

26 May 2023

The Hon Jim Chalmers MP
Treasurer

Via email: measuringwhatmatters@treasury.gov.au

Cc Hon Tanya Plibersek MP, Minister for the Environment and Water

Via email: Minister.Plibersek@dcceew.gov.au

Dear Treasurer

Submission: Measuring what matters

We welcome the Government's commitment to releasing a new standalone Measuring What Matters Statement this year and your efforts so far in opening a conversation between Australians on wellbeing.

As researchers, program designers and operators, with deep expertise in sustainability and wellbeing, we have two significant concerns with what is being proposed:

- the themes are insufficient for what is needed; and
- the proposed consultation process is too short and limited in its reach.

We are looking to seek clarity on how this new wellbeing framework and indicator system will be used. Specifically, that social and environmental wellbeing (now and into the future) will be given equal or greater weight in decision-making and funding allocations compared with metrics like GDP, and what the next steps in the consultation process will be.

Concern 1: environment is insufficiently represented in the current themes

Last year, we provided advice to the Department of Climate Change, Environment, Energy and Water (DCCEEW) on the link between wellbeing and the environment. We note that DCCEEW has provided the report to the Treasury Department¹.

Drawing on that work, we believe there needs to be a repositioning of the environment so that it is recognised, rightly, as being fundamental to all themes/pillars of wellbeing: without a healthy

¹ Boulton, J et al (2022) Measuring what matters for Australia: A scoping study and proposed framework for selecting environmental indicators for wellbeing and productivity. December 2022, Produced for DCCEEW through the NESP Sustainable Communities and Waste Hub

natural environment that exists within its planetary boundaries we have no society, economy or wellbeing.

Treasury has outlined five themes for wellbeing: prosperous, inclusive, sustainable, cohesive and healthy. The environment is considered under the sustainability theme: *“A natural environment that is valued and sustainably managed in the face of a changing climate for current and future generations.”* The proposed metrics for this theme are:

- A healthy natural environment for current and future generations, protected from the damage being caused by climate change;
- A society and economy that is resilient and adapting to a changing climate;
- A society that sustainably uses our natural resources, on track to reach to net zero emissions; and
- A society that values the social, cultural and economic significance of our natural environment.

We propose two changes here. First, the environment should not be seen merely as a ‘theme’ of wellbeing, it is the foundation, and it should be treated as such. The environment underpins all aspects of wellbeing, society and economy. This fundamental role is often insufficiently captured in particularly economic framings of wellbeing, an oversight which is contributing to staggering and unacceptable rates of environmental decline². Economic indicators have long been used as a proxy for wellbeing and it has resulted in economic growth at the expense of environmental and societal wellbeing and health.

Second, the natural environment should be explicitly named, rather than hidden under the ‘sustainability’ umbrella. Too often ‘sustainability’ gets hijacked as ‘economic sustainability’ and the environment gets bulldozed (literally and figuratively). We recommend that the environment be seen as a domain or theme in and of itself. A framework should be developed showing the hierarchy of the themes with environment included as a theme in its own right and sustainability pursued as the foundational concept across all themes.

Concern 2: the consultation process

There are diverse ways that wellbeing - and the social, economic and environmental features that underpin it - is understood and enacted across the mosaic of Australian society. Our fear is that the current consultation process does not sufficiently capture the depth and breadth of what wellbeing means to Australians and, particularly, the many ways our environment supports that wellbeing.

The Treasury’s initial consultation received 160 [submissions](#). While there was representation from a cross section of organisations and individuals, including from community groups, peak bodies, businesses, individuals, academics, research institutes, unions and governments, it still represents a small and perhaps biased percent of the Australian community. Specifically, three important groups – **Indigenous**, **minority** and **environmental** groups - who would have significant and unique contributions to make to any discussion of wellbeing were insufficiently represented. We believe this is a gap in consultation that should be addressed through targeted consultation.

The second round of consultations, which is only open for a month and a half, sees Treasury inviting community groups, members of Parliament and other organisations to hold their own “feedback meetings”, in which they will host a conversation about the five emerging themes as

² Australia State of the Environment Report 2021 refer <https://soe.dcceew.gov.au>

identified by Treasury and submit the findings to Treasury. This timeframe is tight for scheduling such meetings and we expect that some organisations will find it challenging to allocate and dedicate resources to complete this task.

As stated on the Treasury website, the Measuring What Matters Statement will be Australia's first national framework on wellbeing. In our opinion, this makes it critical that a considered consultation process occurs. It is imperative that time is allowed for consultations with as many Australians as possible, especially those who do not normally participate in these consultations and are harder to reach, geographically, culturally, or otherwise. We would encourage attention to be placed on reaching our Indigenous communities - whose perspectives deserve to be central to a framework of wellbeing and how wellbeing is supported by the environment and from who there is much to learn.

We note that a more extensive process (see ACT government's submission where they outline the process they undertook) requires an investment of resources. We believe that the outcomes - the most significant being that the broader community would be invested in the journey - are worth the cost. Without hosting open, inclusive conversations, the resulting concept of wellbeing may be too narrow and insufficient for changing the major challenges of our nation and world. We note there is little outlined in the latest national budget on how the wellbeing framework will be pursued.

Concern 3: Insufficient clarity on use of wellbeing in decision making and next steps

We are seeking clarity around how the Measuring What Matters Statement will be used. We note that the Treasury has said that the Statement is intended to *"assess progress on a broad range of social and environmental indicators alongside traditional economic measures."* Assessing progress is a useful start, but we believe there is much more utility in embedding wellbeing and sustainability into formal decision-making processes, particularly around the allocation and prioritisation of funds (shifting the statement to being a framework for decision-making and, therefore, pursuing a wellbeing economy approach).

Our current, growth-based economic system is contrary to a healthy planet and therefore human wellbeing. We need to abandon growth as an objective in favour of wellbeing, fundamentally shifting from a growth-focused society to a de-growth, regenerative, nature-positive society. Pursuing a wellbeing budget – where the health and wellbeing of the environment is prioritised and protected – is the mechanism which we would like to see adopted. The current proposal suggests that the framework may be used *alongside* existing structures like GDP to determine how well our society is functioning. This approach is somewhat tokenistic and will not lead to better outcomes for planet or people, nor assist Australia in meeting its international obligations to address climate change and biodiversity loss.

We would also welcome an indication from you as to what happens after this second round of the consultation process. We note that the Treasury website acknowledges that the Statement is expected to "evolve over time" and we are interested to know what the Treasury is thinking here. We would advocate for a further, targeted, engagement process where a proposed framework is presented to groups and organisations representing diverse aspects of the Australian society, with Indigenous groups central to the consultation, and fairly compensated accordingly.

Once again, we do welcome the efforts of the Treasury to embark upon this important work. This exploration is important for the present and future wellbeing of all Australians, and we must make every effort to include diverse Australians in the conversation.

We would welcome the opportunity to meet with you in person to present our report to you and outline further ideas we have around how to best structure a wellbeing index so that the wellbeing of people and planet, now and for the future, in Australia are secured.

We look forward to hearing from you.

Yours sincerely

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Anissa Lawrence

Managing Director, TierraMar

A handwritten signature in black ink, appearing to be 'Emily J Flies'.

Emily J Flies

Lecturer, University of Tasmania