

# Information on applying a wellbeing approach to agency external planning and performance reporting

## Purpose

This document is a guide for agencies to consider how they could incorporate a wellbeing approach into their external planning and performance reporting.

## Background

### What is wellbeing?

While there are many possible definitions of wellbeing, a wellbeing approach has recently been described as enabling people to have the capabilities they need to live lives of purpose, balance, and meaning for them.<sup>1</sup>

*The overall goal is a public sector focussed on current and future wellbeing*

To achieve the Government's wellbeing vision, New Zealand needs a public service that is more strongly focussed on improving current and future wellbeing. To support this focus, the Minister of Finance expects wellbeing to be incorporated into agency planning and performance reporting and the Treasury has been working with agencies to test and learn what a wellbeing approach in this area looks like.

### How we expect this working document to be used

This document describes what we have learnt and is a working document, not a how-to-guide or checklist. Agencies should consider how the approach described might be useful for their agency and use their judgement as to how they will use it. We will work with agencies to improve and update the information by the end of 2019, including having further examples of work being undertaken (refer Appendix One).

This document is focussed on the agency reporting requirements set out in the Public Finance Act (PFA) and would be relevant to the requirements that apply for Crown entities under the Crown Entities Act.

### Links to other work

This work is part of broader changes to the public finance system to apply a wellbeing approach and to improve strategic financial management. Budget 2019 is one part of those changes. Budget 2019 includes priorities that have been based on wellbeing analysis, and a greater focus on outcomes and collective action. Another directly-relevant workstream is the

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<sup>1</sup> Budget Policy Statement 2019 [www.treasury.govt.nz/publications/budget-policy-statement/budget-policy-statement-2019-html](http://www.treasury.govt.nz/publications/budget-policy-statement/budget-policy-statement-2019-html)

review of strategic planning and performance reporting (covering legislative and non-legislative requirements). The objective of the review is to integrate strategic planning, decision-making, and delivery. Recommendations from the review are due in 2019.

## Intentions

### We are seeking to achieve three impacts

The reporting requirements in the PFA set out accountability for agencies to Parliament and the Public for the expenditure of public funds. In meeting these requirements, we are looking for agencies to apply an effective wellbeing approach to help achieve the following three impacts:

1. Parliament and the public being better-informed through performance information with a wellbeing dimension
2. Ministers' decision-making being informed by meaningful agency wellbeing performance information, and
3. Agencies orientating behaviours, actions and delivery to improve wellbeing through their strategy, planning and reporting processes.

These impacts have been agreed with the Minister of Finance.

### By applying four principles of a wellbeing approach to performance reporting

The Minister of Finance also agreed the following four principles of a wellbeing approach for agency performance reporting:

1. Long term/intergenerational – taking a longer term view
2. Collectively working towards shared outcomes - identifying the outcomes your agency and others should be working towards and working together to achieve them
3. Multi-dimensional – thinking broadly about impacts both positive and negative
4. Recognising and building on existing tools – applying or aligning to existing wellbeing frameworks (e.g. LSF), strategies (e.g. Child Wellbeing) and indicators (e.g. Living Standards Dashboard, Indicators Aotearoa New Zealand).

To make these principles practical and useful, the table overleaf describes how they could be applied by agencies in developing planning and performance reporting products. The overall intent is that agencies should describe how they contribute (and have contributed) to improving intergenerational wellbeing and supporting the Government's wellbeing approach, in ways that are meaningful and relevant to their agency and that meet the relevant legislative and non-legislative reporting requirements.

## Applying the principles of the wellbeing approach to performance reporting requirements

The table below shows how the principles of the wellbeing approach could be considered in the process of developing various reporting products required in the PFA.

	Aspect/process	Principles	Prompts to consider	Examples of agency application
<b>Strategic Intentions (SI)</b>	<b>Overall</b>		In meeting the requirements of the PFA or Crown Entities Act, and external stakeholders' requirements, how can your SI/SOI show how you will support improving intergenerational wellbeing in a way that is meaningful and relevant to your agency?	Depending on the nature of the work of the agency, examples might not be relevant to others with different work and role
	Context and environmental scanning	<ul style="list-style-type: none"> <li>• Long term/intergenerational</li> <li>• Multidimensional</li> </ul>	<p>If you are undertaking horizontal and environmental scanning processes does it:</p> <ul style="list-style-type: none"> <li>• look long term:               <ul style="list-style-type: none"> <li>• consider an appropriate timeframe?</li> <li>• consider the balance of looking at both long term and immediate changes in your environment?</li> <li>• consider any intergenerational issues or trade-offs in making strategic choices e.g. environmental, societal etc?</li> </ul> </li> <li>• look across a range of possible impact areas, not just in your area of focus?</li> <li>• consider wellbeing tools and strategies e.g. LSF four capitals, LSF Dashboard, Sector wellbeing strategies (e.g. Child Wellbeing Strategy)?</li> </ul>	<p>Some agencies take a longer term view due to the nature of their work e.g. transport infrastructure, environmental work and impacts</p> <p>Worksafe used the LSF in their latest Strategic Intentions/Statement of Intent to describe their broader impacts</p> <p>(Seeking examples of other agencies' work)</p>
	Frameworks and methods to demonstrate performance e.g. outcomes, objectives, outcomes frameworks, priorities and indicators	<ul style="list-style-type: none"> <li>• Collectively working towards shared outcomes</li> <li>• Using what already exists</li> </ul>	<p>Does your framework demonstrating performance (e.g. outcomes, objectives, outcome framework and indicators), where relevant, reflect:</p> <ul style="list-style-type: none"> <li>• long term timeframes and bridging the gap between current state and the long-term future state?</li> <li>• any relevant intergenerational effects (positive and negative) (e.g. issues in intergenerational poverty, long-term environmental impacts)?</li> <li>• your impacts (positive and negative) in a wide range of areas (for example any positive or negative impacts across the LSF's four capitals)?</li> <li>• consider how you work with other agencies towards achieving shared outcomes               <ul style="list-style-type: none"> <li>• What objectives/outcomes do you share with others?</li> <li>• Are there other shared perspectives that could provide opportunities for improving delivery e.g. shared customers, working in same region, same workforce etc?</li> </ul> </li> <li>• Existing wellbeing frameworks and indicators, e.g. LSF indicators, Child Wellbeing Strategy indicators?</li> </ul>	<p>Worksafe references the LSF in their wider strategic context and the Ministry of Transport references it in their outcomes framework.</p> <p>(Seeking examples of other agencies' work)</p>

	Aspect/process	Principles	Prompts to consider	Examples of agency application
<b>Strategic Intentions (SI)</b>	Managing organisational functions	<ul style="list-style-type: none"> <li>Collectively working</li> </ul>	<ul style="list-style-type: none"> <li>Are there opportunities for working collectively with other agencies to improve the functioning of the organisation e.g. where there is a common workforce that makes sense to develop in a collective way?</li> <li>What barriers to working collectively with other agencies exist and how might they be overcome?</li> </ul>	(Seeking examples of agencies' work)
	Performance indicators	<ul style="list-style-type: none"> <li>Using what already exists</li> </ul>	<p>Are your current performance indicators able to better reflect the wellbeing principles (and be robust and meaningful), for example:</p> <ul style="list-style-type: none"> <li>Do they reflect long-term or intergenerational timescale (if this is appropriate)?</li> <li>Is it appropriate and meaningful to link to other wellbeing indicators e.g. the LSF Dashboard or Indicators Aotearoa New Zealand?</li> </ul>	
<b>Estimates</b>	Intention Statement	<ul style="list-style-type: none"> <li>Using what already exists</li> <li>Collectively working towards shared outcomes</li> </ul>	<ul style="list-style-type: none"> <li>Do your intention statements reflect or reference collective work e.g. using similar intention statement stems across Votes that are working towards a shared outcome?</li> <li>Does your intention statement, where appropriate, focus on the long-term contribution to wellbeing?</li> </ul>	Some agencies are looking at this for Estimates 2019/20 but the work is not yet finalised
	Performance indicators	<ul style="list-style-type: none"> <li>Long term/intergenerational</li> </ul>	Is it appropriate for your performance measures to look over a longer timeframe e.g. a five year timeframe if this is appropriate to the nature of the investment? [Note that your performance indicators will need to be robust, meaningful and meet external stakeholders' requirements]	Some agencies are looking at this for Estimates 2019/20 but the work is not yet finalised
<b>Annual Report</b>	<b>Overall</b>	All	In meeting the requirements of the Public Finance Act (or Crown Entities Act) and the requirements of external stakeholders, how can your Annual Report show how you have contributed to improving intergenerational wellbeing in a way that is meaningful and relevant?	This depends on the nature of the work of the agency, examples might not be relevant to others with different work and role
	Reporting Frameworks – Integrated reporting		The Treasury is interested in talking to agencies who might consider the Integrated Reporting approach to their Annual Report (as a pilot to trial and test the approach).	NZ Post and KiwiRail use the Integrated Reporting approach in their Annual Reports
	New ways of reporting – collective reporting	<ul style="list-style-type: none"> <li>Long term/ intergenerational</li> </ul>	Are you working as part of a collective body towards a shared outcome that could consider reporting progress on that shared outcome to give Parliament and the Public information on outcomes that matter?	The Student Loan Scheme is a long-standing approach to collective reporting. The Family Violence/Sexual Violence Joint Venture may develop a 2018/19 collective report
	Content, including additional reporting information	<ul style="list-style-type: none"> <li>Multidimensional</li> <li>Using what already exists</li> </ul>	<ul style="list-style-type: none"> <li>While the annual Report needs to report against your Strategic Intentions and Estimates (or Statement of Intent and Statement of Performance Expectations for Crown entities) can this be done in a way that highlights the agency's contribution to improving intergenerational wellbeing and/or how you support the Government's wellbeing approach?</li> <li>The Annual Report can also report on other activities undertaken during the year – is there a contribution to improving wellbeing that could be added to your Annual Report (as long as it is meaningful and relevant to the performance story you are telling)?</li> </ul>	

## Appendix One - What some agencies have done so far

### *Housing New Zealand*

*Note: the material below from Housing New Zealand was written before the Government announced the establishment of a new Crown agency, the Housing and Urban Development Authority. The material is included to illustrate Housing New Zealand's proactive approach to considering wellbeing in their strategic planning and performance reporting, however the detail in the next steps section in the second paragraph does not reflect the impact of subsequent structural changes.*



For Housing New Zealand (HNZ), interest in wellbeing reflects their change in focus from asset management to including a more customer-focused approach. Some of the work HNZ has done relating to wellbeing in 2018 includes:

- Mapping their outcomes and impacts to wellbeing, guided by the LSF and proposed LS Dashboard, OECD's Better Life and How's Life In Your Region, and other outcomes/wellbeing work including the Australian Social Housing model
- the Executive Team gaining an understanding on the linkages between HNZ's interventions and the 12/13 LSF domains including current Wellbeing domains and 4 capitals
- briefing all people leaders on the wellbeing domains and workshopping material for their strategy refresh.

Planned next steps for HNZ include engaging with the Board on their outcomes and the linkage to the wellbeing domains, which will then help inform the refreshing of their Statement of Intent, and engaging the organisation in the new outcomes framework, including the 'critical few' outcomes to help prioritise their activities. Finding a way to cast an outcome/wellbeing lens throughout their existing planning processes will be critical to implementation of their strategy.

Worksafe



WorkSafe have used the Living Standards Framework to look at how they contribute to wellbeing across different dimensions in their 2018/19 – 2021/22 Statement of Intent

<https://worksafe.govt.nz/about-us/corporate-publications/statement-of-intent/1819-2122/>

The material from page 14 is copied below.

Healthy and safe work is a key enabler for improving people’s wellbeing and quality of life.

**WorkSafe’s contribution to New Zealand**

As New Zealand’s health and safety steward, we have a role in driving the long-term performance of the health and safety system. In practice, this means that we take a strategic approach by building the linkages and ensuring the right conditions are in place so that everyone in the system can play their part in creating healthy and safe work.

We need to understand how the broader drivers in these sectors and systems interrelate and shape health and safety outcomes. We also need to work closely with our partners and stakeholders to support a coordinated, system-wide approach to how we work across these sectors and systems to improve health and safety.

WorkSafe will support the Government’s agenda by harnessing the significant benefits that good health and safety practice can have for New Zealand. The Government has set a number of longer-term priorities (eg KiwiBuild, Forestry Planting Programme, mental health) that present new opportunities to embed good health and safety upfront. We will also contribute to the vision and priorities set through the Government’s key strategies that our work connects to, including the new Road Safety Strategy (under development) and New Zealand Health Strategy.

The Government has expressed a strong commitment to improving wellbeing and lifting the living standards of all New Zealanders. It has set out clear priorities over the next three years and beyond that will drive progress against this focus.

Work is a key influencer on living standards and the quality of life that workers experience. Good health and safety is important to create quality work that improves the wellbeing of all workers. WorkSafe is working to improve living standards and wellbeing, in line with Treasury’s Living Standards Framework<sup>8</sup> by:

Human capital	Supporting people to fully participate in work, recreation and society by providing workers and businesses with the knowledge and skills to put health and safety into practice and to effectively manage work-related risks  Lifting the long-term health and life expectancy of workers by delivering evidence-based interventions, supported by targeted regulatory activity, to address the underlying causes of work-related diseases and ill-health
Natural capital	Preventing harm to the New Zealand public, environment and infrastructure by providing effective regulatory oversight of high hazard sectors with the potential to result in catastrophic harm.
Financial/ physical capital	This also includes the harm associated with the use of hazardous substances, electricity and gas
Social capital	Influencing the norms and values underpinning New Zealand’s culture and identity by actively promoting the importance of good health and safety within communities. We also support the Crown-Māori relationship by partnering with Māori communities to develop tailored approaches, informed by tikanga principles, to improve the health and safety outcomes for Māori workers.



## Appendix Two –Frequently Asked Questions (expected from agencies)

Do I need to develop a new Strategic Intentions document?

The PFA describes when a new Strategic Intentions document is required (see Section 38). This note does not change those statutory requirements, and should be considered when a new Strategic Intentions or Statement of Intent is required.

How does this material alter our current requirements?

The PFA sets out the requirements for Strategic Intentions, Estimates and Annual Reports. This note is about how wellbeing might be considered within those requirements.

Do I have to use the LSF?

No, but it provides a useful tool for helping you to take a wellbeing approach. If there are other existing tools you are welcome to use those.

Do I need to develop a wellbeing framework for our agency?

Some agencies already have a wellbeing framework that applies to their work and their agency, but there is no expectation that all agencies would have one.

Is this note only for reporting requirements in the PFA, or is it also for Crown Entities?

Many of the agencies we have worked with in developing the guidance are Crown entities, who have seen value in looking at how to include wellbeing in their performance reporting. This note also could be applied to the 'equivalent' requirements across the two acts (i.e. Strategic Intentions/Statement of Intent and Annual Report).

Why the focus on the documents (Strategic Intentions, Annual Reports, Estimates)?

The documents are products. The value of planning and reporting is often in the process and the development of insights. However, focussing on the products is a way to open the conversation about bringing wellbeing into agency performance reporting. The ideal is that the documents flow naturally from a process, rather than the documents are a separate product from thinking on strategic planning.

What does this mean for other internal strategies, plans and performance reports?

This note is about reporting required under the PFA (or equivalent under the Crown Entities Act). However most agencies also have other strategies, plans and reporting (for example sector strategies, organisational strategies and functional reporting). Although these are not covered by this note, agencies may wish to consider if it is useful to apply the principles into those other documents.

## Appendix Three – wellbeing frameworks, information and resources

### Speech - Applying a Wellbeing Approach to the Public Financing System

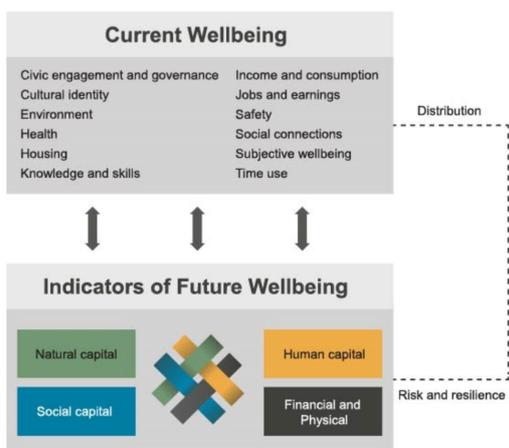
Speech to the Institute of Public Administration New Zealand (IPANZ) by the Minister of Finance, Hon Grant Robertson, on 21 February 2019.

[https://ipanz.org.nz/Article?Action=View&Article\\_id=150163](https://ipanz.org.nz/Article?Action=View&Article_id=150163)

### The Treasury’s Living Standards Framework (LSF)

<https://treasury.govt.nz/information-and-services/nz-economy/living-standards/our-living-standards-framework>

The LSF is the Treasury’s high-level framework on intergenerational wellbeing designed to support the Treasury’s advice. The LSF draws on OECD analysis of wider indicators of wellbeing and amends it for New Zealand. The LSF complements rather than replaces other Treasury frameworks. The elements of the LSF are: the domains of current wellbeing; the capitals that interdependently generate wellbeing; and risk and resilience. Intergenerational wellbeing relies on the sustainable growth and distribution of the four capitals.



### Living Standards Framework Dashboard

The LSF Dashboard is a measurement tool developed to support the LSF within the Treasury to view and compare indicators of wellbeing. It has been published on the Treasury website for public transparency and interest. The LSF Dashboard is supported by a number of explanatory reports.

To access the Dashboard and supporting material see the link below.

<https://treasury.govt.nz/information-and-services/nz-economy/living-standards/our-living-standards-framework/measuring-wellbeing-lsf-dashboard>

## Information about Treasury's work to embed wellbeing in the public sector

The Treasury has developed a webpage on work to embed wellbeing in the public sector, including embedding wellbeing into the Public Finance Act.

<https://treasury.govt.nz/information-and-services/nz-economy/living-standards/embedding-wellbeing-public-sector>

## The Wellbeing Budget 2019 and how the Wellbeing approach is being applied

<https://treasury.govt.nz/publications/budget-policy-statement/budget-policy-statement-2019>

The 2019 Budget Policy Statement (link above) describes the Government's wellbeing approach and how it is being used in the Budget process in 2019. The 2019 Budget Policy Statement includes a Wellbeing Outlook, and describes the five Budget priorities for Budget 2019.

## Indicators Aotearoa New Zealand – Ngā Tūtohu Aotearoa



Indicators Aotearoa New Zealand is being developed by Statistics NZ as a source of measures for New Zealand's wellbeing. The set of indicators will go beyond economic measures, such as gross domestic product (GDP), to include wellbeing and sustainable development.

Statistics New Zealand is aiming to launch the Indicators Aotearoa New Zealand – Ngā Tūtohu Aotearoa website in mid-2019.

For more information see the Statistics New Zealand website.

<https://www.stats.govt.nz/indicators-and-snapshots/indicators-aotearoa-new-zealand-nga-tutohu-aotearoa>

## Some other wellbeing resources, frameworks and activity

Note: the Living Standards Framework and Indicators Aotearoa New Zealand are described in Appendix Three.

### International wellbeing frameworks

#### How's Life? - OECD

[https://read.oecd-ilibrary.org/economics/how-s-life-2017\\_how\\_life-2017-en#page11](https://read.oecd-ilibrary.org/economics/how-s-life-2017_how_life-2017-en#page11)

**Sustainable Development Goals** (United Nations) – in New Zealand led by the Ministry of Foreign Affairs and Trade (MFAT)

United Nations:

[www.un.org/sustainabledevelopment/sustainable-development-goals/](http://www.un.org/sustainabledevelopment/sustainable-development-goals/)

MFAT:

[www.mfat.govt.nz/en/peace-rights-and-security/work-with-the-un-and-other-partners/new-zealand-and-the-sustainable-development-goals-sdgs/](http://www.mfat.govt.nz/en/peace-rights-and-security/work-with-the-un-and-other-partners/new-zealand-and-the-sustainable-development-goals-sdgs/)

### Activity by other government agencies

**Child and Youth Wellbeing Outcomes Framework** - Department of the Prime Minister and Cabinet

<https://dpmc.govt.nz/our-programmes/child-and-youth-wellbeing-strategy>

**Child Poverty Measures** – Department of the Prime Minister and Cabinet

<https://dpmc.govt.nz/our-programmes/reducing-child-poverty/child-poverty-reduction-bill>

**Environmental Reporting** – Ministry for the Environment and Statistics New Zealand

<http://www.mfe.govt.nz/more/environmental-reporting/about-reporting-series>

**Lifetime Wellbeing Model** – Oranga Tamariki