

## Supplementary comments on NSW Performance & Wellbeing Indicators

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### Supplementary questions

#### 1. How would your organisation improve the performance indicators included in NSW Treasury's Consultation Paper, including to ensure:

##### i. The right number of indicators are included to capture a holistic, integrated set of outcomes?

The development of the Performance and Wellbeing Framework is a significant step forward in priority setting and monitoring in NSW and will, over time, assist in the identification of gaps and capacity requirements to strengthen policy impacts in NSW. It is a substantial shift from current policy thinking, which has had a heavy emphasis on economic performance and selected health and social outcomes.

In light of the change this represents, we believe that the scale, scope and selection of indicators should play close attention to practicality of implementation across government portfolios and accessibility and meaning to policy makers and diverse stakeholders. From this point of view, we consider the themes and number of indicators within the Framework to be appropriate, with scope for a selection of additional indicators as set out in our submission to the Public Accounts Committee. We note from our examination of similar frameworks developed in other jurisdictions (e.g., Federal<sup>1</sup> and ACT<sup>2</sup> Governments, New Zealand<sup>3</sup>,

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<sup>1</sup> Australian Government Treasury. Measuring What Matters Statement. Available at: <https://treasury.gov.au/publication/p2023-mwm>

<sup>2</sup> ACT Government. ACT Wellbeing Framework. Available at: <https://www.act.gov.au/wellbeing>

<sup>3</sup> Te Tai Ohanga The Treasury. The Living Standards Framework (LSF) 2021. Available at: <https://www.treasury.govt.nz/publications/tp/living-standards-framework-2021#executive-summary>

Scotland<sup>4</sup>), that there is a degree of consistency in the policy themes (with variation in labels and grouping) and a preference for selectivity (rather than comprehensiveness) in the indicators pertaining to the themes.

A critical determinant of whether the Framework enables progress towards a focus on holistic outcomes and integration of priorities across government portfolios, is the attention that is given to the required implementation apparatus and processes. We believe there will be need for a governance structure that will enable a whole-of-Government perspective and accountability for the adoption of the Framework. Careful consideration will be required to determine the organisational and administrative arrangements necessary for integrating the Framework into planning and monitoring systems.

**ii. Both lead and lag indicators are included, and that there is an appropriate balance between the two?**

Because there can be some variability in use of the terms ‘lead’ and ‘lag’ indicators, we will preface our comments with an explanation of our understanding of these terms. We believe lead indicators are those that determine and predict future outcomes, whereas lag indicators are the changes and outcomes that result from modifications to the leading indicators. Related concepts in public health are health determinants (leading factors) and health outcomes (lag factors).

A strong element of the Performance and Wellbeing Framework is that it includes both lead indicators (listed as performance indicators for the themes) and lag indicators (shown as the potential wellbeing metrics). Our experience in public health policy and practice is that, while lag indicators are essential for goal setting and evaluation, it is the identification of the most important and changeable lead indicators that will ultimately determine what outcomes are achieved. Lead indicators are necessary for the selection of strategies, implementation planning and monitoring. In the public health field, it is usually the case that there is considerably more lead than lag indicators reflecting the multiple individual, organisational, social and environmental factors that need to be modified to achieve outcomes. The draft

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<sup>4</sup> Scottish Government. National Performance Framework. Available at: <https://nationalperformance.gov.scot>

Framework appears to recognise the necessity for a range of lead indicators across multiple themes, which feed up to smaller selection of summative lag indicators. As the Framework is adopted and monitoring, evaluation and learning takes place, it is likely that additional lead indicators will be identified and added.

These comments reflect our view that refinement and finalisation of the Framework should place greatest emphasis on the selection of the most important and changeable lead indicators that will have the greatest impacts at the population level. Our initial submission to the Public Accounts Committee recommended several additional lead indicators (e.g., loneliness, isolation, quality of the built environment). We also recommended that functional independence be added as a lag indicator of overall wellbeing metric. This recognises the maintenance of health and is an important element of individual quality of life (beyond the absence of disease or the treatment of illness).

A further comment is that our review of the potential wellbeing metrics in the Framework revealed that these are primarily whole of population or age specific indicators, with little explicit reference to socioeconomic or regional differentials (i.e., urban vs rural). In public health, it is recognised that a breakdown of population indicators (e.g., life-expectancy, safety, community cohesion) in terms of levels of social advantage and disadvantage is necessary to understand the relative impacts of policies and programs. We recommend that in the preliminary overview of potential wellbeing metrics and/or selection of the indicators in this section states that there will be examination of social and regional differences.

## **2. How would your organisation structure the indicators and/or metrics in a hierarchy to effectively measure wellbeing in NSW?**

The value of structuring the indicators into levels is that it will highlight the scope of action required to promote population wellbeing and, in particular, the importance of upstream environmental and economic determinants of wellbeing. We note in the New Zealand Living Standards Framework that indicators are classified across three levels:

- Level 1 - Our Individual and collective wellbeing
- Level 2 - Our institutions and governance
- Level 3 - Wealth of Aotearoa New Zealand

In the public health field, the determinants of health are commonly classified across social ecological levels, spanning individual, interpersonal, institutional, community, and policy factors<sup>5</sup>, which correspond to micro, meso and macro level determinants.

We note that the NSW Performance and Wellbeing Framework has a strong alignment with, and builds on, the Australian government's Measuring What Matters Framework. With consideration of the scope and themes of the NSW Framework there could still be a hierarchy that delineates the indicators and metrics across three levels: i) individual and interpersonal; ii) institutional, and; iii) community and policy. Some suggested labelling for these levels is:

Level 1 - Healthy and liveable communities (or neighbourhoods)

Level 2 - Effective and accessible services

Level 3 – Social and economic opportunity

An examination of the themes within the Framework indicates that most will have indicators across at least two of these levels.

A valuable addition to the Framework would be the development of a figure which shows the themes, the levels that these cover (as suggested above), and their relationship with the population wellbeing outcomes (i.e., wellbeing metrics) that will be unique to the NSW context. The New Zealand Living Standards Framework included a figure of this type (see also Figure 1), and another example is the World Green Building Council Health and Wellbeing Framework<sup>6</sup>

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<sup>5</sup> McLeroy KR, Bibeau D, Steckler A, Glanz K. An ecological perspective on health promotion programs. *Health Education Quarterly*. 1988;15(4):351-77.

<sup>6</sup> World Green Building Council. Health and Wellbeing Framework. Available at: <https://worldgbc.org/better-places-for-people/health-framework/>



Figure 1. The World Green Building Council Health's Health & Wellbeing Framework: six Principles for a Healthy, Sustainable Built Environment

Such a grouping can highlight the need for services and programs across multiple agencies. This should in turn lead to budget commitments to make the required investments in programs/ services necessary to achieve measurable changes that would be associated with the performance and wellbeing indicators and metrics.

### **3. What should the NSW Government do to ensure that there is appropriate consultation and continuous feedback on the themes, indicators and outcomes in the Consultation Paper?**

To bolster a robust and adaptive Framework that can be responsive to changing context, we recommend that the NSW Government incorporate:

- a governance body to oversee the practical application and use of the results in policy development and agency planning on the themes, with representations from relevant government departments and agencies;
- cross-agency collaborations and co-ordination in data sharing to ensure that agencies can work together effectively over time;

- an opportunity for wider public and expert feedback around targeted questions and performance indicators arising from the application of the Framework over time.

The community consultation can provide insight into critical aspects of service provision, neighbourhood liveability, and economic and social conditions that have a bearing on wellbeing. Given that this does vary across population subgroups, the consultations should be targeted and prioritised (e.g., First Nations, young people, older adults, Culturally and Linguistically Diverse populations, people with disabilities).

#### **4. Does your organisation have any other feedback or comments on the Consultation Paper?**

The NSW Performance and Wellbeing Framework is closely connected with the fundamental premise that the overall wellbeing of the population can be determined by factors that fall outside the traditional health care sector, including the many macro and meso factors already captured in the draft Framework. As noted earlier, we underscore the need for a performance monitoring system to enable regular reporting of the indicators and metrics to monitor trends and changes in indicators (e.g., shifts in self-assessed health, air quality), including corresponding changes in allocation of resources to programs and services (e.g., built environment infrastructure). Setting targets and goals to support accountability would be a critical part of this monitoring and evaluation system.

The Performance and Wellbeing Framework is a continuing process requiring on-going maintenance and input, with the indicators and metrics continuing to evolve and new indicators added in future iterations of the Framework. This is predicated on two factors: 1) availability of measures to capture relevant and quality data, and 2) variable time lags for health, social and wellbeing effects to manifest, for example, links between physical/economic/social environments and health outcomes playing out over many years.<sup>7</sup> Put simply, any tracking and assessment of performance and wellbeing indicators will need to recognise the complex relationships between lead and lag indicators.

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<sup>7</sup> Braveman P, Gottlieb L. The social determinants of health: It's time to consider the causes of causes. Public Health Rep. 2014; 129(suppl 2):19-31.

Finally, we also recommend that the NSW Government consider:

- developing Performance and Wellbeing logic models to help map out the relationships between lead and lag indicators <sup>8,9</sup>;
- developing framework dashboards to track and report changes;
- where possible, linking existing sector-specific indicators to the Performance and Wellbeing Framework, recognising that over time the framework should take primacy over sector-specific analysis and planning.

### Further information

The PRC is grateful for the opportunity to contribute to the supplementary questions about the proposed NSW Performance and Wellbeing Framework. If the NSW Treasury wishes to further discuss the comments we have put forward here, please contact:

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Prof Philayrath Phongsavan, Director – [REDACTED]

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<sup>8</sup> Centre for Epidemiology and Evidence. Developing and Using Program Logic: A Guide. Evidence and Evaluation Guidance Series, Population and Public Health Division. Sydney: NSW Ministry of Health; 2023.

<sup>9</sup> NSW Treasury. Policy and Guidelines: Evaluation. February 2023.TPG22-22. [www.treasury.nsw.gov.au](http://www.treasury.nsw.gov.au)