

Wellbeing Budgets in New Zealand and Australia

Paul Dalziel

Presentation to a New Economy Network Australia Webinar

1 November 2022



Agribusiness
& Economics
Research Unit
LINCOLN UNIVERSITY



The Wellbeing Budgets





Budget
October
2022-23

BUDGET STRATEGY AND OUTLOOK
BUDGET PAPER NO. 1

Circulated by
The Honourable Jim Chalmers MP
Treasurer of the Commonwealth of Australia
and
Senator the Honourable Katy Gallagher
Minister for Finance, Minister for Women, Minister for the Public Service
of the Commonwealth of Australia

For the information of honourable members
on the occasion of the Budget 2022-23
25 October 2022

Statement 4
Measuring What Matters

Measuring what matters can provide an important foundation for Australia's efforts to lift living standards, boost intergenerational mobility and create more opportunities for more people.

Traditional macroeconomic indicators provide important insights, but not a complete or holistic view of the community's well-being. A broader range of social and environmental factors need to be considered to broaden the conversation about quality of life.

A number of countries have developed national or subnational frameworks to measure progress and well-being. While the specific indicators vary across frameworks, all of those reviewed here cover similar policy areas, like income and employment, personal and community safety, health, education, and the environment.

While Australia does not currently have an integrated approach to measuring what matters, it does publish a wide range of indicators through specialised reporting (such as Closing the Gap and the State of the Environment reports). An overarching framework could complement these processes by providing a fuller perspective and improving visibility of the progress made on agreed priorities.

The OECD Framework for Measuring Well-being and Progress provides an indication of where Australia stands. It shows the nation is making progress in some areas, like life expectancy and wealth, and highlights further room for improvement in others, like gender parity in politics, women's safety and household debt. The OECD Framework is designed to facilitate international comparisons, so some indicators would need to be adapted or expanded to properly account for the Australian context and align with our policy priorities.

This statement is the foundation of a conversation about how to measure what matters to Australians. It explores what we can learn from international progress and well-being reporting exercises and provides the beginnings of an Australian framework. The Treasury will continue to work and consult with a range of stakeholders to inform the development of a stand-alone Measuring What Matters Statement in 2023.⁸

⁸ More on Australia's performance against the OECD Framework and next steps on Measuring What Matters is available here: www.treasury.gov.au/consultation/measuring-what-matters-2022

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Distinctive Australasian Contributions

Original Article

Wellbeing economics in public policy: A distinctive Australasian contribution?

Paul Dalziel
Lincoln University, New Zealand

Abstract
The 'Wellbeing Budget' presented to the New Zealand Parliament in 2019 was widely described as a world-first. This article explores the possibility of a distinctive Australasian contribution to our understanding of wellbeing economics in public policy. The introduction section presents an analytical wellbeing framework showing how human actions draw on services provided by the country's capital stocks to create and sustain personal and communal wellbeing. The second section chronicles some landmark policy initiatives in Australia and New Zealand for understanding and monitoring wellbeing, culminating in the Wellbeing Budget. The third section highlights four areas for further development: (1) the role of family wellbeing in intergenerational wellbeing, (2) the role of cultural capital in providing foundations for future wellbeing, (3) the role of Indigenous worldviews in enriching understandings of wellbeing and (4) the role of market enterprise in expanding capabilities for wellbeing. These are all areas where Australasian researchers have demonstrated expertise.

ELRR

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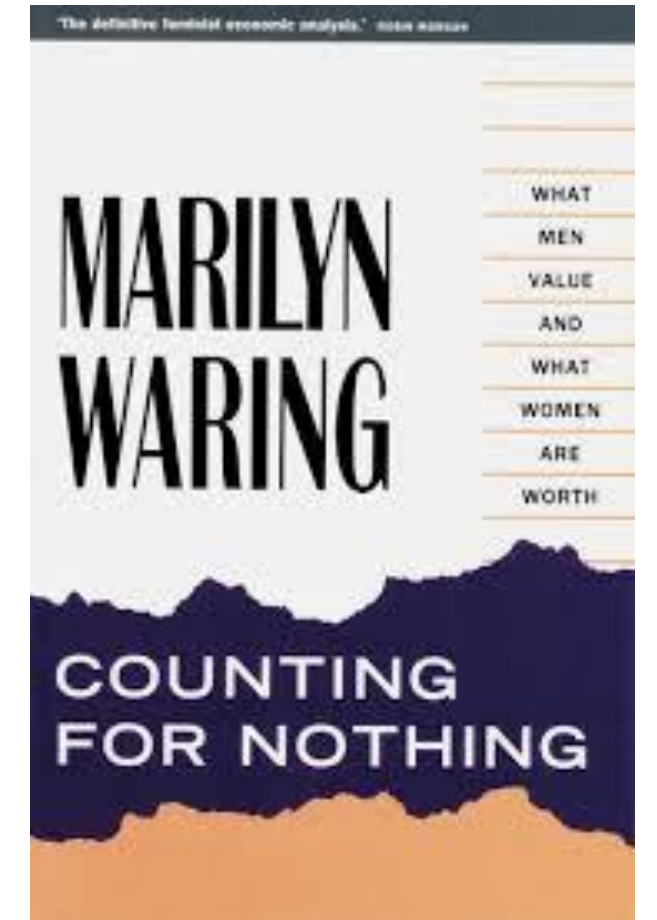
The Wellbeing Budgets in both countries have not come out of nowhere.

They build on years of distinctive contributions that Australia and New Zealand people have made to the global programme of understanding wellbeing economics in public policy.

Dame Marilyn Waring

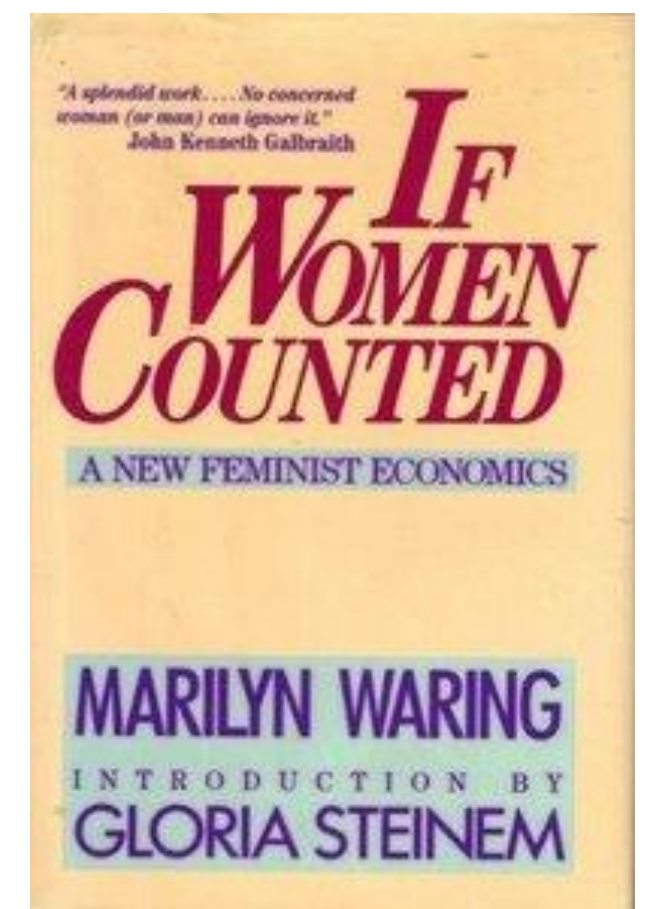


New Zealand economist, Dame Marilyn Waring, has been a pioneer critic of GDP for 30+ years. In 1988, Waring published a book under two titles that helped launch the field of feminist economics.



It focused on two issues:

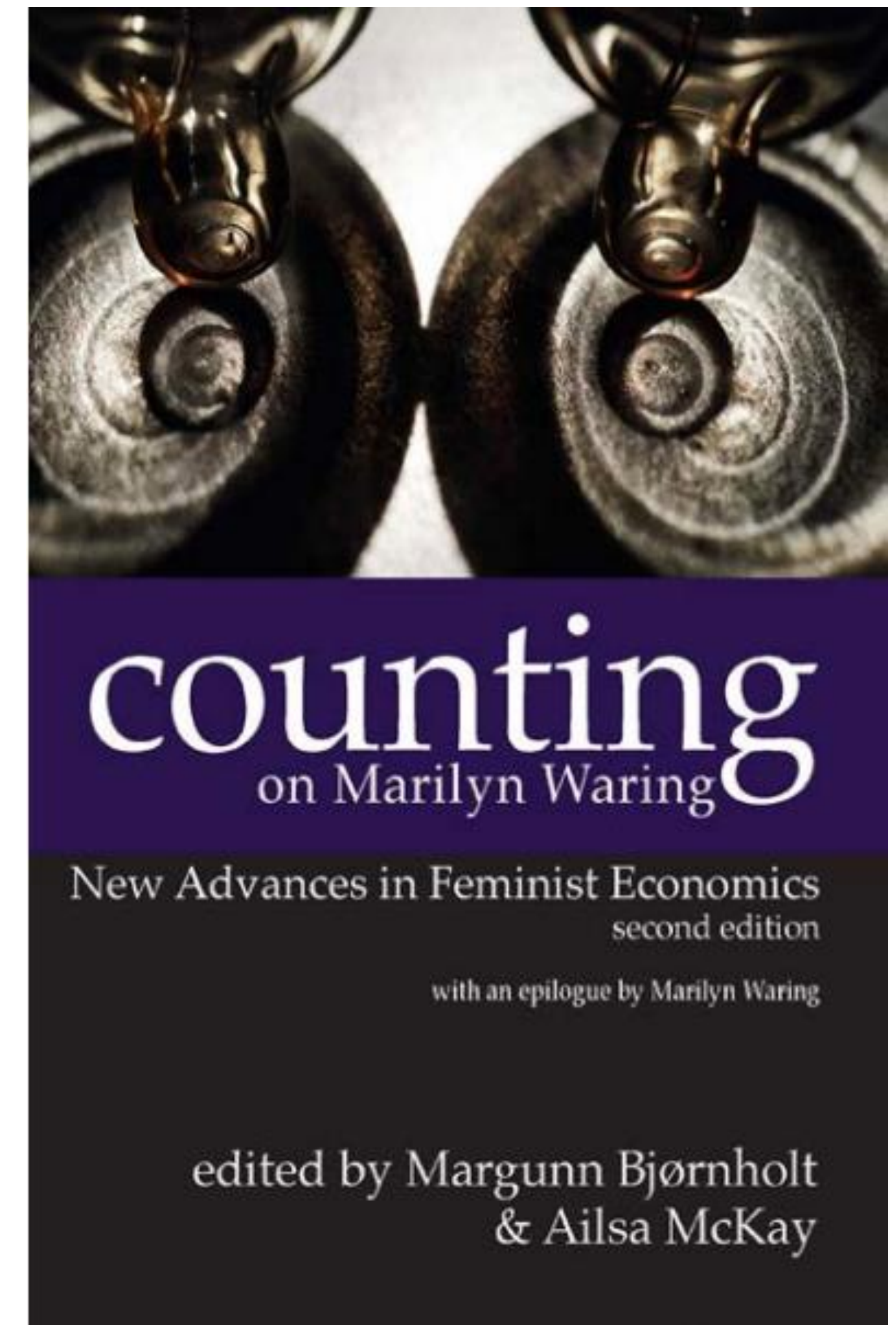
- Essential work for wellbeing within households, often by women, is generally excluded from GDP.
- Environmental damage from human economic activity is also generally excluded from GDP.



Dame Marilyn Waring

“Since 1988, a distinctively Australian scholarship has emerged, influenced by Marilyn Waring’s work.”

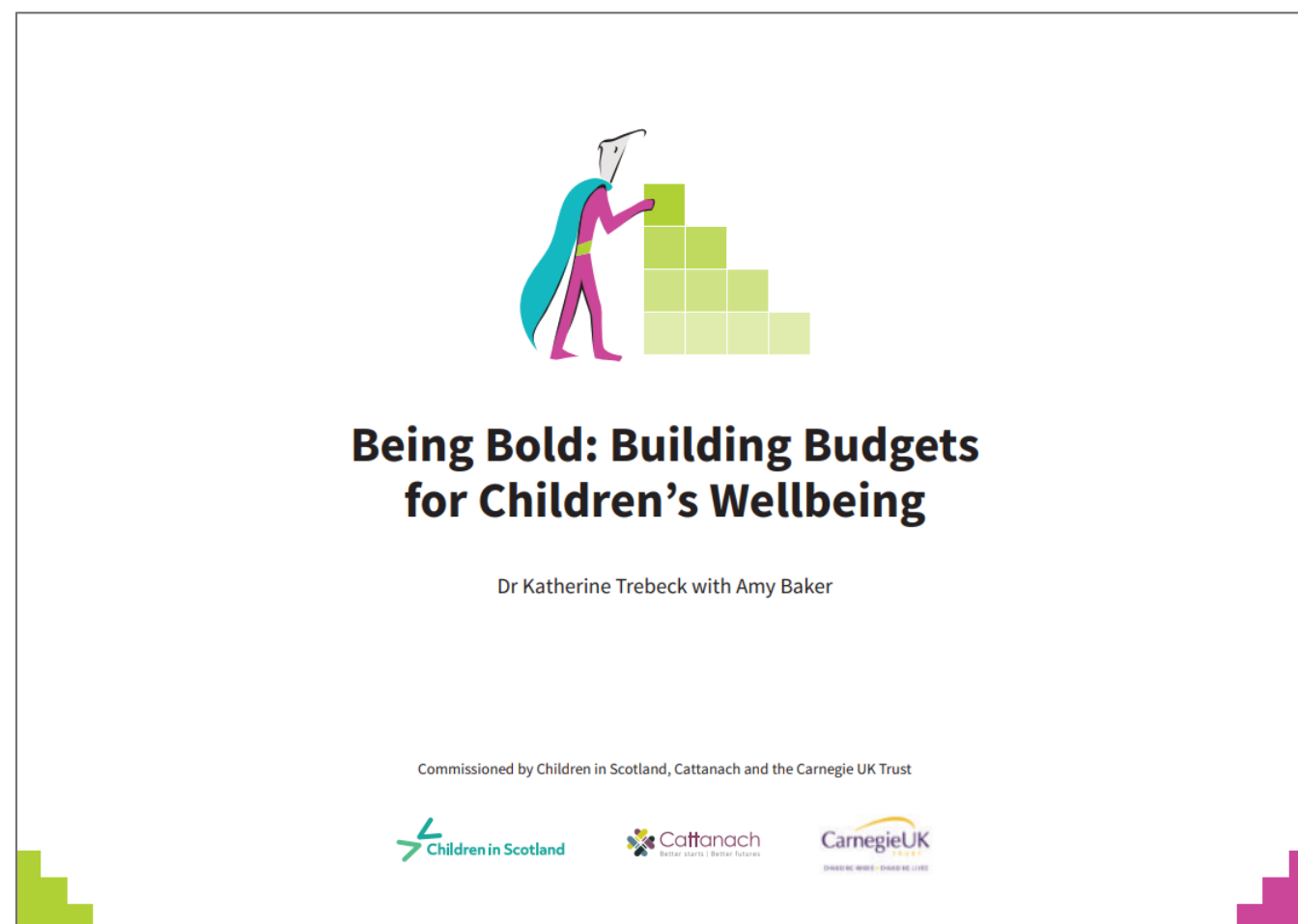
— Marty Grace and Lyn Craig
In *Counting on Marilyn Waring*
Published 2014, page 215



Dr Katherine Trebeck



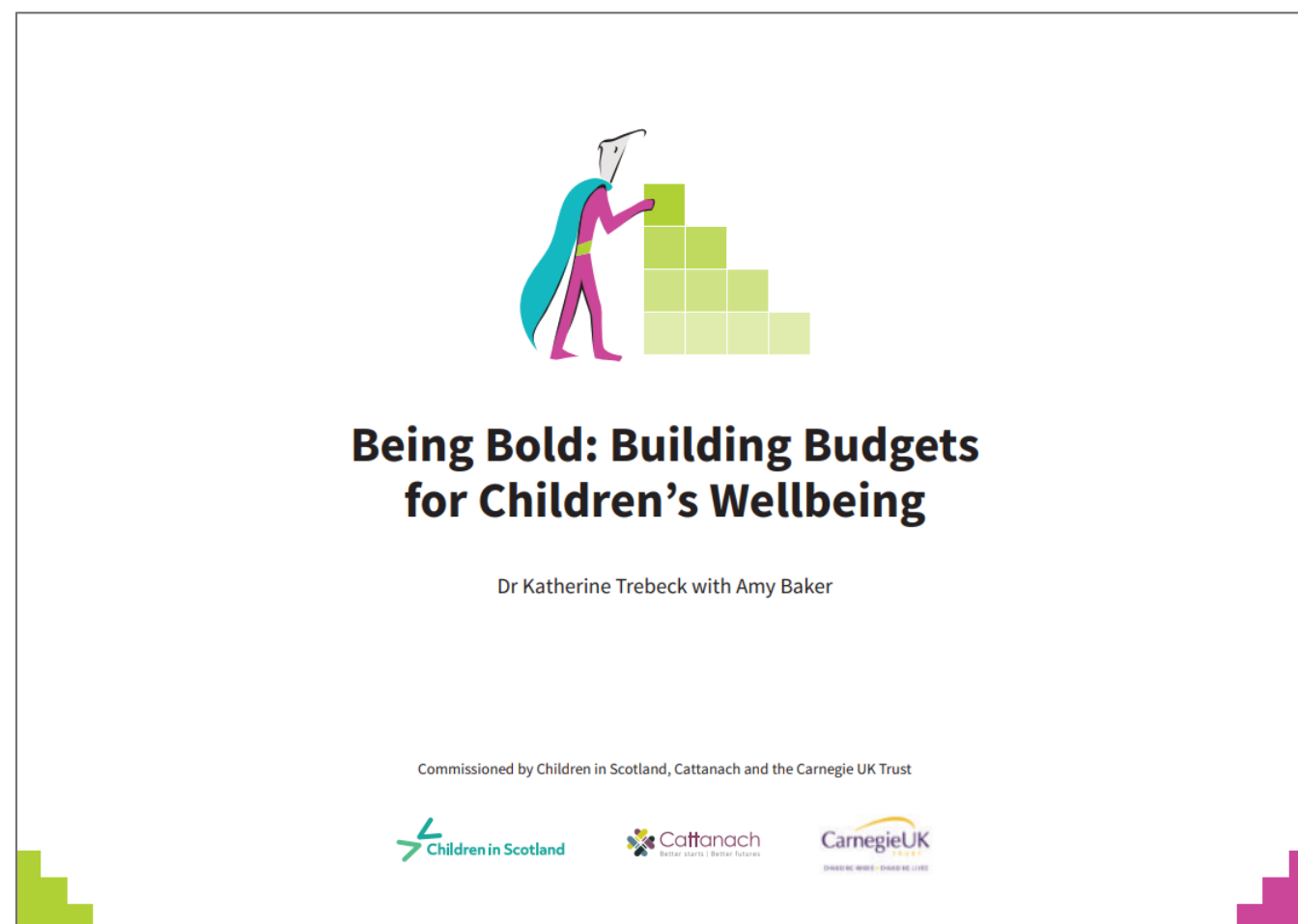
- Co-founder of the Wellbeing Economy Alliance (including the Wellbeing Economy Governments programme).
- Sits on a range of global and national boards and advisory groups.



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New Economy Network Australia, NENA

New Economy Network Australia



**- 2023 Course -
BUILDING A WELLBEING ECONOMY: Foundations for Learning and Practice**
2023 course details available soon!

A foundational course for building economic systems that support ecological health and social justice

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NENA is a network of organisations and individuals working to create an ecologically healthy and socially just society by transforming Australia's economic system.

NENA works by providing a platform for knowledge sharing, peer to peer support, cross-pollination of ideas and collaboration.

NENA Housing Week
7 - 11 Nov 2022

NENA Podcasts

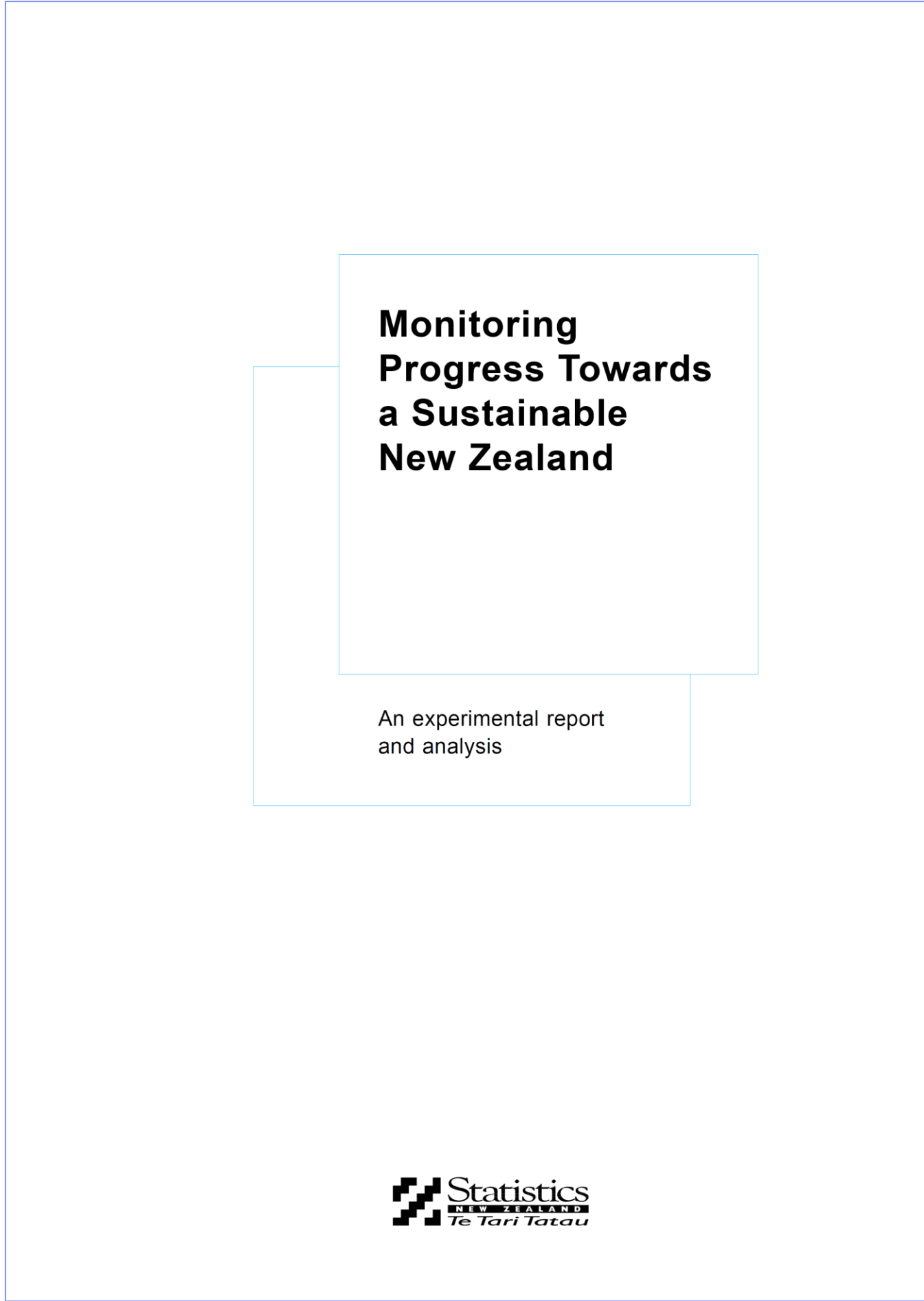
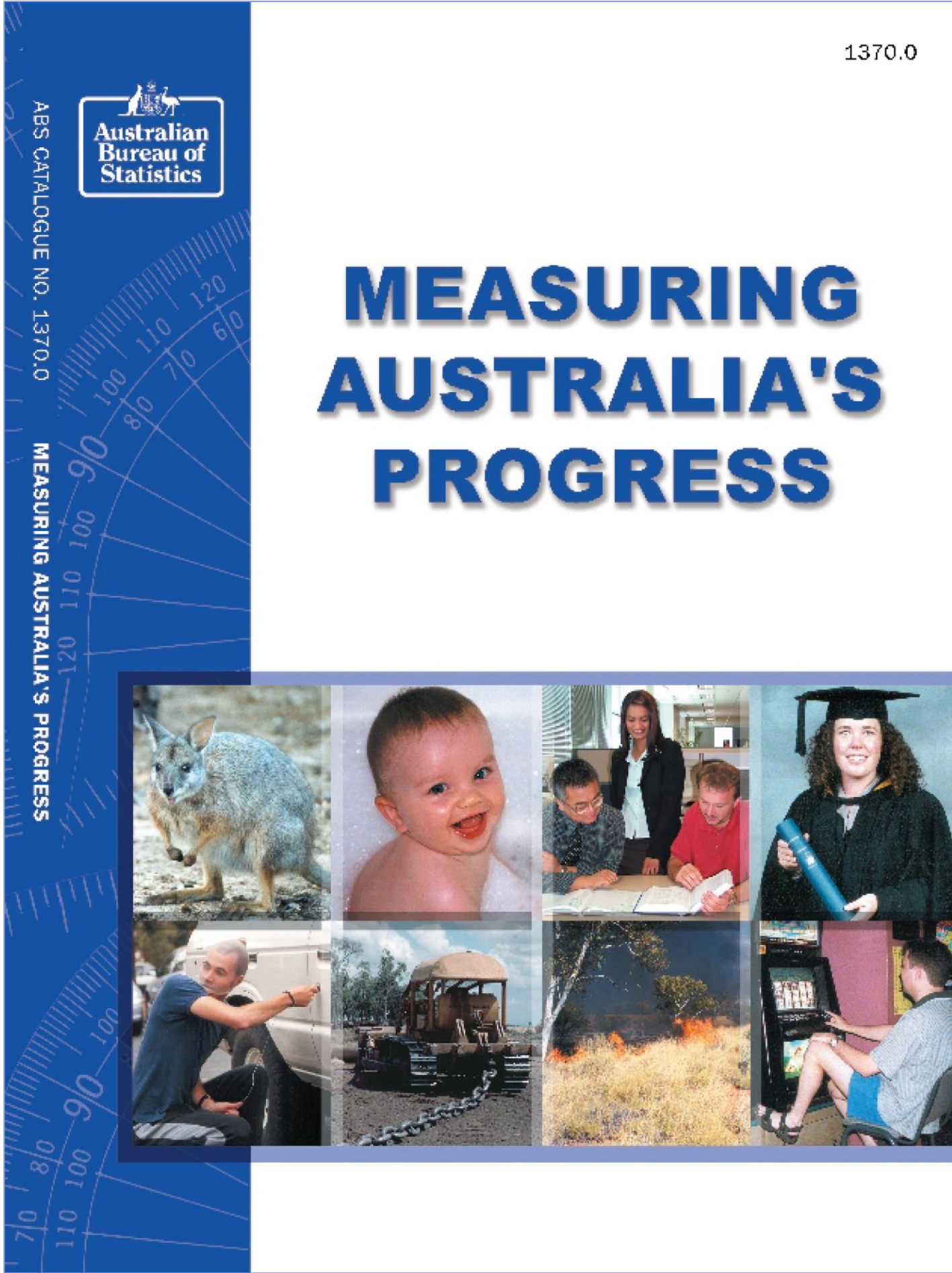
Lithgow New Economy
Symposium

WEAll Australia Hub

New Economy Journal

Directory

Landmark Reports in 2002

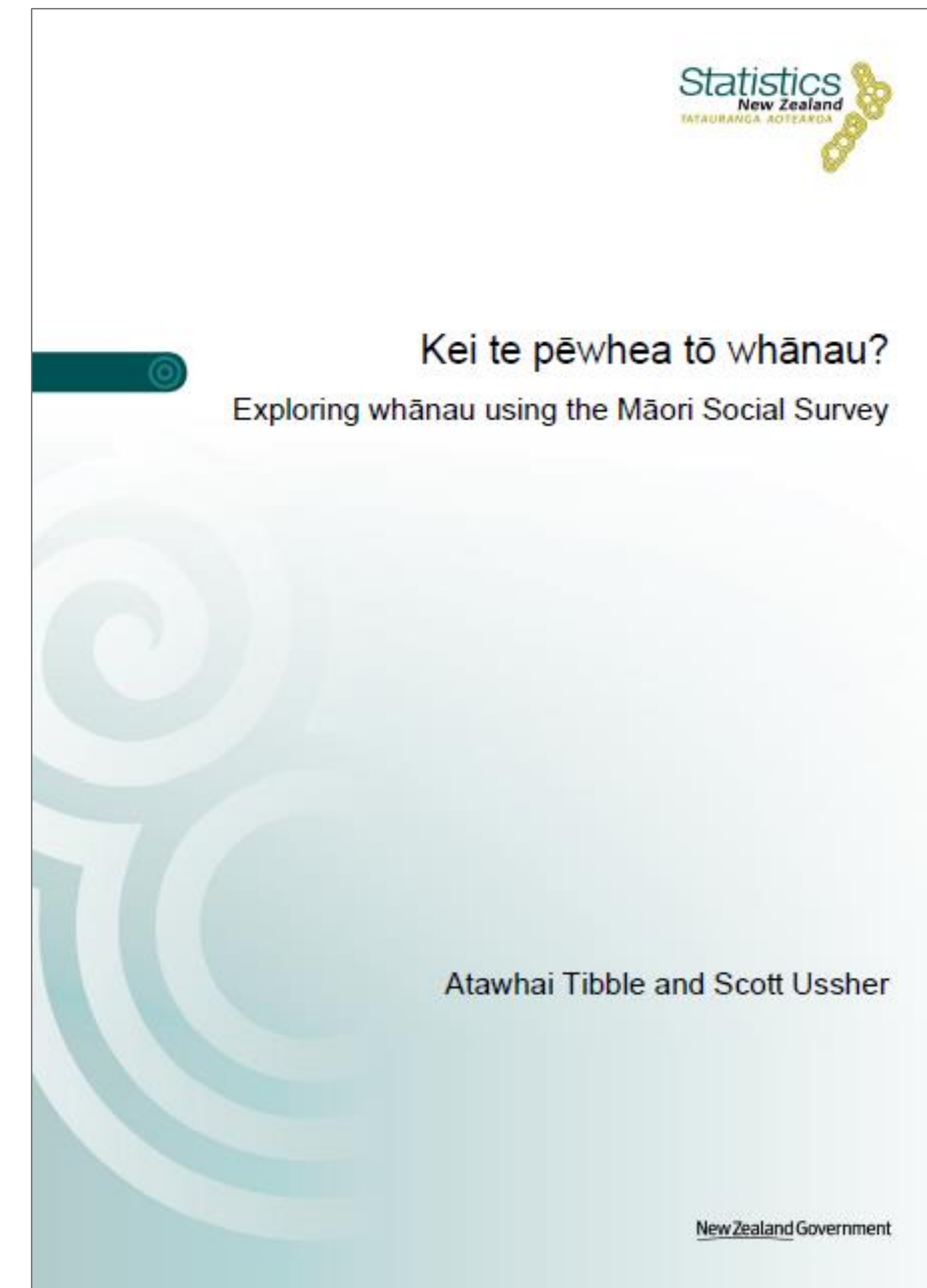


Indigenous Understandings of Wellbeing

2010

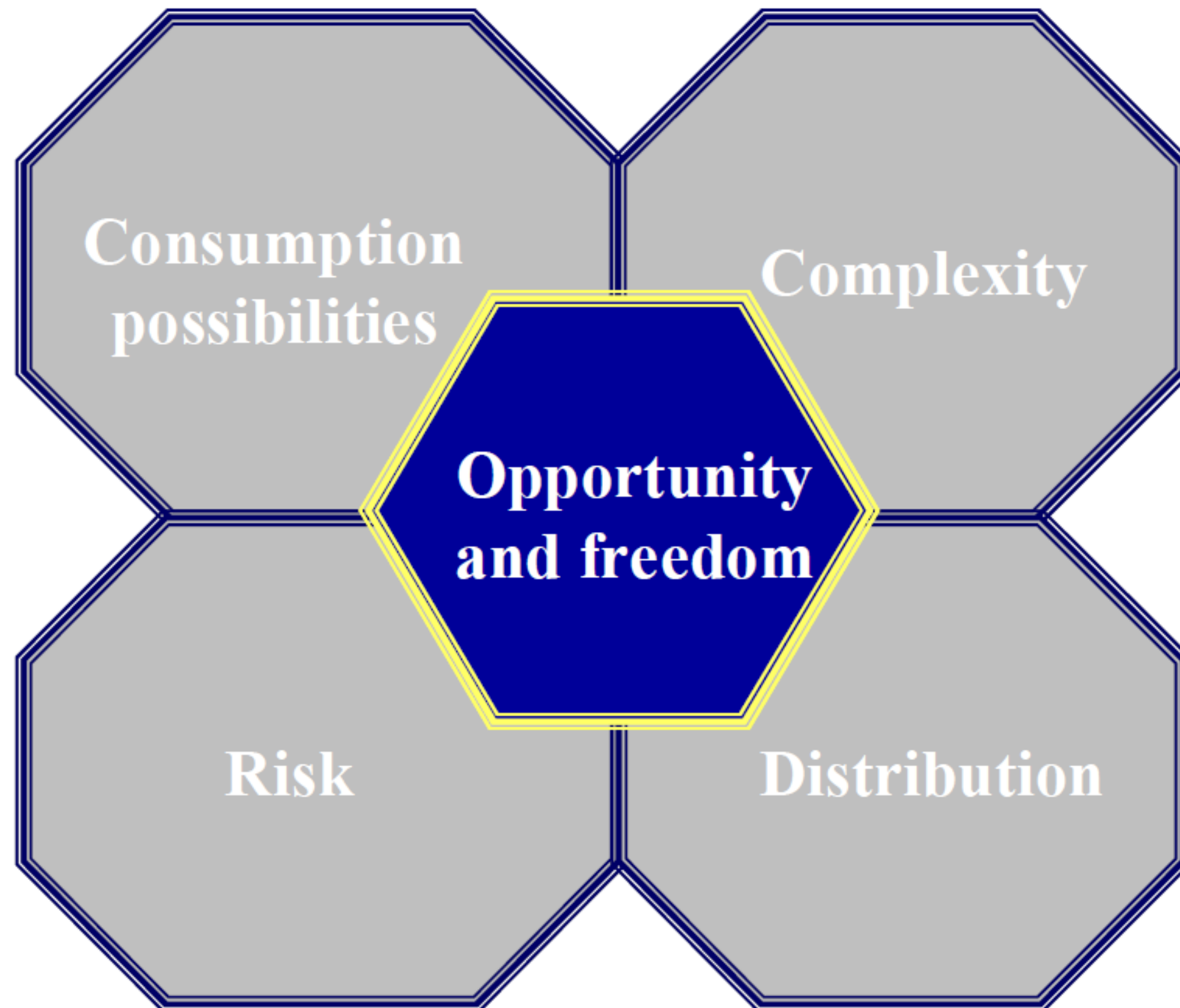


2012

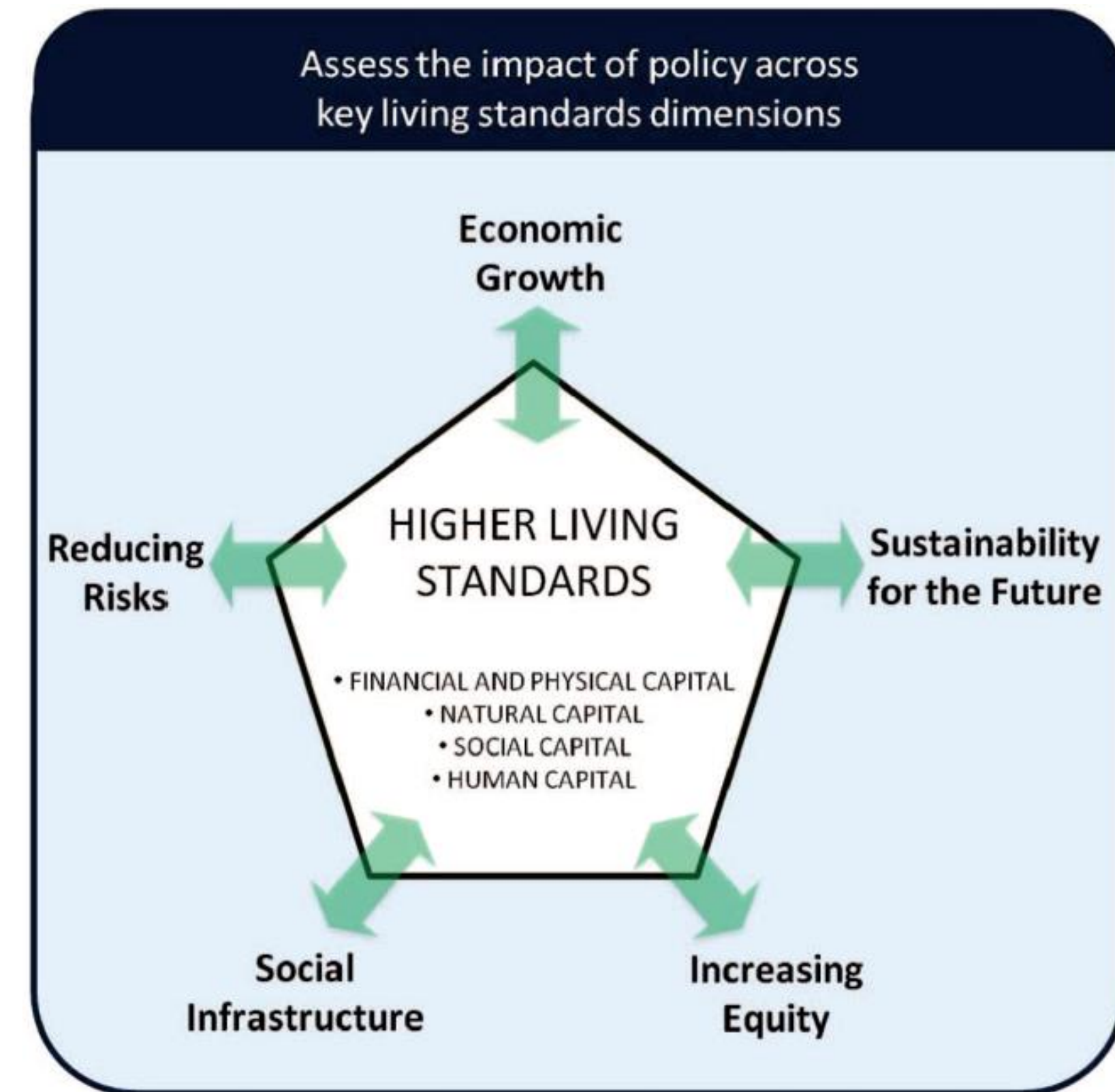


The Treasury Frameworks

Australian Wellbeing Framework, 2006



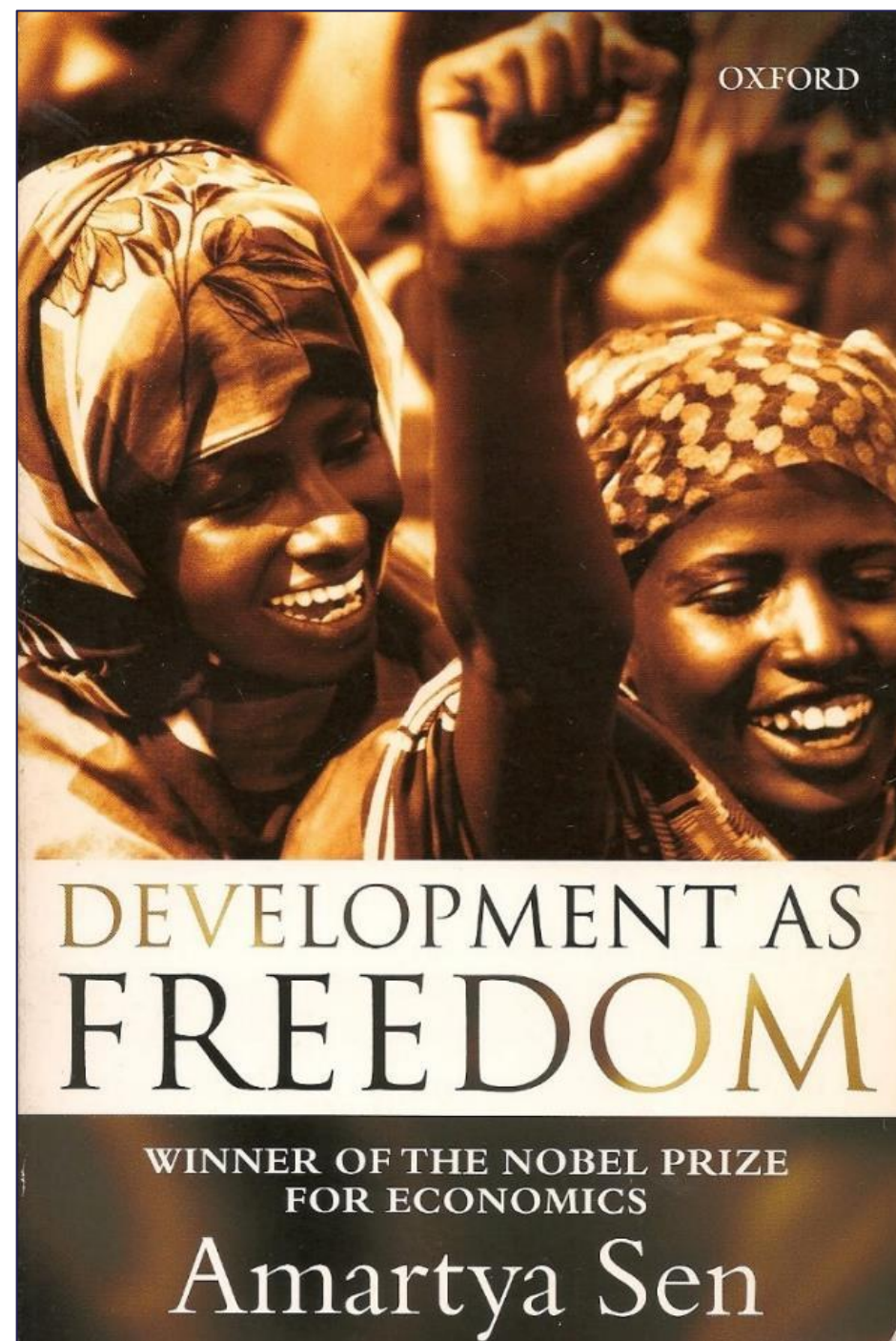
New Zealand Living Standards Framework, 2012





The Capabilities Approach

Both Treasury frameworks paid tribute to the capabilities approach to wellbeing introduced by Amartya Sen.



“Attention is thus paid particularly to the expansion of the ‘capabilities’ of persons to lead the kinds of lives they value – and have reason to value.”

– Amartya Sen

In *Development as Freedom*

Published 1999, page 18

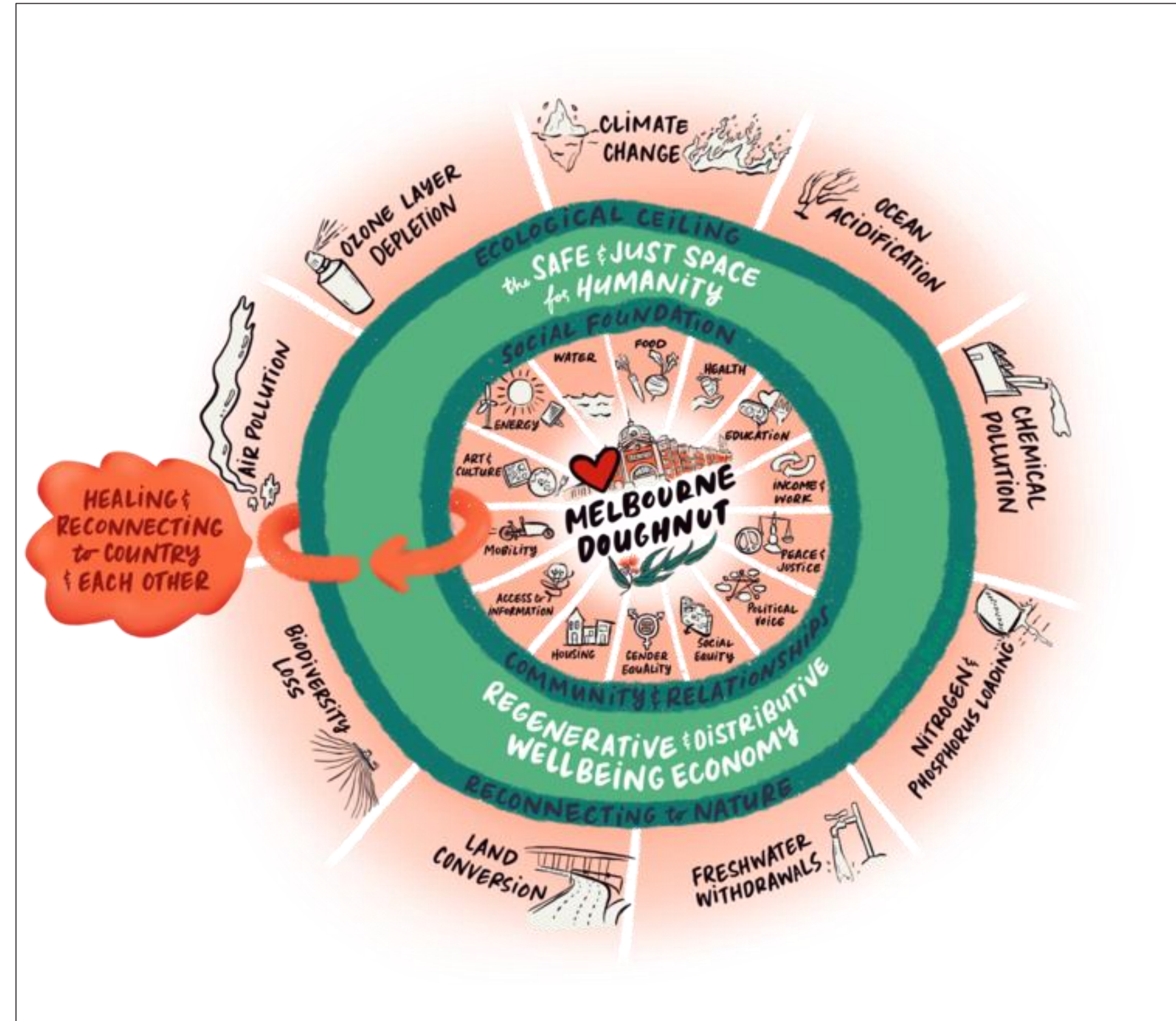
Regional Wellbeing Frameworks

ACT Wellbeing Framework

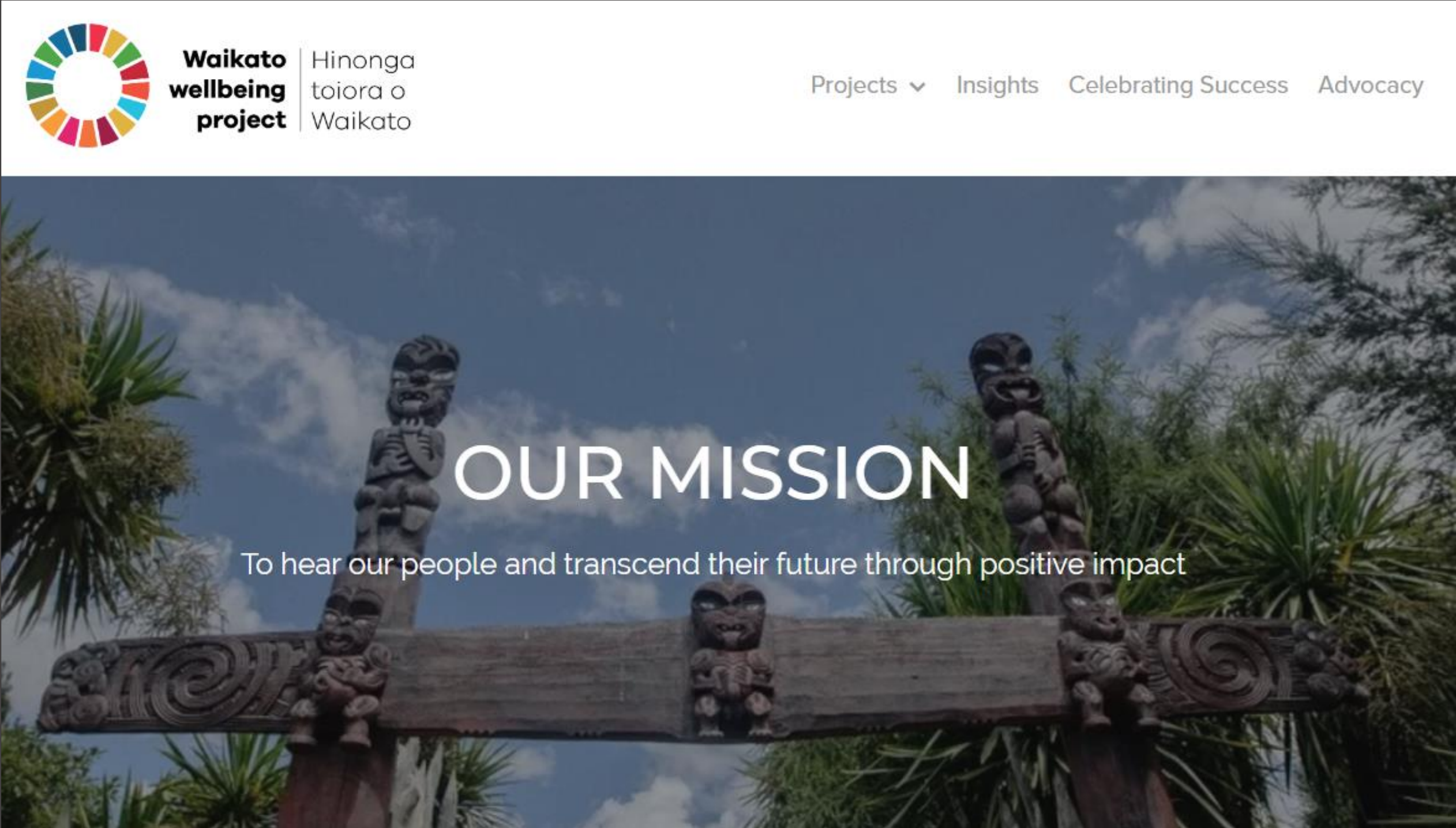
Twelve Domains of Wellbeing for the ACT



Melbourne Doughnut



Regional Wellbeing Frameworks

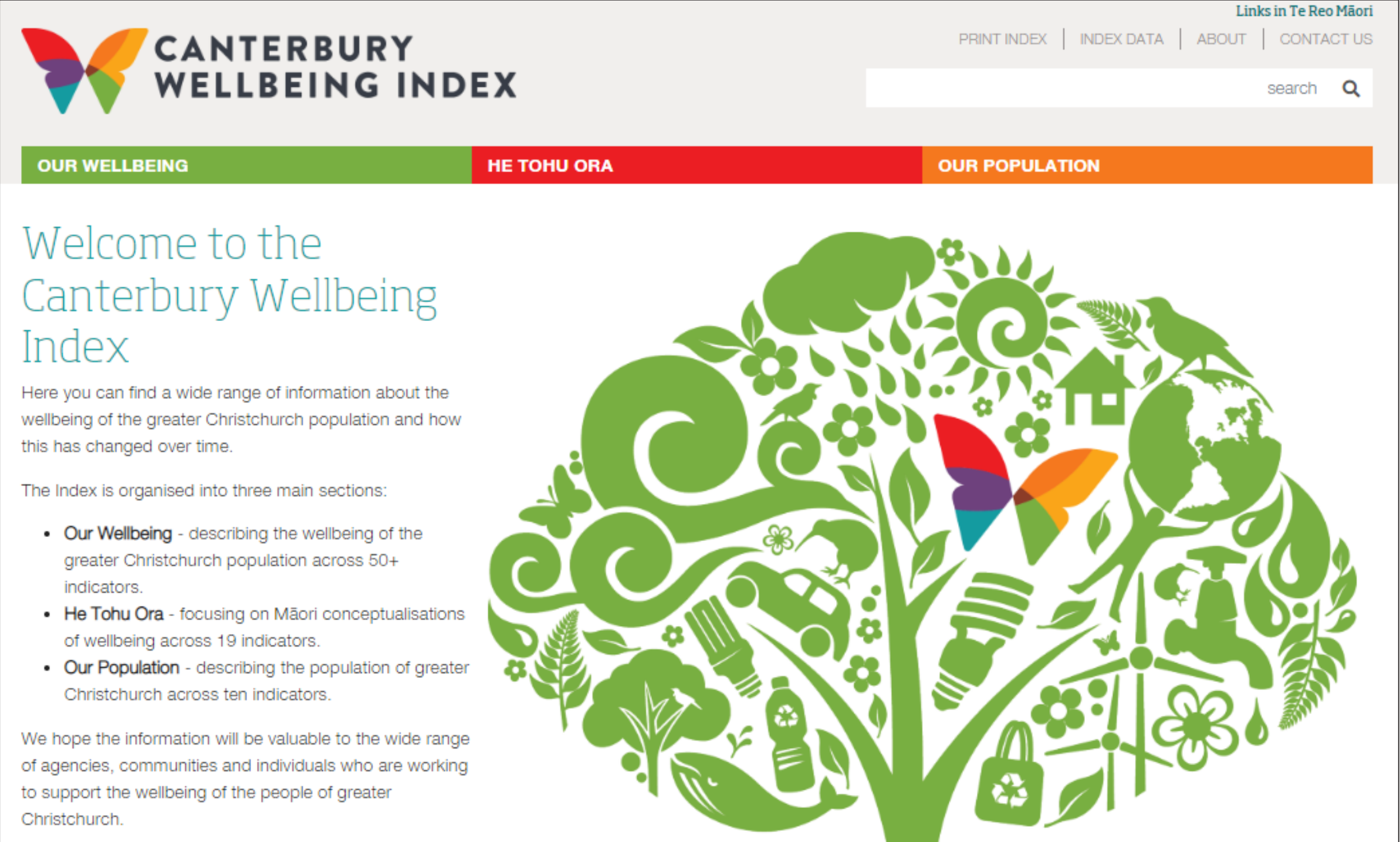


Waikato wellbeing project | Hinonga toiora o Waikato

Projects ▾ Insights Celebrating Success Advocacy

OUR MISSION

To hear our people and transcend their future through positive impact



Links in Te Reo Māori

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CANTERBURY WELLBEING INDEX

OUR WELLBEING | **HE TOHU ORA** | OUR POPULATION

Welcome to the Canterbury Wellbeing Index

Here you can find a wide range of information about the wellbeing of the greater Christchurch population and how this has changed over time.

The Index is organised into three main sections:

- **Our Wellbeing** - describing the wellbeing of the greater Christchurch population across 50+ indicators.
- **He Tohu Ora** - focusing on Māori conceptualisations of wellbeing across 19 indicators.
- **Our Population** - describing the population of greater Christchurch across ten indicators.

We hope the information will be valuable to the wide range of agencies, communities and individuals who are working to support the wellbeing of the people of greater Christchurch.

The Wellbeing Budgets build on more than 30 years of work in both countries exploring how to go beyond GDP.



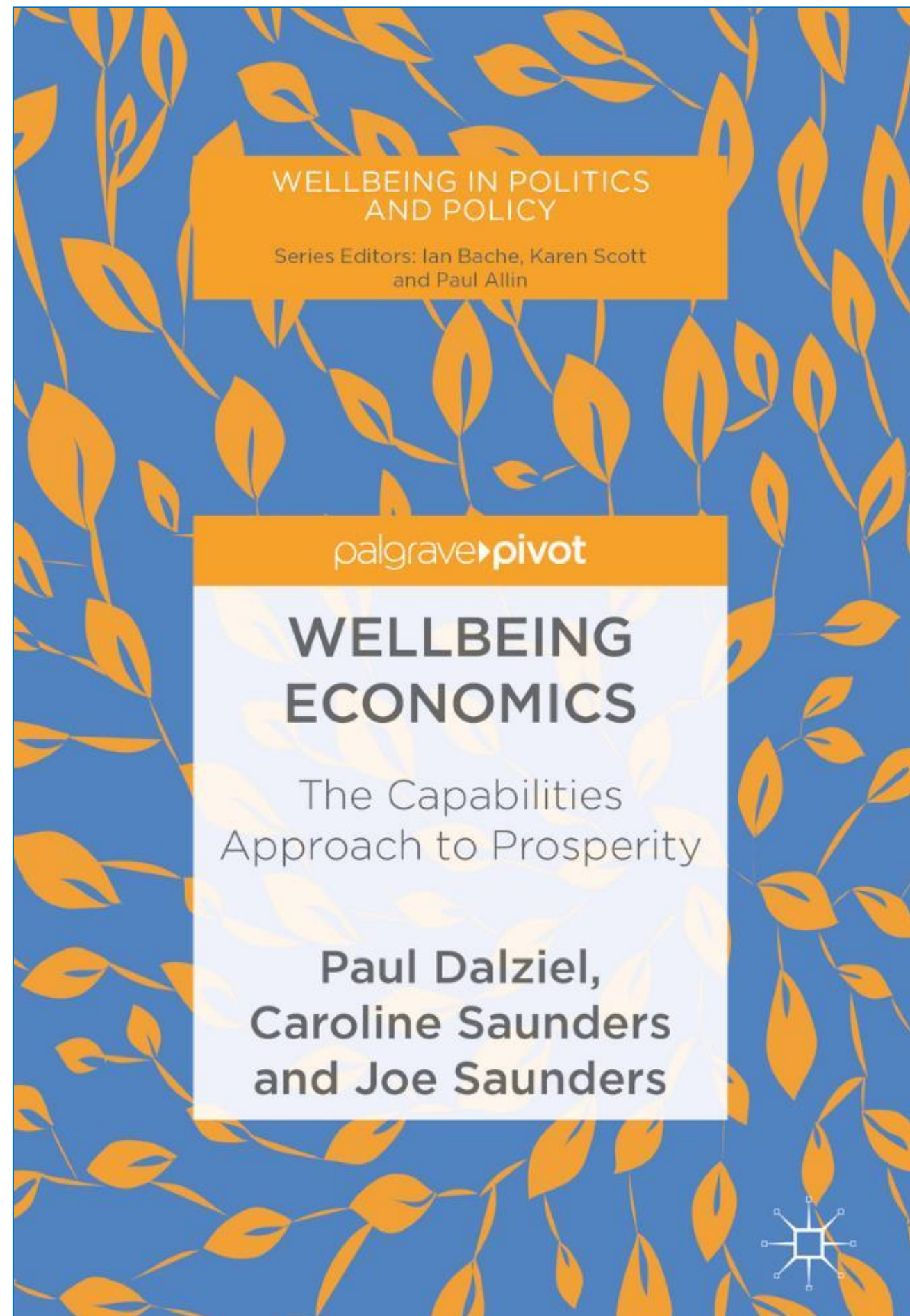
The direct focus on wellbeing is important.



“Wellbeing is when people are able to lead fulfilling lives with purpose, balance and meaning to them. Giving more New Zealanders capabilities to enjoy good wellbeing requires tackling the long-term challenges we face as a country, like the mental health crisis, child poverty and domestic violence.”

(Wellbeing Budget, 2019)

This is important (1)



7

The Nation State and Knowledge Capital

Abstract This chapter analyses how a Nation State can contribute to enhanced wellbeing. It begins with its responsibility to act on behalf of citizens as wise custodian of the market economy and welfare state within its borders. This requires central government to adopt an integrated and balanced approach to all its economic and welfare policies. The second half of the chapter focuses on the concept of knowledge capital as a driver of wellbeing. Knowledge creation can be an economic public good, which creates a distinctive opportunity for a well-functioning state to contribute to expanded capabilities for wellbeing through policies that foster the growth and use of knowledge. Knowledge is essential to the operations of the Nation State, whose civil service can offer a specialist capability for creating, collating, synthesising, utilising and disseminating knowledge capital for the common good.

Keywords Knowledge capital • Public policy • Welfare state • Endogenous growth • Civil service

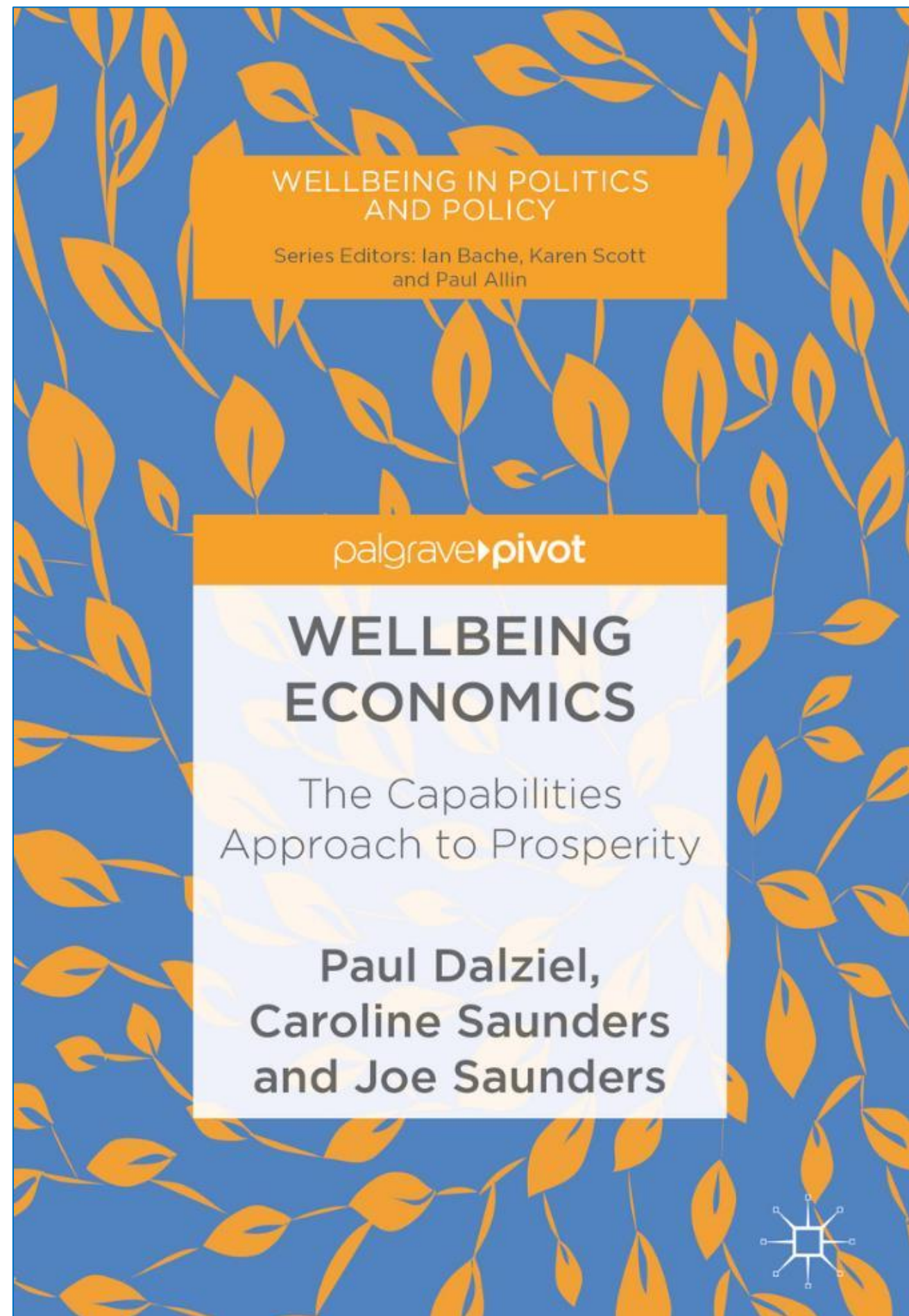
Readers may be surprised that this book has not turned to the Nation State, and hence to central government policy, until Chap. 7. The delay is due to the core presumption in wellbeing economics that persons are able to exercise initiative in promoting personal wellbeing and the wellbeing of others through individual effort, co-creation in households and families, collaboration in community

© The Author(s) 2018
P. Dalziel et al., *Wellbeing Economics*, Wellbeing in Politics and Policy,
https://doi.org/10.1007/978-3-319-93194-4_7

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A Nation State's economic policy has unique opportunities (that only the State can deliver) to expand people's capabilities for creating wellbeing for themselves, their families, their communities, and their businesses.

This is important (1)



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Governments can miss these opportunities when the focus of economic policy is restricted to supporting economic growth for its own sake.

This is important (2)



Failure Demand
Counting the true costs of
an unjust and unsustainable
economic system



WELLBEING
ECONOMY
ALLIANCE

“In pursuit of economic growth – a stated goal of almost all governments – harm is caused to people and the planet, including widening economic inequalities; high levels of insecurity, despair and loneliness; and the prospect of catastrophic climate breakdown and biodiversity loss.”

This is important (2)

“Governments then need to spend money to respond to these harms – which then becomes a justification for growth. **In other words, we are caught in a cycle of paying to fix what we continue to break. This is known as ‘failure demand’.**”



Failure Demand
Counting the true costs of an unjust and unsustainable economic system



WELLBEING
ECONOMY
ALLIANCE

Budgets must focus on wellbeing to make their unique contributions to expanding capabilities for wellbeing, and to avoid creating failure demand.

Conclusion

A beginning! May our countries continue to make distinctive contributions to wellbeing economics, supported by strong collaborations that explore how policy can expand people's capabilities.

