

July 2024

Dear Members of the Public Accounts Committee,

Re: A framework for performance reporting and driving wellbeing outcomes in NSW

The Committee for Sydney welcomes the opportunity to provide input into the first NSW Draft Performance and Wellbeing Framework.

One of our [key advocacy positions](#) is that by 2027, NSW has a wellbeing budget framework. We commend the government for taking this step even sooner.

We are committed to working with the Public Accounts Committee and the Government to refine the framework so that it performs the best it can for Sydneysiders and NSW more widely.

Who we are

The Committee for Sydney is an urban policy think tank. We are advocates for the whole of Sydney, focused on developing solutions to the most important problems we face. We are proud to have over 160 members that represent key business, academic and civic organisations across Sydney.

We advocate for policy and investment outcomes that shape the future of Greater Sydney. We work across six distinct but connected program areas which include resilience, planning, mobility, economy, culture and equity and fairness.

An opportunity to measure what matters, for today and future generations

The Committee for Sydney are big advocates for a wellbeing budget framework because traditional budgeting measures don't really tell us if we're progressing the wellbeing of everyone in NSW. While they provide insights into revenue and expense estimates, or whether we're 'back in the black', they don't provide insights into whether we'll be happier, healthier or more equal as a result of government decisions.

For example, if the success of state budgets is measured by minimising expenses and increasing revenue, a simple thing to do would be to cut all spending on the environment and increase revenue from fossil fuels. This doesn't achieve the net-zero goals we want, and harms our community, as well as our planet. Without a framework that anchors budgeting and decision-making to the community's wellbeing over time, we are at risk of trading the wellbeing of future generations, to satisfy our own short-term wants.

However, if the performance and wellbeing framework is going to have teeth and make a real difference over time, there are three main areas for improvement:

1. The proposed wellbeing themes should be replaced with overarching wellbeing outcomes, similar to the approach in Scotland or New Zealand. Care should be given to the number of themes/outcomes so that the core mission of Government is clear.
2. An equity approach must be taken. Indicators must be tracked across cohorts to show who is further behind on each outcome. A rising tide lifts all boats, so let's start with specifically targeted indicators that measure improvement across certain cohorts.



3. Indicators should be documented spatially so that state and local government understand where different communities may need specific policy and investment support.

These three key recommendations are detailed further below:

1. **Replace the themes with a manageable number of overarching outcomes**

Wellbeing budgets should be engaging, clear and hopeful. They should set a clear agenda of what we want to achieve together as a State. Their purpose is to ensure that it's not the budget that sets the vision but that the wellbeing vision determines the budget.

The proposed themes in the consultation paper are thorough and comprehensive, however they are generic and could apply to any community or context. They lack specificity to what NSW is seeking to achieve.

Take Scotland's National Wellbeing Outcomes as an example of how this can be made more specific. While there are 11 in total that are very similar in theme to NSW's proposed themes, the tone and presentation of feels more personal, 'Scottish', inspiring and hopeful:

- **Children and young people:** we grow up loved, safe and respected so that we realise our full potential
- **Culture:** we are creative and our vibrant and diverse cultures are expressed and enjoyed widely
- **Poverty:** we tackle poverty by sharing opportunities, wealth and power more equally

In the three examples above, it's clear that Scotland cares about children and young people, culture and poverty. Emotive language like 'loved' 'enjoyed', 'sharing' is used that make it feel more personal. Importantly, they also start with 'we', demonstrating that these are goals shared by everyone, they're not only relevant to the Government or bureaucrats.

It is important that the NSW Performance and Wellbeing Framework starts with outcomes, not themes, at the top of the hierarchy so that it is clear from the start, what the Government is focused on achieving over time.

Having fewer overarching outcomes (ideally 10 to 12 at most), instead of the draft 8 themes with 28 outcomes listed underneath is important to maintain focus.

The risk with the current model is that 28 outcomes is far too many to meaningfully focus departments and spending effectively. The question that should determine whether the wellbeing outcomes are specific enough is simple: will these outcomes result in government making different decisions to what they would otherwise have made? Inertia and 'business as usual' are strong forces, and with too many outcomes available, it can become too easy to just continue with existing decision making processes as anything can fit into at least one of the outcomes.

If the draft outcomes listed remain as broad and wide-reaching as they currently are, it is conceivable that any department or agency could put forward any proposal and make it fit the framework. This isn't the way that wellbeing frameworks and budgets should work. It should not be a tool that is retrofit into proposals that were going to happen anyway, it is meant to drive the right kinds of proposals to be generated in the first place. To do this effectively, they need to be a bit more specific.

Take New Zealand's first wellbeing budget as an example. It only set five priorities for budget funding:

1. transition to a sustainable and low-emissions economy
2. social and economic opportunities

3. lifting Maori and Pacific peoples' opportunities
4. reducing child poverty
5. improving mental health.

Having fewer outcomes means they're far more likely to be achieved. New Zealand's priorities have stayed the same over four wellbeing budgets with some minor tweaks, such as adding physical wellbeing to the mental health objective. Importantly they've also successfully directed funding towards achieving these outcomes. The 2022 budget, for example, had an extra NZ\$580 million for a health, social and justice program contributing to Māori wellbeing.

Our suggested approach also highlights the need to start with the outcomes the NSW Government wants to achieve first – and then identify how these are best measured. As it stands, the performance and wellbeing framework comes across as working backwards from the data sources, rather than forwards from the vision and expected outcomes.

It's also important to learn from the previous government's premier's priorities. Former Premier Baird had 12 Premier's Priorities and Premier Berejiklian had 14. Those that were successful – for example, "Priority Greener Public Spaces: increase the proportion of homes in urban areas within 10 minutes' walk of quality green, open and public space by 10%" – were because they were specific and direct enough to catalyse departments and teams, and reporting lines.

If there almost 30 outcomes that cover everything that the government already does as part of it's BAU, it's unlikely that this framework will meaningfully change the policy changes and funding proposals. Status quo will prevail. This is why less is more when it comes to the number of set outcomes.

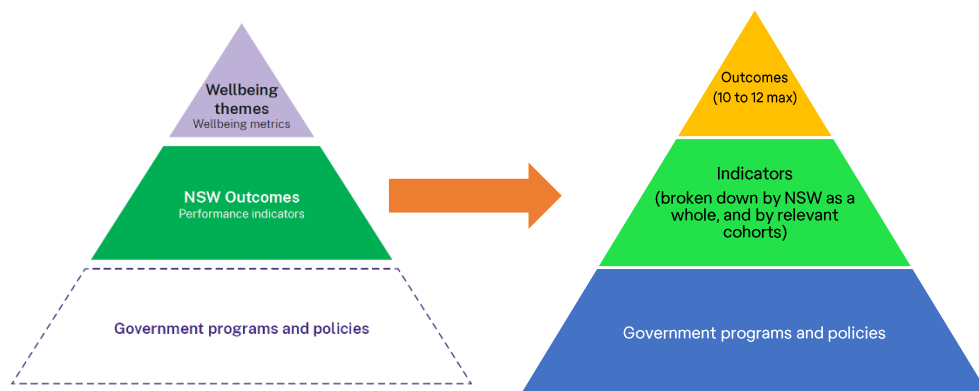


Figure 1: Draft hierarchy compared to recommended hierarchy

Recommendation: Less is more. Outcomes first not themes and keep the number of outcomes to 10 to 12 at a maximum.

2. Embed and measure equity, inclusion and fairness

As already acknowledged within the draft framework, "equity, inclusion and fairness are cross-cutting objectives that are relevant to all wellbeing themes". This is exactly right, yet is not obvious in the draft outcomes and indicators.



While the proposed wellbeing indicators seek to cover the largest proportion possible of the NSW population, this puts meaningful change for those who need it most at risk. Tracking indicators across NSW as a whole alone won't give us an indication of whether those who are struggling the most, are struggling less over time thanks to Government investment. This is why it's important that indicators measure change in cohorts that are experiencing inequities.

It is critical that where measures disproportionately affect a particular group, the indicators make this visible. Scotland's National Wellbeing framework breaks overarching indicators down by age, gender, socio-economic status, urban/rural, ethnicity and other cohorts where relevant.

For example, one of their indicators below their Economy outcome, is [access to superfast broadband](#). Overall, performance is improving as per Figure 2, but they also show how it's improving for urban vs rural cohorts – which shows that it is improving for both, however 50% of rural populations have access to superfast internet while over 90% of urban populations do. This gives an indication of where the focus and effort is needed.

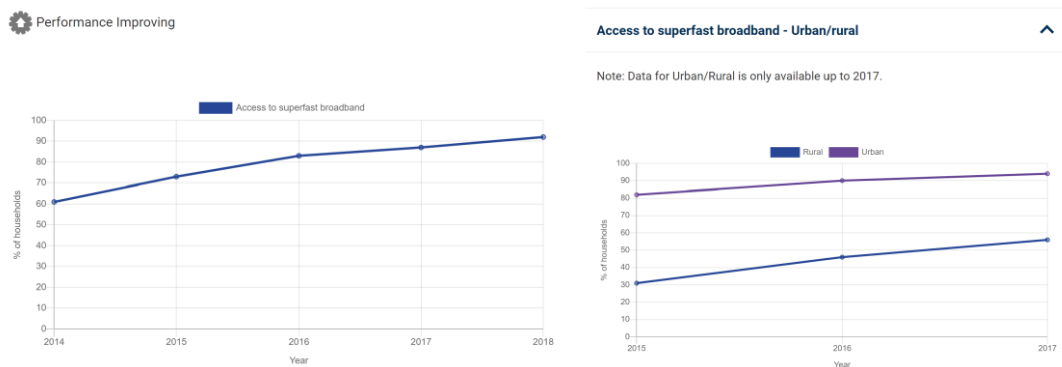


Figure 2: Performance indicators from [Scotland's National Performance Framework](#), showing the nation-wide, and urban/rural split of the same indicator

In their health outcome, one of the indicators is [journey by active travel](#). As a whole, cycling rates are steady, but when broken down by gender, it's clear that many less women are riding than men, with levels of women cyclists sitting at about 1% over the years. This indicates that more engagement with women around cycling is needed, to get overall rates up.

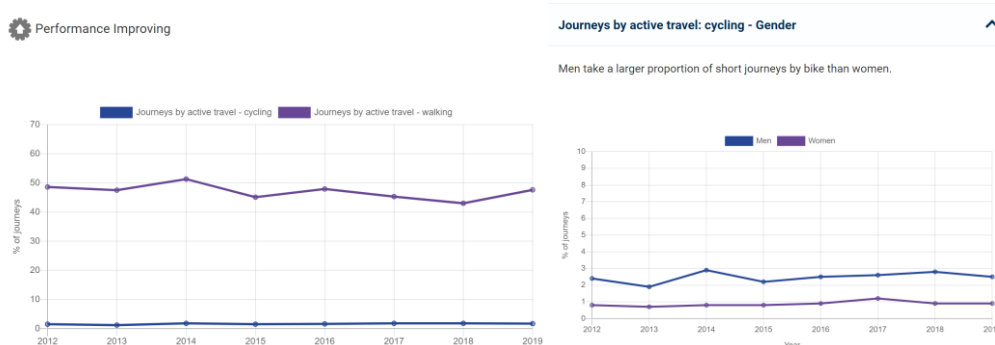


Figure 3: Performance indicators from [Scotland's National Performance Framework](#), showing the nation-wide, and gender split of the

Recommendation: break indicators down by relevant cohorts to show patterns over time, and to guide investment into groups that need it most.

3. Indicators should be documented spatially

Regions across NSW do not perform the same across the different indicators. It is important that these spatial variances are reflected in the performance and wellbeing framework to ensure that policy by either state or local government can be effectively developed to address specific regional circumstances.

The Committee believes that it is important that the draft performance and wellbeing framework indicators are collected, measured and presented spatially so that the NSW Government can understand spatial patterns in inequality and wellbeing. We suggest that the framework present information at least at an LGA level (and even an SA1 or SA2 level where this provides more granular data) to ensure these spatial patterns are properly observed. While this may not be possible with subjective wellbeing survey data, it should be possible with the majority of data that relies on ABS-derived data sets.

This has the added benefit of also providing Local Governments with information that they can then use in their own strategic and community planning, allowing them to also invest in areas that need it most.

Scotland's Wellbeing Framework also enables certain indicators to be broken down to the local council level via their ['equality evidence finder' tool](#).

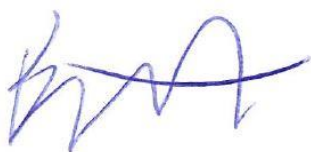
Recommendation: in addition to considering indicators being broken down by cohort, where relevant, consider providing data at an LGA level, and ideally representing this via mapping.

Conclusion

In conclusion, the draft framework represents a positive step forward for the future of NSW. We look forward to continue working with the Public Accounts Committee, and Government on its finalisation.

If you have any questions do not hesitate to contact Estelle Grech, Equity and Fairness lead at the committee for Sydney via estelle@sydney.org.au.

Kind regards,



Eamon Waterford
CEO
The Committee for Sydney