

**Submission
No 22**

**A FRAMEWORK FOR PERFORMANCE REPORTING AND DRIVING
WELLBEING OUTCOMES IN NSW**

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NSW Parliamentary Inquiry submission: A framework for performance reporting and driving wellbeing outcomes in NSW

Submission from the Centre for Policy Development

INTRODUCTION

The Centre for Policy Development (CPD) is grateful for the opportunity to make a public submission to the NSW Public Accounts Committee Inquiry into a framework for performance reporting and driving wellbeing outcomes in NSW.

We are pleased to see the NSW Government has committed to incorporating a wellbeing focus into their governance and decision making, recognising the importance of focusing on outcomes that matter most to the people of NSW. This inquiry presents a timely opportunity to build on this foundation and create a comprehensive, cohesive strategy that can guide NSW towards a future where the wellbeing of its residents is at the heart of government's work.

The importance of this approach has been increasingly recognised globally, with countries like New Zealand, Scotland and Wales pioneering approaches to wellbeing government and demonstrating their effectiveness at driving more holistic, long-term outcomes. These international examples provide valuable insight for NSW as it embarks on this journey.

This submission has been prepared by the team at the Centre for Policy Development's Wellbeing Government Initiative. The Wellbeing Government Initiative works on approaches to the economy that meet the needs of people, communities and the environment. With world-leading research on wellbeing approaches to government practice and public sector innovation, the CPD Wellbeing Government Initiative is a leader in research and convening to advance Australia's approach to wellbeing.

Executive Summary

In this submission, we present eight recommendations across three key areas to support the effective integration of a wellbeing approach in NSW government decision-making. These recommendations are designed to embed wellbeing principles within government practices, develop core goals with strong community engagement, and ensure the efficacy of wellbeing measures and indicators. By adopting these strategies, the NSW government can create policies that truly reflect the needs and aspirations of its residents, foster collaboration across departments, and implement robust systems for measuring progress towards long-term wellbeing outcomes. A summary of recommendations is as follows and detailed in the relevant sections further on in the submission.

1. Adopt a wellbeing focused approach to government decision making by:

- Identifying broad wellbeing goals guided by the what matters most to the people of NSW
- Conducting internal reviews to identify barriers and opportunities to embedding a wellbeing approach to government
- Breaking down silos and increasing collaboration between and across government departments
- Using upstream and futures thinking to support more effective policy making

2. Conduct a deep and inclusive consultation process through:

1. A state wide conversation with the people of NSW about what they want for themselves, their children and future generations
2. Employing an inclusive and mixed-method approach to consultation to capture the most representative cross-section of NSW residents

3. Utilise effective wellbeing measures and indicators to track progress against goals by:

1. Building a plan that connects data to action prior to determining what data to collect
2. Placeholder should be inserted where there is not yet suitable data or where it is unclear what data is required

1. Driving wellbeing outcomes in NSW: The big picture

CPD research has shown that the most effective way to enhance the performance of government services and drive improvement in wellbeing outcomes among communities is by adopting a wellbeing focused approach in government decision making. As has been demonstrated by international and Australian examples¹, there are four fundamental ways of working that are essential to ensuring that progress is made toward more effective outcomes for residents:

- Involving those most affected by decisions in the decision-making process.
- Thinking holistically and breaking down silos between different wellbeing ‘domains’.
- Adopting a long-term perspective, including consideration of future generations.
- Placing emphasis on prevention and looking upstream to tackle the root causes of problems.

While an investment in data that captures the state of wellbeing in NSW will be a valuable tool for government, there is a genuine opportunity for significant long-term improvement in wellbeing outcomes if NSW adopts an approach guided by the principles outlined above. This should be done by taking an innovative and ambitious approach toward integrating a wellbeing focus across government. Below, we outline some suggestions for what this could look like.

The Centre for Policy Development is eager to collaborate further with the NSW government to develop more detailed plans for how these and other potential initiatives and strategies might be best adopted.

¹ See [Redefining Progress: Global lessons for an Australian approach to wellbeing](#). Centre for Policy Development, 2022.

1.1 Start by identifying broad wellbeing goals

The NSW Government has a unique opportunity to identify what matters most to the people of NSW, helping to define central goals and shape a vision for the future. This vision will reflect the NSW that residents aspire to create for themselves, their communities, their children and grandchildren.

These goals must be more than just domain headings:

- They should be driven by a collective vision of the future that is derived from a conversation with the people of NSW, as described in *Section 2*. These goals need to come from listening to the detail, not just the headlines of what people say matters to them.
- They should continue to feed into a collective vision of the future that is clearly understood and communicated, and which resonates with the public.
- They should contain enough detail to clearly guide government and public body decision making without being limited to short-term or single-issue targets.

Having state wellbeing goals can be used in state-wide standard-setting with the scope to inform policy approaches across government. Well-written goals contain guidance not just about where we want to go, but how to get there.

Such goals are at the heart of several wellbeing frameworks internationally. Wales, for example, has seven wellbeing goals that drive government and public decision making in all its forms.

Each goal extends well beyond their title - their meanings are clearly explained in a paragraph that accompanies each (see appendix 1).

For example; one goal, 'a Prosperous Wales', is stated as follows:

"An innovative, productive and low carbon society which recognises the limits of the resources efficiently and proportionally (including acting on climate change); and which develops a skilled and well-educated population in an economy which generates wealth and provides employment opportunities, allowing people to take advantage of the wealth generated through securing decent work."

Similarly, Scotland's National Performance Framework has a statement of purpose and a statement of values alongside their eleven goals, called 'national outcomes', that "describe the kind of Scotland we want to see" (see appendix 2). Examples of these goals include: "We grow up loved, safe and respected so that we realise our full potential," and, "We live in communities that are inclusive, empowered, resilient and safe."

Goals are what people want to talk about. Australians want to be genuinely listened to.

A recent report by [Australia ReMADE](#), based on conversations with a diverse group of hundreds of Australians, revealed a strong public expectation that the voices of everyday people should be heard and respected. However, there was a clear feeling among those interviewed that, "citizen input or feedback was mostly disregarded and lost in a void of bureaucracy" (p.10). People want opportunities to engage with decisions that affect their lives and to see their contributions reflected in government responses. Focusing on aspirational goals, rather than indicators or domain headings, allows the government to make decisions genuinely driven by this process. This approach enhances the legitimacy and effectiveness of the final outcomes by building public enthusiasm and support, increasing the potential for long-term success.

To be effective, accepted by the people of NSW, and to stand the test of time such goals must be determined through broad and inclusive consultation, being co-written by the people of NSW.

1.2 Set up an internal review of barriers to and opportunities for working towards driving long-term wellbeing outcomes in NSW

A broader shift towards wellbeing governance aims not only to improve wellbeing outcomes but also to strengthen an effective public service. To achieve this, governments should consider not only new measures or frameworks they can introduce but also existing elements within the system that may hinder better practices.

Departments are constantly being told to work together and think long-term. However, while there are some cases of success that can and should be expanded upon, numerous systemic barriers often hinder these approaches, even when there is consensus on their necessity. It is hard to focus on the long-term when departments have short-term budgets; to genuinely engage in cross-portfolio collaboration if audits focus only on outcomes that only fall within one portfolio area; or to be innovative and work towards novel policy solutions that maximise co-benefits if there isn't an authorising environment that supports experimentation and out of the box thinking.

There is a need to make sure that the necessary changes that are introduced externally through the implementation of a wellbeing framework are supported by the internal architecture of government. To achieve this aim, we recommend that a review is conducted to identify barriers and opportunities to working in line with the principles that define a wellbeing approach to government as outlined above. This review should be accompanied by a plan for how the findings will be used to bring about change within government.

1.3 Increasing within and across-department connections and collaborations

Culture change is a big determinant of success in effectively embedding wellbeing approaches to government. Making connections between individuals, teams and leaders within and between departments and agencies can increase opportunities for better problem-solving, more innovation and working towards co-benefits rather than always thinking through the lens of trade-offs. These connections also help reduce duplication of effort and have a positive impact on improving benefits. For example, by connecting cohorts that would benefit from different interventions occurring in different departments, and ensuring that problems emerging in one area are directly linked with efforts in other areas that could be used to address them.

While addressing this challenge is a topic that is beyond the scope of this submission, some models for tackling it include:

- Setting up a cross-department roundtable that meets regularly to discuss broader strategy through the lens of supporting co-benefits and holistic approaches to wellbeing.
- Having a person or team function as 'connection-makers' within and between departments, doing a lot of the 'soft' work that is needed to make collaboration and holistic thinking work.

1.4 Use upstream thinking and futures thinking to support more effective long-term policy

To shift the dial on major challenges, government needs to look upstream and understand the root causes of problems before they arise or become acute. This is a necessary step to improve wellbeing outcomes, not just by avoiding harm in the first place, but also to ensure more sustainability in the budget. Without real prevention strategies in place the demand for acute services will only grow.

To effectively shift to more preventative and long-term decision-making in government will require many adjustment across a number of interconnected parts, for example:

- Budget rules currently act as a barrier to more long-term and preventative policies. Victoria has begun to tackle this challenge through their Early Intervention Investment Framework (EIIF) which calculates and banks the savings generated by investment in evidence-based interventions that prevent problems from becoming acute, thereby reducing the demand for acute government services. CPD has recommended similar changes in the budgeting rules at the federal level that are equally applicable at the state level.²
- Dedicated units can help with doing supporting research and training of government staff in:
 - Upstream thinking: better understanding the root causes of problems to make sure we get the point of intervention right; and
 - Futures thinking: in the inception stages of strategic priorities and policies, thinking about what it would look like for a strategy or policy intervention to be successful through the lens of the next decade or longer.³

2. Consultation

We recommend deep and inclusive consultation to help shape NSW's wellbeing vision. Consultation is needed to ensure there is public buy-in, which will contribute to the initiative's longevity and effectiveness. However, this is only the case if consultation is done well - it must be representative and inclusive, ensure people are genuinely listened to, and enable participants to see their contribution reflected in the end product.

Building a wellbeing framework in NSW is an opportunity to engage and involve the people of NSW in a wider conversation about their hopes and ambitions for the kind of NSW they want to live in now and into the future. Below we outline how this opportunity can be best used to drive public support for a positive new direction for NSW that can effectively deliver on wellbeing outcomes through a state-wide conversation. The methods we describe below, however, are key to any effective consultation even if it is initially carried out on a more modest scale.

The ACT provides a good model of effective consultation on their wellbeing framework. They conducted an extensive eight month community consultation which received feedback from more than 3,000 Canberrans - as well as the broader community through representative organisations and

² Cressida Gaukroger and Toby Phillips (2024) Banking the Benefits: Better Aligning Budget Process Rules with Measuring What Matters, Centre for Policy Development: <https://cpd.org.au/work/banking-the-benefits-better-aligning-budget-process-rules-with-measuring-what-matters/>

³ This type of work is being carried out currently by the Policy Project and Taskforce Office in the Commonwealth Department of Premier and Cabinet.

Ministerial Advisory Councils. The engagement program included workshops and roundtables, online surveys, written submissions, informal discussions, face-to-face engagement and paper-based surveys with harder-to-reach community members. In addition to community consultation, the ACT sought advice from experts on community wellbeing, including academics and both government and non-government agencies from within and outside the ACT.⁴

2.1 A state-wide conversation: The NSW we want for ourselves, our children, and our grandchildren

Putting the wellbeing of people and planet at the heart of government decision making, as a wellbeing framework seeks to do, requires the identification of a non-partisan and unifying vision. Such a vision can set the direction of policymaking and the public service, allowing for greater collaboration between departments and public institutions and building support for long-term approaches.

NSW's wellbeing framework should be centred around NSW's vision for the future, with unifying goals that shape strategic priorities and ensure the government delivers on the long-term outcomes that are most important to the people of NSW. To this end we recommend a state-wide conversation about the NSW we want for ourselves, our children, and our grandchildren, building a public mandate for a framework that guides the government by reflecting the long-term goals of the people.

What this could look like

- A state-wide conversation can use media engagement and a public campaign to increase awareness and encourage involvement from all NSW residents.
- Public events such as citizens' assemblies and roundtables create spaces for deep engagement and deliberation. Citizens' assemblies take a representative sample of the population, inform them about an issue, and then allow them to discuss and come up with recommendations. They have been used successfully worldwide to broaden the voices that are active in the public debate, inspiring good faith deliberation outside of traditional political contests to tackle challenging topics.
- The "hub and spoke" model has proved successful for such conversations in other jurisdictions. This involves the process being coordinated by a central organising body, which guides a broad network of organisations and community groups to engage with the community. It makes best use of the existing relationships that individuals have with organisations and community groups. It is well documented that consultation processes are more effective and fruitful when an individual has trust in the leading organisation or group, and this model allows consultations to be conducted in the most appropriate way for different communities.

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https://www.act.gov.au/__data/assets/pdf_file/0012/1499187/ACT-Wellbeing-Framework-Consultation-Report.pdf

2.2 The importance of inclusive and mixed-method consultation

Genuine and inclusive consultation can unearth dynamic and creative ideas that are illustrative of the perspectives of the broader population, and particularly those who are historically considered 'hard to reach'. Mixed-method community consultation promotes participation and should be designed to ensure it effectively reaches and includes a wide cross-section of the community. Some examples include:

- Town hall meetings: Larger community meetings (around 30-100 people) organised by local councils and/or community groups.
- Written submissions: Provide a more formal platform for organisations and individuals to provide feedback.
- Workshops and kitchen table conversations: In-depth discussions with small groups in the community (around 8-10 people). Planned in advance, and scheduled in locations such as a community hall or in people's homes.
- Postcard campaigns: This can be a way of involving the voices of children - either encouraging them to write or draw the future NSW they hope to see.
- Surveys: Asking individuals questions on what matters to them has the benefit of consulting with a large number of individuals who may not otherwise have been engaged in the process. However, these will be most effective if they are framed in terms that allow participants to take a wide lens, for example asking about the NSW they want for themselves, their children and their grandchildren rather than simply providing a multiple choice question with prefilled answers.

First Nations knowledge and perspectives are vital to a deep and representative wellbeing framework. Special attention should be paid to First Nations consultation being informed and led by First Nations people and organisations. Coordination with trusted First Nations community controlled organisations - accompanied by the use of research ethics guidelines such as the guidelines⁵ employed by the Mayi Kuwayu national study of Aboriginal and Torres Strait Islander peoples' wellbeing - can allow communities to control their own involvement.

Within consultation, open-ended questions are important for allowing people to capture the real meaning of the concepts being used. Everyone may feel, for example, that safety is important to having a good life, but what safety means often gets reduced to more police presence or crime statistics, when it will possibly mean something very different to many people. For many, greater safety may mean a better designed criminal justice system; police working closely with communities; domestic violence reduction measures; safer transport infrastructure; better prevention of and response to natural disasters etc. We do not recommend asking participants to rank different wellbeing goals or priorities, as this is unlikely to contribute much to informing a framework that is aimed at capturing the interconnected range of factors that are important for a good quality of life now and into the future.

⁵ <https://mkstudy.com.au/wp-content/uploads/2019/08/Community-engagement-final.pdf>

3. Measurement

Wellbeing measurement indicators can be an important tool to support a wellbeing framework. Measurements should encompass the broad dimensions of long-term and sustainable wellbeing, while indicators should accurately reflect the best evidence on what matters to people and how to measure it. They must also be responsive to change in accordance with best practice, and able to be regularly updated as appropriate.

3.1 Build in a plan that connects data to action, before deciding what data to collect

To be effective, there needs to be a plan for how data will connect with action *before* deciding what data to collect. The purpose of data collection or a wellbeing dashboard might be public communication, steering government priorities, or determining what departments will be reporting against. Those different goals will require different types of data and different levels of detail. The presentation of data will also impact whether these goals are achieved. Additionally, it's essential to have a monitoring plan in place for how the data is being used before its release. For example, if a dashboard aims to engage the public, mechanisms should be in place to monitor its access and user demographics.

Where data is going to be used to inform government decisions it will be most effective if approached holistically. If the government is going to achieve a change in outcomes then all departments should be thinking about how most, if not all, indicators could be relevant to their work. There should be room for determining how indicators can inform departmental decisions that might previously have been considered outside of their portfolio - such as Department of Housing staff thinking about the impact their policies can have on mental health outcomes, or Department of Health staff thinking about the impact their policies can have on emissions targets.

3.2 Placeholders should be inserted where reliable data is not yet being collected

A wellbeing dashboard must include space for more indicators to be incorporated as available data improves, reflecting that there will be current data gaps in some areas. If measures or indicators are meant to steer priorities, not including placeholders for data gaps risks having those priorities determined by what data a government is already collecting rather than what data they should be collecting. No jurisdiction is going to have a perfect suite of statistical products and tools to furnish a fully formed wellbeing approach to decision-making. Rather than ignore these gaps (and try to make perfect decisions with imperfect information), a robust data framework will be clear about which concepts and ideas are important to the government but do not have sufficient quality data behind them. In Iceland, for example, some areas identified as important to wellbeing are not yet able to be measured accurately due to lack of data (e.g. the environment) or lack of clear measures (e.g. social capital). Rather than leaving them out of wellbeing reporting they included 'placeholder' indicators designed to encourage the collection and use of data in these areas when and where possible. A similar method was employed in the ABS's Measures of Australia's Progress.

Appendix: The Welsh Wellbeing Goals



A Prosperous Wales



A Resilient Wales



A Healthier Wales



A More Equal Wales



A Globally Responsible Wales



A Wales of Cohesive Communities



**A Wales of Vibrant Culture and
Thriving Welsh Language**

A Prosperous Wales

An innovative, productive and low carbon society which recognises the limits of the global environment and therefore uses resources efficiently and proportionately (including acting on climate change); and which develops a skilled and well-educated population in an economy which generates wealth and provides employment opportunities, allowing people to take advantage of the wealth generated through securing decent work.

A Resilient Wales

A nation which maintains and enhances a biodiverse natural environment with healthy functioning ecosystems that support social, economic and ecological resilience and the capacity to adapt to change.

A More Equal Wales

A society that enables people to fulfil their potential no matter what their background or circumstances (including their socio economic circumstances).

A Healthier Wales

A society in which people's physical and mental well-being is maximised and in which choices and behaviours that benefit future health are understood.

A Wales of Cohesive Communities - Attractive, safe, viable and well-connected.



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A Wales of Vibrant Culture and Thriving Welsh Language

A society that promotes and protects culture, heritage and the Welsh language, and which encourages people to participate in the arts, and sports and recreation.

A Globally Responsible Wales

A nation which, when doing anything to improve the economic, social, environmental and cultural well-being of Wales, takes account of whether doing such a thing may make a positive contribution to global well-being.