiple extreme events including severe bushfires, flooding, drought and the coronavirus pandemic.

Further it is clear that economic indicators often fail to take into account what life will be like for future Australians.

VicHealth has always looked to research long term trends and threats to public health, which is why, as this focus on economic accounting continued to fail the broader society, VicHealth has been working with partners to develop a vision of an Australia that operates in a wellbeing governance and economy system.

To support the creation of this vision, VicHealth:

- Commissioned a [2020 report](#)ⁱ on the feasibility of integrating wellbeing into the business of government in Australia, drawing on international case studies
- Co-hosted a roundtable in 2021 with the Victorian Council of Social Services (VCOSS) and The George Institute for Global Health (TGI) which resulted in this [communique](#)ⁱⁱ outlining the principles for moving a wellbeing governance agenda forward.

- Commissioned TGI to develop a [toolkitⁱⁱⁱ](#) for governments which outlines the steps to progress a wellbeing governance system in Australia.

Creating a Measuring what matters framework presents a significant opportunity to progress a wellbeing economy in Australia but should only be seen as the first step to do so.

Importantly, the measures and indicators that are adopted must centre the environment and people over economic outputs and must capture indicators of long-term health, such as rates of chronic disease, to ensure wellbeing for generations to come.

Summary of Recommendations:

Alongside the individual indicator recommendations outlined later in the submission, VicHealth would like to highlight the following high-level recommendations for progressing a wellbeing agenda which are applicable both to this consultation and the steps that must follow it:

1. A **consultation process** must be undertaken that enables the views and needs of all Australians to be included in the design of the Measuring what matters framework and in particular that culturally safe consultations are undertaken with First Nations communities to embed their knowledge and priorities in the framework.
2. **Establishing meaningful objectives** that include measuring the extent to which there is (a) health of the environment and climate, recognising the centrality of planetary health to human wellbeing, (b) equitable access to healthy levels of wellbeing for all residents of Australia, (c) healthy wellbeing for both current and future generations.
3. **Include additional domains** of wellbeing beyond those captured by the OECD framework's wellbeing domain. This framework must utilize the opportunity to capture emerging domains identified as important in both existing Australian frameworks and international frameworks. This should include domains examining (a) planetary and environmental health (b) cultural aspects of wellbeing; (c) governance and institutions; (d) long term health enablers including prevention expenditure and the way communities are built to promote or obstruct health. Domains should then be further iterated based on regular consultation to identify and monitor what matters to Australians.
4. **Measure what matters to all Australians** recognising Australia is full of diverse cohorts of people with diverse needs. Understanding differences in wellbeing between groups and regions is critical to meaningfully targeting policy design to support wellbeing. The Government must commit and provide adequate funding for data collection, including social surveys, that enable disaggregation by selected priority populations to track equity targets. At a minimum, it is critical to capture the wellbeing of Aboriginal and Torres Strait Islander peoples, people from other culturally and linguistically diverse backgrounds, those living in remote and rural areas and in regional cities, different age groups including children, youth, and the elderly; different genders; those with disabilities, carers, low socioeconomic status, people with a mental illness and those identifying as LGBTIQ+.

5. **That the Australian Government legislates** the requirement to deliver a wellbeing framework, that it applies to all future the federal budgets and continues to create a holistic intergenerational wellbeing approach to governing.

Should you wish to discuss this submission further, please contact Stephanie Kilpatrick, Manager of Policy and Government Relations via skilpatrick@vichealth.vic.gov.au.

Kind regards

A handwritten signature in black ink, appearing to read "Sandro Demaio".

Dr Sandro Demaio

Chief Executive Officer

Executive Summary

Governments often act in siloed approaches while focusing on building a short-term, strong economy but this often comes at the expense of societal, human and planetary wellbeing both for the people of today and future Australians. Social, environmental and economic imbalances pose a threat to all, but particularly those that are already the most vulnerable such as people living on low incomes or cohorts that experience greater disadvantage. An intergenerational Wellbeing governance approach seeks to move a community beyond the focus on economic growth as the primary marker of progress and shifts towards a focus on prioritises health, social and environmental outcomes. A successful intergenerational wellbeing approach transforms economic and political systems to serve a more holistic understanding of quality of life and collective wellbeing that benefits both people and the planet.

In addition to the broader recommendations outlined in the opening letter, the principles that underline this submission and the possible indicators listed in the appendices are that:

- primarily, environmental sustainability and security must be at the heart of a wellbeing governance model as no-one can live well on a dead planet;
- secondly, people should be centred in a wellbeing governance model and the impacts on their daily life, health and wellbeing is the focus;
- people who are most vulnerable to extreme events, are appropriately consulted, listened to and the indicators they recommend are given a notable place of significance in the wellbeing model;
- First nations populations are also appropriately consulted for their unique perspective on wellbeing and relationship to country and their recommendations prioritised;
- the indicators must forecast and place significance on ensuring the security of the health and wellbeing of future generations;
- economic productivity should be used as a tool to support the previous 4 principles but not have primacy over them;
- a wellbeing treasury framework can only be the first step in truly realising holistic wellbeing for all Australians today and in the future.

Further, VicHealth would like to highlight that while there are current health domain measures included, such as life expectancy, these do not sufficiently reflect the state of health and wellbeing for many Australians. Life expectancy is trending upwards, but more people are living with a chronic disease than ever before^{iv}. Research shows that:

- 1 in 2 Australians have a chronic disease (47%)
- 1 in 5 Australians have 2 or more chronic conditions (20%)
- 1 in 2 hospitalisations involve 1 or more chronic condition (51%)
- Nearly 9 out of 10 deaths are associated with chronic conditions (89%)^v
- Over one third (35%) of people with chronic disease report they experience high or very high levels of psychological distress (compared with 4.3% of those without a chronic disease)^{vi}

Further exacerbating this is the two in three Australians that are living with overweight or obesity^{vii} and the one in four Australian children that are also identified as overweight or

obese.^{viii} Overweight and obesity can have significant long term wellbeing effects. For example, it can affect education attainment, social connection and mental wellbeing in addition to the physical and long-term health impacts. These statistics are only likely to have been exacerbated during the coronavirus pandemic and some research is already showing that life expectancy is now trending downwards due to rising obesity rates.

The framework should aim to address our quality of life, create a community environment and service accessibility that ensures Australians are living in good health for as long as possible. To do so, there must be a reorientation to measuring the promoters and detractors of health. Australians' quality of life and good health are impacted by the wider determinants of health. Investment in social determinants must be integrated into the framework. Safe and affordable housing, our community's health literacy, affordable food, communities that promote good active transport and green space for physical and mental health are some of the determinants that underpin our community's good health. A strong first step to achieving this would be incorporating the targets of the National Obesity Strategy and the National Preventive Health Strategy into this Measuring what matters framework. If these national strategies were properly resourced, funded and monitored they would go a long way to developing an environment that enables the health and wellbeing of Australians. Australians should be able to live, learn, work, play and age in supportive, sustainable and healthy environments. This framework should include indicators that help move investment upstream into building healthy communities and implementing health promotion policies to ensure it is easier for Australians to lead healthy and fulfilled lives.

In addition to extra health indicators and social determinant indicators, the framework should encompass indicators that measure and promote the health of human populations and the state of the natural systems on which it depends. This in turn will benefit individuals. Climate change threatens many of the basic needs and fundamental determinants of health such as clean air, safe drinking water, a nutritious, affordable and safe food supply, and secure shelter.^{ix} This must be addressed urgently as Australians are already feeling the impacts of climate change on their health and wellbeing.

Cumulative extreme events such as floods, droughts and fires have put lives and livelihoods at risk. It has exacerbated pressure on our food systems- making healthy food more unaffordable. Polluted air has contributed to lung disease and increases the rate of chronic disease and cancers. Cumulative events are also significantly impacting the mental wellbeing of Australians but particularly rural and regional and youth cohorts. Over three quarters of Young Australians aged 16-25 are frightened about their future and the impacts of climate change.^x Aboriginal and Torres Strait Islander young people report that eco-anxiety is exacerbated and continues to contribute to intergenerational trauma.^{xi,xii} Without action, this will continue to lead to loss of life and ill health. Environmental sustainability and security must be at the heart of any wellbeing framework.

Wellbeing frameworks are most successful when they clearly reflect what is important to a nation or region and have strong 'buy in' from the broader public. A wellbeing governance approach is critically needed in Australia however the Government should also recognise that

to develop a framework that is fit for purpose rigorous consultation is needed to ensure all groups' needs are represented.

To succeed in this an equity approach must be embedded into the Measuring what matters framework and indicators should be created and iterated that recognise the differences and barriers some Australians face which are not the same for all population groups. Cultural considerations should also be prioritised, particularly for our first nations populations which have a unique perspective on wellbeing and relationship to our country. A number of examples of high-quality consultation processes used to develop wellbeing frameworks can be found in the VicHealth [Wellbeing Economy Toolkit](#) produced by the George Institute for Global Health. The consultation process used by the ACT Government in developing their wellbeing framework provides a useful example of methods that can be used to actively engage with a wide range of groups who may not otherwise have their views reflected in a framework. Consultation on Measuring what matters should be considered an ongoing process, with explicit points built in at which Measuring what matters will be revisited. This is consistent with best practice internationally where embedding ongoing participatory practice is being done to enable and ensure wellbeing frameworks reflect community values and needs – and are used by communities. This will be particularly important to ensure equity and cohort indicators continue to reflect community needs and priorities for measuring their wellbeing.

The Measuring what matters consultation is the first step in setting up a framework to progress towards a wellbeing economy in Australia. A wellbeing framework should be legislatively applied to the federal budget, as the New Zealand Living Standards Framework is, to ensure that it is an enduring framework. The Measuring what matters framework should then be supported by further governance changes that promote holistic, long-term decision making focused on delivering wellbeing for the planet, current and future Australians.

Response to the Objectives

The objectives outlined in The Budget Statement 4 focus on individual human wellbeing. Budget Statement 4 (p. 124) provides examples which are all focused on wellbeing of individuals and are too narrow to fully realize a framework seeking to measure what matters. The objectives of the Measuring what matters framework must capture the prioritization of the (a) health of the environment and, (b) equitable access to healthy levels of wellbeing for all residents of Australia, (C) healthy wellbeing for both current and future generations.

These three areas of focus are important for a range of reasons including that they recognise:

- that human wellbeing cannot be realised in the absence of planetary wellbeing. Environmental sustainability and security must be at the heart of this framework.
- the right to wellbeing for all and of ensuring equity of access to that right, consistent with the Universal Declaration of Human Rights to which Australia is a signatory
- the importance of supporting long-term wellbeing rather than enabling short-term wellbeing at the expense of future generations.

Including an explicit intergenerational focus in the objectives of Measuring what matters is also important. This enables a focus on understanding not just the wellbeing of current individuals, but a focus on sustainable wellbeing over generations. This again is an explicit part of many wellbeing frameworks, with the OECD frameworks, NZ Living Standards Framework, and others explicitly building in measurement of what is available for future generations in addition to the wellbeing of the current generation. This intergenerational focus also highlights the importance of measuring what matters to communities and society as a whole, rather than focusing largely on the individual human. This in turn suggests a need for indicators that examine whether the systems that support wellbeing – including community services and infrastructure, social networks, planetary systems, and governance systems – are fit for purpose to support the wellbeing of current and future generations.

Culture is well established to be foundational to the health and wellbeing of Aboriginal and Torres Strait Islander peoples however the objectives outlined do not seem to reflect this. While the New Zealand Living Standards Framework captures the importance of culture for Māori people in its domains, the Measuring what matters should appropriately elevate the importance of culture to be in the objectives of the Australian framework. This objective should recognise that for First Nations people human wellbeing is intrinsically linked to the health of country and wellbeing is based on fulfilling obligations to community, culture, and to health of country. These objectives, however, should be developed based on genuine consultation with First Nations communities to ensure their needs are reflected appropriately in the framework and indicators.

The objectives that will guide the Measuring what matters framework that is created from this consultation should highlight the importance of the environment to wellbeing and aim to produce a high quality of life and fairness for all of today's Australians while ensuring that same quality of life can be guaranteed for future generations.

Expanding the OECD Domains for the Australian Context

The OECD Domains are set at a cross country level that does not always appropriately respond to local contexts and challenges. The OECD domains have some potential to be adapted to the Australian context, but the domains should also be expanded upon to reflect the Australian context and best practice understanding of the promoters and detractors of wellbeing. In particular, as aforementioned, this should include domains examining (a) planetary and environmental health (b) cultural aspects of wellbeing; (c) governance and institutions; (d) long term health enablers including prevention expenditure and the way communities are built to promote or obstruct health. Domains should then be further iterated based on longer term consultation to identify what matters to Australians.

As noted, planetary health is inextricably linked to human health. An example of this was evident in Australia when hospital admissions and emergency department presentations for respiratory illness increased with poor air quality during the 2019-20 bushfires. The

importance of planetary health must be highlighted in objectives of the Measuring what matters framework and flow through to other levels through the domains and indicators.

Additionally, the importance of cultural aspects of wellbeing for First Nations communities was highlighted in the previous section focused on objectives. While a culture objective relevant to First Nations Australians must be included, this should then flow through to further domains and indicators in the rest of the Measuring what matters framework.

The Measuring what matters framework must utilize the opportunity to capture emerging domains identified as important in both existing Australian frameworks and international frameworks. For example domains examining effectiveness of governance and institutions in supporting wellbeing are now included in a majority of 25 wellbeing frameworks examined by Schirmer et al^{xiii}. and go beyond the OECD frameworks focus on civic engagement. While labelled in various ways, this type of domain ensures a focus on understanding whether systems are fit for purpose. Additionally, they critically underpin trust in government that then can support health and wellbeing for a populace. Many communities suffered from a lack of trust in authority and government figures, often leading to adverse individual and community outcomes during the coronavirus pandemic. Governance domains should be focused on ensuring community trust in order to secure their health and wellbeing. Healthy, resilient, cohesive and equal communities should be prioritised when establishing domains as well as being future focused. Domains should reflect not only the factors that impact the wellbeing of the individual but enable inclusion of indicators that measure the capacity of community, regional and national institutions and systems to support wellbeing.

Critical to anyone individual's wellbeing is of course their physical and mental health. If people are suffering from chronic physical or mental ill-health they are unable to fully participate in society or be well. Measuring population health traditionally relies on outcome measurements and disease tracking, however it should no longer be quantified in such limited terms. A domain that only focuses on life expectancy, or similar measures, does not question how healthy a person may be across their life or what disease barriers are preventing them from participating in community. The Measuring what matters framework must utilize this opportunity to add domains and indicators that focus on upstream monitoring and investment. This should include a domain that focuses on health promotion and prevention investment in order to fully focus on preventing ill-health and ensuring Australians can live happy, healthy, well lives. A domain that focuses on prevention investment would ensure population health problems are stopped before they are entrenched and irreversible.

Further to truly have an impact on the wellbeing of Australians, this framework needs to address the structural systems and community environments that create those health outcomes- for example having a domain that focuses on the health of neighbourhoods and communities will be critical to tracking health issues. Australians must have communities that are built to support their health and wellbeing. Neighbourhoods and cities should be planned so they promote walking and active transport, have access to green space, access to healthy, affordable, fresh food and safeguard against the negative influences of harmful industry outlets including gambling, alcohol, tobacco and vape products, and unhealthy food and

drink products. A domain that focuses on the built environment that Australians live in will be critical to ensuring the immediate and long-term wellbeing of the nation.

Creating domains, for the Australian context including planetary and environment health, cultural aspects of wellbeing, governance and long term health enablers, whilst focusing on the long term outcomes on preventative health will enable a wellbeing framework to truly have an impact on the wellbeing of all Australians now and for generations to come.

Indicators

Understanding of what matters to wellbeing is currently evolving rapidly worldwide. Associated with this, indicators of wellbeing commonly included in wellbeing frameworks are also changing rapidly. We recommend that Measuring what matters commit to an initial set of indicators, and also to an ongoing process in which expert and stakeholder consultation is used to identify appropriate additions or changes to the indicators measured. Additionally, when identifying and measuring indicators, a balance needs to be struck between ensuring consistency and comparability – meaning committing to measuring the same indicators, in the same way, over time – and enabling flexibility to incorporate new or amended measures as needed. While it is important to start by identifying indicators of what matters that are well recognised and accepted as valid internationally, this is not sufficient to inform a good framework.

To have the greatest value for Australians, measuring what matters should enable not just the Australian government to measure wellbeing, but should develop indicators and measures that others across Australia can incorporate in their own wellbeing measurement. This means that indicators should be scalable so other organisations can implement the same measures in their own data collection initiatives.

Indicators should be developed that examine levels of individual and community resilience as a key indicator of likely long-term wellbeing. This is an important part of understanding how events such as large-scale extreme weather events and the effects of human induced climate change, as well as population-wide events such as COVID-19 or economic downturn, impact long-term prospects for wellbeing.

Currently, indicators largely focus on those that measure the wellbeing of an individual. It is also critical to measure the extent to which communities, built environments and households are able to provide the conditions that support this wellbeing – such as access to services, access to infrastructure, the promotion of healthy activities, the density of harmful industries, good governance, safety and security.

Environment Indicators

The Measuring what matters framework must include indicators that seek to capture and ultimately mitigate the impact climate change is having on our natural environment, communities and security for future generations. Climate change poses a major risk to this – both in an immediate sense and for future generations. Many Australian and global health bodies, including the Australian Medical Association and the World Health Organisation have

declared climate change as a health emergency. There is clear evidence that climate change is a global health emergency and a threat to human and planetary health.

All Australians should live in safe, resilient and vibrant communities where they have equitable access to the necessary goods and services that underpin their health and wellbeing. This includes secure housing, fresh, affordable food, clean water and air and access to green spaces amongst others.

The impact of climate change is already being felt across the globe. Within Australia, we can forecast an increase in death from heatwaves and an increase in mosquito-borne disease from floods. In future years, Australia is projected to face:

- higher year-round temperatures – with impacts including increased bushfire and drought risk which can lead to food insecurity;
- more hot days and heat waves – with impacts including extreme heat, leading to illness and loss of life;
- less rain– with impacts including lower water reserves and drought whose associated the economic impacts cause increased mental stress in rural and regional areas;
- more frequent and more intense storms – with impacts including physical injury, poor water quality, increased vector-borne illness and crop damage that threatens healthy, affordable food systems;
- longer fire seasons – with impacts including risks to physical safety and poorer air quality leading to respiratory health issues.

Additionally, the mental health impacts of living on a planet ravaged by climate disaster is vast. Between 20 – 50% of people who live through unpredictable and extreme weather events can develop immediate elevated rates of anxiety, depression, PTSD, sleep disruption and suicidal ideation. As aforementioned this is particularly pronounced for young Australians, rural and regional Australians and First Nations communities. It is again important to ensure the Measuring what matters framework and indicators are an iterative process and further consultation is undertaken to capture these voices and have indicators that reflect their knowledge, needs and priorities.

Within an environmental domain, indicators should be created to measure the resilience of individuals and communities to extreme events and the effects of climate change. It will be important to design indicators that are effective measures of exposure to the impacts of these events. These exposure measures may include exposure to impacts on infrastructure, housing, livelihoods, affordable food, mental anxiety, financial wellbeing, and personal safety, amongst others.

Indicators should aim to inform government about the dangers to the environment and therefore subsequent dangers to Australians' wellbeing. These indicators should be designed in a way that promotes climate change mitigation and ensures that current and future Australians do not face ill-health and lower levels of wellbeing because they live in a country ravaged by climate disaster. For a list of possible indicators regarding an environmental domain please see Appendix A on page 16.

Health Indicators

Measuring our populations health traditionally relies on outcome measurements and disease tracking, however, to truly have an impact on the health and wellbeing of Australians we need indicators that reflect on the structural systems and community environment as well as concentrating on the outcomes.

This is important as research paints a concerning picture regarding the prevalence of overweight and obesity:

- 1 in 4 young children (2-4 years old)
- 1 in 4 children (5 – 17 years old)
- 1 in 2 young people (18–24-year-olds)
- 4 in 5 older people (65- 74 years old)^{xiv}.

Overweight and obesity will have a critical impact on population health and wellbeing including people's literal health, the increased risk of co-morbidities, increased risk of mental ill-health, and the increased burden on Australia's ambulance and hospital systems. While health data that is collected through The Australian Institute of Health and Welfare in regard to disease burden, life expectancy and mortality this data isn't enough to identify and reverse this trend.

These measures look too far downstream. The Measuring what matters framework should utilize this opportunity to prioritise indicators that promote health prevention and promotion in order to stop problems before they are entrenched and irreversible.

The framework should also include measures that track individual access to health promotion and health services - particularly for cohorts who are most likely to face the poorest health outcomes. Indicators should measure the effects that investing in health prevention over time has on our population health.

The [National Preventative Health Strategy](#) and the National Obesity Strategy outline recommended targets which should be incorporated into a wellbeing framework. Measures should seek to ensure the health and wellbeing of Australians and their communities through the promotion of healthy behaviours and the prevention of exposure to unhealthy influences.

Further to this, the health and wellbeing of our nation can be captured by looking at both population physical and mental health but also needs to take into account the wider social and commercial determinants which influence Australians' health. For example, exposure to unhealthy food and drink marketing is having a detrimental effect on our population's health. All Australians, and particularly children, deserve to go about their daily lives in spaces free from the influence of unhealthy food and drink advertising and exposure to these harmful industry marketing tactics undermine healthy messaging. Further commercial factors that influence food choices in Australia include food availability and affordability^{xv}. Affordability of healthy food is worse in low-income areas and maintaining healthy eating patterns is becoming increasingly difficult for disadvantaged communities. Research has documented that lower-income communities are often flooded with fast-food outlets further exacerbating their disadvantage and increasing their ill-health.

The built environment of our communities has a critical influence on our communities' health and wellbeing. Australians deserve to live in environments that support their health and wellbeing—for example by promoting walkable communities and active transport options, with close access to green space and healthy, affordable, fresh food while safeguarding against the negative influences of harmful industries including gambling, tobacco, vaping and alcohol outlets and the advertising and provision of ultra-processed foods and fast-food outlets. Indicators that capture the ability to access affordable healthy food, access and time for physical activity, and if the built environment of the neighbourhoods that Australians live, learn and work in will be particularly pertinent.

Mental health is an indivisible part of public health and significantly affects human, social and economic capital. Mental health is not merely the absence of mental disorders or symptoms but also a resource supporting overall well-being and productivity. Good mental health allows for cognitive and emotional flexibility, which are the basis for social skills and resilience in the face of stress. This mental capital is vitally important for the healthy functioning of families, communities and society.

It is estimated that close to half (45.5%) of the Australian population between 16 and 85 years of age will experience a common mental illness, such as an anxiety or substance use disorder, at some stage in their lifetime. It is also estimated that 20% of the population experience a common mental illness each year^{xvi}. Indicators should be developed that both look at the preventable factors that protect against mental ill-health and that track the prevalence of mental ill-health.

The framework's aim should be that all Australians are empowered and skilled to stay as healthy as they can be by building knowledge, skills, strengths, and community connections to support healthy eating and physical activity, and enable health.

Indicators relevant to health should also be measurable, where appropriate, at a cohort level to reflect and capture health inequities that currently exist across groups, such as First Nations communities, rural and regional, LGBTIQ, women, refugee and migrant communities and others. The indicators should be agile in order to measure and track progress over time across the population groups.

Indicators should aim to inform government about the state of our nation's health and wellbeing and the inequities which exist. Additionally, indicators should be designed in a way that address the structural systems and community environment as well as health outcomes and prioritise indicators that promote health prevention and promotion.

For a list of possible indicators regarding a health domain please see Appendix B on page 17.

Wider Determinants of Health and Wellbeing

Differences in health and wellbeing outcomes between social groups are often defined according to socioeconomic status, or socioeconomic position, which is a composite measure of educational attainment, living conditions, income and occupational characteristics (such as whether a job involves manual or nonmanual labour), as well as the level of prestige, power,

control or social standing associated with these. Evidence tells us that health equity is best achieved by addressing the social and legal conditions that influence health, and the social processes that distribute them unequally in society. Actions to address the social determinants of health that do not tackle their distribution, or the structures and processes driving the unequal distribution of power, money and resources are unlikely to address persistent health and wellbeing inequities.

Further the development of safe, inclusive and supportive environments for all citizens is an integral aspect of a healthy, productive and well society. Women are more likely to not feel safe within their environments and are therefore unable to fully participate in society including in ways that affect their financial, mental and physical wellbeing. Lack of safety and gender inequality continue to contribute to the proliferation of family violence. Family violence is widely recognised as a global problem and is still rife in Australia. It has serious impacts on the health and wellbeing of those affected and exacts significant social and economic costs on communities and nations^{xvii}.

As aforementioned, civic engagement and strong, trusted governance institutions are also critical for the wellbeing of Australian society. Citizens need to trust its leaders to act in the best interest of the population and feel that they and their communities are represented. It is therefore important to measure how we participate in democracy, and how governance is performed at a national, state and local level.

In order to truly Measure what matters and achieve wellbeing for Australians, there must be a range of indicators that capture health and wellbeing measurements across these broader social determinants of health and wellbeing. For a list of possible indicators regarding a health domain please see Appendix C on page 18.

Measuring and Reporting on Progress

It will be critically important for the success of the Measuring what matters framework to properly fund regular data collection and progress reports. VicHealth recommends that the Australian Government commit to collecting the data needed to report on relevant wellbeing indicators as part of its investment in Measuring what matters. This means that beyond indicators and measures based on using only data that are already available, a commitment should be made to investing in ‘filling in the gaps’ in data collection on wellbeing.

Data and measurement should be designed to account for the inequities in wellbeing outcomes, and to allow us to measure progress in lifting up those population groups who are falling behind national average. Additionally, national social surveys which target self-reported (subjective) wellbeing should be conducted regularly, with levels of *disaggregation* that enable a refined analysis of inequities and can inform further investigation on deep drivers behind them for policy targeting.

Further there should be a balance between individual indicators and community indicators of wellbeing. This is critical to embed individual measures into the broader, social and economic contexts in which people develop a sense of life, and which as mentioned above, often determines their life quality and health and wellbeing outcomes.

VicHealth would like to recommend the following actions to support an appropriate progress report mechanism:

- A review of all existing time series data collection on wellbeing in Australia be conducted – even where that collection is not sufficiently large currently to enable reporting for all of Australia, and/or focuses on a specific group;
- Identify coverage of (i) wellbeing indicators and (ii) priority groups and regions by existing data sources, and where gaps exist, identify methods to address gaps;
- Invest in additional data collection that enables appropriate monitoring of all wellbeing indicators, including those recommended in the above sections, across all regions and groups. This may occur through collaborations across a number of existing data collection processes, to enable consistent collection of the same indicators; it could also involve development of new data collections;
- An expert review should be conducted into not only availability of data, but into the most appropriate ways to ensure long-term collection of data, particularly in the changing data landscape in which there is rapid change in survey methods as well as in use of a range of administrative and other data sets. This review should focus in particular on identifying what methods are needed to achieve robust measurement of wellbeing amongst all priority regions and groups whose wellbeing needs to be understood.

Implementing processes of iterative development means it is possible to implement an initial Measuring what matters framework rapidly, while ensuring that it can be further developed in collaboration with the Australian public, and in particular priority cohorts such as First nations communities, to better reflect their wellbeing needs and priorities.

Further the Government must plan for active revisions and updates, based on community consultation, to the framework in order to ensure the Measuring what matters framework remains relevant as Australian society changes. Examples of this approach being used successfully include the 10 yearly review of the Scottish National Outcomes framework, and the New Zealand Living Standards Framework which enables updating of their framework's

Summary

All Australians should live in safe, resilient and vibrant communities where they have equitable access to the things that improve their health and wellbeing. However, when envisioning wellbeing for Australians this vision must be more than economic productivity, job security and the absence of disease. Wellbeing must aim to create thriving individuals and communities, equity and social justice, environmental sustainability and planetary health, and support culturally diverse and enduring knowledges.

To capture and measure what matters for Australians wellbeing we must focus on the systems and structures that underpin our health, environment and wellbeing systems. Measures and indicators that are adopted must centre the environment and the health of Australians over economic outputs and must capture indicators of long term health so we can see problems before they are entrenched. Indicators should also look to measure the build environments in order to understand if the Government is enabling safe neighbourhoods and housing, fresh and affordable food, clean water and air, access to green spaces, opportunities to be active, opportunities for social connection, secure employment, a good education and transport options. These opportunities, services and health promoting spaces should be equally available to all Australians. Every Australian, now and in the generations to come, no matter their age, background or location, should have the opportunity to live in fully realised wellbeing.

Producing a Measuring what matters wellbeing framework is a critical first step to incorporating wellbeing into the business of government. While we commend the Australian Government for embarking on this process, the Government must ensure strong, deep and appropriate consultation is undertaken with First Nations and other key demographic groups to ensure their knowledge and voices are captured in Measuring what matters. Finally, a Measuring what matters budget framework should be the first but cannot be the last step of establishing an Australia that promotes and enables everyone's wellbeing. A holistic wellbeing governance system that enables long-term decision making must be embedded across all of the systems and mechanisms afforded to the federal Government.

Appendix A – Possible Environmental Indicators

VicHealth suggests that indicators are developed around the following issues that affect health and wellbeing of Australians from an environmental perspective:

- Air quality
- CO2 emissions
- Water quality, safety and security
- Heat and the impact of heat on ability to engage in physical activity
- Indicators that track waste and aim to reduce waste across all industries for example Household recycling
- Micro-plastic proliferation
- Natural disasters in terms of frequency and impact
- Energy consumption per capita
- Mental Health and sentiment in regards to the impact of grief from the loss of physical capacity, trauma from impacted communities and landscapes and distress of major disasters.

Appendix B- Possible Health Indicators

VicHealth suggests that indicators are developed around the following issues that affect health and wellbeing of Australians from a health perspective:

- Annual preventive health spending
- Health literacy levels
- Access to green space (which promotes physical and mental health)
- Existence of and proximity to active transport infrastructure such as safe and shaded footpaths and bike tracks.
- Physical activity participation
- Population dietary intake- including consumption of fruit and vegetable, sugary drink consumption, discretionary food consumption
- Composition of food supply – including levels of keys nutrients, level of processing and health star rating
- Alcohol consumption
- Gambling engagement
- Tobacco and e-liquid/ vaping consumption
- Density of harmful industry outlets (alcohol, fast food, ultra-processed food, gambling, tobacco and vaping)
- Exposure to harmful industry advertising (both static and digital)
- Self-reporting of wellbeing (mental health)
- Self-harm rates
- Connection to country / planet/ culture
- Social support
- Percentage of population above a healthy weight
- Burden of non-communicable disease related to key risk factors.

Appendix C – Possible Wider Determinants Indicators

VicHealth suggests that indicators are developed, across a range of domains, around the following issues that affect health and wellbeing of Australians from a social determinants' perspective:

- Australians below the poverty line
- Children below the poverty line
- Consumption / household expenditure
- Financial literacy
- Household net worth
- Education attainment (secondary, tertiary)
- Numeracy and Literacy levels
- Housing affordability, quality and crowding
- Rental Cost, quality & crowding
- Childhood injuries
- Women in parliament
- Gender wage gap
- Family violence prevalence
- Employment rate
- Hourly earnings
- Hours spent on unpaid work and volunteering
- Frequency of access of harmful industry (fossil fuels, alcohol, fast food, ultra-processed food, gambling, tobacco and vaping) representatives and workers to government decision makers
- Community access to decision makers
- Voter turnout.

This is a list of indicators that would help create an understanding of the legal and social determinants contributing or detracting from the wellbeing of Australians. However, this is not a complete list and the Government should undertake further consultation with key priority cohorts to further understand the indicator that would be reflect what matters to them.

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A toolkit to progress wellbeing economy approaches in Australia

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Executive summary

“ ..wellbeing is a holistic concept that unites the health, economic, social, cultural and environmental dimensions of the sustainable development agenda..”

This toolkit has been created to support Australian policymakers to build healthier, more just and more sustainable economies for people and the planet. It builds upon the work of global thought leaders, including the Wellbeing Economies Alliance (WEAll), the Organization for Economic Co-Operation and Development (OECD) and the World Health Organization (WHO), as well as individual country case studies, to provide practical guidance for governments to accelerate visionary action in Australia.

Around the world, governments and international organisations are moving beyond Gross Domestic Product (GDP) as a primary marker of progress and instead embracing new, broader metrics that account for social and environmental progress alongside economic growth. There has been increased interest in 'beyond GDP' initiatives from a variety of stakeholders, but critically, this shift has elevated action by a number of governments to transform economic systems in countries such as New Zealand and Wales towards a 'Wellbeing Economy'.

Used in this context, wellbeing is a holistic concept that unites the health, economic, social, cultural and environmental dimensions of the sustainable development agenda, forming a political construct that blends the health and quality of life of people and communities with concepts of equity and planetary sustainability. A Wellbeing Economy is one that is designed with the purpose of serving the collective wellbeing of people and the planet, first and foremost; in doing so, it aims to deliver social justice on a healthy planet.

Our current economic thinking has determined not only our measurements of progress but also

the way our governments are structured and our expectations of them. This means that developing a Wellbeing Economy is not simply about developing new metrics and tools to measure wellbeing but about governments actively using them to inform government priorities and policymaking.

A growing number of examples of Wellbeing Economies worldwide demonstrate that there is no 'one-size-fits-all' approach for governments to achieve this change. Accepting this reality, the aim of this toolkit is not to prescribe a specific policy necessary to build a Wellbeing Economy in Australia. Rather, we draw upon international and Australian examples to explore how to strengthen existing policies or develop new ones that support the shift towards a Wellbeing Economy approach.

The aim is to provide practical suggestions without being overly prescriptive, allowing processes and ideas to be aligned with the unique context of different Australian jurisdictions and for further consideration to be given to the cultural appropriateness of tools developed elsewhere to Australian communities. We hope that this guide can provide a starting point for Australian policymakers interested in building a Wellbeing Economy to draw inspiration and consider relevant processes that can support them along the way.

This toolkit has adapted the approach of the [WEAll Policy Design Guide](#) for the Australian context to include legislation, frameworks and indicators, community engagement guides, case studies and other resources and suggestions to help Australian policymakers to:

1. Develop a wellbeing vision, framework and measurements
2. Design a strategy to foster the areas of economic life most important for our wellbeing
3. Assess and co-create Wellbeing Economy policies to build a coherent and innovative policy mix
4. Successfully implement Wellbeing Economy policies by empowering local stakeholders and communities
5. Evaluate policy impacts on wellbeing for learning, adaptation and success

Meaningful participation and holistic thinking are fundamental features of a Wellbeing Economy and the process of moving towards one. This toolkit recognises that all outcomes must be co-created with communities and stakeholders who hold the insights needed to design an economy that aligns with their values and objectives. This includes Aboriginal and Torres Strait Islander Elders and communities and other [First Nations](#) leaders.

The toolkit also recognises that concepts and indicators of wellbeing must be culturally relevant and responsive. For example, [cultural indicators](#) specific to Aboriginal and Torres Strait Islander people, such as [caring for and connection to Country](#); Aboriginal and Torres Strait Islander ways of knowing, being and doing; language; family; kinship; community; lore; relationality and self-determination, are central to Aboriginal and Torres Strait Islander peoples' wellbeing.

It also recognises that policymaking rarely occurs in a neat, sequential process such that there are continuous feedback loops and interconnections between the stages outlined above. This is not a toolkit created for use by policymakers in isolation. Rather, they must create spaces where information from these feedback loops and new connections can be integrated into policy as it develops. As the Wellbeing Economy movement is still emergent, we also acknowledge that the policies and processes highlighted will continue to evolve and develop with ongoing policy experimentation. Nevertheless, we hope this toolkit provides a useful starting point for accelerating action by Australian governments.



Why take a wellbeing economy approach?

As Australia enters 2022, many of us are wondering what our 'new normal' will be. We've seen how some people have been hit harder by the health, social and economic impacts of COVID-19 and how fragile some of our systems to support these people are. The profits of many major corporations have continued to rise, while people who were already doing it tough have had to go without food and other essentials.

Beyond the pandemic, the global climate crisis has deepened further. The recent Intergovernmental Panel on Climate Change reported that global land surface temperatures are set to surpass 1.5C above pre-industrial averages by 2030. This means an increase in the severity and frequency of extreme weather events, including bushfires and floods, that are already impacting the livelihoods of an increasing number of Australians. It also means an increase in rates of chronic diseases like stroke, heart and respiratory conditions coupled with increases in zoonotic diseases like COVID-19 and Ross River fever. It means increases in early mortality that will impact people facing the greatest barriers to wellbeing, including children, young people, the elderly and First Nations people.

The twin challenges of COVID-19 and climate change reveal the cracks in our current short-term, siloed approach to government policymaking. Long-term vision and ambitious action must be on the table if we're serious about building back better.

Enter the concept of a Wellbeing Economy.

A Wellbeing Economy moves beyond economic growth as a sole marker of progress. It considers the long-term impact of policy on people's lives and pursues solutions that have holistic benefits for individuals, communities and society.

A Wellbeing Economy reorients and reorganises traditional economic practices to support quality of life. It moves beyond the tyranny of GDP as the 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. It aims to protect our most marginalised while also protecting the planet's finite

resources. It recognises and understands the critical significance of First Nations' knowledge in caring for Country and social and cultural connection. It promotes responsibility by decision makers to meet the needs of present Australians without comprising the ability of future generations to continue to thrive.

Australia would not be the first to embrace this concept – there are a growing number of examples from other countries that we can draw upon to demonstrate the feasibility of developing wellbeing metrics and tools, setting wellbeing priorities and goals and, ultimately, shifting government policymaking processes and budgets to actively work towards wellbeing impact.

We hope you will find this toolkit useful in experimenting and co-creating solutions and policies that can support you and your communities to align your economies with your visions for a better world.



Glossary of key terms

We recognise that some terms in this space are defined or used differently by different actors and that there are ongoing calls to develop a 'common language'¹. For the purposes of this report, we draw the following plain language definitions from those used by the Wellbeing Economies Alliance².

Economy:

the way we provide for one another's wants and needs

Economics:

refers to what we decide the purpose of an economy should be and comprises the models and theories people have created and chosen to use to deliver this purpose

Wellbeing Economy:

an economy that is designed with the purpose of serving the wellbeing of people and the planet, first and foremost; in doing so, it delivers social justice on a healthy planet

Gross Domestic Product (GDP):

the total monetary or market value of all the finished goods and services produced within a country's borders in a specific time period. GDP fails to account for the positive or negative effects created in the process of production and development, which are key to a thriving society and planet

Economic Policy:

policy interventions that aim to influence economic behaviour towards the achievement of societal goals

Wellbeing Economy Policy Design:

policy design that takes a holistic, collaborative and iterative approach, inviting stakeholders into the process at all stages, collaborating across normally siloed sectors or departments and repeating steps to ensure that input is received from all constituencies to build a just and sustainable economy.

Developing this toolkit

The George Institute were commissioned by VicHealth to provide a toolkit of available resources that would enable Australian governments to progress a wellbeing economy approach.

To inform the scope of our search, we adopted WEAll's definition of a Wellbeing Economy as *'an economy that is designed with the purpose of serving the wellbeing of people and the planet first and foremost; in doing so, it delivers social justice on a healthy planet'*. We then looked for resources that could be used by governments to develop, implement and evaluate policies that pursue this purpose.

We took a broad view of 'tools', including but not limited to legislation, frameworks and indicators, governance models, policy design guides, case studies and capacity-building resources. To identify relevant tools, we conducted targeted searches of government websites and grey literature. We used the Wellbeing Economy Governments (WEGo) partnership website to find governments that self-identified as implementing a Wellbeing Economy approach and then searched the government websites of these countries for key policy documents and other tools of utility to Australian governments. These governments include:

- Canada
- Wales
- Iceland
- New Zealand
- Scotland
- Iceland
- Finland

To supplement government documentation, we used the WEAll website and suggestions provided by interviewees in an earlier phase of this work to identify leading intergovernmental, civil society and research organisations working on policy change in this area. We Google searched websites of these organisations to identify further relevant tools for governments working on the shift towards Wellbeing Economies. These organisations included:

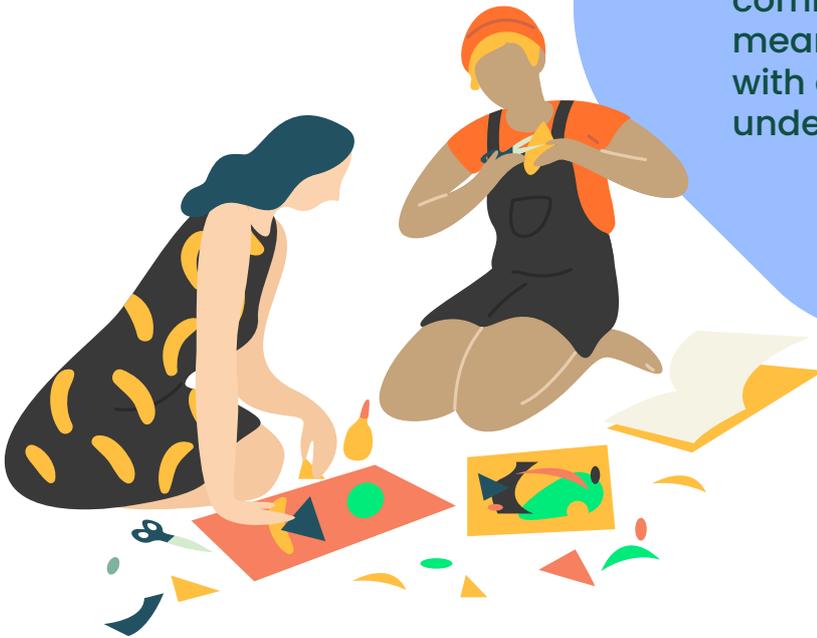
- [Australian National Development Index Limited](#) (ANDI)
- [Australian Social Value Bank](#)
- [New Economy Network Australia](#) (NENA)
- [Organization for Economic Co-operation and Development](#) (OECD)
- [World Health Organization](#) (WHO)
- [Doughnut Economics Action Lab](#)
- [ZOE Institute for Future-Fit Economies](#) (Netherlands)

We adapted the framework used by WEAll in the Global Wellbeing Economy Policy Design Guide to organise and group the tools identified. The tools presented are not intended to be an exhaustive list of all resources available but were selected to reflect different policy options and highlight policies and processes most relevant to Australian policymakers. Where applicable, we also provide examples of current work underway in Australia that could be furthered in pursuit of a Wellbeing Economy approach.

Importantly, we note that the limited timeline and scope of the current project has not yet allowed a systematic critical appraisal of each tool to assess factors such as cultural appropriateness or the extent to which they involved sufficient community engagement. We believe that this is an important next step within this program of work in Australia.

Developing a wellbeing vision, framework and measurements

“ A Wellbeing Vision cannot be imposed; it must be co-created with communities. This requires meaningful engagement with communities to understand what matters..”



Adopting a Wellbeing Economy approach begins with setting a different vision of progress². This means moving away from purely economic indicators such as GDP, which have led us to focus on fostering economic growth, regardless of whether or not it leads to improvements in collective wellbeing.

Around the world and in some parts of Australia, governments are now experimenting with more holistic and longer-term visions of progress so that collective wellbeing becomes the ultimate measure of economic success. Additionally, for decades, First Nations peoples have been calling for culturally appropriate indicators to measure and report on wellbeing. In these approaches to wellbeing, wealth becomes only one indicator of wellbeing, alongside a wide variety of other health, social, cultural and environmental factors.

Taking wealth as the main indicator of progress has become embedded in our culture and has influenced how we view our own capacities, relationships and purpose. Changing this requires expanding our understanding of the economy, its relationship to holistic wellbeing and our notion of progress to encompass a wide range of factors that

determine the quality of our lives on this planet.

A Wellbeing Vision cannot be imposed; it must be co-created with communities. This requires meaningful engagement with communities to understand what matters for their wellbeing now and for generations to come².

WEAll suggest three policy processes that can support governments to develop a Wellbeing Vision: 1) understanding what matters for wellbeing, 2) crafting and communicating the Wellbeing Vision and 3) measuring wellbeing².

Below we set out relevant principles and tools for Australian governments to explore these processes, with the aim of developing a medium- to long-term Wellbeing Vision towards which society and governments can work.

1. Understanding what matters for wellbeing

The purpose of this step is to understand what matters for personal, collective and future wellbeing, as a basis for building an economy that delivers this.

There is no single way to understand wellbeing. Some governments have used conceptual frameworks based on research, while others have conducted large, public consultations. The process of community engagement is critical, both as a process and as an outcome. It facilitates communication, trust and empowerment for further participation in the transformative journey ahead.

A wide range of techniques can be used, including community forums, citizens' assemblies, town meetings, focus groups, surveys and deliberative polling. For further specific tips, see [WEAll's Policy Design Guide](#).

Case studies and resources for establishing what matters

What matters for quality of life in the Australian Capital Territory?

In 2019, the ACT's Chief Minister initiated a wellbeing project that commenced with a significant [process of community consultation](#) that asked for three key areas of input: (1) the community provided feedback on what they felt was most important to their own, their family's and their community's quality of life; (2) academia contributed information on best practice from interstate and international communities; and (3) government provided feedback on possible wellbeing measures and how they could be factored into government planning, policy development and program funding. Consultation over eight months included community roundtables, surveys, face-to-face meetings, workshops and discussions, written submissions and promotional activities. Despite the challenges of consultation during COVID-19, concerted efforts were made to connect with sections of the community not usually engaged in the policy process. The consultation was used to inform development of the ACT's Wellbeing Framework (see further below).

South Australia: State of Wellbeing

South Australia's early thought leadership in the wellbeing area can be traced to its former Adelaide Thinker in Residence program and recommendations made by global health scholar, Professor Illona Kickbusch, in 2007–08 and positive psychologist, Professor Martin Seligman, in 2013. From these recommendations, the South Australian government responded with a 'State of Wellbeing' [Change@SA 90 day project](#), which drew together key stakeholders to contribute to the development of an agreed description and position on wellbeing in the SA context. The work was informed by a survey of 540 citizens on what contributed to wellbeing. The resulting State of Wellbeing Statement was launched in 2017 by then-Premier Jay Weatherall and was intended to guide future work.

The Australian National Development Index project: what matters for Australia's progress

In 2017, the University of Melbourne and the [Australian National Development Index](#) entered a long-term agreement to develop an ongoing national index of Australia's progress, wellbeing and sustainability. The first phase of the index development in 2018–19 included a program to pilot indexes in health and education and a pilot national community engagement program. When fully developed, this community program will aim to engage Australians across the nation in addressing the question, 'What kind of Australia do we want?' The results will inform future work towards the development of an overall index with domains and indicators for discussing, defining, measuring and promoting national progress. Drawing on this pilot work, ANDI is currently working with the community and government of Western Australia and the University of WA on the development of a five-year project for a full-scale Western Australian Development Index designed to build wellbeing more directly into the government.

Wales: The Wales We Want

In 2014, Wales launched a two-year conversation led by Cynnal Cymru (the leading sustainable development organisation in Wales), the Welsh Government and the former Commission for Future Generations, Peter Davies, with the support of Welsh actor, Michael Sheen. In the first year, [‘The Wales We Want’](#) discussion included 20 events, three launch events and 150 recruited Future Champions that resulted in almost 1,000 responses in the form of reports, videos, postcards, drawings and surveys. The approach of placing people at the heart of the conversation and establishing a network of Future Champions (key champions and influencers representing different geographical areas and communities of interest) proved vital in helping people to relate to the campaign.

Building Better Futures Toolkit

The [Doughnut Economics Building Better Futures Toolkit](#) includes five participatory activities designed to stretch the shared imagination of what is possible in the future, support communities to identify a preferred future, make plans to work towards that future and identify potential challenges and opportunities. The overall aim is to develop a set of practical steps that can be taken towards this preferred future. This toolkit is useful for voluntary and community groups, businesses and governments to engage the community and create a wellbeing vision that is as representative as possible and brings in voices that are not always heard.

Towards a wellbeing approach to consumer policy in Australia

In 2021, the [Consumer Policy Research Centre in Victoria produced a two-part report](#) that offers local insights for policymakers on changing the expectations and experiences of Australian consumers, as well as what market governance might look like when a wellbeing approach is applied. Part One explores the impact of COVID-19 on Australian consumers and the urgent need for a consumer-centric approach to rebuilding and resetting policy design to improve consumer outcomes. Part Two applies wellbeing concepts to measure what matters to consumers, drawing upon international and local developments in measuring wellbeing.

First Nations wellbeing

First Nations researchers have been developing measures of wellbeing and how wellbeing is linked to connection to culture. One such example is the [Mayi Kuwayu study](#), which was created by and for Aboriginal and Torres Strait Islander people and asks what culture means to create an understanding of how culture affects wellbeing, including health outcomes within Aboriginal and Torres Strait Islander communities. The study takes a strengths-based approach and looks at how strengths may be used to overcome the impacts of colonisation and help to ensure ongoing resilience and connection to Country, people and culture. Mayi Kuwayu is a powerful response to community concerns about the lack of understanding of the importance of Aboriginal and Torres Strait Islander culture.

2. Crafting and communicating the Wellbeing Vision

The purpose of this step is to craft and communicate a clear and tangible vision of progress, focused on wellbeing priorities².

Wellbeing is a holistic concept that unifies a variety of health, economic, social, environmental and democratic outcomes into a shared vision for the future. This means that the results of Step 1 are likely to identify a wide range of values, processes and outcomes provided by citizens that they believe matter for wellbeing. These need to be organised and prioritised into a clear Wellbeing Vision. This step is necessary to unify diverse stakeholders to focus on wellbeing outcomes rather than economic growth and to shift the view of government as stewards of the economy towards stewards of social and ecological wellbeing.

To articulate the Wellbeing Vision, governments may organise priority wellbeing outcomes into thematic areas as a 'wellbeing framework', which may be communicated visually through infographics or through vision statements for the future.

Public engagement in developing the Vision can take time but can also support its acceptance and dissemination. It is important to establish that the vision is a shared one. It is particularly important that it gives adequate weight to Aboriginal and Torres Strait Islander wisdom and perspectives on wellbeing and encapsulates the wellbeing priorities of Aboriginal and Torres Strait Islander groups.

Embracing First Nations wisdom and perspectives on wellbeing and our relationship to the earth

Within the NSW Treasury, the Aboriginal Economic Wellbeing Branch is working on investment frameworks that attempt to better incorporate what Aboriginal and Torres Strait Islander people value into economic evaluation. This work reframes what economic prosperity is from an Aboriginal perspective, which aligns more with holistic conceptions of 'wellbeing' than neoclassical economics. The Aboriginal Economic Wellbeing Branch was established to aid the NSW Government's meeting National Agreement commitments of Closing the Gap and was informed by the Productivity Commission's [Indigenous Evaluation Strategy](#). The work, recognising a lack of culturally relevant measures of economic prosperity in NSW, has developed a conceptual framework in consultation with Aboriginal communities, organisations, academics and businesses across NSW. While this work still needs to be assessed for best practice, it does highlight that more of this work needs to be done and that monitoring and evaluation should be a core component of implementation.

Interpretations of wellbeing in New Zealand policymaking have been strongly shaped by the Māori holistic model of health, [te whare tapa whā](#). This model was developed by Sir Mason Durie in 1984 to provide a Māori perspective and has five dimensions, visually represented in the diagram below. Four walls are supported by a foundation of connection to whenua (land). By nurturing and strengthening all five dimensions, you support your health and wellbeing, as well as the health and wellbeing of your whānau. This holistic approach, including connection to land, has informed New Zealand's consideration of environmental sustainability and planetary health in its wellbeing economy agenda.



Figure: [The Māori Holistic Model of Health, te whare tapa whā.](#)

Case studies and resources for establishing what matters

The Australian National Development Index

Using a set of social, health, economic and environmental factors, the [Australian National Development Index](#) (ANDI) has 12 domains that provide a complete picture of national wellbeing. These domains were developed through community consultation with half a million Australians on what matters and a holistic, integrated approach to measuring wellbeing. Central to the ANDI approach is the recognition that by first defining what wellbeing is and how we measure it, a comprehensive tool can be developed that provides a concrete embodiment of a 'wellbeing vision', with progress measures calibrated against clear goals.

The Australian Capital Territory's Wellbeing Framework

The [Canberra Wellbeing Framework](#) (2020) introduces 12 thematic areas or 'domains', developed through their community consultation process in 2019–20. The ACT Government uses the framework to inform government priorities, policies and investment decisions, including through Budget and Cabinet processes. The framework is the foundation of deeper structural change in the ACT Government, transforming decision making and measurement.



Figure: [The 12 ACT Domains and their Relationship with the Personal Wellbeing Index](#)

Tasmania Statement

The [Tasmania Statement](#) (2021) is a commitment from the Tasmanian Government and Premier's Health and Wellbeing Advisory Council to a Wellbeing Vision for Tasmania. They commit to collaboration on long-term solutions to address the social and economic factors that influence health. The statement pledges that the government will involve the community in decision making, will work across the government and with the business sector, consider future generations in decision making and measure progress towards wellbeing. Originally signed in 2019, the statement has now been updated to directly reference the impact of climate change and poverty on wellbeing.

NZ Living Standards Framework

The [New Zealand Living Standards Framework](#) (LSF), updated in October 2021, is a flexible framework that prompts government thinking about the drivers of wellbeing and the broader policy impacts across the different dimensions of wellbeing, with an emphasis on long-term and intergenerational implications. An extensive period of consultation was used to determine community values. The LSF captures outcomes across three levels: individual and collective wellbeing (health, engagement and housing), institutions and governance (civil society, families and markets) and the wealth of Aotearoa New Zealand (natural environment, social cohesion, financial and physical capital and human capability). The LSF incorporates the most important concepts of the New Zealand Wellbeing Vision at a high level and provides the foundation for other policies in New Zealand's wellbeing package.

The OECD's thought leadership

The OECD has played a pivotal role in helping countries craft their Wellbeing Vision. One of its major founding initiatives was a 2009 [Report by the Commission on the Measurement of Economic Performance and Social Progress](#), led by Jean-Paul Fitoussi and Nobel laureates Joseph Stiglitz and Amartya Sen, and commissioned by the former French president, Nicholas Sarkozy. It recommended the development of wellbeing and sustainability indicators to guide policy, making 12 recommendations for measuring economic and social performance, including the need for multiple indicators or a 'dashboard' approach to measuring wellbeing. More recently, the OECD has developed a [guide to crafting a Wellbeing Vision framework](#). The guide is built around three components: current wellbeing, inequalities in wellbeing outcomes and resources for future wellbeing.

Support for a holistic wellbeing vision from the health promotion

The [2021 Geneva Charter For Well-being](#) is an outcome of WHO's 10th Global Conference on Health Promotion, representing discussion and agreement of key global health players on the urgency of creating sustainable wellbeing societies. The charter defines wellbeing societies as those that provide the foundations for all members of current and future generations to thrive on a healthy planet, no matter where they live, and frames the movement towards wellbeing societies as a kind of '21st century health promotion' response. The document may be particularly useful to government representatives from the health sector in advocating for their own agencies to adopt a broad conception of 'wellbeing' that includes not only holistic notions of human health but also incorporates social and environmental justice and intergenerational equity.

The Sustainable Development Goals

The [17 Sustainable Development Goals](#) were adopted by United Nations Member States in 2015 and represent a blueprint to achieve a better and more sustainable future for all. The goals recognise that strategies to end poverty must go hand in hand with strategies for improving health, education and economic growth whilst tackling climate change. Many countries with wellbeing approaches now explicitly incorporate the SDGs when designing their wellbeing priorities and objectives. As they contain wellbeing for people and planet at their core, the goals are a building block for all policies in a wellbeing approach.

3. Measuring wellbeing

It is necessary to measure and assess wellbeing over time to support effective policy development².

To support the movement beyond GDP, it is necessary to develop new wellbeing measurements. Developing wellbeing indicators can promote understanding of current levels of wellbeing and track performance over time. Given the multi-dimensional nature of wellbeing determinants, measurements should help policymakers to understand synergies and trade-offs between dimensions. Effectively measuring wellbeing allows a government to look at how society, as a whole, is progressing across various wellbeing dimensions, rather than using economic indicators as a proxy for wellbeing or focusing on specific areas at the expense of others. Wellbeing measurements can employ both qualitative and quantitative methods to find appropriate indicators, noting that wellbeing priorities are often multi-dimensional and subjective.

Wellbeing indicators can be developed by governments by adapting one of numerous existing metrics/indices or developing their own. In 2020, WEAll published a strong case for governments not to develop additional new indicators, instead arguing for a movement towards globally harmonised indicators to support widespread acceptance of key concepts in order to compete with the longstanding dominance of GDP³. Adaptation of wellbeing indicators can be supported by the generation of local data, public discussions and expert forums within your jurisdiction across socio-economic and culturally diverse communities, including Aboriginal and Torres Strait Islander communities, to ensure that the indicators chosen are fit-for-purpose to meet the unique values and priorities of your local context.

Existing wellbeing measurements that could be adapted include:

- [OECD material on measuring wellbeing and progress](#)
- [New Zealand Wellbeing Indicators](#)
- [Wales National Wellbeing Indicators](#)
- [Sustainable Development Goals \(SDG\) indicators](#)
- [Australian National Development Index Domain Wheel](#)
- [Moving Forward on Well-being \(Quality of Life\) Measures in Canada](#)

Other guides to developing wellbeing measurements include:

- [Measuring wellbeing inequalities how-to guide \(What Works Wellbeing, 2017\)](#)
- [Implementing the SDGs in Australia \(Western Sydney University, 2020\)](#)
- [Measuring the Wellbeing Economy: How to go beyond GDP \(WeALL, 2020\)](#)



Designing a wellbeing economy strategy

“ ..a shift from older forms of ‘deficit-based’ economic strategy design that focused on the need for external investment, technology or skills..”

Designing a Wellbeing Economy strategy requires developing a theory of change that outlines the concrete changes in the economy required to achieve your wellbeing goals². This may be a gradual process that requires abandoning elements of old economic thinking and embracing new understandings of the economy as embedded within our society and environment.

Within this phase, relevant processes highlighted by WEAll include 1) identifying Wellbeing Economy activities and behaviours, 2) aligning institutions and stakeholders for wellbeing and 3) managing trade-offs and power dynamics.

1. Identifying Wellbeing Economy activities and behaviours

The purpose of this step is to identify economic activities and behaviours that directly serve the future you are trying to create and which activities and behaviours actively work against it in the long term.

This is a shift from older forms of ‘deficit-based’ economic strategy design that focused on the need for external investment, technology or skills as a way of fostering economic development. Instead, a Wellbeing Economy can adopt a ‘strengths-based’ approach to identify those factors already contributing positively to wellbeing as a starting point for what to foster and where to prioritise policy efforts.

One example of identifying ‘essential’ economic activities was clearly illustrated in governmental responses to the COVID-19 pandemic, including in Australia. The ability of policymakers to quickly identify ‘essential’ economic activities that needed to continue operating during lockdown shows an intuitive understanding of the activities most important for maintaining collective wellbeing. While the exact list differed by jurisdiction, they included things such as healthcare, energy, education, childcare, water, agriculture and food production, transportation and delivery, critical retail and trades and government- and community-based services. To promote long-term wellbeing, the challenge is to consider those activities most important for future wellbeing as well and create strategies that support these activities in way that promotes equity.

For more tips on this step, see the [WEAll Policy Design Guide](#) and the [Aboriginal Economic Prosperity Outcomes Framework](#).

Failure demand: counting the true costs of an unjust and unsustainable economic system

In pursuit of economic growth, harm can be caused to people and planet. Governments then need to spend money to respond to these harms and widening economic inequalities, creating a cycle of paying to fix what we continue to break, known as ‘failure demand’. In 2021, WeALL published a [new report on failure demand](#) that includes case study calculations of current expenditure in specific sectors in Scotland and Canada and compares this with potential spending in a Wellbeing Economy model. This method may be useful for Australian policymakers building data-driven arguments for the shift towards a Wellbeing Economy approach.

2. Aligning institutions and stakeholders for wellbeing

The purpose of this step is to empower stakeholders and align institutions to jointly achieve priority wellbeing outcomes.

For governments, it is of critical importance to consider how to best align government departments and local authorities to work together (rather than in silos) to achieve priority wellbeing outcomes. At the same time, government activities should allow space for other stakeholders to contribute to the achievement of wellbeing goals as well. This requires adjusting government systems and structures to encourage a joined-up and co-creative approach to developing strategies and delivering public services to achieve wellbeing goals².

WeAll identifies the following tips for governments in this process:

- **Ensure wide-spread government involvement** (across levels and departments) early in the process so that all agencies have a clear understanding of the priority wellbeing goals and lead in coordinating efforts in accordance with their mandates.
- **Develop a multi-stakeholder and intergovernmental committee** to support and coordinate strategy development.
- Present the achievement of the Wellbeing Vision as a **medium- to long-term** initiative that transcends political administrations, to promote continuity.

Examples of multi-sectoral governance for wellbeing in Australia

The [Tasmanian Health and Wellbeing Advisory Council](#) (the Council) has been established to provide advice on cross-sector and collaborative approaches to improving the health and wellbeing of Tasmanians. The Council’s vision is for Tasmania to be the healthiest population by 2025. The Council sits within the Policy Division of the Department of Premier and Cabinet and is made up of individuals with a strong interest in preventive health policy. In 2021, the Tasmanian Premier and Deputy Premier joined with the Chair of the Council to sign an updated Tasmania Statement that provides a Wellbeing Vision for that state. Beyond generating this high-level commitment, action by the Council over the past three years has focused on three areas: providing leadership and strategic advice to Premier and government that build the case for prevention; fostering a Health in All Policies approach and appropriate governance models to sustain this approach in Tasmania; and raising awareness of and support for preventive health.



3. Managing trade-offs and power dynamics

In order for certain activities and behaviours to flourish, others will need to decline. Managing trade-offs in a strategic and democratic manner is necessary to ensure a just transition to a Wellbeing Economy.

Engaging with a wide range of stakeholders is critical for governments to understand and appreciate the connections within complex economic systems and to understand and justify why particular shifts are necessary. Enquiries at this step can be guided by consideration of who holds the power in the current system and what stands in the way of a Wellbeing Economy. It will be necessary to be clear about trade-offs between priorities and how you will enable a just transition for anyone who will lose out.

This is particularly important in Aboriginal and Torres Strait Islander contexts, where challenges of trust between government and community continue to undermine policy development and implementation. In order for holistic wellbeing to be embodied in economic policy, power structures will need to shift, and trust must be put into the hands of community to enact self-determination, i.e. to ensure that Aboriginal and Torres Strait Islander communities are able to meet their social, cultural and economic needs.

For more guidance on this step, see the [WeALL Policy Design Guide](#).



Assessing and selecting wellbeing economy policies

Transformation of systems rarely occurs from the introduction of a single policy but rather through a series of reforms that redefine rights and responsibilities and encourage certain activities and behaviours relative to others².

Governments have a range of policy tools that they can use to influence the shape and form of the economy. These include legislation, providing incentives or disincentives for certain activities, information campaigns and public provision of goods and services.

Working towards a Wellbeing Economy involves 1) assessing and reforming existing policies and 2) co-creating new policy initiatives.

1. Assessing and reforming existing policies

Before developing new policies and programs, it is important to assess the alignment of existing policies with any wellbeing strategy and goals. The process of re-aligning policies can inform which existing policies need to be phased out, adjusted or expanded to support wellbeing goals. Adjusting existing policies first also supports efficient use of public resources.

Key tips from WEAll relevant to Australian policymakers at this step include:

- Develop an **inventory of policy instruments** from across agencies and levels of government, organise based on their alignment with wellbeing goals and identify policies that are cross-cutting.
- **Move beyond traditional 'cost-benefit' analysis** to assess policies in terms of their contribution to current and future wellbeing, using multi-criteria or value-based assessments.
- **Evaluate regulations alongside power assessments** and consider if they are protecting the rights of the most disadvantaged or only the most powerful in society.

Additionally, it is critical that any assessment and reform of existing policies that impact upon Aboriginal and Torres Strait Islander peoples' wellbeing must engage with community aspirations and understandings of wellbeing.

Opportunities to further existing Australian policies

Expanding cost-benefit analysis frameworks

- In the **ACT**, a [Wellbeing Impact Assessment](#) (WIA) is now used in conjunction with the ACT Wellbeing Framework to help the ACT government with decision making based on a fuller understanding of the impacts of proposals, including both benefits and trade-offs. WIAs are being rolled out in Cabinet and Budget processes.
- In **NSW**, the Treasury uses [cost-benefit analysis tools](#) for all capital expenditure tools over \$10 million to analyse reductions and benefits to social welfare when considering the merits of different policy options. In this process, social welfare and social wellbeing are used almost interchangeably. The CBA process replaces what was previously referred to as 'economic appraisal' and undoubtedly goes broader to include environmental and social impacts as well as economic impacts on social welfare. CBA still aims to quantify costs and benefits in monetary terms but also allows new techniques, including wellbeing valuation, which uses econometric methods to estimate impact on overall life satisfaction where this is not possible. Treasury has also established an Aboriginal and Torres Strait Islander Wellbeing Branch to incorporate Aboriginal and Torres Strait Islander concepts of prosperity into economic policy.

Expanding work under state 'Health and Wellbeing' Acts

- **Victoria's** Public Health and Wellbeing Act 2008 requires a Public Health and Wellbeing Plan to be prepared by state government and local councils every four years. The 2019–2023 Plan maintained a commitment to long-term public health outcomes and incorporated a priority of tackling climate change and its impact on health for the first time. The Act does not contain a definition of wellbeing but broadens the remit of work undertaken to address broader determinants of health and has enabled cross-sectoral collaboration.
- **Queensland's** Health and Wellbeing Queensland Act 2019 established a health promotion agency, 'Health and Wellbeing Queensland'. Whilst neither the Act nor agency defines wellbeing, the term has, in practice, been used to direct focus to initiatives that target risk factors for chronic diseases and reduce health inequity, including work in preventive health, mental health and initiatives that enable underprivileged community members to connect with music and arts. To date, the agency has not worked on broader issues of social justice or ecological wellbeing that extend beyond the health sector.
- **In both cases**, there may be potential to extend work emanating from the health sector at a state level by adopting more recently outlined and holistic definitions of wellbeing, such as that in the 2021 Geneva Charter for Well-being from the 10th Global Conference on Health Promotion (outlined above).

2. Co-creating new policy initiatives

Ultimately, the goal is to work towards co-creating new and innovative economic policies that support current and future wellbeing. Providing space for stakeholders to meaningfully engage in developing new policy initiatives takes advantage of expertise and lived experience in societies and enhances the level of trust that people have in government.

Co-creation can be supported by techniques such as community forums, citizens' assemblies, inter-governmental policy forums, deliberative policy development, public policy conferences and research on international best practice.

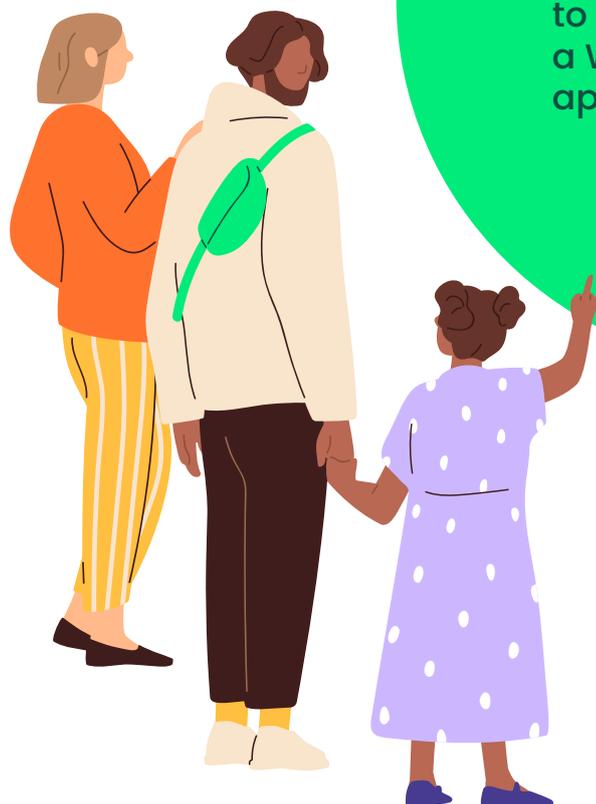
It is important for governments to make special efforts to empower those who have been historically marginalised in policy areas to co-create initiatives (e.g. engage the homeless in housing policy and prisoners in prison reform).

Policy development guides and reports that include detailed case studies include:

- [A Guide to Outcomes Focused Policy Making](#), Scottish Government, 2021
- [Wellbeing Economy Policy Design Guide](#), WEAll, 2020
- [International Examples of a Wellbeing Approach in Practice](#), ZOE Institute for Future-fit Economies, 2020
- [Towards Developing WHO's Agenda on Well-being](#), WHO, 2021



Implementing wellbeing economy policies



“ ..governments can face challenges when it comes to effectively implementing a Wellbeing Economy approach..”

Like other policy areas, governments can face challenges when it comes to effectively implementing a Wellbeing Economy approach, with potential gaps between what was planned and what happens on the ground. These challenges can be mitigated by engaging relevant stakeholders throughout the strategy and policy design process so that they have a clear understanding of the logic and purpose behind reforms and can effectively tailor them to their context².

While the shape and form of implementation will depend on the specific context of the jurisdiction, WEAll have identified processes that can support effective implementation.

These include **empowering localized policy implementation and participatory monitoring of implementation**. For more information on these processes, see the [WEAll Policy Design Guide](#).

Global thought leaders in wellbeing economy policies

Wales

The [Well-being of Future Generations Act](#) was adopted in 2015 and is the result of a long process of working to integrate a sustainable development approach into Welsh policymaking, including the process of public consultation, 'The Wales We Want', outlined above. The Act embeds structural changes in government decision making by requiring all public bodies to comply with seven wellbeing goals and five ways of working whilst carrying out their duties. It also establishes an independent Future Generations Commissioner to hold government to account on action and sets a range of national wellbeing indicators to be reported against regularly. This legislative tool reflects a whole-of-government commitment to deeper structural change and embeds a wellbeing agenda within every process and decision of all bodies and organisations in the country. It is useful to governments in progressing a wellbeing approach by providing an example of both a cultural and practical shift in government and society, bringing all sectors together through a cohesive framework.

New Zealand

The Wellbeing Budget was introduced in May 2019 and firmly grounds the wellbeing agenda in the resource allocation and budgeting process. While relatively recent, the Wellbeing Budget builds upon many years of prior work within the Treasury to develop the Living Standards Framework that underpins it. All budget proposals must be assessed on the difference they would make across a range of economic, social, environmental and cultural considerations. This assessment is assisted by a new cost-benefit analysis tool ([CBAX](#)), which allows public-sector agencies to calculate the value and impact of wellbeing policies. This process is now enshrined in the [Public Finance \(Wellbeing\) Amendment Act 2020](#), which requires all future governments to report annually on wellbeing objectives in the Budget, and requires the Treasury to report periodically on the state of wellbeing in their Wellbeing Reports. Additionally, the [Local Government \(Community Well-being\) Amendment Act 2019](#) places responsibility upon local governments to determine whether activities in their communities promote the social, economic, environmental and cultural wellbeing of the community. Their coordination of the public service response to local wellbeing needs means that the broader wellbeing objectives can be experienced in practice.

Scotland

The [National Performance Framework](#) sets out 11 national outcomes that reflect a localised version of the SDGs, including inclusive and resilient communities, a sustainable economy and healthy and active citizens. Using the framework, the Scottish Government works with local government and Community Planning Partnerships to help meet national outcomes and tracks progress on the national indicators. This is a whole-of-government initiative, developed in collaboration with public and private sectors, organisations, businesses and communities. It had cross-party support in the Scottish Government. The Framework is an important foundation in Scotland's wellbeing approach, as it identifies priorities, sets up a mechanism of tracking progress towards those priorities and starts the conversation around wellbeing in diverse sectors of society. With the addition of the Community Empowerment Act 2015, the framework has gained the force and longevity required for sustainable change to Scotland's wellbeing. The Act requires ministers to continue the approach of setting national outcomes after a consultation period with communities and Parliament. They must also have regard to reducing inequalities. Public authorities and organisations that carry out public functions must have regard to national outcomes in carrying out their functions.

Iceland

Work in Iceland on wellbeing started by focusing on measurement, collecting baseline data from 2007. When the economic collapse happened in 2008, they had baseline data that enabled assessment of the impact of the economic crisis on people and communities and the human impact of the overreliance on economic metrics. The government subsequently took the opportunity to reprioritise. Iceland's [39 indicators of wellbeing](#) cover social, environmental and economic categories, with all indicators explicitly linked to the SDGs. Iceland conducts monthly surveys to collect representative wellbeing data, which enables the government to respond in near real time to emerging conditions, including during the COVID-19 pandemic, to shape the response.

Ireland

The [Irish Programme for Government 2020](#) includes a commitment to develop new measures of wellbeing that are intended to be used in a systematic way across government policymaking at local and national levels in setting budget priorities, evaluating programmes and reporting progress. Prior to this, Ireland had equality and green budgeting measures for some time. Initial reports on work towards the wellbeing framework have been [published](#), and in October 2021, the government launched a public conversation on the Framework to create awareness and gain community feedback.

France

In 2021, the French Government published its first '[Green Budget](#)' as an annex to the 2021 Finance Bill. This builds upon France's commitment to integrate 'green' tools into the budget process and builds upon methods developed by government agencies. France is one of an increasing number of countries that have conducted experiments to evaluate budget investments according to ecological impact, but the Green Budget is the most comprehensive to date. It creates the transparency necessary to monitor the green transition and allows assessment of the consistency of public spending with a government's environmental and climate targets⁴.

Canada

The government of Canada is currently working to better incorporate quality-of-life measurements into decision making and budgeting based on international best practice, expert engagement, evidence on what shapes wellbeing and public opinion research on what matters to Canadians. In 2021, Canada's Department of Finance published '[Measuring what matters: toward a quality of life strategy for Canada](#)', which uses 'quality of life' as a synonym for wellbeing, and Statistics Canada published a significant paper on '[Moving forward on well-being \(quality of life\) measures in Canada](#)'. These Canadian efforts provide examples of work undertaken to engage Indigenous peoples and perspectives into this process. As this project develops, the Canadian government is considering ways to incorporate the framework and quality-of-life data into government decision making.

Evaluating policy impacts on wellbeing

We will only know whether policies have improved wellbeing after they have been in place for some time. Evaluations throughout the policy-design process help to identify interconnections, impacts and changes in wellbeing, as well as unexpected barriers and accelerators of change².

In evaluating policy impacts on wellbeing, WEAll recommend 1) regularly assessing wellbeing and 2) identifying best practices and lessons for improvement.

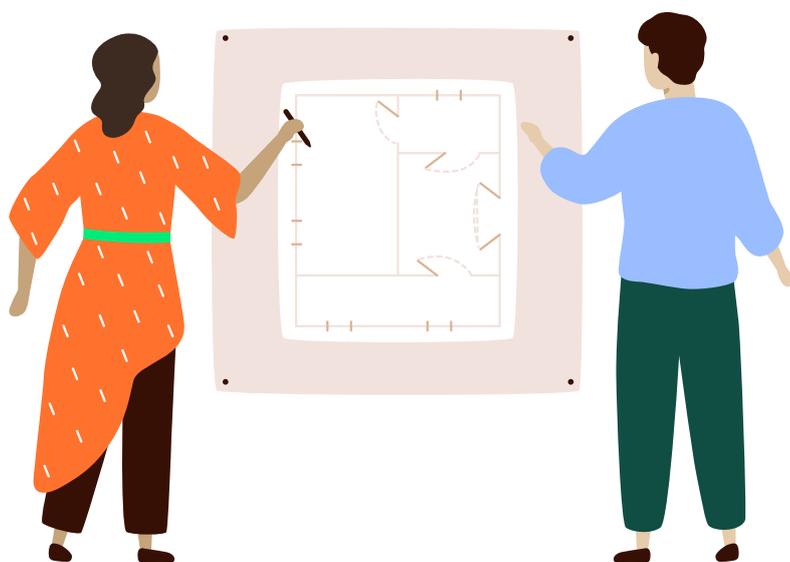
1. Wellbeing assessments

It is necessary to monitor wellbeing over time and identify any shifts and changes. Regular assessments can also help governments to communicate progress in terms of changes in wellbeing, which will be important in shifting popular narratives and old ways of economic thinking.

Evaluations of wellbeing can be conducted throughout the policy process to inform strategy, policies and implementation. It is critical that Aboriginal and Torres Strait Islander peoples must lead wellbeing assessments of policies that impact Aboriginal and Torres Strait Islander communities.

Among the tips proposed by WEAll, those of most relevance to Australian governments include:

- **Publish regular wellbeing assessments** in the form of reports and engage the media and communities in discussions on progress made (see Scotland).
- Use the intervention logic or theory of change developed in Stage 2 to identify specific concrete targets and impact indicators that can help to monitor shifts at all levels.
- Ensure a monitoring and evaluation plan is considered **at the beginning and throughout policy design** to develop a structured plan for data collection, engagements and coordination.
- **Identify areas where more wellbeing information or data is needed** to inform policy making processes in the future and build this learning into future planning.



Evaluation resources and case studies

OECD's 'How's Life?' report

This report is part of the OECD Better Life Initiative, which aims to promote 'Better Policies for Better Lives', in line with the OECD's overarching mission. It is a statistical report released every two to three years that documents a wide range of wellbeing outcomes and how they vary over time, between population groups and across countries. This assessment is based on a multi-dimensional framework covering 11 dimensions of current wellbeing and four different types of systemic resources that help to support wellbeing over time. In 2020, the OECD published the fifth edition of [How's Life?](#) to chart whether life is getting better for people in 37 OECD countries and four partner countries and presents the latest evidence from an updated set of over 80 wellbeing indicators. [Publicly available data](#) that underpins the report may provide a useful benchmark for Australian policymakers to compare measurements of wellbeing in Australia to other OECD countries.

Australian Social Value Bank Calculator

The Australian Social Value Bank is a bank of social values and a value [calculator](#) that can be used by any group, organisation or professional to demonstrate social impact. The Bank contains data on 63 different social values related to all aspects of Australian life, derived from Australian datasets using a wellbeing valuation approach. Wellbeing valuation calculates both primary benefits to individuals and secondary benefits to others (including cost savings to governments via reduced welfare payments, for example).

Opportunities for the Western Australian Evaluation Framework

The [Community Development Evaluation Framework and Toolkit](#), by the Local Government Professionals Australia WA, is a guide to effective evaluation practices in the local government context. Given that many wellbeing economy policies promote localised implementation, tools such as this may be of use evaluating wellbeing policies and outcomes in a real-world, local government context.

2. Identify best practice and lessons for improvement

Transforming the economy will take time and require ongoing experimentation, adaptation and learning to establish what works and what doesn't in your particular jurisdiction².

Monitoring and evaluation are powerful tools to help showcase quick wins and progress on wellbeing. Equally important is acknowledging policy failures to support continuous public dialogue and refinement of goals to achieve wellbeing goals.

Continuous evaluations and discussions will provide valuable information to help improve both policy impact and also methods of design and implementation. Sharing this information not only with the communities impacted but also with the wider global community can create a bigger impact.

Wales Commissioner for Future Generations

The Welsh Well-being of Future Generations Act established the post of [Future Generations Commissioner](#) to safeguard the interests of future generations and support public bodies in working towards wellbeing goals. The Commissioner can monitor, advocate, challenge and review the work of public bodies, and the latter must take all reasonable steps to follow the recommendations of the Commissioner. The current Commissioner is Ms Sophie Howe, who has issued the following [strategic plan](#) for promoting government action on sustainable development over her seven-year term.



Next steps and further resources

“ We hope that this toolkit can help accelerate action in Australia and has provided practical ideas on how to begin..”



This toolkit has explored some of the important considerations and design processes for progressing a Wellbeing Economy in Australia, but much work remains. The movement towards Wellbeing Economies is still young. Rapid policy innovation provides inspiration and raises questions about how to develop and use wellbeing indicators to meaningfully transform our understanding of value, our economic systems and our collective decision making.

We hope that this toolkit can help accelerate action in Australia and has provided practical ideas on how to begin developing a Wellbeing Economy in your own jurisdiction or community context.

As a policymaker in this movement, your own experiences, processes and tools will provide further resources to those that follow. Ongoing action in this area will contribute to further discussions and collaborations to explore and overcome the challenges in designing and implementing new and innovative economic policies that can inspire and transform Australia.

Ongoing action research

[The George Institute for Global Health](#), [VicHealth](#) and [VCOSS](#) intend to continue our multi-phase collaboration to progress a Wellbeing Economy approach in Australia. Please get in touch to let us know about your Wellbeing Economy policy design activities in Australia to share any additional case studies, tools or tips that can strengthen this toolkit in Australia and to receive updates about further work.

In 2021, the [Centre for Policy Development](#) commenced a three-year research initiative involving several components, including a global scan of wellbeing approaches implemented by governments, a roundtable to engage high-level public servants at a state and federal level and a dialogue between government and non-governmental stakeholders to facilitate conversations around framing and messaging activity in this area to appeal to a variety of audiences across the political divide.

Networks that governments can join for peer support

[Wellbeing Economy Governments Partnership \(WEGo\)](#) is a collaboration of national and regional governments promoting the sharing of expertise and transferrable policy practices. The aims are to deepen their understanding and advance their shared ambition of building wellbeing economies.

[New Economy Network of Australia \(NENA\)](#) comprises individuals and organisations working to transform Australia's economic system to one that prioritises ecological health and social justice. Its primary roles are facilitating connections, building peer-to-peer learning and using collective strategies to advocate for change, including through an annual conference. NENA is now also recognised as the Wellbeing Economic Alliance Australia Hub.

Training courses in Australia

[Building a Wellbeing Economy Course](#): run by NENA, this is an eight-week professional development course with practice-based learning, collaboration and reflection on wellbeing economies. The course includes over 21 expert speakers presenting on topics including new economics concepts, universal basic incomes, housing affordability and sustainability, renewable energy, sustainable agriculture and creating systems change. It is intended to provide an introduction to wellbeing concepts and an opportunity for collaboration and practice-based learning that can be applied to individual contexts. The course would benefit all stakeholders involved in a wellbeing approach, including individuals, policymakers, organisations and community representatives.

References

Where tools and resources have been described in detail in the text, the authors have provided relevant hyperlinks directly to these resources in the relevant sections. In addition, we provide the following academic references for key assertions made in the body of the report.

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VicHealth acknowledges the Traditional
Custodians of the land. We pay our respects
to all Elders past, present and future.



@vichealth



Integrating wellbeing into the business of government:

The feasibility of innovative legal
and policy measures to achieve
sustainable development in Australia

Report prepared for VicHealth by
The George Institute for Global Health



Foreword

Over the past 2 years Australians have faced some of the greatest challenges we've ever seen, in the form of the coronavirus pandemic, bushfires and floods. As we work towards recovery, many of us have paused to think about what a good life looks like for our community now and into the future. The events we've faced have highlighted and amplified the real and persistent inequities that many experience in Victoria and across the country. The public discourse has extended from recovery following the pandemic, to building back better and fairer. It is the only path to ensure that every Australian can live a life that is meaningful to them. These challenges have also forced us to be future focused, as we consider the long-term implications of our decisions on future generations and the planet they will inhabit. Will our actions today leave them with an equitable and sustainable society to flourish in?

For too long we have measured how we're tracking as a society primarily with indicators of economic growth. This has clouded our ability to determine whether people and our planet are genuinely thriving. As we reimagine so many concepts in the coming months and years, including how we live, work and play, we have renewed opportunity to reimagine how we define and foster wellbeing for a good life in Australia.

By embedding key concepts of wellbeing into the business of government, a clear message is sent that wellbeing is a priority and governments can support their attainment in a meaningful way. To do this effectively, we need to reconceptualise what wellbeing means, including considering culturally diverse and enduring knowledges. This will require going beyond wellbeing as the absence of illness and disease, and instead exploring an approach that encompasses all facets of one's life and meaningfully considers the way we interact with the world around us.

This report looks at 2 innovative examples of embedding wellbeing in government efforts: the Welsh *Well-being of Future Generations Act 2015* and New Zealand's Wellbeing Budget. These aim to use wellbeing as a central organising principle that guides whole-of-government action. They fuse conceptions of improved health and planet, today and into the future.

There are many learnings from these examples, including the need for greater public engagement, meaningful indicators guided by community need and priorities, political leadership, cross-government and cross-sectoral action, monitoring and accountability mechanisms, sufficient funding and policy reform that is enshrined in law to ensure a wellbeing focus is maintained.

This work recognises the significant work of groups like the Australian National Development Index to develop tools to measure wellbeing in Australia. We are excited to build upon these learnings to further investigate how progress can be made at local, state and national levels. Going forward, there is potential to bring together a diverse coalition of stakeholders from the health, environment and social service sectors to generate political priority for innovative policies that will benefit our society far beyond short-term political cycles.

Utilising wellbeing indicators as a window into the lives of all Australians and a catalyst for government action is the first step of many in building a more equitable society. It will allow us to effectively advocate and support current and future Victorians and Australians in leading happy, healthy and meaningful lives.

Dr Sandro Demaio, CEO, VicHealth

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Executive summary

Sustainable development is a way of organising society so that it can exist in the long term. This means taking into account the needs of the present without compromising the ability of future generations to meet their own needs. Health is at the centre of sustainable development. Investment in health supports social, economic and environmental sustainability, while investment in a healthy planet with inclusive and sustainable growth and fair and secure societies supports the health of individuals, families and communities.

The events of 2020, including catastrophic Australian bushfires and the global coronavirus pandemic are a prescient reminder that the world is rapidly changing. These changes bring direct and indirect impacts for both human and planetary health, and the wellbeing of both current and future generations. Social, environmental and economic imbalances pose a threat to all, but particularly the poorest and most disadvantaged. The imperative to build back better creates opportunities for governments to look for new ways of working to better support the health and wellbeing of the community now and into the future.

In 2015, Wales introduced the *Well-being of Future Generations (Wales) Act* (the Act). The Act is the first legislation in the world to enshrine the rights of future generations alongside current ones. Fundamentally, the Act creates permission to do things differently by making sustainable development the central organising principle of all government action. The Act enshrines 7 wellbeing goals and 5 ways of working that must guide the activities of all public bodies in carrying out their duties. It also establishes an independent Future Generations Commissioner to hold government to account on action, and sets a range of national wellbeing indicators to be reported against regularly.

“No matter what your political affiliation or opinions, the one thing that unites us all is our collective interest in and our right to a future – to a tomorrow.”

Sophie Howe,
Future Generations Commissioner of Wales

In 2019, New Zealand announced its first ‘Wellbeing Budget’ (the Budget), signalling an important change in fiscal policy formulation. The Budget is founded on the idea that financial prosperity alone is not a sufficient measure of quality of life. Instead, it allocates funding according to 6 priority areas, set where evidence suggests the biggest differences can be made to the long-term wellbeing of New Zealanders. More than a one-off political initiative, the approach has now been integrated into the *Public Finance Act 1989*, requiring government to report annually on the Budget’s wellbeing objectives.

While both the Act and the Budget address long-term wellbeing, they do so in different ways. The aim of this report is to draw lessons from the development and implementation of both initiatives and explore the potential feasibility of similar measures to integrate wellbeing into the business of government at all levels across Australia.

Our findings provide practical insight into innovative approaches to translate sustainable development into national, state and local laws and/or policies. Outcomes of this work are intended to engage potential champions across sectors, increase public and political awareness of the potential benefits of a wellbeing approach and inspire practical action to improve the wellbeing of current and future generations of Australians.



Approach

A desktop review was conducted in July 2020 to analyse how global lessons on integrating wellbeing into government processes could be applied to Australia using the *Welsh Well-being of Future Generations Act* (the Act) and the New Zealand Wellbeing Budget (the Budget) as specific examples.

1. Mapping the features and evaluation of the Act and the Budget

We conducted our analysis using 2 sources of information:

- Government-issued information on the Act, Budget and associated policies (e.g. official websites, legislation, implementation reports, commissioned research).
- Peer-reviewed and grey literature (e.g. a search of Informit, ProQuest, JSTOR, Trove and Factiva databases).

All materials were publicly available. We reviewed these materials to identify features of the Act and the Budget, their development, implementation and any existing evaluation. We used this to summarise the key benefits and limitations of both the Act and the Budget in practice to date.

2. Assessing current consideration of wellbeing in Australia

In step 2, Australian media sources and parliamentary records were examined to consider the background to potential adoption of similar policy initiatives in Australia. Particular focus was given to politicians who had advocated for wellbeing policies during parliamentary debates. We also evaluated examples of existing wellbeing frameworks or legislation in states and territories to explain how these are similar or different from the Act and the Budget.

3. Analysing legal barriers and opportunities

We conducted a preliminary legal analysis of the law making powers of both federal and state governments in Australia to identify options that could enable wellbeing policies or laws to be adopted.

4. Identifying potential opportunities to integrate wellbeing in future Australian policy

Drawing upon the findings from the above steps, we considered how the recovery context in Australia following the 2019–2020 bushfires and the coronavirus pandemic provides an opportunity for reorienting government processes to promote the wellbeing of future generations.



1. Features and evaluation of the Act and the Budget

We identified 38 relevant sources that provided information on the development, implementation and evaluation of the Act and Budget. Eight documents were reports, websites or legislation produced by government sources, 17 were peer-reviewed documents or books, and 13 were media articles.

A. The Well-being of Future Generations (Wales) Act 2015

Lessons from development of the Act

Commitment to sustainable development

Wales has a history of commitment to sustainable development, placing intergenerational wellbeing on its political agenda long before many other nations. In 1998, Wales devolved from the United Kingdom. The newly created National Assembly for Wales (now Senedd Cymru) was given a statutory duty to promote sustainable development.¹ This duty has been maintained by successive Welsh Governments and operationalised through a series of national strategies.²

In 2009, the ‘One Wales, One Planet’ policy made sustainable development the central organising principle of the Welsh Government.³ The policy set out strategic action for delivering sustainable development, comprised of actions around environment, resource use, economy and society, and included indicators for reporting progress, including on wellbeing. While a strong political step, government and independent evaluations of the policy concluded that more still needed to be done to mainstream sustainable development as a whole-of-government responsibility and to translate overarching political commitment into tangible action.^{4,5}

Political entrepreneurs and widespread public engagement

This deep commitment to sustainable development laid the groundwork for key politicians and civil society advocates to propose and progress legislation in the form of the Act. Dr Jane Davidson, Wales’ Minister for Environment, Sustainability and Housing from 2007–2011, was a powerful advocate who led campaigns such as the plastic bag charge and secured a commitment to put sustainable development into legislation in the Welsh Labour Manifesto in 2011.⁵

Welsh Labour also committed to setting up a new independent sustainable development body, following the abolition of a similar United Kingdom body earlier that year. It included a non-statutory post of Sustainable Futures Commissioner.⁶

Peter Davies, Wales’ first Sustainable Futures Commissioner, provided strong leadership after Davidson’s exit from politics by leading a 2-year national conversation entitled ‘The Wales We Want’. The open and inclusive conversation involved 20 events, 3 launches, recruited 150 ‘Future Champions’ and brought together 6474 individuals who took part in over 100 conversations across the country.⁷ This resulted in around 1000 responses in the form of reports, videos, postcards, drawings and surveys. People were asked to discuss the Wales that they wanted to leave behind for their children and grandchildren, considering challenges, aspirations and ways to solve long-term problems to create a Wales they wanted by 2050. This effort helped create broad support for the Act. Health groups in Wales were key contributors to this consultative process, including Public Health Wales, the Royal National Institute of Blind People, and Disability Wales.

From ‘sustainable development’ to ‘wellbeing’: Framing the Act as more than environmental

Initially titled the Sustainable Development White Paper, after ‘The Wales We Want’ the developing legislation was renamed the Well-being of Future Generations (Wales) Bill (the Bill).⁸ This reflected a growing understanding among society and Ministers that sustainability was more than just protecting the environment.²

Sustainable development, while a broad concept, has potential to be marginalised by stakeholders who see it as solely relating to environmental concerns.² The use of the word ‘wellbeing’ was thought to have broader appeal, and had already been incorporated in Welsh legislation through the *Social Services and Well-being Act 2004*, albeit with a different definition.⁹ The prior legislation related primarily to personal wellbeing, whereas the definition in the final Act is more clearly a statement of societal wellbeing, linked to economic, social, cultural and environmental wellbeing.

“We hope what Wales does today, the world will do tomorrow. Action, more than words, is the hope for our current and future generations.”

Nikhil Seth, Head of Sustainable Development, United Nations Development Programme

Building whole-of-government and multisectoral support

Political stewardship of the Bill passed through 3 different Ministers during its development. Peter Davies initially worked with the Environmental and Sustainable Development Minister, and then reshuffled responsibility for the Bill so that it sat with the Minister for Communities and Tackling Poverty, who contributed to widening 'The Wales We Want' dialogue. Finally, the Minister for Natural Resources moved the Bill through the National Assembly of Wales, championing it until it achieved royal assent. Each Minister became supportive of the Act and was able to highlight its relevance to their respective spheres of influence and build political support.²

Resistance in some government sectors came from concern that the Act would add unnecessary bureaucracy and would not have the power to deliver outcomes.² The Act was a wide-ranging and forward-looking policy considering that the National Assembly of Wales was a fairly new institution. Building support across government departments that shared a social justice agenda beyond environmental concerns was key to overcoming this resistance.

Putting it into practice: Implementation of the Act

The Act enshrines Wales' commitment to sustainable development in legislation.¹⁰ Section 4 of the Act sets ambitious, long-term goals (Table 1), which provide the Welsh Government and its 44 public bodies (including local government and local health boards) with a legally binding common purpose. Each public body must set its own objectives to contribute to these shared goals, and outline what reasonable steps they will take to achieve them.

Table 1: The Act's 7 national wellbeing goals

A prosperous Wales	<ul style="list-style-type: none">• Innovative, productive, low-carbon• Resources used efficiently and proportionately• Acting on climate change• Skilled and well-educated population• Economy generates wealth and employment opportunities
A resilient Wales	<ul style="list-style-type: none">• Biodiverse natural environment with healthy functioning ecosystems• Supports social, economic and ecological resilience• Capacity to adapt to change, including climate change
A healthier Wales	<ul style="list-style-type: none">• Physical and mental wellbeing maximised• Choices and behaviours benefit future health
A more equal Wales	<ul style="list-style-type: none">• Enables people to fulfil potential regardless of background or circumstances, including socioeconomic
A Wales of cohesive communities	<ul style="list-style-type: none">• Attractive, viable, safe and well-connected communities.
A Wales of vibrant culture and thriving Welsh language	<ul style="list-style-type: none">• Culture, heritage and the Welsh language• Arts, sports and recreation
A globally responsible Wales	<ul style="list-style-type: none">• Considers whether actions make a positive contribution to global wellbeing.

If these 7 wellbeing goals are the *what*, the Act also sets out 5 ways of working which provide the *how*, or the processes by which these goals should be achieved (Table 2). These provide the public service with a consistent guide to working towards sustainable development, allowing for local discretion. They create opportunity within government to do things differently, including by focusing on longer-term needs beyond standard political cycles and focusing on prevention, for example in the area of public health or issues such as homelessness.

Table 2: The 5 ways of working

Long-term	Balancing short-term needs with ability to meet long-term needs.
Integration	Considering how a body's wellbeing objectives impact on the 7 wellbeing goals and objectives of other public bodies.
Involvement	Involving people with an interest in achieving wellbeing goals and ensuring those people reflect the diversity of the area.
Collaboration	Collaborating with people and different parts of the relevant body to help meet wellbeing objectives.
Prevention	Acting to prevent problems occurring or worsening to enable objectives to be met.

A summary of the requirements of the Act are included in Box 1 below. In addition to the 7 goals and 5 ways of working, the Act creates accountability mechanisms for measuring progress, including 46 national indicators that must be reported on annually. In the area of health, these indicators include the percentage of adults with fewer than 2 healthy behaviours (not smoking, maintaining a healthy weight, consuming 5 fruits or vegetables a day, not drinking above recommended levels, and meeting the guidelines for physical activity). The Act also establishes an independent Future Generations Commissioner (the Commissioner) to support implementation and requires the Auditor General to monitor implementation.

Box 1. Summary of the requirements of the Act*

Wellbeing duty

All public bodies must develop and publish wellbeing objectives to maximise their contributions to achieving the wellbeing goals, and take all reasonable steps to meet their objectives.

Local partnerships

The Act established public services boards in the local areas. A public services board includes representatives of the main statutory partners who are required to work together to collectively publish a report on wellbeing in their local areas (a local wellbeing assessment), which will inform the development of their local wellbeing plans.

Future Generations Commissioner for Wales

The Act established the post of Future Generations Commissioner to safeguard the interests of future generations and support public bodies in working towards achieving the wellbeing goals. The Commissioner can monitor, advocate, challenge and review the work of the public bodies and the latter must take all reasonable steps to follow the recommendations of the Commissioner.

Future trends report

Welsh Ministers are required to produce this report within 12 months of a National Assembly for Wales election. It looks at the likely future social, economic, environmental and cultural wellbeing trends of Wales to inform planning and priorities at the regional and local levels. It must take account of any action taken by the United Nations in relation to the Sustainable Development Goals and assess the potential impact of that action on the wellbeing of Wales.

Audit

The Auditor General for Wales has a duty to carry out examinations of public bodies.

National indicators

Welsh ministers set 46 national wellbeing indicators to help assess progress towards achieving the 7 wellbeing goals.

* Adapted from: WHO Regional Office for Europe 2017, *Sustainable development in Wales and other regions in Europe – achieving health and equity for present and future generations*, World Health Organization, Copenhagen.



The M4 Road Corridor

Large infrastructure projects provide an ideal opportunity for decision-makers to demonstrate how they are fulfilling their duties in relation to the Act. In 2017, shortly after the Act came into force, a public inquiry was being held into a proposed M4 Road Corridor. The Commissioner, Sophie Howes, submitted evidence to the inquiry questioning how the road would meet the needs of future generations, given its apparent misalignment with carbon reduction targets and the Act's goals of supporting resilient ecosystems and a healthier Wales.¹¹

The Commissioner also submitted further concerns about how the Welsh Government had interpreted its duties under the Act.¹² For example, there was no explicit reference to the sustainable development principle, insufficient explanation of how the needs of current and future generations had been balanced in policy development, and no evidence that the 5 ways of working had been used. She also argued that individual policy decisions must seek to achieve all the wellbeing objectives, and in particular, balance must be achieved between the economic pillar of wellbeing and the environmental, cultural and social pillars. Allowing trade-offs between the pillars and arguing a decision only relating to one domain of wellbeing would undermine the legislation.¹²

Ultimately the M4 road was rejected by the Welsh Government on grounds that included insufficient funding and concerns about its environmental impact.¹² While the Commissioner's recommendations were not explicitly referenced in this decision, the evidence offered important guidance for what is expected of government bodies going forward in order to comply with the Act.

Response to the Act at Public Health Wales

Public Health Wales (PHW) is the public body with national remit to protect and improve health and wellbeing and reduce health inequity. In response to the Act, PHW has invested in a new Health and Sustainability Hub (the Hub), comprising a team of people to help the organisation and the wider National Health Service Wales system meet the legal requirements of the Act, and act as catalysts of change.¹³ The Hub has commissioned a baseline assessment of PHW's readiness to meet the Act, in order to measure and assess proposed changes. The Hub has developed PHW's wellbeing objectives, which align with the 7 wellbeing goals of the Act. The Hub's program of current work includes development of a tool to assess and identify areas in which change is required at individual, team and organisational levels in order to 'make the Act real'.

Alongside these changes to the internal structure of PHW, the organisation has been developing resources to support partner organisations and public service boards to implement the Act, for example by producing guidance on investing in actions to address the economic, social and environmental determinants of health as part of a prevention approach. Health Impact Assessment (HIA) has been recognised as a tool to support sustainable development, by ensuring short and long-term health impacts of policies, plans and projects are taken into account. PHW has long advocated for HIA as a tool to support achievement of Health in All Policies (HiAP). Since the introduction of the Act, a HIA Support Unit at PHW has been supporting and developing the role of wellbeing impact assessments in demonstrating that the policies, plans and projects of public bodies take the wellbeing goals into consideration.

Sustainable food procurement

The Act provides an opportunity to transform the way money is spent by public bodies in Wales to deliver wellbeing outcomes. On a small scale, the University of Wales Trinity Saint David (where Dr Jane Davidson is Pro Vice Chancellor Emeritus) is conducting work with the local public service board to improve the procurement of local food from the region. This work will focus on improving supply chains and sustainability of local food production, and also look at the potential health benefits for pupils, students and staff that consume the food procured.¹⁴

Recognised strengths and ongoing challenges



While implementation is still in its early phases, the Act is recognised as a pioneering global example for translating the United Nation’s Sustainable Development Goals into holistic national action.¹⁵ One major strength of the Act is that its use of legislation, as opposed to policy, is enduring beyond regular political cycles. Law is a powerful tool for government to shape long-term policy and influence change in society.¹⁶ This doesn’t prevent future governments of Wales interpreting the Act through their own agendas, but does require them to continue incorporating the needs of future generations in their decision-making.

In 2020, the Commissioner issued her first report on progress as required by the Act.¹⁷ The 800 page report highlights examples of a growing movement for change, including changes in transport planning in the capital, reforms in aged care, declaration of a climate emergency and reforms to education to give more focus to environmental wellbeing.

Despite widespread recognition that the Act is a significant achievement, there are concerns about its implementation. The Commissioner has highlighted that the Welsh Government has not provided sufficient resources in terms of infrastructure, funding and leadership to help people shift from old to new ways of thinking.¹⁷ Additionally, the Budget documents have not explicitly referred to the Act and show no evidence that it has been used to inform decisions.¹⁸

A further concern is that the Act lacks sufficient accountability mechanisms. The duties on public bodies in the Act are not legally binding. Although bodies ‘must’ carry out sustainable development, they are only required to *take account* of the five ways of working, which falls short of a mandatory requirement to *implement* them. Public bodies are only required to take ‘all reasonable steps’ to achieve wellbeing objectives, and assessment of reasonableness depends on the Auditor General, Ministers and the Commissioner.¹⁹ Additionally, the Act’s success depends largely on political will and the Commissioner’s willingness to exercise the full extent of her powers. Howes has been a strong voice in championing the Act and calling out issues that need addressing. However, she has no enforcement powers and can only ensure compliance through non-binding recommendations, although to date they have usually been observed.¹⁹ Additionally, the Act does not prescribe any sanctions or explicit public or private rights for action for citizens to enforce the Act. For these reasons, the Act may not be as effective in practice as intended.

B. New Zealand's Wellbeing Budget

Lessons from development of the Budget

Building momentum to redefine government spending

The Wellbeing Budget has been championed as an innovative policy approach by New Zealand's current government. In practice, it reflects building momentum in New Zealand over the last decade for an alternative approach to measuring quality of life. During his tenure as Minister of Finance from 2008 to 2016 and Prime Minister from 2016 to 2017, Sir Bill English advocated that government policies and expenditure were a form of investment in the people of New Zealand.²¹ Since 2011, Treasury has employed a Living Standards Framework (Figure 1) which is intended as a tool to integrate sustainable development at the centre of policy, expenditure and long-term asset management.

In 2012, New Zealand also introduced welfare reforms that included a social investment approach. This involves evaluating long-term return from investment in social services and using that information to prioritise future spending.²² Social spending is framed as having both health and fiscal benefits, as it reduces spending on treatment in the future, making it palatable to a range of political ideologies.

Figure 1: Treasury New Zealand's Living Standards Framework



Source: New Zealand Treasury 2019, 'Our living standards framework', <https://treasury.govt.nz/information-and-services/nz-economy/higher-living-standards/our-living-standards-framework>

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Acceleration with a new government in 2017

Development of the practicalities of the wellbeing approach were slow until the change of government in 2017 provided new impetus for action.²³ In 2018, Statistics New Zealand produced indicators for measuring wellbeing, supported by 6 months of public consultation, workshops and peer reviews. One of their outreach campaigns included the question, ‘What matters to you and your whanau, here and now, and in the future?’²⁴ These indicators were a response to recommendations by various international bodies, such as the European Commission’s ‘GDP and Beyond’ Group; the EU Sponsorship Group on Measuring Progress, Well-being and Sustainable Development; and the Organisation for Economic Cooperation and Development (OECD) forum ‘Measuring and Fostering the Progress of Societies’.²³

In 2019, Prime Minister Jacinda Ardern proposed a Wellbeing Budget at the World Economic Forum.²⁵ The Budget was framed as an effective way to drive long-term policy impacts on people’s lives beyond short-term political cycles. Finance Minister, Grant Robertson, introduced the Budget later in 2019, adding that many New Zealanders were not benefiting from a growing economy in their daily lives. The Budget implemented the Indicators of Statistics New Zealand as well as the Treasury’s Living Standards Framework. Arguably it is an extension of this previous work rather than a radically new project of the current government.²²

Mixed reception

The Budget has not been without critics. The Leader of the Opposition, Simon Bridges, called the Budget ‘overhyped’ and a ‘disappointment’ that would fail everyday New Zealanders, and was an inappropriate approach considering the economy was expected to continue to decline.²⁶ Leader of the ACT New Zealand Party, David Seymour, concurred that it failed to provide fiscal policies for stronger economic growth.²⁷ Outside economic arguments, critics such as Ricardo March from the Auckland Action Against Poverty and left-wing blogger Martyn Bradbury criticised it for lacking any new initiatives for addressing poverty and inequality, both of which are on the rise in New Zealand.²⁸

“We need to address the societal wellbeing of our nation, not just the economic wellbeing... Our people are telling us that politics are not delivering and meeting their expectations. This is not woolly, it’s critical. And it’s not ideological; it’s not something just progressive governments do. It’s about finally saying, ‘this is how we match expectations’ and try and build trust back into our institutions again.”

Jacinda Ardern, Prime Minister of New Zealand, World Economic Forum, January 2019²⁰

Implementation of the Budget

The first Wellbeing Budget in 2019 recognised that while New Zealand currently has overall high levels of wellbeing in terms of health, education and material living standards, significant challenges remain that need to be addressed to ensure sustained economic growth is shared by all. These challenges include poor mental health, children in poverty, high greenhouse gas emissions, ethnic health disparities and threats to waterways and biodiversity.²⁹ Based on evidence from Statistics New Zealand and the OECD, the Budget identified priority areas for allocating funding. Each bid for funding by Ministers required a wellbeing analysis based on the Living Standards Framework to highlight how it would address one or more of these priorities.²⁹

In Budget 2020, New Zealand continued this wellbeing approach, selecting priorities using a collaborative and evidence-based approach. Evidence from Treasury’s Living Standards Framework was combined with advice from sector experts and the Government’s Chief Science Advisors to identify areas where the greatest opportunities existing to make a difference to New Zealanders’ wellbeing (see Table 3).³⁰

Table 3: Wellbeing Budget 5 priority areas 2020

Just Transition	<ul style="list-style-type: none"> Supporting New Zealanders in the transition to a climate-resilient, sustainable and low-emissions economy.
Future of Work	<ul style="list-style-type: none"> Enabling all New Zealanders to benefit from new technologies and lift productivity through innovation.
Child Wellbeing	<ul style="list-style-type: none"> Reducing child poverty and improving child wellbeing.
Māori and Pacific	<ul style="list-style-type: none"> Lifting Māori and Pacific incomes, skills and opportunities.
Physical and Mental Wellbeing	<ul style="list-style-type: none"> Supporting improved health outcomes for all New Zealanders.

The Budget also seeks to move beyond traditional government methods in 3 key ways:

1. breaks down government silos and encourages programs that bring agencies and departments together
2. focuses on outcomes for the needs of present generations at the same time as long-term impacts for future generations
3. tracks progress with a broadened definition of success, incorporating not just the health of finances, but also the health of natural resources, people and communities.²⁹

Embedding wellbeing as an enduring aspect of New Zealand’s Budget

In June 2020, the New Zealand Government introduced new legislation that requires all future governments to report annually on wellbeing objectives in the Budget, and requires Treasury to report periodically on the state of wellbeing.³¹ Each government will have the freedom and flexibility to describe their own wellbeing objectives, but must state the objectives explicitly and use them to guide financial decisions. This embeds the pursuit of wellbeing as an enduring aspect of New Zealand’s Budget, and recognises that achieving genuine changes and measuring progress requires legislative amendments to the public finance system.³²

Another piece of legislation that followed the Wellbeing Budget was the *Local Government (Community Well-being) Amendment Act 2019*, which defines the purpose of local governments as ‘to promote the social, economic, environmental, and cultural wellbeing of communities’.³³ This reintroduces the purpose that existed in the 2002 version of the *Local Government Act*, which the previous New Zealand Government changed in 2012. Elected local members now have a broader mandate to determine whether activities in their communities fit with this purpose.³⁴ In this way, New Zealand councils have similar duties to promote wellbeing as public authorities under the Welsh Act.

The New Zealand example demonstrates that incorporating a wellbeing focus in fiscal policy can lead to further legislative changes, reinforcing a wellbeing agenda within government and expanding duties to other levels of government. While less holistic than the Welsh approach, it provides some evidence that incremental reforms are possible to mainstream wellbeing into government processes over time.

Evaluation of the Budget

The Budget's wellbeing approach is both transparent and accountable, for example its 6 priorities for 2019 were backed by major funding commitments (NZ\$26 billion for the next 4 years). Unlike other countries that only report wellbeing indicators for statistical purposes, New Zealand has made explicit commitments to measure the success of their Budget and allocate funds according to those wellbeing indicators.³⁵

While there is now a legislative guarantee that future Budgets will take a wellbeing approach, there is no statutory requirement for Ministers to regularly report to Parliament on the state of wellbeing to inform policy, nor does the Budget target holistic public sector cultural reform as has been done in Wales.³⁵ This makes it less likely that wellbeing will remain on the political agenda in the periods between Budget publications, or that Parliament will continue to pass pro-wellbeing legislation.

Ongoing challenges in implementation

New Zealand Treasury has acknowledged that the Living Standards Framework Dashboard – the measurement tool to inform Treasury's advice to Ministers on priorities for improving wellbeing – is in pilot form and will be reviewed in 2021. Acknowledged gaps include: the role of family wellbeing, including quality relationships and promoting breastfeeding; the role of natural and cultural capital, including the atmosphere and high seas; the role of Indigenous worldviews, including Indigenous self-determination and connection to culture, environment and kinship; and the role of market enterprise, including creating value from natural and human capital.³⁶

There is some debate about whether the funding allocations in the Budget will raise living standards and wellbeing in practice, with suggestions that further cross-sectoral coordination is required.^{37,38} Other commentators have characterised the Budget as a 'meaningful shift, but more in intention than sufficient funding'³⁹, noting it only signals a broad direction of investment and a history of underspending in comparison to Budget announcements in New Zealand, which could undermine the effectiveness of a wellbeing approach through fiscal policy.³⁹

A further critique is that the local government legislation fails to address how national and local approaches work together. Local government leaders have argued that in order for wellbeing to be experienced in practice, national priorities must consider the uneven distribution of wellbeing among different communities.⁴⁰ While local governments are intended to play a key role as coordinators of the public service response to local wellbeing needs, their integration into the national Wellbeing Budget needs to be further defined.⁴⁰

2. Current social and political discussion of wellbeing in Australia

We examined publicly available media content and political discussion to ascertain the current interest of Australian politicians, community organisations and the public in integrating wellbeing into government.

While there has been explicit reference to the New Zealand Budget in both parliamentary and social debates, there has been little discussion of the Welsh Act to date. This may be unsurprising considering New Zealand's greater geographical and social proximity to Australia.

We also identified some existing policies that integrate wellbeing frameworks in Australia. While a positive step, these are much narrower in scope than the approach implemented in New Zealand and Wales.

Existing political discussion of wellbeing reforms in Australia

The possibility of Australia following New Zealand's Wellbeing Budget model has been mentioned in Parliament on several occasions. In July 2019, Greens Senator Mehreen Faruqi suggested a Wellbeing Budget to support climate action and enable future generations to live a meaningful life.⁴¹ Shadow Treasurer Dr Jim Chalmers also proposed a Wellbeing Budget in a speech to the Australia Institute in 2020, in which he argued that the impacts of the 2019–2020 bushfire season had demonstrated the shortcomings of the GDP measure, and that there was an opportunity in its wake to redefine what success means to Australians.⁴² Dr Chalmers later proposed a Wellbeing Budget in parliamentary discussion, which was met with derision from the Coalition.

Existing support in the community sector

In the community sector, the Victorian Council of Social Service (VCOSS) and the Community Council for Australia (CCA) both support a Wellbeing Budget. VCOSS called for a shift to a wellbeing economy in their 2020 Victorian Budget Submission, arguing that Victoria was well placed to lead the conversation on this approach in Australia.⁴³ Among the priorities VCOSS supports in any wellbeing agenda are tackling loneliness among at-risk Victorians, delivering quality homes for low-income people, and improving funding for the primary prevention of family violence.⁴³

CCA has been advocating for some time that Australia needs to look beyond economic measures to indicators that reflect quality of life. Their Pre-Budget Submission and Commentary for the 2019–2020 period express that the current Australian approach fails to offer a compelling picture about the wellbeing of the nation and future generations, in contrast to the approach of New Zealand.^{21,44}

Existing examples of wellbeing approach in Australia

The Australian Treasury established a Wellbeing Framework under the Howard Government in 2004, until it was abolished by the Abbott Government in 2016. Based on the Australian Bureau of Statistics' 2001 *Measuring Wellbeing* report, the framework outlined that Treasury's mission was to 'improve the wellbeing of the Australian people by providing sound and timely advice to the Government, based on objective and thorough analysis of options'.⁴⁵ Treasury was to assess costs and benefits of all policies, but only as a descriptive tool to provide background for policy advice, not as an analytical framework. They had to consider factors of opportunity, consumption possibilities, distribution, risk and complexity.⁴⁶ The framework did not provide clear direction on incorporating wellbeing into policy and funding decisions. It appears to have been largely overlooked and was never discussed in political debates.

In 2008, Victoria introduced the *Public Health and Wellbeing Act* and in 2019 it introduced a new Public Health and Wellbeing Plan and new Public Health and Wellbeing Regulations.^{47,48} Despite the use of 'Wellbeing' in its title, this legislation is similar to other state and territory public health acts in Australia. It relates to the Victorian Government's duty to protect and promote public health in areas including harmful odours and smoke, infectious disease control, cooling tower operations and immunisation. It prescribes powers to promote health awareness, conduct inquiries and conduct health impact assessments upon Ministerial requests. The Act requires a state Public Health and Wellbeing Plan and local council public health and wellbeing plans to be prepared every 4 years. *The Victorian Public Health and Wellbeing Plan 2019–2023* maintained a commitment to previous health priorities of reducing injury, preventing violence, decreasing the risk of drug-resistant infections in the community, increasing healthy eating and active living, reducing harmful alcohol use, drug use and tobacco related harm, improving mental wellbeing and improving sexual and reproductive health. It was also the first time the plan included a priority of tackling climate change and its impact on health. Local councils develop their 4-year health plans with specific priorities, based on evidence for their local populations. While attention to local government's role in promoting health shares similarities to the Welsh and New Zealand approaches, the Victorian Act is narrower. The Act currently does not incorporate sustainable development principles, does not define 'wellbeing', and does not mention future generations. Similar to the use of 'wellbeing' in earlier legislation in Wales, the term appears to primarily relate to personal wellbeing, whereas the definition in the final Welsh Act is more clearly a statement of societal wellbeing, linked to economic, social, cultural and environmental wellbeing.

In March 2020, the Australian Capital Territory (ACT) Chief Minister Andrew Barr introduced a Wellbeing Framework to guide government decision-making, including Budget framing, policy development and spending priorities.⁴⁹ It defines wellbeing as 'having the opportunity and ability to lead lives of personal and community value', noting wellbeing is not just about today, but about longer-term balances. It recognises that while the ACT has the lowest unemployment rates and highest average incomes in Australia, economic conditions do not solely determine quality of life and existing measures do not capture issues important to the community, particularly following the bushfires.

The Wellbeing Framework is modelled on New Zealand's approach. During development, ACT universities held wellbeing forums, which were followed by consultation with the community and input from advisory bodies. The framework includes 12 wellbeing domains that contribute most to the overall quality of life of ACT residents, and indicators of progress that will be reported on. The ACT Government proposes introducing wellbeing principles progressively in its 2020–2022 Budget papers and processes, and to 'further progress the extent to which wellbeing shapes both investment priorities and other decision-making processes' of government. This leadership by the ACT makes it a potential policy champion for broader legislative and policy implementation across Australia.

3. Legal opportunities and barriers

Based on results from the previous section, we applied lessons from the Act and the Budget to Australia's governmental structure and the division of lawmaking powers between state and federal governments to consider whether similar legislation could be developed in Australia.

While state-based entrepreneurship could be important in progressing a wellbeing policy agenda, a national approach to holistic wellbeing legislation appears legally feasible and could embed a coordinated approach throughout different levels of government to improve impact, support policy coherence and promote national equity.

Wellbeing at the national level

The Australian Constitution provides Parliament power to make law in specified areas that are not easily mapped to the breadth of potential matters covered by something like a Welsh Act equivalent. However, initial analysis suggests this appears unlikely to pose a barrier to federal wellbeing legislation.

The Commonwealth Government does not have an explicit power to make laws and spend money in relation to health or the environment, for example, but a variety of options exist that allow it to do so in practice. Over recent years, the Commonwealth's powers have been read in very broad terms, allowing the Commonwealth to make laws or funding allocations on many areas outside those explicitly granted to them in the Australian Constitution. A number of national environmental laws now exist that have been held up by the High Court of Australia as valid.⁵⁰ There is also increasing acceptance that the Commonwealth Government has control over the health and environment sectors, as they control the majority of revenue and have greater financial resources than state and territory governments.⁵¹ Beyond the explicitly specified Constitutional powers, the Commonwealth can also make laws on matters referred to it by the parliaments of the states.

A national approach to wellbeing could create duties for all governments and public bodies in Australia. Consistency and harmonisation between states, territories and local governments would provide the best means for country wide improvement in wellbeing indicators.

There is some potential for the Commonwealth's limited lawmaking powers to expose any proposed legislation to challenge from states, industries or other organisations whose interests may be affected. For example, challenges to federal environmental legislation have been brought by the mining industry against the prohibition of exporting mineral sands from Fraser Island⁵², and by the agriculture industry against reductions in groundwater entitlements to environmentally sustainable levels.⁵³

Challenges have also been brought by states arguing against the Commonwealth Government's authority to declare heritage areas and prohibit states from constructing dams in those areas.⁵⁴ In these challenges to date, the High Court upheld that the Commonwealth had authority to make such regulations for the environment. However, there is a possibility that the High Court could declare what would likely be a far more broad-reaching wellbeing of future generations approach invalid.

If Australia was to adopt an approach more similar to New Zealand's, the Commonwealth could make a policy decision to integrate wellbeing into its annual Budget. To make this more than a one-off political initiative, Australia would need to pursue fiscal legislation reform similar to New Zealand. Like New Zealand, Australia could also seek to implement other legislation in parallel to this 'top down' approach to better coordinate the roles of state, territory and local governments in implementing wellbeing priorities.

Wellbeing at the state level

State governments have traditionally been responsible for areas such as health, environment, infrastructure and transport, and have power to create laws and policy for these areas. However, the states' lack of revenue has taken power away from them in pursuing large-scale reforms, as demonstrated by the Commonwealth Government's partial funding of public hospitals and its responsibility for major areas of health policy.⁵⁴

Another option is for a Commonwealth initiative to be enacted by all states. The Commonwealth Government can make agreements with states, committing them to all pass legislation in a uniform way. An example is the *Food Regulation Agreement*, which commits the state governments to enact the Food Standards Code, a Commonwealth legislative instrument, in their jurisdictions. This obligation to adopt the Code comes from the Agreement, not from the *Food Standards Australia New Zealand Act 1991* (Cth). States are individually responsible for enforcement, but the Agreement achieves consistency and harmonisation in an area where the Commonwealth traditionally has very little power.⁵⁵

One potential advantage of pursuing a wellbeing agenda at a state level is that it may be more expedient, particularly in Victoria and the ACT, where at least some support for such policies already exists. If well-received, progress at a state level could have a domino effect to other jurisdictions.

4. Reimagining life and health after 2020 – opportunities to place wellbeing at the centre of future Australian law and policy

As Australia continues to face the challenges presented by 2020, there is opportunity for our governments and leaders to consider new ways of measuring, and promoting, quality of life.

The coronavirus pandemic has intensified pre-existing disadvantages and weaknesses in current health and economic systems, exposing traditional ways of working as no longer viable. The systemic flaws revealed include job insecurity, wage poverty, racial disparity, inequalities in home ownership and housing quality, and deep structural inequalities in economy. Australia's experience of heatwaves and bushfires have also reinforced that our environmental policies are lacking, and our response to climate change remains well behind other nations. While the effects of these joint crises have been felt immediately, they will also have long-term consequences.

This context provides opportunity to reset and re-evaluate what aspects of life matter the most to the population, and how we can best meet the needs of our future generations. To do this, governments need a framework within which to operate, one that allows us to escape old ways of working or 'business as usual'.

Wales and New Zealand are now part of an increasing network of countries and institutions exploring innovative institutional protections for future generations and their environment.

Undeniably, building back better will be a major challenge of the next decade. The dual urgency of tackling the coronavirus pandemic and climate change, both nationally and internationally, brings competing priorities and complexities to policy-making. Both the Act and the Budget offer progressive inspiration for how Australia could incorporate wellbeing into the business of government, at either a state or national level. They offer promise for how a post coronavirus recovery could incorporate concepts of wellbeing and sustainable development to rebuild while safeguarding future generations of Australians from the impacts of recent events. They also provide an avenue through which Australia could become a world leader in moving towards a healthier, greener future. The time is now for an ambitious policy agenda, and it has never been more crucial for the safety and prosperity of the Australian people.

Next steps to further explore what an Australian wellbeing approach could look like may include:

- identification and outreach to potential political, civil society, academic, community and private sector champions for a wellbeing approach
- convening policy leaders from Wales and New Zealand with potential Australian policy champions to inspire action
- developing an advocacy roadmap to build public and political awareness of the potential benefits of these measures in Australia, including processes for community consultation tailored to the unique context and opportunity created by the coronavirus pandemic
- engagement with existing global platforms and collaborations, including the Network of Institutions for Future Generations and the Wellbeing Economy Alliance.

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VicHealth is committed to health equity, which means levelling the playing field between people who can easily access good health and people who face barriers, to achieve the highest level of health for *everyone*.



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VicHealth acknowledges the Traditional Custodians of the land. We pay our respects to all Elders past, present and future.

A roundtable:

Integrating wellbeing into the business of government:

*The feasibility of innovative legal and policy measures
to achieve sustainable development in Victoria*

Roundtable communiqué

November 2021

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Acknowledgement of Country

We acknowledge the lands of the First Peoples upon which this report was written and pay our respects to Elders past, present and future.

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Introduction

The events of 2020–21, including the catastrophic Australian bushfires and the COVID-19 pandemic, are a prescient reminder that the world is rapidly changing. These changes have consequences for human and planetary health and the wellbeing of current and future generations. Social, environmental and economic imbalances pose a threat to all, but particularly people living on low incomes or experiencing disadvantage.

The imperative to build back better creates opportunities for governments to consider new ways of working to better support community wellbeing, now and into the future.

In 2020, VicHealth commissioned The George Institute for Global Health to draw on international case studies and analyse the potential for a wellbeing economy in Victoria. This work drew lessons from Wales' Well-being of Future Generations Act 2015 and New Zealand's Wellbeing Budget to highlight barriers to and opportunities for adopting similar policies at a national or state government level in Australia.

In July 2021, The George Institute for Global Health, VicHealth and the Victorian Council of Social Service co-hosted a Roundtable to disseminate the findings of the report, titled [*Integrating wellbeing into the business of government: The feasibility of innovative legal and policy measures to achieve sustainable development in Australia*](#). At the Roundtable, stakeholders and potential champions from around the country explored the feasibility of such a policy mechanism in Victoria.

Stakeholders heard from national and international experts on the benefits of and challenges to a wellbeing economy and workshopped what the implementation of a wellbeing economy in Victoria might look like.

This communiqué summarises key aspects of a wellbeing economy, reflects discussions from the July 2021 Roundtable and seeks to inspire action towards the development of a wellbeing economy in Victoria.



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The Roundtable

In July 2021, The George Institute for Global Health, VicHealth and the Victorian Council of Social Service co-hosted a Roundtable to disseminate the findings of the [*Integrating wellbeing into the business of government: The feasibility of innovative legal and policy measures to achieve sustainable development in Australia*](#) report. At the Roundtable, stakeholders from around Australia explored the feasibility of adopting a wellbeing approach in Victoria.

Roundtable participants (participants) first heard from international and national experts on the benefits of and challenges to a wellbeing economy. Participants then workshopped the concept of wellbeing and what the implementation of a wellbeing economy in Victoria might look like in practice, *focusing on the following specific discussion points:*

- How would a wellbeing economy make a difference for people, government, institutions and organisations?
- What would government need to change?
- What should a wellbeing economy measure?
- What stakeholders need to be engaged for this to be successful?
- What could go wrong in the implementation?
- What are the possible barriers or misconceptions we might come up against?
- What are the practical steps towards achieving real change?
- What research is needed to bolster evidence?

The following summarises the participants' ideas, priorities and ambitions. It does not represent a group consensus but, rather, participants' diverse views based on their respective expertise and interests.

Participants and the host organisations acknowledged that a broader and more diverse group of stakeholders should be engaged in future discussions—experts in fields such as policymaking, economics, the environment and climate change; Elders and communities who can share First Nations knowledge; and underserved communities that are impacted by the inequitable distribution of resources who can share their lived experience, such as children and young people and people with disability.

Participants also acknowledged that ensuring wellbeing approaches have fair and equitable outcomes means we need to consider how the drivers of wellbeing intersect with factors such as socioeconomic status, race/ethnicity and religion, Indigeneity, disability, gender, sexuality, age, occupation and educational levels. First Nations, Traditional Knowledges and principles of self-determination must also be recognised to build consensus and ensure equity in wellbeing approaches.

'Countries like Wales and New Zealand have shown us what is possible. Similar policies are legally feasible in Australia; the challenge is one of political will.'

Dr Alexandra Jones
Research Fellow, Food Policy
The George Institute for Global Health.



Wellbeing in context

During the twentieth century, economic output became the dominant way countries measured and compared progress. More recently, concepts such as gross domestic product (GDP) have been challenged, with calls for new ways to think about and measure social progress that are underpinned by wellbeing. Although described in various ways, the key idea of holistic wellbeing is familiar the world over: quality of life and flourishing for all people and sustainability for the planet.

A number of movements in past decades have sought to enshrine wellbeing as a core aspiration of community, organisational and government action. Examples include the Ottawa Charter for Health Promotion, a Health in All Policies approach and the United Nations Sustainable Development Agenda. A wide range of local, state, national and global organisations have been leading the way in creating structural, social, cultural, environmental and economic change to ensure the planet's sustainability and quality of life for current and future generations. There is much to learn from the successes of these movements and the challenges they have experienced in generating political will and gaining community, stakeholder and industry support.

'The idea of the wellbeing economy at its heart is saying we need to have the economy designed purposefully and concertedly to deliver collective and multi-dimensional wellbeing.'

Dr Katherine Trebeck
Senior Strategic Advisor, Wellbeing
Economy Alliance.³

A wellbeing approach builds on these learnings and aims to frame them within a holistic understanding of a good life and healthy planet. It reorients economic and business practices to focus on equitable distribution of resources and wellbeing while protecting the planet's resources for future generations and other species. By reorienting goals and expectations for business, politics and society, we can build a wellbeing economy that serves people and the planet.

Wellbeing policies implement a social investment approach by evaluating long-term return on investment in social services and using this information to drive community empowerment and target future spending. A wellbeing approach includes measures to promote health for all, reduction of emissions, emergency and disaster preparedness, education and capacity building, and a sustainable and climate-resilient health sector. The challenge for governments has been how to translate new ways of thinking about wellbeing into implementable policies.

Countries like Wales and New Zealand are now part of an increasing network of countries exploring innovative policy reforms to promote societal wellbeing for current and future generations and their environment.¹

During discussions around the 2021–22 State Budget, the Victorian Treasurer indicated a desire to work towards an economic framework that prioritises long-term wellbeing benefits by investing in early intervention and prevention rather than acute interventions.² Champions for a wellbeing approach are now needed to inspire action in Victoria and join the growing global movement towards wellbeing economies.



What a wellbeing economy can do for the people of Victoria

Reflecting on the potential to address health, climate and social inequity issues through a wellbeing economy, participants explored how a wellbeing economy could make a difference for people, government, institutions and organisations in Victoria.

Participants identified that a wellbeing economy can:

- create government mechanisms to align with and achieve the Sustainable Development Goals and their principles, incorporating a decolonising approach to policy development and communities' self-determination
- enable governments to reorient their focus to supporting communities over purely economic outcomes that may benefit corporations over people consider and prevent potential fallout and systems shocks that may result from future intergenerational issues such as climate change
- facilitate an evidence-based approach to policymaking in pursuit of long-term objectives, combined with accountability mechanisms for governments' pursuit of long-term goals
- address social and economic inequities, particularly those impacting groups who commonly experience barriers to wellbeing.

Participants reflected that a wellbeing economy should be solutions focused and give visibility to identified intergenerational measures of wellbeing. A wellbeing economy should also have an integrated approach that promotes individual, community and societal wellbeing. While conversations mainly focused on the advantages and

positives of a wellbeing economy, participants acknowledged that such a policy shift would involve complexities.

Participants discussed that for a wellbeing economy to be implemented, government agencies and civil society would need to change entrenched structures of governance and organisation, which may be met with resistance.

In considering the benefits of a wellbeing economy and the numerous areas of need a wellbeing economy could address, participants discussed potential wellbeing indicators. In countries with existing wellbeing policies, these indicators form part of policy frameworks to measure and track progress towards holistic wellbeing.

Potential indicators identified by participants include:

- holistic health outcomes, including physical, mental, spiritual, cultural and social health
- community participation, including volunteering, loneliness and social inclusion
- economic security, including job security
- educational outcomes
- other social determinants of health and health inequities
- environmental sustainability, including air quality and pollution
- fairness and equity
- child welfare throughout the life course, including early childhood development
- freedom from poverty and disadvantage
- First Nations wellbeing
- governance and democracy.

Participants reflected that there should be an emphasis on inclusivity and diverse groups in determining what matters to people and communities. There were suggestions to draw on the [Australian National Development Index](#) and [Australian Youth Development Index](#).



How governments can facilitate a wellbeing economy

Government has a crucial role in facilitating the successful development and roll-out of a wellbeing economy in Victoria. A genuine commitment to community and societal wellbeing as a priority in policy decisions and reform was identified as central to success.

To facilitate community buy-in and build political will, participants recognised the need for broad and diverse engagement, including with those who do not traditionally engage in government processes or are prevented from doing so due to structural and cultural barriers, particularly First Nations. Participants also identified that government needs to develop and engage with champions across sectors, including those beyond the health sphere.

Groups identified by participants include:

- environmental groups
- children, young people and the 'average layperson'
- excluded groups
- business leaders and industry groups
- community group members and local activists, local councils, schools and tertiary education
- economists and the banking and finance sector
- champions within large corporations and industry, including the agriculture sector
- First Nations and Traditional Knowledges.

Participants advised that community engagement be embedded throughout the policy cycle. Participants recommended that governments draw on international examples of successful engagement strategies—such as those used in New Zealand and Wales—to develop and tailor locally relevant policy and maximise the use of local policy windows.

Barriers to a wellbeing economy

Establishment of a wellbeing economy is a complex process, requiring the cooperation of several layers across multiple government portfolios and departments, in addition to civil society. It requires structural changes to systems that will reshape fundamental ways of operating and organising, including defining the roles and responsibilities of government and stakeholders in wellbeing. Participants discussed the potential barriers to a wellbeing economy and identified several areas of disruption.

Participants acknowledged that misconceptions among stakeholders may present a challenge to progressing towards a wellbeing economy. This includes individuals and policymakers viewing wellbeing and economic outcomes as mutually exclusive, particularly in the discussion around post-COVID-19 economic recovery. There is also a risk that governments will fund siloed programs that focus on individual wellbeing, rather than driving broader systemic and societal change.

Participants discussed the potential 'short-termism of the Australian political mindset' and the disconnect between individual and collective responsibilities and long-term societal challenges like obesity and climate change. Participants were concerned that the focus on individuals and general reluctance to make economic sacrifices for broader systems and societal change has been exacerbated during COVID-19 restrictions. Participants also acknowledged that media personalities, political parties and individual politicians could create confusion and mistrust among the community about a wellbeing economy agenda.



The role of further research

Participants discussed the role of research in this area. It was noted that there is already a significant body of work globally to support action in this area and that lack of research is not the primary barrier to political action. At the same time, there is potential to tap into and build on existing research agendas and networks to provide further supporting evidence in this area.

Some suggestions for areas of future research include:

- ramifications of not acting now, such as predicted long-term economic, environmental and health impacts of inaction
- further dissemination of examples of successful policy (e.g., lessons from Scotland, building back better after COVID-19) and specific recommendations for application in the Australian context
- collating and analysing evidence as to whether policy silos have been successfully broken down in other contexts
- comparison of wellbeing data and indicators from other contexts.

'It has been clear for a long time to many of us that GDP is not an accurate measure of how we're doing as a society and cannot indicate what life will be like for future Victorians. The concept of "wellbeing" is far more useful for understanding how all of us are doing, and how the planet around us and future generations will do as well.'

Dr Sandro Demaio
CEO, VicHealth.

Practical steps towards achieving a wellbeing economy in Victoria

Participants concluded discussions by workshopping what the practical steps might be towards achieving a wellbeing economy in Victoria.

Potential steps identified by participants include:

- creating and/or supporting opportunities for consultation and listening to community needs, including by adapting international approaches (e.g., [The Wales We Want](#)) to inform the establishment of wellbeing indicators
- generating political will for wellbeing approaches by increasing understanding among policymakers about the benefits and communicating the urgency for action (e.g., by leveraging lessons from COVID-19)
- fostering community support for a wellbeing economy from diverse groups, including developing language meaningful for community members
- creating solutions for deeper structural problems within the narrative of wellbeing and sustainable development
- building advocacy coalitions across sectors to promote a united advocacy and policy agenda
- strengthening opportunities in the Victorian policy landscape that can then help overcome barriers at the Federal level
- hosting a national summit with diverse stakeholders to establish a roadmap for wellbeing economies.

Based on the Roundtable discussions and the findings of the [Integrating wellbeing into the business of government: The feasibility of innovative legal and policy measures to achieve sustainable development in Australia](#) report, The George Institute for Global Health, VicHealth and the Victorian Council of Social Service developed a list of guiding principles to underpin future action to develop and embed a wellbeing economy agenda in Victoria.

We invite participants and interested stakeholders to use these principles to guide their activity going forward and to continue the strong momentum built at the Roundtable and by the work of diverse stakeholders across Victoria, Australia and internationally.



Principles for moving the wellbeing economy agenda forward

1. Base the wellbeing economy agenda on principles of equity and sustainable development

Sustainable development and equity should be fundamental principles underpinning the wellbeing economy agenda. This includes decolonising approaches to definitions of wellbeing and associated indicators. Sustainable development ensures that present-day decision-making meets the needs of the present without compromising the ability of future generations to meet their own needs. Equity prioritises action to ensure everyone has a fair opportunity to attain their full wellbeing potential and that no one is disadvantaged in achieving this potential if it can be avoided.

2. Advocate for transformation of the structural drivers that underpin a wellbeing economy

Case studies from New Zealand and Wales demonstrate the importance of structural change to drive meaningful change in the way governments operate to support wellbeing. Action within Australia should seek to institute policy mechanisms focused on reorienting government action for future generations. These should aim to address the structural drivers of wellbeing and equity. Legislation can promote long-term change that can endure beyond political cycles. Legislation should be supported by appropriate implementation, monitoring and accountability mechanisms to promote ongoing evaluation and strengthening. Local-level action and momentum is essential but is unlikely to achieve meaningful change without government-led initiatives to shift power and systems in a way that supports the achievement of wellbeing goals.

3. Engage widely and strategically with diverse stakeholders in the development of the wellbeing economy agenda

The drivers of wellbeing encompass a wide range of social, health, economic and environmental domains. They include healthcare and preventive health, community services, work and employment, housing, education, early childhood development, the environment and planetary health, the economy/finance, agriculture and industry, planning, the physical environment, and the arts and sport, to name just a few. Ensuring wellbeing approaches have fair and equitable outcomes means we need to consider how these drivers intersect with factors such as socioeconomic status, race/ethnicity and religion, Indigeneity, disability, gender, sexuality, age, occupation and educational levels. Wellbeing approaches must also recognise First Nations, Traditional Knowledges and principles of self-determination to build consensus and ensure equity.

Therefore, it is essential that any action to develop and implement a wellbeing economy agenda brings together representatives from a broad range of sectors and population groups to build commitment and widespread consensus and ensure all voices are being heard. Doing so will create a comprehensive agenda and meaningful indicators that have widespread support and result in equitable and sustainable outcomes. Given the focus of this approach on future generations, children and young people should be prioritised in this work, as well as Victorians experiencing disadvantage.

4. Build a coalition of community, sector and political champions around a coherent advocacy agenda

To move the wellbeing agenda forward, champions from a range of sectors and communities will be needed to guide action within their areas and advocate to government. Political leadership will also be crucial to success, and potential champions from various political parties should be identified and supported throughout the process.

5. Embed diversity and community voices in campaigns

Gaining widespread community engagement and ‘buy-in’—particularly from those who have historically been under-represented or deprioritised in policymaking—will help develop the agenda and ensure governments retain public support during the transition to the new approach. Communicating the approach to members of the public and ensuring community champions are front and centre in that communication will increase buy-in, build understanding and ensure that communities benefit from a wellbeing approach. Principles of self-determination should be embedded in efforts to ensure First Nations’ voices are prioritised.

6. Employ qualitative and quantitative methods to find appropriate indicators for wellbeing priorities

Based on the priorities identified by the community, experts and researchers in public health, environment, community and related fields should use qualitative and quantitative methods to identify indicators and potential data sources to measure changes in those areas. Where needed, new indicators should be identified and funding provided to establish them.

7. Move beyond traditional cost–benefit analysis to assess policies in terms of their contribution to current and future wellbeing

Integration of a wellbeing approaches into government decision-making and monitoring should seek to shift the analysis of the value of investment from traditional cost–benefit to one that values wellbeing of Victorians now and into the future, in line with the priorities they have been identified. This should include a clear, robust and timely assessment of how the approach is being implemented, and its outcomes.

8. Strengthen collaboration with existing networks working in this space in Australia and globally

There is a wealth of work being undertaken across Australia and internationally to promote a wellbeing agenda. For example, in the health sector, lessons can be drawn from work in areas such as Health in All Policies approaches and the concept of the social determinants of health. Advocates and researchers in other areas, such as the environment, justice and social services sectors, are also generating action. Working with supportive governments, organisations, researchers and communities will allow us to learn from their experiences and align our efforts where possible to ensure the greatest benefit for Victorians and across the world.

References

- 1 Jones, A, Morelli, G, Pettigrew, S & Neal, B 2021, Integrating wellbeing into the business of government: The feasibility of innovative legal and policy measures to achieve sustainable development in Australia, Victorian Health Promotion Foundation by The George Institute for Global Health, Melbourne.
- 2 Victorian Council of Social Service 2021, Treasurer's Breakfast with Victorian Treasurer Tim Pallas, viewed 1 September 2021, <https://vcoss.org.au/sector-hub/breakfast>
- 3 Wellbeing Economy Alliance 2021, Wellbeing Economy Alliance, viewed 1 September 2021, <https://wellbeingeconomy.org/about>.

Host organisations

About The George Institute for Global Health

The George Institute is a leading independent global medical research institute established and headquartered in Sydney. It has major centres in China, India and the UK, and an international network of experts and collaborators. Our mission is to improve the health of millions of people worldwide by using innovative approaches to prevent and treat the world's biggest killers: non-communicable diseases (NCDs) and injury. Our work aims to generate effective, evidence-based and affordable solutions to the world's biggest health challenges. We research the chronic and critical conditions that cause the greatest loss of life and quality of life, and the most substantial economic burden, particularly in resource-poor settings. Our food policy team works in Australia and overseas to reduce death and disease caused by diets high in salt, harmful fats, added sugars and excess energy. The team conducts multi-disciplinary research with a focus on generating outputs that will help government and industry deliver a healthier food environment for all.



About VicHealth

The Victorian Health Promotion Foundation (VicHealth) is a pioneer in health promotion – the process of enabling people to increase control over and improve their health. Our primary focus is promoting good health and preventing chronic disease. We create and fund world-class interventions. We conduct vital research to advance Victoria's population health. We produce and support public campaigns to promote a healthier Victoria. We provide transformational expertise and insights to government. Of all the things we do, above all we seek to make health gains among Victorians by pre-empting and targeting improvements in health across our population, fostered within the day-to-day spaces where people spend their time, and with benefits to be enjoyed by all.



About Victorian Council of Social Service (VCOSS)

VCOSS is the peak body for the community service sector in Victoria. Through advocacy, policy development and capacity building activities we work to eliminate poverty and disadvantage and achieve wellbeing for all Victorians and communities. We advocate for a fair and equitable society by supporting the social service industry and representing the interests of Victorians living in poverty or facing disadvantage.



A roundtable:

Integrating wellbeing into the business of government:

*The feasibility of innovative legal and policy measures
to achieve sustainable development in Victoria*

Roundtable communiqué

November 2021