



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

## Purpose

This document is a guide for agencies on how they can 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 been described by the Government 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 sector 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 understand how a wellbeing approach could be applied.

### How this document can 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.

This document focusses on the agency reporting requirements for departments set out in the Public Finance Act (PFA) and the requirements for Crown entities under the Crown Entities Act (CEA).

### Links to other work

This work is a small part of what is underway to apply and embed a wellbeing approach throughout the public sector. In the Treasury, this includes changes to the Public Finance Act to set new requirements for wellbeing objectives and wellbeing reporting, the wellbeing Budget, broader changes to the public finance system, and the on-going development of the Living Standards Framework (LSF). In the wider public sector, work to support and embed a wellbeing approach includes Statistics New Zealand’s development of Indicators Aotearoa New

---

<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)



Zealand, the Department of the Prime Minister and Cabinet's development and implementation of the Child and Youth Wellbeing Strategy and the Department of Internal Affairs working to give effect to the wellbeing requirements in the Local Government Act. Appendix Three provides information and links to some of these areas.

## Intentions

### We are seeking to achieve three impacts

The reporting requirements in the PFA and Crown Entities Act 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 the key elements of a wellbeing approach to performance reporting

The Government has described the following as being the key elements of the wellbeing approach for public sector agencies:

1. Taking a whole of government approach – stepping out of agency silos and working seamlessly together to assess, develop and implement plans to improve wellbeing
2. Looking at intergenerational outcomes – focussing on meeting the needs of present generations at the same time as thinking about the long-term impacts on future generations
3. Moving beyond narrow measures of success and considering impacts, both positive and negative across a broader set of areas

For reasons of consistency and efficiency, we consider it important to recognise and use existing tools where applicable. This includes existing wellbeing frameworks such as the Treasury's Living Standard Framework (LSF), existing wellbeing strategies such as the Child and Youth Wellbeing Strategy, and existing wellbeing indicator sets such as the Treasury's LSF Dashboard and Statistics New Zealand's Indicators Aotearoa New Zealand.

To support the application of a wellbeing approach, the table overleaf describes how the three elements could be applied by agencies when 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 and Crown Entities Act.

	Aspect/process	Elements of the wellbeing approach	Prompts to consider	Examples of agency application
<b>Strategic Intentions (SI) and Statement of Intent (SOI)</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>Whole of government approach (collectively working)</li> <li>Intergenerational outcomes (present and future generations)</li> <li>Beyond narrow measures of success (wider impacts)</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 existing wellbeing tools and strategies e.g. the capitals or domains in Treasury's LSF, relevant Sector or System wellbeing strategies (e.g. Child and Youth 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, MFAT, Creative NZ and Customs have used the LSF in their latest Strategic Intentions/Statements of Intent as a lens to describe their broader impacts</p>
	Frameworks and methods to demonstrate performance e.g. outcomes, objectives, outcomes frameworks, priorities and indicators		<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 four capitals in the Treasury's LSF)?</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. indicators used in Treasury's LSF, Indicators Aotearoa New Zealand data, Child and Youth Wellbeing Strategy indicators?</li> </ul>	<p>WorkSafe, MFAT, Creative NZ and Customs reference the LSF in their wider strategic context and the Ministry of Transport references it in their outcomes framework.</p>

	Aspect/process	Principles	Prompts to consider	Examples of agency application
<b>Strategic Intentions (SI) and Statement of Intent</b>	Managing organisational functions	<ul style="list-style-type: none"> <li>Whole of government approach (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>Intergenerational outcomes (present and future generations)</li> <li>Beyond narrow measures of success (wider impacts)</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 Treasury's LSF Dashboard or Indicators Aotearoa New Zealand?</li> </ul>	
<b>Estimates</b>	Intention Statement	<ul style="list-style-type: none"> <li>Whole of government approach (collectively working)</li> </ul>	<p>Do your appropriation intention statements reflect or reference collective work e.g. using similar intention statement stems across Votes that are working towards a shared outcome?</p> <p>Does your intention statement, where appropriate, focus on the long-term contribution to wellbeing?</p>	
	Performance indicators	<ul style="list-style-type: none"> <li>Intergenerational outcomes (present and future generations)</li> </ul>	<p>Is it appropriate for your performance indicators 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]</p>	
<b>Statement of Performance Expectations (Crown entities)</b>	Performance indicators	<ul style="list-style-type: none"> <li>Intergenerational outcomes (present and future generations)</li> </ul>	<p>Is it appropriate for your performance indicators 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]</p>	Creative NZ and New Zealand On Air include measures of the impact of their work on wellbeing
<b>Annual Report</b>	<b>Overall</b>	All	<p>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?</p>	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		<p>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).</p>	NZ Post and KiwiRail (both State-owned enterprises) use the Integrated Reporting approach to their reporting
	New ways of reporting – collective reporting	<ul style="list-style-type: none"> <li>Intergenerational outcomes (present and future generations)</li> <li>Beyond narrow measures of success (wider impacts)</li> </ul>	<p>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?</p>	The Student Loan Scheme is a long-standing approach to collective reporting. The Office of the Clerk of the House of Representatives and the Parliamentary Service provided a Joint Annual report for 2018/19. The Family Violence/Sexual Violence Joint Venture aims to develop a 2019/20 collective report
	Content, including additional reporting information		<p>While the Annual Report needs to report against your Strategic Intentions and performance information for appropriations in the 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?</p> <p>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)?</p>	MFAT's describes what was delivered under the elements of their strategic framework and against the Treasury's LSF

## Appendix One – Examples of what some agencies have done

This section provides a selection of examples of work agencies have done, but it is not an exhaustive list. It is provided as context and for ideas – it's not prescriptive and does not limit agencies from other approaches.

Agency	Process or document	Approach	Link	Notes
<b>Housing New Zealand (HNZ)</b>	Strategic Planning and performance reporting processes	<p>For HNZ, interest in wellbeing reflected their change in focus from asset management to including a more customer-focused approach. Some of the work HNZ did in 2018 relating to wellbeing included:</p> <ul style="list-style-type: none"> <li>• 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</li> <li>• 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</li> <li>• briefing all people leaders on the wellbeing domains and workshopping material for their strategy refresh.</li> </ul>	Not applicable	<i>This material was written before announcements of significant structural change and the establishment of Kāinga Ora – Homes and Communities. It is included to illustrate the proactive approach HNZ took to considering wellbeing in their strategic planning and performance reporting.</i>
<b>Ministry of Foreign Affairs and Trade (MFAT)</b>	Strategic Intentions 2019-2023	Describes their contribution to enhancing wellbeing throughout, including a section on MFAT's contribution to New Zealanders' wellbeing (page 5) and a section detailing what MFAT does to deliver this under key elements of its strategic framework (Kaitiakitanga, Security, Prosperity and Influence – our value to New Zealanders) aligned with the four capitals in the Treasury's Living Standards Framework (pages 6 and 7).	<a href="#">MFAT Strategic Intentions 2019-23</a>	
	Annual Report 2018-19	The Annual Report uses the same approach to describe what MFAT delivered in 2018 /19 under each of the key elements of their strategic framework (Kaitiakitana, Security, Prosperity and Influence – our value to New Zealanders) against the four capitals in the Treasury's Living Standards Framework (pages 6 and 7).	<a href="#">MFAT Annual Report 2018-19</a>	
<b>New Zealand Customs Service</b>	Statement of Intent 2019 - 2023	Describes their contribution to New Zealand's future wellbeing and the Government's priorities using the lens of the four Capitals in the Treasury's Living Standards Framework (page 9)	<a href="#">NZ Customs Service Statement of Intent 2019</a>	
<b>Creative New Zealand</b>	Statement of Intent 2019 -2029	Uses a public value approach to articulate the long-term value the arts deliver to New Zealanders and how these align to the domains in the Treasury's Living Standards Framework (pages 19 and 20)	<a href="#">Creative NZ Statement of Intent 2019-29</a>	
	Statement of Performance Expectations 2019/20	Describes how they contribute to domains in the Treasury's Living Standards Framework, and includes measures of the impact of their work on wellbeing on pages 6 -10	<a href="#">Creative NZ Statement of Performance Expectations 2019-20</a>	
<b>New Zealand On Air</b>	Statement of Performance Expectations for year ending 30 June 2020	Describes how they contribute to domains in the Treasury's Living Standards Framework, and includes measures of the impact of their work on wellbeing on pages 11 (and references Statistics NZ's Indicators Aotearoa New Zealand as a possible future information source)	<a href="#">New Zealand On Air Statement of Performance Expectations for year ending 30 June 2020</a>	
<b>WorkSafe New Zealand</b>	2018/19 – 2021/22 Statement of Intent	Uses the four Capitals in the Treasury's Living Standards Framework to look at how their work contributes to living standards and wellbeing (page 14)	<a href="#">WorkSafe NZ Statement of Intent 2018-22</a>	

## Appendix Two –Frequently Asked Questions

### Do I need to develop a new Strategic Intentions document?

The PFA or Crown Entities Act (CEA) describes when a new Strategic Intentions or Statement of Intent is required. 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 or CEA sets out the relevant requirements. This note is about how wellbeing might be considered within those requirements.

### Do I have to use the Treasury's LSF?

No, but it can be a useful tool for helping you to take a wellbeing approach. If there are other existing tools you already use 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.

### 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 and 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.

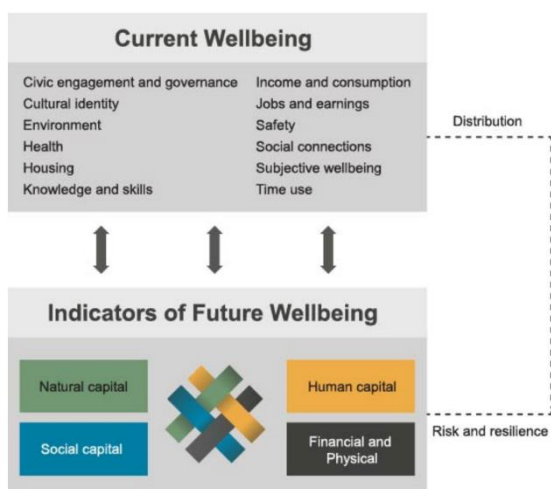
[https://ipanz.org.nz/Article?Action=View&Article\\_id=150163](https://ipanz.org.nz/Article?Action=View&Article_id=150163)

### 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

The Wellbeing Budget 2019 (link below) describes the Government's wellbeing approach and how it was used in the Budget process in 2019.

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

## Indicators Aotearoa New Zealand – Ngā Tūtohu Aotearoa



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

Statistics New Zealand launched Indicators Aotearoa New Zealand – Ngā Tūtohu Aotearoa on its website in June 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

### 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 Strategy** - 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>

**Climate change guidance** – Ministry for the Environment

<https://www.mfe.govt.nz/climate-change/climate-change-guidance>