

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.

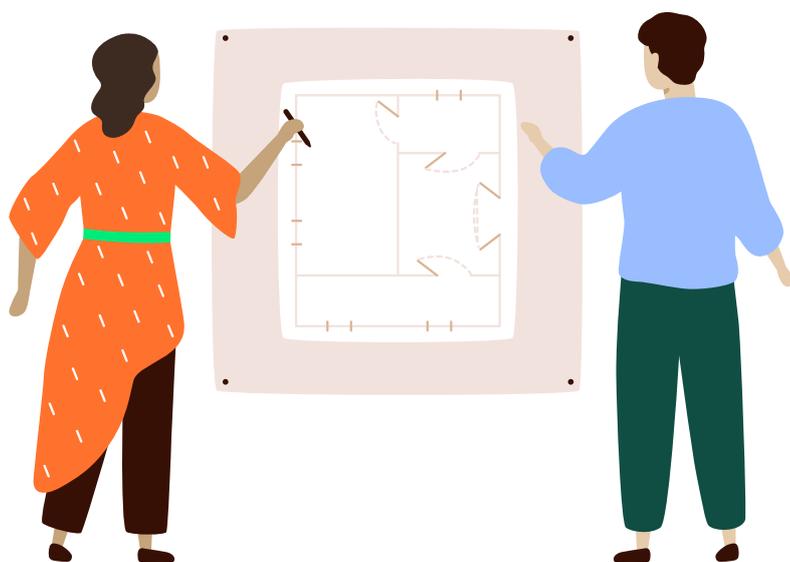
1. Wellbeing assessments

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.



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