



## BRIEFING #2 DEFINING ‘WELLBEING’ AND THE GOVERNANCE MECHANISMS TO DELIVER IT

“I spend a lot of my time doing stuff that doesn’t get that much coverage – thinking differently about climate risk disclosure, thinking differently about payments reforms, all of these sorts of things – so that we get the kind of economy which is more likely to give us the kind of country that we need. To join up the kind of country that we want with the kind of economy that we want, rather than see them as competing”

- Jim Chalmers<sup>1</sup>

Australia is no stranger to conversations about the purpose and social and environmental outcomes of the economy - even if the terminology of ‘wellbeing economy’ is not always used. Not only are there a plethora of policies at all levels of government which align with the wellbeing economy goal, there is considerable activity by Federal, state and territory governments in terms of broadening measures of progress and focusing on outcomes in government decision making, an important precondition for a wellbeing economy. In the past the ABS’s Measures of Australia’s Progress initiative was credited as inspiring similar efforts in other countries<sup>2</sup> and in 2023 the Federal Treasury followed the Australian Capital Territory in releasing its Measuring What Matters dashboard.<sup>3</sup>

Across that terrain, there are a flurry of terms and concepts that merit explanation and definition.

### WELLBEING

The idea of wellbeing can be taken to mean different things.<sup>4</sup> For example, some people use it to describe personal wellbeing, others to describe community wellbeing, and others still to describe societal wellbeing. For some, subjective reports of various aspects of personal wellbeing are the most empowering way of measuring wellbeing, whereas others say there are too many challenges and limitations associated with this approach and so argue for augmenting it with objective measures across a wider – multidimensional – suite of areas. Some argue that health in its broadest sense is a good proxy for wellbeing – or that human needs (or capabilities) offers a decent basis to understand the source of wellbeing. Others might argue that these are problematic in that they effectively prioritise people over nature and are short term.

Mostly, these different meanings – whether societal or individual wellbeing, or whether subjective or objective – are compatible. However, sometimes their prescriptions for change gravitate to either helping individuals cope with prevailing circumstances (as is often the case for proponents of individual subjective wellbeing) or attending to those circumstances themselves (which is where the wellbeing economy agenda sits). While not wanting to claim any particular mandate, the understanding we bring to this discussion is that wellbeing is about quality of life, in all its dimensions, for all people, now and into the future and this needs to be pursued within planetary boundaries and with consideration for all life.

## WELLBEING ECONOMY

An economy designed deliberately to work for people and the planet, not the other way around. In a wellbeing economy, the rules, norms and incentives that shape the economy are set up to encourage activities that deliver quality of life and flourishing for all people, in harmony with our environment, by default.

## WELLBEING APPROACHES

Addressing specific challenges in a holistic and preventative way, using a range of tools (such as a wellbeing vision, holistic thinking, wellbeing dashboards, and wellbeing budgeting). A wellbeing approach is a principle that drives subsequent actions and initiatives. An approach can be applied to one specific issue in the absence of a framework or it can be applied across the board.

## WELLBEING GOVERNMENT

Wellbeing government refers to governments deliberately applying a wellbeing approach. In practice that could encompass deliberately taking a holistic and upstream approach to addressing problems and supporting people's quality of life and working to prevent problems arising in the first place. It supports people and planet to flourish and tracks and utilises a broad suite of metrics to understand the full picture of how different groups and different locations are experiencing life, and the health of ecosystems. A wellbeing government ideally is working towards a wellbeing economy, but as seen below, may not go that far upstream.

## WELLBEING FRAMEWORK

A framework is a decision-making guide. It can include goals or wellbeing domains that should or must be considered in decision making, but can also include ways of working, or even decision making tools. Some frameworks have many component parts and often include measurements, while others are essentially a guide to aid decision makers regarding what they need to consider when making policy.

## WELLBEING DASHBOARD

A suite of metrics to give a richer picture of a locality's progress across a range of dimensions/ domains (NB this is also sometimes referred to as a 'framework').

## WELLBEING BUDGET

Utilising government spending and fiscal incentives to encourage activities that support sought outcomes for people and planet, and to address inequalities in attainment of wellbeing outcomes.

## LONG TERM/ INTERGENERATIONAL THINKING

Decisions and analysis that take account of the needs of future generations.

## WELLBEING ECONOMY OR WELLBEING APPROACHES?

There are, of course, plenty of activities and approaches that might be described as 'wellbeing approaches' because of their holistic and preventative focus, but do not speak to economic system change. For example, an initiative that provides housing for homeless people is a valuable preventative intervention that fits the description of a wellbeing approach. What it does not do is work directly to tackle the upstream systemic causes of homelessness at the level of the economic system. In Australia there are many examples of creative and valuable service provision that look at the complex suite of challenges people might face. Many of these could readily be described as 'wellbeing approaches', but unless they utilise the evidence from working with those at the sharp end of the current economic system to agitate and advocate and organise for change of that system, they are not wellbeing economy initiatives. This is not in any way to denigrate wellbeing approaches, they are critical, only to clarify terminology.

## ABOUT THIS SERIES:

These mini-briefings look at the idea of a wellbeing economy, how it relates to other ideas for economic change, and what some of the core elements of a wellbeing economy are. They reflect on why Australia needs to build a wellbeing economy.

This series of 'mini-briefings' attempts to clarify terms and expressions and associated wellbeing economy ideas so that discussions can take place from a basis of shared understanding and language.

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## ENDNOTES

- 1 Middleton, K. (2023, September 23). [Jim Chalmers' pitch to clean up corporate Australia](#). The Saturday Paper.
- 2 Gaukroger, C. (2023). [Lessons From Australia's Past National Wellbeing Approaches](#). Centre for Policy Development.
- 3 Commonwealth of Australia. (2023). [Measuring What Matters: Australia's First Wellbeing Framework](#).
- 4 For a more detailed exploration of the various conceptions, see Wellbeing Economy Alliance. (2020). [Understanding Wellbeing: WEAll Briefing Papers Little Summaries of Big Issues](#).