



**WELLBEING
ECONOMY
ALLIANCE**

Submission to Measuring What Matters (Stage 2)

WEAll Australia Hub

May 2023

1. Introduction: about the WEAll Australia Hub

The WEAll Australia Hub is the newly established branch of the Wellbeing Economy Alliance (WEAll), a global collaboration of changemakers working together to transform the economic system.¹

WEAll's mission is to catalyse, support, and amplify the movement necessary to transform the global economy to one that creates shared wellbeing for people and planet and to support citizens to develop such economies in their own nations and communities.

WEAll believes that the critical elements of a Wellbeing Economy are:

1. Dignity: Everyone has enough to live in comfort, safety and happiness
2. Nature: A restored and safe natural world for all life
3. Connection: A sense of belonging and institutions that serve the common good
4. Fairness: Justice in all its dimensions at the heart of economic systems, and the gap between the richest and poorest greatly reduced
5. Participation: Citizens are actively engaged in their communities and locally rooted economies.²

As with other hubs around the world that WEAll Global supports, the WEAll Australia Hub will act as a central place of knowledge and action between local and global movements, facilitating collaboration and activity between different sectors and groups of society towards building a Wellbeing Economy.

2. The importance and opportunities of the MWM initiative

We believe that the Treasury's 'Measuring What Matters' (MWM) project has considerable importance as a nation-building project, with the potential to set the directions for a better, fairer, more democratic and more sustainable Australia. In this respect, its value goes well beyond the relatively narrow task of improving technical and statistical measures of progress and wellbeing and its success will demand a high level of organisation, resources, planning and critical scrutiny.

Both the Treasurer (in various press statements, speeches and essays) and the Treasury itself (in Budget Statement 4 of the October 2022 Budget) have expressed similarly ambitious views about the importance of the MWM project, noting its potential contribution to economic and democratic reform, improved whole-of-government policy making and as a basis for a genuine national conversation about our shared future.

The Treasury has said that it sees MWM as means to 'facilitate more holistic discussions about the type of economy and society Australians want to build together'; 'provide a foundation to improve living standards, intergenerational mobility and opportunities'; 'enable more consistent evaluation of policy against progress'; 'strengthen democracy'; 'provide common understanding of objectives across levels of government, especially as between state and federal governments'; and 'make our economy more answerable to our values'.³

The Treasurer has expressed even stronger ambitions for the project. He sees it as 'a key contribution to our mission ... to redefine and reform our economy and institutions in ways that make our people and communities more resilient and our society and democracy stronger as well'; a means to 'transform economic decision-making' and for 'more meaningful policies and better outcomes' across the whole of the federal government; as 'a new kind of model to guide us in our future progress'; as 'not just the beginnings of a new economic model, (but) democratic reform'; and as (a contribution to) 'building a better capitalism, uniquely Australian – more confident and forward-thinking; more aligned with our values; based more on evidence and integrity; more capable of building resilience, not just building buffers'.⁴

From WEAll's perspective also, a fully developed national wellbeing framework - based on extensive community engagement, incorporating international best practice, built into and across government and tied to clear goals – has profound implications for a better, fairer and more sustainable economy: an Australian Wellbeing Economy.

As an organisation, therefore, we strongly support the project and commend the government and the Treasurer for its initiation. We are particularly excited about the possibility that the MWM framework offers for progress towards a more just,

equitable and sustainable economy. Our comments below, while at times critical, are essentially intended to identify the opportunities to fully realise the ambitious goals which have been set for the project and we believe would be broadly supported across the Australian community.

3. Strengthening and expanding the community engagement process

The Treasury has made a strong commitment to reflect the community's interest in the Measuring what Matters statement and the subsequent framework.

It has clearly signalled that it sees the MWM project as a key vehicle for **a national conversation about the kind of society and economy that Australians want to build together.**

We have a number of suggestions to improve the community engagement process for the project and ensure it achieves this laudable aim.

We believe that the Treasury's 2nd Stage consultation process, while a useful start in identifying what matters to the Australian community, does not reflect the high level of importance of the MWM project, indicated above. What is needed, and is still to be developed, is a broader, more inclusive and accessible national conversation, more diverse in its platforms and processes, and generally much better resourced, so that it can identify the broad goals and outcomes that embody what matters most to Australians.

This will bring broad support and buy-in across communities, and therefore improve the legitimacy, usefulness and sustainability of a national wellbeing framework. Developed in this way, the framework and its broad goals can be embedded and used as a guiding vision across all Australian governments, and its indicators and measurements used to direct and understand progress and policy outcomes, as the Treasury intends.

Authentic community engagement is crucial to success. As one submission to the MWM first stage (from WA MP Kate Chaney) put it:

Policy development will only change if there is wide buy-in to the process of deciding what matters – what our goals are. Australians want to be involved in setting the direction for the country. Genuine engagement of citizens in the task of defining and measuring progress strengthens their democratic capacity and their trust in democracy. We have a huge opportunity to improve the quality of our national debate through this process – acknowledging the legitimacy of competing interests and perspectives and building a common purpose. Without a broad community engagement process, I fear that Measuring What Matters could become a bureaucratic exercise.⁵

WEAll is concerned that a short and limited community consultation process will compromise the quality and accessibility of the engagement and the opportunity that the project presents to genuinely capture and therefore reflect the sentiments of

Australians in the Measuring What Matters Statement. The challenging timetable and process provided for this second consultation will mean that organisations and communities are not resourced to do a meaningful and effective outreach and most ordinary citizens will be unaware of the project and unable to participate in it.⁶

While the ‘emerging themes’ are a good start to frame the goals, it is important for them to genuinely emerge from a broader national engagement asking about the kind of Australia we want, which is not a minor question.

In this connection, we note that over the past decade or so, a number of reports and ministerial statements have emphasised the critical need for improved community engagement by the Australian government and public service, including better planning, training, capability and resourcing, better communication and better listening.

The Treasury itself, in its 2011 Strategic Review, came to similar conclusions about its own performance in, and capacity for, community engagement⁷. More recent reports and statements to the same effect include: the Independent Review of the Public Service (the Thodey report) in 2019⁸; the outstanding guidelines for community engagement produced by the Australian Public Service in its 2020 report ‘Framework for Engagement and Participation’⁹; and the speech by the Minister for the Public Service Katy Gallagher entitled ‘The Albanese Government’s APS Reform Agenda’ (13 October 2022). In that speech, the Minister commented that

‘Engagement and co-design with our partners has to become a natural and early impulse in how we work. (Our) vision will include a Charter of Partnerships and Engagement that makes a promise about how we work to ensure the public services are a trusted and transparent partner that puts people and business at the centre of policy, implementation and delivery. A partner that’s open and accountable in its engagement’.¹⁰

The APS report includes a series of detailed recommendations and models for all stages of a successful community engagement process, and we would respectfully suggest that the Treasury, perhaps working with the Department of Prime Minister and Cabinet (as explained below), and using the APS guidelines, could seize this opportunity to extend and improve the national community engagement on Measuring What Matters so that it might be a model for other departments.

4. Need for detailed development of structure and process issues

In the first round of the consultation, the Treasury received a large number of submissions (over 160) from a wide range of Australian organisations and some individuals. While many of these focused on suggesting specific measures of progress, especially those related to their own organisational sphere of interest, there were also a number of substantial submissions which commented and raised

questions about a series of prior issues needing clarification and further development before a national measurement framework could be finalised.¹¹ These issues included:

- the broader context and purpose of the project
- the importance of, and the desirable process for, developing an extensive national community engagement programme (as discussed above)
- the need to clarify the core concept of progress and wellbeing to be measured including such issues as individual versus institutional wellbeing, objective and subjective wellbeing, measuring current and future wellbeing (or wellbeing ‘capital’), designating clear targets against which true progress can be measured etc.
- aligning the new framework with the UN Sustainable Development Goals
- the importance that the framework should be developed through a whole-of-government process, not just by Treasury (discussed in more detail below)
- how it is proposed to apply and use the framework in practice, including possible legislation on the lines of Wales ‘Wellbeing of Future Generations Act’
- the possibilities for the federal government to support and collaborate with state and territory governments which are also trying to develop wellbeing frameworks and budgets.

All of these issues are inherently important, and necessarily prior, to the final development of a national progress and wellbeing measurement framework, for a number of reasons. Logically, measurements themselves are the last stage in a policy process that necessarily begins by asking broader questions such as:

What are our values, goals and aspirations? What are the key outcomes that define true progress? How do we propose to use the measurement framework?

The answers to these questions will effectively define the structure and content of the measurement framework and the specific measures chosen. Eminent US sociologist Prof Kenneth Land put this well when he said ‘To develop social indicators that can evaluate the health of society, we are faced with the necessity of spelling out some more or less explicit working model of society’¹². The problem is that we can put too much emphasis on ‘measures’ when, as one submission put it, ultimately it is **doing** what matters, rather than just **measuring** what matters, that is crucial. Most Australians, we would guess, would be much less interested in contributing to a conversation about measures (which they would see as dry and technical) than a conversation about the kind of Australia they want their children and grandchildren to grow up in.

In the Treasury's response to first round submissions, there was little evidence of a careful review of the many submissions made (other than a generic summary of issues considered important) and almost no response to, or elaboration of, the critical structural and process issues raised above.

This suggests that in its proposed 'stand-alone' statement on 'Measuring what Matters' later this year, Treasury give more thought to the issues, and to the process and structure questions above, which have been raised not just by the community, but by the government itself. What would an intensive and fully resourced community engagement program look like? How will the MWM be used across government? Will it simply be a tool for evaluating budget bids? How will the MWM contribute to economic reform, as suggested? How precisely will it strengthen democracy? How will it help to build 'a better capitalism'? How will it help to guide our future progress? All of these questions demand concrete answers - or at the least, more considered thought and planning.

That said, we do not think it would be unreasonable for the Treasury to release an indicative or illustrative summary of issues that have come out from the consultation so far, so long as it clearly indicated that they are not final or ordered in priority, and that a more comprehensive engagement process may identify other priorities.

4. Whole of government development process

One specific process issue raised in a number of submissions was that the MWM framework should be developed as a whole-of-government exercise. It was suggested that, at the very least, within government, the Department of Prime Minister and Cabinet and key service agencies in the wellbeing field should be involved. We agree that Treasury is an essential partner and co-leader in this project, but we think it might not be perceived as the appropriate agency to have sole leadership of an encompassing public policy project that goes well beyond financial and economic matters. It is important for its success in practice and public perception that the MWM framework be seen as a commitment of the whole government and all departments and not as some form of Treasury or bureaucratic 'check list' to be ticked off.

In this area too, the importance of improved cross-departmental coordination around large scale projects has been explicitly emphasised in the statements of Minister Katy Gallagher, the Thodey review and DPMC Secretary Prof Glyn Davis (who has also stressed the importance of public sector partnerships with the community).¹³

We understand that an Inter Departmental Committee has been established for the MWM project and we commend the government for doing so, as a necessary prerequisite towards more intensive cross-government collaboration.

5. MWM and economic wellbeing

For the WEAll Australia Hub, as we suggested above, our strongest focus is on the development of a wellbeing economy. We see the development of a comprehensive, citizen-based framework for defining and measuring progress and wellbeing, including economic wellbeing, as a foundational step towards this goal.

We understand that the Treasurer is also broadly committed to develop a wellbeing economy in Australia, and a wellbeing budget, perhaps on the lines of the New Zealand model.

In this connexion, we would like to see in the next stage of the Treasury development process, some more detailed and elaborated thoughts about what steps the government might take, including with the community and with unions and business corporations, to flesh out and develop the idea of a wellbeing economy. What precisely would it mean? How would we start to build it?

We would also like to see a suite of economic wellbeing indicators developed that reflect what we believe are the principal economic concerns of the Australian public. Much research on this topic suggests that in fact the community values many different aspects of economic progress more highly than those most commonly measured in national accounts. As a national or government goal, most Australians regard increasing wealth and economic output as less important than politicians and economists do, and less important than increasing wellbeing¹⁴. The economic outcomes they see as more important include security, decent jobs, affordable services, sustainable use of resources, a fair distribution of the benefits of economic production and reduced levels of inequality. This seems clearly supported by initial responses to the Statement 4 as summarised by Treasury.

Finally, we would strongly recommend that the federal government immediately begin the process of applying for membership of the Wellbeing Economy Government (WEGo) group¹⁵. WEGo includes governments most advanced in developing wellbeing economies, such as New Zealand, Wales, Scotland, Iceland, Finland and Canada; and it is auspiced and supported by the OECD. As a leading contributor to the OECD progress measurement project over many years, and with a former Australian finance minister as the OECD Secretary General, we believe Australia's application would be well regarded.

Notes

¹ Further details about WEAll Global can be found at its website: <https://weall.org/> Information about the WEAll Australia Hub is at <https://www.neweconomy.org.au/weall-australia/> This submission is authorised by the Convenors of the WEAll Australia Hub: Diane Bowles, Georgina Camp, Saul Cresswell, Esther Koh, Michelle Maloney, Mike Salvaris and Min Seto. Organisational members of WEAll Australia include: Australian National Development Index (ANDI) Limited; Australia Social Values Bank; Centre for Policy Development; Huber Social; and the Victorian Council of Social Service. For further information on this submission or WEAll Australia, contact Mike Salvaris at mike.salvaris@unimelb.edu.au

² <https://weall.org/what-is-wellbeing-economy>

³ Excerpts from Budget Statement 4 and Treasury Website 'Measuring What Matters': see <https://treasury.gov.au/consultation/measuring-what-matters-2022>

⁴ Excerpts from: 'Capitalism after the Crises', *Monthly Essay*, 1 Feb 2023; 'Chalmers pledges modern economy', *The Weekend Australian*, 11 March 2022; Chalmers, Address to Australia Institute, Brisbane, 19 February 2020.

⁵ See 'Submissions – Chaney Kate Federal Member for Curtin' at <https://treasury.gov.au/consultation/measuring-what-matters-2022>

⁶ By way of comparison with two other projects that could reasonably be regarded as 'best practice' in engaging communities in the development of progress and wellbeing measures, the community engagement process in the Canadian Index of Wellbeing was carried out in five stages over ten years with substantial funding from the Atkinson Foundation: see <https://uwaterloo.ca/canadian-index-wellbeing/about-canadian-index-wellbeing/history> The Western Australian Development Index (WADI) project, with a Business Plan commissioned by the WA Department of Local Government, Sport and Cultural Industries (DLGSC), is planned to be carried out over 5 years, with its initial community engagement phase taking place over 2-3 years and with an engagement budget of over \$3 million: see <https://www.dlgsc.wa.gov.au/department/news/news-article/2020/02/25/a-handy-guide-to-andi> and <https://www.andi.org.au/projects/wadi/> As one indicator of the resources needed to support a major national community engagement project, the federal government has reportedly allocated \$75 million to the community engagement and education program to support the 'Voice' referendum: <https://www.smh.com.au/politics/federal/75-million-to-prepare-for-indigenous-voice-to-parliament-referendum-20221023-p5bs4c.html>

⁷ <https://treasury.gov.au/sites/default/files/2019-03/A9RC613.pdf>

⁸ 'Our Public Service, Our Future': see <https://www.apsreview.gov.au/> and in particular, Chapter 4 'Partnering for greater impact'.

⁹ <https://www.apsacademy.gov.au/australian-public-service-framework-engagement-and-participation>

¹⁰ <https://ministers.pmc.gov.au/gallagher/2022/albanese-governments-aps-reform-agenda>

¹¹ For example, submissions from: The Brotherhood of St Laurence; the Centre for Policy Development; the Monash Sustainable Development Institute; Kate Chaney MP (Member for Curtin); the Australian National Development Index (ANDI) Limited; the George Institute for Global Health. These are all downloadable in the Submissions section at <https://treasury.gov.au/consultation/measuring-what-matters-2022>

¹² Land, K. 'Social Indicators', *Annual Review of Sociology*, Vol. 9 (1983), pp. 1-26

¹³ In a number of articles and a major speech, Prof Davis has outlined the directions for broad public sector reform, emphasising three elements in particular: the importance of coordination across departments around major projects and issues (exemplified in the government's COVID-19 response, but implicitly in future-oriented and nation-building projects as well); improved evidence, evaluation and research and the return to government of analytical and advisory capabilities currently outsourced to private consultancies; and perhaps most strongly, the development within the APS of a culture of

community empowerment and partnership. See for example:

Burton, T. 'Meet the man hoping to bring bureaucracy into the 21st century, *Australian Financial Review*, 28-11-22.

<https://www.afr.com/politics/federal/meet-the-man-hoping-to-bring-bureaucracy-into-the-21st-century-20221124-p5c0xu> ;

Davis, Prof Glyn AC. 'IPAA Annual Address to the Australian Public Service 2022'. 8-12-22.

<https://www.pmc.gov.au/news-centre/pmc/secretary-professor-glyn-davis-ac-ipaa-annual-address-australian-public-service-2022>

Burton, T. 'The 'unicorn' about to shake up the public service'. *Australian Financial Review*, 5-6-22.

<https://www.afr.com/politics/federal/the-unicorn-about-to-shake-up-the-public-service-20220604-p5ar46>

¹⁴ For example, a 2006 Ipsos Mackay poll found that 77% of Australians believed that government's chief objective should be to promote policies designed to maximise human happiness and wellbeing rather than greater wealth. A survey by Essential Media in 2022 confirmed that people rated the most important goal of government as to promote the wellbeing of people, ahead of economic and law and order issues: see <https://www.andi.org.au/library/> 'Is wellbeing the new paradigm for public policy?'. For more detailed polling on community perceptions on economic and employment issues, see:

Committee for Economic Development of Australia (CEDA), 2018, 'Community pulse: the economic disconnect': <https://www.ceda.com.au/ResearchAndPolicies/Research/Corporate-social-responsibility-I-Social-Compact/Community-pulse-2018-the-economic-disconnect>

¹⁵ See: <https://weall.org/wego>