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Commentary on
*Te Tai Waiora:
Wellbeing in
Aotearoa
New Zealand*



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Commentary on
Te Tai Waiora:
Wellbeing in
Aotearoa New
Zealand

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Auditor-General's overview

E ngā mana, e ngā reo, e ngā karangarangatanga maha o te motu, tēnā koutou.

Many of the challenges that New Zealanders face are complex, far-reaching, and can span generations. To manage and account for the implications of these challenges, the public sector cannot just rely on information about what individual public organisations have done in the past or are doing today.

This is why I have taken a close interest in a suite of public sector “stewardship reports”. Stewardship reports provide information that helps the government to act as a long-term steward of the public interest. The reports should also strengthen the public’s trust and confidence in the government’s actions.

The Treasury produces various stewardship reports on a regular basis on topics such as future challenges and opportunities to the government’s long-term financial position and how the government’s most significant assets and liabilities might change in the future.

In 2020, an amendment was made to the Public Finance Act 1989. This amendment is intended to build a broader understanding of New Zealand’s well-being and help increase the use of well-being information throughout the government. The amendment introduced a requirement for well-being objectives to be incorporated into annual Budget processes. It also required the Treasury to report on the state of New Zealand’s well-being at least once every four years.

In late 2022, the Treasury published its first report on the state of New Zealand’s well-being, *Te Tai Waiora: Wellbeing in Aotearoa New Zealand (Te Tai Waiora)*. This report adds to the Treasury’s existing set of stewardship reports.

Producing a report on the well-being of a nation is not an easy task, particularly during the Covid-19 pandemic. In that context, *Te Tai Waiora* provides a large and well-considered collection of information and analysis about the state of New Zealand’s well-being and the risks to its sustainability.

In my view, the Treasury has delivered on what it set out to do and *Te Tai Waiora* fulfils its legislative requirements. This includes exploring what is important to Māori through a Māori well-being framework (He Ara Waiora).

All this information is important in supporting an explanation of well-being. However, as a stewardship report, *Te Tai Waiora* will only reach its full potential if it is widely understood, discussed, and used.

The Treasury told my staff that *Te Tai Waiora* has been used to improve its internal capability and knowledge about well-being. The report has also been used to inform the government’s annual Budget processes and other policy decisions.

All of this is consistent with the Treasury's in-depth analytical approach to *Te Tai Waiora*.

However, there is less indication of *Te Tai Waiora* starting wider discussions or debate about New Zealand's well-being. After reading the report, I am left with questions about what all the technical information means for New Zealanders and how the report can be used more widely to improve their understanding of well-being and their trust in the government's stewardship of well-being.

The Treasury consulted with many experts from the public and private sectors. However, preparing a report about New Zealand's well-being is also an opportunity to build closer connections with New Zealanders, develop a wider understanding of what matters to New Zealanders, counter misinformation, demonstrate public accountability, and strengthen trust and confidence in the public sector.

In my view, the Treasury has the opportunity to realise this potential. Doing so would improve the report's explanation of what matters most to people and result in a richer picture of New Zealand's well-being. It would also give the public an opportunity to meaningfully engage with the report's analysis and insights in a way that could inform future public policy.

Although the purpose of reporting may differ in some respects, the Treasury could learn from other countries that report on well-being. We found that other countries use a wider public engagement process during and after the report's preparation. Involving the public more could include engaging people from all walks of life through in-person groups or online platforms, as other countries have done.

The Treasury's stewardship reports have the potential to engage New Zealanders in a wider discussion about what matters to them and to government, today and in the future. For *Te Tai Waiora*, involving New Zealanders could add some real-life perspectives to support the Treasury's own explanation and analysis of well-being. It could also mean that public organisations have access to a richer and more relevant set of information to help them consider well-being outcomes over the longer term and plan for them.

The Treasury is likely to publish a second well-being report in 2026. The Treasury told us that it may decide to use a broader engagement and collaborative process. If this happens, it will be a positive step. Although any commentary from my Office on future well-being reports will be a matter for my successor to determine, there are changes that I suggest the Treasury consider for future reports:

- Take a broader perspective on well-being that is informed through conversations with the public, community groups, and iwi, hapū, and whānau

Māori, including a wider and more aligned engagement process for the Treasury's Living Standards Framework, the He Ara Waiora framework, and the well-being report.

- Use more accessible language and helpful channels of communication, such as easy-to-read reports, summaries, and/or regional breakdowns.
- Explain how the information in the well-being report relates to and complements other relevant stewardship reports and recognised national well-being reporting, such as the reporting on sustainable development goals and Statistics New Zealand's reporting.
- Highlight how previous well-being reports have affected policy decisions throughout the public sector.

I thank the Treasury for its assistance. Preparing this first well-being report is a significant achievement and I look forward to future reports building on the potential of this type of reporting.

Nāku noa, nā

A handwritten signature in black ink, appearing to read 'JMR Ryan', with a stylized flourish at the end.

John Ryan

Controller and Auditor-General | Tumuaki o te Mana Arotake

23 August 2023

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Introduction

1.1 The Public Finance Act 1989 requires the Treasury to prepare a report about New Zealand’s well-being at least once every four years. In November 2022, the Treasury published its first well-being report, *Te Tai Waiora: Wellbeing in Aotearoa New Zealand (Te Tai Waiora)*.¹

1.2 In this Part, we:

- discuss what the well-being of a nation means;
- outline the legislative requirements for the Treasury to prepare *Te Tai Waiora*;
- explain why we are doing this commentary;
- consider our commentary’s scope and limitations; and
- outline what we cover in the rest of this report.

What is well-being?

1.3 Published research suggests that there are three main (and overlapping) ways to consider well-being:²

- As a philosophical exercise, which focuses on what a good life is for somebody.
- As a psychological exercise, which focuses on feeling good, positive relationships, and people functioning effectively.
- As an economic exercise, which focuses on concepts such as welfare, utility, capabilities, happiness, and sustainability.

1.4 These three ways to consider well-being have an important implication: what matters most to people is at the heart of understanding well-being. This also means that well-being can provide another way of thinking about and measuring what success might look like to a nation of people.³

1.5 However, what well-being (or success) looks like to a nation will be different to what it looks like to an individual. Individual well-being is personal and subjective. A nation’s well-being is about how we are doing as individuals, communities, and as a nation.

1 The Treasury (2022), *Te Tai Waiora: Wellbeing in Aotearoa New Zealand*. The Treasury also published background papers alongside *Te Tai Waiora*, and we refer to these where relevant. These papers are listed in the Appendix.

2 See Alexandrova, A and Fabian, M (2022), *The science of wellbeing*, the John Templeton Foundation, Part 1 and Weijers, D (2020), “Teaching well-being/quality of life from a philosophical perspective”, in Tonon, GH (Ed), *Teaching quality of life in different domains*, Vol 79, pages 15-42.

3 See Hon Grant Robertson’s 2019 speech “New Zealand’s first Wellbeing Budget”, at [beehive.govt.nz](https://www.beehive.govt.nz), and Weijers, D (2020), “Teaching well-being/quality of life from a philosophical perspective”, in Tonon, GH (Ed), *Teaching quality of life in different domains*, Vol 79, pages 15-42.

- 1.6 This means that national well-being is often more generalised and objective. For example, the well-being of a nation includes the state of any national resources needed to maintain people’s individual well-being over time.
- 1.7 *Te Tai Waiora* notes that New Zealand’s well-being “refers to what it means for our lives to go well”.⁴ In our view, this is a good starting point.
- 1.8 Other countries also explain national well-being in a similar all-encompassing way. For example, well-being reports from Wales and the Netherlands describe national well-being as quality of life.⁵ In Scotland, national well-being is about living well.⁶ In the United Kingdom (UK), national well-being is generally about how people are doing.⁷
- 1.9 These all-encompassing explanations are necessary because well-being can have different meanings to different people in different places. Michelle Hippolite, the former chief executive of Te Puni Kōkiri, observed that Māori have their own understanding of well-being “that draws on cultural values, beliefs, social norms and indigenous knowledge”.⁸
- 1.10 To prepare a report about a nation’s well-being is not easy. It can require:
- collecting and summarising comprehensive information about what is important to individuals, communities, and a nation;
 - understanding how this information might have changed over time or across the population;
 - considering what this information might mean for the progress of the nation’s well-being and its current and future state; and
 - considering, more widely, whether this information has any implications for the well-being of other communities or other nations.
- 1.11 This information can sometimes be quite technical, incomplete, or dated. It can also be a far-from-perfect representation of what is important for a nation’s well-being.

4 The Treasury (2022), *Te Tai Waiora: Wellbeing in Aotearoa New Zealand*, page 6.

5 See the “Background” chapter in CBS (2022), *Monitor of Well-being and the sustainable development goals 2022*, at longreads.cbs.nl, and “The Well-being of Future Generations”, at gov.wales.

6 See “National Performance Framework *Wellbeing: Wha’s like us?*”, at blogs.gov.scot.

7 See “How are we doing? ONS update personal wellbeing indicators and figures at Local Authority level”, at whatworkswellbeing.org.

8 Te Puni Kōkiri (2019), “Providing a Māori perspective on wellbeing”, media statement, at tpk.govt.nz.

The Treasury's duty to prepare a well-being report

- 1.12 The Public Finance Act is one of the main statutes underpinning the government's financial management and accountability system. Part 2 of the Act focuses on fiscal responsibility and well-being. It requires:
- the government to pursue its policy objectives in accordance with the principles of responsible fiscal management; and
 - the Treasury and the Minister of Finance to regularly report and promote accountability to Parliament for how public financial resources are used.
- 1.13 The Treasury's duty to prepare a regular report on well-being arose from a 2020 amendment to the Public Finance Act. The amendment also required well-being objectives to be incorporated into annual Budget processes. The overall intent was to build a broader level of information and understanding about New Zealand's well-being and to apply that broader understanding across the government.
- 1.14 To help achieve and apply this broader understanding, the 2020 amendment required well-being objectives to be incorporated into Budget processes and the Treasury to report on the state of New Zealand's well-being at least once every four years. Section 26NB(2) of the Public Finance Act states that:
- Using indicators, the [well-being] report must describe –*
- (a) the state of wellbeing in New Zealand; and*
 - (b) how the state of wellbeing in New Zealand has changed over time; and*
 - (c) the sustainability of, and any risk to, the state of wellbeing in New Zealand.*
- 1.15 The Public Finance Act provides the Treasury with wide discretion about how to report on New Zealand's well-being. The only requirement is that the indicators must be "selected, and the report prepared, by the Treasury using its best professional judgements".

Why are we doing this commentary?

- 1.16 We have an ongoing interest in how well public finance and accountability systems are working and how New Zealanders are kept informed about what the public sector does and how it does it. Part of our role is to help Parliament and the public understand the information that the public sector reports.
- 1.17 At a whole-of-government level, most of the stewardship reports that the Treasury is responsible for focus on the government's finances (for example, *He Tirohanga Mokopuna 2021: The Treasury's combined Statement on the Long-term Fiscal Position and Long-term Insights Briefing*, and *He Puna Hao Pātiki: 2022 Investment Statement*). In contrast, *Te Tai Waiora* focuses on New Zealand's intergenerational well-being from a wider perspective than just the government and its finances.
- 1.18 Providing a picture of New Zealand's well-being is important for understanding what matters to New Zealanders. *Te Tai Waiora* is a new and innovative report for the Treasury. In our view, the report presents a significant opportunity to provide a comprehensive and trustworthy account of the state of New Zealand's well-being that the government, Parliament, and the public can rely on and use.
- 1.19 It is likely that the Treasury will publish its second well-being report in 2026. We understand that the Treasury may decide to engage and collaborate more when preparing future well-being reports so that it can incorporate a wider range of perspectives from communities and the general public.
- 1.20 We are interested in supporting the Treasury to continually improve *Te Tai Waiora* and its position as a stewardship report. Future Auditors-General might also consider looking at how well these reports reflect these wider perspectives and how the government uses them to inform its policies and priorities.

Our commentary's scope and limitations

- 1.21 The Public Finance Act clearly sets out what the well-being report should describe (see paragraph 1.14). However, it does not state how the Treasury should report that information or how the information could be used to build a broad understanding of New Zealand's well-being within and outside of the government.
- 1.22 After reviewing relevant background documents, we developed three main objectives that we consider are important for the report to help achieve a broad understanding of well-being and build its use across government (see Part 3).

- 1.23 We also looked at how other countries and international organisations report on well-being. We talked with staff at the Treasury involved in preparing *Te Tai Waiora* and people in other countries who prepare reports on well-being.
- 1.24 We do not provide assurance over the frameworks,⁹ the indicators, or the analysis in *Te Tai Waiora*. We also do not comment on:
- the appropriateness of the Living Standards Framework or He Ara Waiora;
 - the relative merits of any priorities that *Te Tai Waiora* emphasises;
 - how well the government has used *Te Tai Waiora* to inform the Budget or its other work;
 - the likelihood or impact of the trends and risks that *Te Tai Waiora* identifies; or
 - the quality of the underlying data used in the report.
- 1.25 We do not comment on government policy. We only look at how well particular policies have been implemented (such as their effectiveness and efficiency). When we refer to policy choices or decisions in our commentary, it is only to assess whether *Te Tai Waiora* adequately identifies and discusses them. We do not discuss the merits of any policy option or decision.

Structure of our commentary

- 1.26 In Part 2, we look at some of the different kinds of well-being reports in New Zealand and internationally, and summarise the common themes in their preparation, content, and form.
- 1.27 In Part 3, we outline the perspectives on well-being that the Treasury uses, set out what we consider the objectives of *Te Tai Waiora* to be, discuss its place as a stewardship report, and summarise the process of preparing *Te Tai Waiora* and what it says.
- 1.28 In Part 4, we comment on how well the Treasury has realised the objectives for *Te Tai Waiora*.
- 1.29 In the Appendix, we briefly describe the background papers that the Treasury prepared to support *Te Tai Waiora*.

⁹ A well-being framework sets out the elements of well-being (usually called “domains”), such as health, housing, and safety. Indicators are used to illustrate these elements.

Well-being reporting in New Zealand and overseas

- 2.1 Providing a picture of New Zealand’s well-being is important for understanding what matters to New Zealanders.
- 2.2 *Te Tai Waiora* is the Treasury’s first report on the state of New Zealand’s well-being. In our view, well-being reports should be trustworthy and meaningful so the government, Parliament, and the public can rely on and use the information in them.
- 2.3 We wanted to better understand the range of well-being reporting in New Zealand and overseas. In this Part, we summarise:
- the range of well-being reports in New Zealand;
 - a selection of well-being reports from other countries;
 - a selection of well-being reports prepared by international organisations; and
 - our overall observations.

The range of well-being reports in New Zealand

- 2.4 There are many different perspectives on well-being, and they are all important to the well-being of a nation. The following provides a simple way of understanding the main differences between individual, community, and national well-being.
- 2.5 **Reports about individual well-being** seek to capture the personal sense of satisfaction, happiness, and contentment that an individual experiences. In other words, are they feeling good and functioning well?
- 2.6 In New Zealand, reports about individual well-being include the New Zealand General Social Survey and the New Zealand Health Survey.¹⁰
- 2.7 **Reports about community well-being** seek to capture the collective sense of satisfaction, happiness, and contentment that a group of individuals living in a specific community experience. However, community well-being is more than simply aggregating individual well-being. It also includes social connections through community groups and other relationships.
- 2.8 In New Zealand, examples of reports about community well-being include the Canterbury Wellbeing Index and the Salvation Army’s *State of our communities report*.¹¹
- 2.9 **Reports about national well-being** bring together information about individual and community well-being in a particular country. As with community well-being, reporting about national well-being is more than simply aggregating community and individual well-being. It also includes other analysis, such as the distribution of well-being throughout population groups.

10 See “General Social Survey”, at datainfoplus.stats.govt.nz, and “New Zealand Health Survey”, at health.govt.nz.

11 See Nielsen (2019), *The Canterbury wellbeing survey*, at cph.co.nz and the Salvation Army (2022), *The state of our communities report 2022*, at salvationarmy.org.nz.

- 2.10 An example of reporting about our national well-being is *Kei te pēhea tātou? A snapshot of New Zealand's wellbeing* from Statistics New Zealand.¹²

Other countries' well-being reports

- 2.11 Many different organisations in many different countries, including from the public and private sectors, prepare reports about national well-being.
- 2.12 We looked at reports prepared by governments in four countries. These countries prioritise improving their people's well-being and have similar political and economic systems to New Zealand.¹³ The Treasury also reviewed the reports that these countries produce as part of its planning for *Te Tai Waiora*.

The Wellbeing of Wales report

- 2.13 The *Wellbeing of Wales* report is an annual publication that assesses the nation's progress towards achieving the seven national well-being goals set out in the Well-being of Future Generations (Wales) Act 2015.¹⁴ Fifty national indicators show progress towards the seven goals.
- 2.14 The *Wellbeing of Wales* report was first published in 2017. It is prepared by the Welsh government's Statistics and Research Unit under the responsibility of the Welsh Government's Chief Statistician. The report complies with the Code of Practice for Statistics. Therefore, it is considered independent of political influence.¹⁵ The report includes intergenerational milestones to show progress towards the national goals.
- 2.15 The Statistics and Research Unit carries out widespread public engagement and feedback as part of preparing the report and to inform future reports. It publishes the report in multiple formats online, including an "easy to read" version.

Scotland's wellbeing – Delivering the national outcomes

- 2.16 Scotland sets out its national well-being outcomes in a National Performance Framework. The framework includes 11 national outcomes and 81 indicators that show progress towards those outcomes.¹⁶

12 See Statistics New Zealand (2021), *Kei te pēhea tātou? A snapshot of New Zealand's wellbeing*, at stats.govt.nz.

13 Governments in countries such as Ireland and Australia are only just developing their well-being frameworks and reporting. At the time of finalising this commentary, the Australian Treasury published its first Well-being Report, *Measuring What Matters*.

14 See Welsh Government (2022), *Wellbeing of Wales*, at gov.wales.

15 See Welsh Government (2022), *Wellbeing of Wales, background information* at gov.wales.

16 Scottish Government (2019), *Scotland's wellbeing – Delivering the national outcomes*, page 4, at nationalperformance.gov.scot.

- 2.17 The National Performance Framework Unit reviews Scotland's progress towards achieving these goals and publishes its findings in a report called *Scotland's wellbeing – Delivering the national outcomes*. These reviews, which must take place at least every five years, involve consulting with communities and the Scottish Parliament. The National Performance Framework Unit published Scotland's first well-being report in 2019. The report is available online and in PDF format.
- 2.18 The National Performance Framework is also Scotland's well-being framework for the sustainable development goals set by the United Nations.¹⁷ It is intended to support discussions about the country that Scotland wants to be, and the actions needed to get there.

Quality of life in the UK reports

- 2.19 Since 2010, the United Kingdom's Office for National Statistics has been measuring and reporting on the UK's well-being. In 2022, it began publishing quarterly updates called *Quality of life in the UK*. It published the latest report in February 2023.¹⁸ The Office for National Statistics is a public service department that is independent of the government.
- 2.20 The *Quality of life in the UK* reports use subjective and objective data to track the progress of 44 indicators towards 10 domains of national well-being. These domains include personal well-being, relationships, health, and governance. Although the Office for National Statistics measures and monitors progress towards these domains, the UK does not have any set targets for national well-being.
- 2.21 The Office for National Statistics publishes the *Quality of life in the UK* reports online and in PDF format. It also provides a dashboard of indicators and discusses the information's strengths and limitations to accompany the reports.

The Netherlands' Monitor of well-being

- 2.22 In 2018, the Dutch government asked its Central Bureau of Statistics to prepare an annual report about national well-being, known as the *Monitor of well-being*.¹⁹ One of the report's aims is to hold the government to account each year. The Central Bureau of Statistics operates independently of the government.
- 2.23 The *Monitor of well-being* has eight main themes that describe well-being "here and now", four capitals that describe well-being "later", and two themes that

17 The United Nation's sustainable development goals are a set of 17 global goals aimed at improving the planet and the quality of human life around the world. They include goals related to poverty, inequality, climate change, environmental degradation, peace, and justice.

18 The Office of National Statistics (2023), *Quality of life in the UK: February 2023*, at ons.gov.uk. Although the United Kingdom is an independent sovereign state, it is made up of four countries. For simplicity, we refer to it as a country for the purposes of this report.

19 See CBS (2022), *Monitor of Well-being and the sustainable development goals 2022*, at longreads.cbs.nl.

describe well-being “elsewhere” (which looks at the Netherlands’ influence on the rest of the world).

- 2.24 The Central Bureau of Statistics completed the latest *Monitor of well-being* in 2022. It includes an in-depth analysis of how the report’s indicators align with the 17 sustainable development goals.²⁰
- 2.25 Because the Dutch Parliament and the public use the *Monitor of well-being* reports for public accountability purposes, the reports have a strong focus on explaining technical ideas in plain language.

Common themes in the well-being reports we looked at

- 2.26 Independent statistics departments, chief statisticians, or specialised well-being teams in the relevant public organisations prepare the four national well-being reports that we reviewed.
- 2.27 The reports have changed over time – the latest versions vary considerably, from a short update of about 10 pages to a detailed report of about 200 pages. A variety of background and accompanying material, including data dashboards and summaries, supports the reports.
- 2.28 The frameworks and indicators in these reports are unique to each country and reflect what is important to its people. Each country uses the reports for various purposes. However, we observed some common themes in the reports’ focus and purpose and in the audiences that the reports are prepared for.

The reports’ focus and content

- 2.29 The well-being reports we reviewed had clear and straightforward definitions. This allows the frameworks to bring together the essential features of well-being in a way that provides a clear and common understanding.
- 2.30 For example, the *Quality of life in the UK* report defines national well-being as how the UK is doing as individuals, communities, and a nation, as well as how sustainable this well-being is for the future. The Netherlands’ *Monitor of well-being* defines well-being as quality of life and the framework is structured around the quality of life here and now, later, and elsewhere (for people in other countries).
- 2.31 Most of the reporting about well-being is framed around a single set of “domains” or “goals”. Domains usually represent the components of well-being and include the environment, housing, and safety. Goals usually represent national aspirations that depend on the components of well-being and include being healthier or more resilient.

²⁰ See “Sustainable development goals (SDGs) in the Dutch context” in CBS (2022), *Monitor of Well-being and the sustainable development goals 2022*, at longreads.cbs.nl.

- 2.32 In all instances, the reports use indicators of well-being to bring the domains or goals to life. The indicators from other countries that we reviewed are wide ranging. They include both subjective and objective measures that address each country's perspectives and diversity.
- 2.33 For example, Scotland's National Performance Framework has an equalities data dashboard that includes indicators on age, disability, ethnicity, gender, and religion. The *Wellbeing of Wales* report includes indicators on ethnicity, disability status, marital status, and religion. These indicators are taken from an annual population survey.
- 2.34 Reports and background material clearly describe the strengths and limitations in the information used to explain well-being and the quality and sources of that information. For example, a background paper for the *Wellbeing of Wales* report describes the themes covered, the information's strengths and limitations (including any missing data), and the processes used to produce the datasets that inform the report.
- 2.35 Scotland's National Performance Framework has technical notes on each indicator explaining, among other things, where the National Performance Framework Unit got the data and any specific definitions that the indicator uses in its measurement. A 2022 review by the Finance and Public Administration Committee in Scotland found that data was missing for 21 of Scotland's 81 national indicators.
- 2.36 In the Netherlands, the Central Bureau of Statistics replaces indicators if the quality of those indicators declines (for example, their accuracy, robustness, timeliness, or relevance). However, it also accepts that some indicators can remain partly incomplete – for example, because surveys are held every two years. A regular process of internal and external peer review supports these decisions.
- 2.37 We found evidence of processes and reviews that give readers confidence in the information reported. For example, in 2022, the UK's Office for National Statistics reviewed the indicators of national well-being. This review included asking stakeholders what matters most to national well-being and how they use the indicators. It also included surveying the general public about the indicators' relevance.
- 2.38 The Central Bureau of Statistics in the Netherlands uses the Conference of European Statisticians' recommendations on measuring sustainable development. This provides a substantiated "common language" that defines and describes well-being.²¹

21 Statistics New Zealand also uses the Conference of European Statisticians' Recommendations on measuring sustainable development for its well-being indicators.

- 2.39 The latest *Wellbeing of Wales* report has National Statistics status, which means it has been independently assessed as meeting the highest standards of trustworthiness, quality, and value. The Welsh government also published reports on the quality of the indicators that the *Wellbeing of Wales* report uses.
- 2.40 To promote a common understanding and help build a public consensus about well-being, most reports explain how their country's well-being indicators align with the United Nation's sustainable development goals. They also report on progress against their country's sustainable development goals.
- 2.41 For example, the Netherland's *Monitor of well-being* includes an analysis of national well-being compared with the nation's sustainable development goal targets. However, a recent report on using sustainable development goal indicators in the Netherlands highlights the difficulties of missing data and finding national indicators to match the sustainable development goals.
- 2.42 The *Wellbeing of Wales* report also looks at Wales' contribution to the sustainable development goals and provides data that informs the UK's national review of progress towards the sustainable development goals. The *Scotland's wellbeing* report explains the National Performance Framework's role as Scotland's framework for meeting the sustainable development goals.

The reports' purpose and use

- 2.43 All the well-being reports that we reviewed focus on explaining the state and/or progress of their nation's well-being. However, there were various reasons for preparing the reports, including to provide information to the public, inform policy decisions, and hold the government to account. For example, *Scotland's wellbeing* report brings together evidence and analysis to inform decisions on policy, services, and spending.
- 2.44 In the Netherlands, the purpose of the *Monitor of well-being* report is to support the annual scrutiny of the efficiency and effectiveness of the government during the past year, starting on a particular day – called “accountability day”.²² Another recently stated intention is to help the Netherlands meet its obligations to report against its sustainable development goals.
- 2.45 These differences in the purpose of the reports can mean that the way the reports set out the nation's well-being framework differ. For example, Scotland focuses on national performance, which means its framework starts with a set of national outcomes and uses indicators of well-being to show progress

22 Accountability day is when the Netherlands' Minister of Finance presents the Government's annual financial report to the House of Representatives and the House examines the performance of the government. The President of the Netherlands Court of Audit also presents a report to the House that assesses whether, for example, the government has achieved its desired policy goals and whether the Cabinet observed the law. See houseofrepresentatives.nl/accountability-day.

in achieving them. Wales has a similar focus on performance against its seven national well-being goals.

- 2.46 The reasons why a country reports on well-being has a strong influence on how it uses the reported information. Some of the reports and background material that we reviewed discuss how the information is applied in practice.
- 2.47 For example, a background paper for the *Wellbeing of Wales* report sets out many different ways it uses the reported information. This includes:
- highlighting key messages on Wales' progress;
 - helping to scrutinise national performance;
 - supporting central and local government planning, budgeting, and reporting;
 - measuring progress against the sustainable development goals; and
 - supporting other measurement frameworks.
- 2.48 The Scottish government publishes case studies that show where it and non-government organisations have used the well-being framework. This includes, for example, a high-level action plan called *Ending homelessness together*.²³ The Scottish government also partnered with various non-governmental organisations to develop guidelines for organisations to use the National Performance Framework in their policy making.
- 2.49 To support the ongoing development of the *Quality of life in the UK* reports, the UK government published case studies on how it has used well-being information and a list of policy areas where departments are specifically considering well-being.
- 2.50 The Central Bureau of Statistics in the Netherlands publishes the *Monitor of well-being* on “accountability day” every year. It also prepares and publishes well-being factsheets to support the budgeting process for government ministries. Members of Parliament use these factsheets to help examine how well-being is considered during the Budget and policy-making process.

23 Scottish Government (2018), *Ending homelessness together: High level action plan*, at gov.scot.

The reports' audiences

- 2.51 The form and content of the well-being reports that we reviewed, and the processes used to prepare them, reflect a focus on engaging with a wide range of people in and outside of government. There is a particular focus on engaging with the general public regularly and reporting in ways that are appropriate to their needs.
- 2.52 For example, in 2022 the Office for National Statistics surveyed the general public about the relevance of the measures of national well-being in the *Quality of life in the UK* report. The Office for National Statistics also consulted with the public on the report's accessibility and how best to present national well-being findings and communicate insights. In 2022, the Welsh government's Statistics and Research Unit surveyed the public about its views on how well national indicators mapped onto the well-being goals.
- 2.53 The Central Bureau of Statistics in the Netherlands told us that it has a strong focus on Parliament and the public as users of the *Monitor of well-being*. It also said that the report is widely read and attracts good media attention. The Central Bureau of Statistics believes this is because:
- the report keeps the language and statistics simple;
 - the report applies important terms consistently;
 - reporting annually keeps well-being in the public eye; and
 - there is one "source of truth" – the Central Bureau of Statistics is the only organisation in the country that prepares information about national well-being.
- 2.54 The online version of the *Monitor of well-being* has a simple feedback mechanism for readers to provide comments about the report.
- 2.55 The Central Bureau of Statistics also recently developed a set of regional well-being statistics. This has proved popular with local communities and is used in local policy making.
- 2.56 Most well-being reports that we reviewed either use non-technical language or clearly explain technical language. For example, the *Scotland's wellbeing* report provides explanations of its national goals at the start of the report and when it analyses their progress. The Welsh government publishes a separate "easy-to-read" summary report that has a glossary of "hard words".
- 2.57 Many of the reports and background papers that we reviewed discuss the quality and origin of the indicators. This helps readers understand and use well-being information.

- 2.58 For example, the Netherland's *Monitor of well-being* has a section about the quality and timeliness of the data and how this influences the choice of indicator. A section of the report discusses the possible expansion of datasets into new areas of analysis.
- 2.59 The *Wellbeing of Wales* report notes that its target audiences are the Welsh government, the Senedd (or Parliament), the media, and the general public. In 2018 and 2019, the Statistics and Research Unit surveyed those audiences about the well-being report's form and content and how the report could be improved to make it more accessible and suitable for a wide range of audiences.
- 2.60 As well as preparing easy-to-read reports, the Statistics and Research Unit and the Welsh Government implemented other initiatives so that the reports reach as many people as possible. This includes creating blogs and hosting regular public consultations.²⁴
- 2.61 The target audience for the *Scotland's wellbeing* report includes the public sector, businesses, civil society, and communities. Various public surveys have been carried out as part of reviewing and updating the framework. In 2022, Scotland's Finance and Public Administration Committee reviewed the National Performance Framework and asked the public to provide feedback through written submissions and workshops.
- 2.62 Although some of the well-being reports that we reviewed commented on minority ethnic communities, none of them had well-being frameworks for indigenous communities. However, we are aware that Canada is partnering with indigenous communities to develop national well-being frameworks and strategies.

International organisations' well-being reports

- 2.63 Organisations such as the United Nations, the World Health Organization, and the Organisation for Economic Co-operation and Development (OECD) also prepare reports about well-being at an international level. These organisations collect data on a standardised range of factors – such as life expectancy, infant mortality, and access to healthcare – to assess and report on the overall well-being of nations around the world.

24 See the Welsh Government's blog at shapingwalesfuture.blog.gov.wales.

The United Nations' sustainable development goals

- 2.64 In 2015, all United Nation members adopted *Transforming our world: The 2030 agenda for sustainable development* (the 2030 Agenda) and its 17 sustainable development goals. The sustainable development goals represent national and global aspirations for well-being that cover social, environmental, and economic sustainable development.
- 2.65 Each sustainable development goal has several targets, and each target has a set of global indicators to measure progress. Overall, there are 169 targets and 231 indicators.
- 2.66 Countries that signed up to the 2030 Agenda (including New Zealand) are expected to establish national frameworks to achieve the sustainable development goals. This can include each country setting targets and indicators that are relevant to that country. As part of its follow-up and review mechanisms, the 2030 Agenda encourages countries to report regularly on their progress towards the sustainable development goals and any lessons learned along the way.
- 2.67 New Zealand prepared its first *Voluntary national review* in 2019. The indicators were from Indicators Aotearoa New Zealand. Many of the Living Standards Framework indicators are from Indicators Aotearoa New Zealand.
- 2.68 We published a report in 2021 about the New Zealand Government's preparedness to implement the sustainable development goals.²⁵ We found that the Government had introduced several important national plans, legislation, policies, and initiatives that had some alignment with the 2030 Agenda, the 17 sustainable development goals, and their targets.
- 2.69 However, we also found that this was not enough to properly understand how well policies and initiatives contribute towards the sustainable development goals or to identify any gaps. One of our recommendations was for the Government to do more work on improving how the Living Standards Framework aligns with the sustainable development goals.

²⁵ Controller and Auditor-General (2021), *The Government's preparedness to implement the sustainable development goals*, at oag.parliament.nz.

The Organisation for Economic Co-operation and Development's *How's life?* approach

- 2.70 Since 2011, the OECD has published a report called *How's life?* about every two years.²⁶ The report assesses well-being for people in 37 OECD countries and four partner countries. It is based on a well-being framework that covers 11 “dimensions” of current well-being and four “resources” that help support future well-being.
- 2.71 The OECD published the latest *How's life?* report in 2020. It draws from more than 80 indicators, covering current well-being outcomes, inequalities, and resources for future well-being.
- 2.72 New Zealand's Living Standards Framework and *Te Tai Waiora* draw heavily on the OECD's framework and indicators. However, the Living Standards Framework has a particular focus on areas that are important to New Zealanders, such as children's well-being and te ao Māori.

Overall observations

- 2.73 For many years, many countries and international organisations have prepared national well-being frameworks and reported on them. The governments of some countries, such as Ireland, are only just developing national well-being frameworks and publishing reports on them. At the time of finalising this commentary, the Australian Treasury published its first well-being framework and report, called *Measuring What Matters*.
- 2.74 Statistics departments, chief statisticians who have some statutory independence from Ministers, or specialist well-being teams in other public organisations prepared the well-being reports that we reviewed. The reports' publishing schedules range from quarterly to at least every five years. The form and content of the reports continue to change in response to changing perspectives and circumstances.
- 2.75 The reports tell us that what is important to a nation's well-being differs between countries and organisations. There is no one-size-fits-all approach to explaining or reporting national well-being. However, the well-being reports that we reviewed share some themes.
- 2.76 The way these reports describe well-being starts from a clear (and simple) definition with comprehensive and balanced explanations tailored to the particular country. The frameworks used to help explain well-being are consistent with the purpose of the reports and supported by a wide range of indicators. The credibility of the explanations are supported by appropriate information about

²⁶ The Organisation for Economic Co-operation and Development (2020), *How's life? 2020 – Measuring well-being*, at [oecd.org](https://www.oecd.org).

the sources of the data, the analysis's strengths and weaknesses, and how the report is being used.

- 2.77 The well-being reports' objectives include providing information to the public, informing policy decisions, and holding the government to account. Many reports also compare their frameworks and indicators to the sustainable development goals, particularly countries that have adopted the United Nation's 2030 Agenda.
- 2.78 Preparing the report is usually an opportunity to consult widely and this can involve a process of engaging with the public and other stakeholders during and after the report's preparation. A lot of this engagement is about asking people what they consider important. However, other feedback is also sought – for example, on the potential uses of the well-being information and the accessibility of the report and its findings. As a result, the report's form and content are more accessible to the public, and they also have different channels of communication for various audiences.
- 2.79 Although having some different purposes and processes, the other countries' well-being reports we looked at are focused on ensuring that they are meaningful and accessible to a wide range of audiences, particularly the general public.

The Treasury's approach to reporting New Zealand's well-being

3.1 There are numerous reports about national well-being. The reports we looked at show that there is no one-size-fits-all approach to explaining and reporting on national well-being. However, the reports share themes and connections that can help us consider what is important in explaining and presenting a nation's well-being.

3.2 In this Part, we:

- discuss the Treasury's perspective on well-being;
- discuss other perspectives on well-being that the Treasury uses;
- outline what we consider the objectives to be for reporting on New Zealand's well-being;
- consider *Te Tai Waiora* as a stewardship report; and
- summarise how *Te Tai Waiora* was prepared and what it says.

The Treasury's perspective on well-being

3.3 Well-being can be thought about from a philosophical, psychological, or economic perspective. The Treasury draws mainly on economic concepts to frame its thinking about "what it means for our lives to go well" as a nation. This frame is the Living Standards Framework. The Treasury also uses another framework, He Ara Waiora, to understand a Māori perspective on well-being. For the Treasury, using the two frameworks recognises that there is no single agreed way of thinking about well-being.

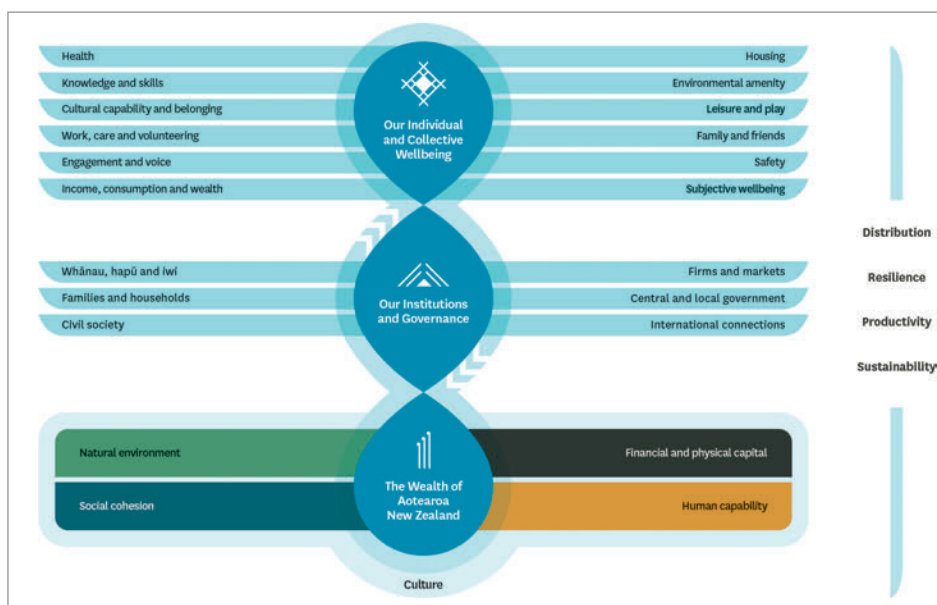
3.4 The Treasury's approach to the Living Standards Framework has changed over time. There have been three previous versions of the Living Standards Framework, which have changed in response to emerging research and literature (including the Treasury's own research) and engaging with New Zealanders. The Treasury also learned from other well-being initiatives, such as the Waikato Wellbeing Project.

3.5 In 2021, the Treasury released the latest version of the Living Standards Framework. It explains New Zealand's well-being by looking at:

- **What matters to us as individuals, families, whānau, and communities:** Twelve areas (called "domains") seek to capture the most important resources and aspects of our lives.
- **What can help safeguard our well-being:** Six categories of institutions and governance structures play a role in safeguarding and building the well-being of individuals and nations.
- **What can help maintain our well-being over time:** Five aspects of wealth (or resources) that help maintain and sustain well-being.

3.6 Figure 1 is the Treasury's summary of the Living Standards Framework. It shows the three levels of our nation's well-being and their underlying domains and categories. Figure 1 also highlights the importance of understanding the distribution, productivity (or efficiency), resilience, and sustainability of the individual elements.

Figure 1
The Treasury's Living Standards Framework



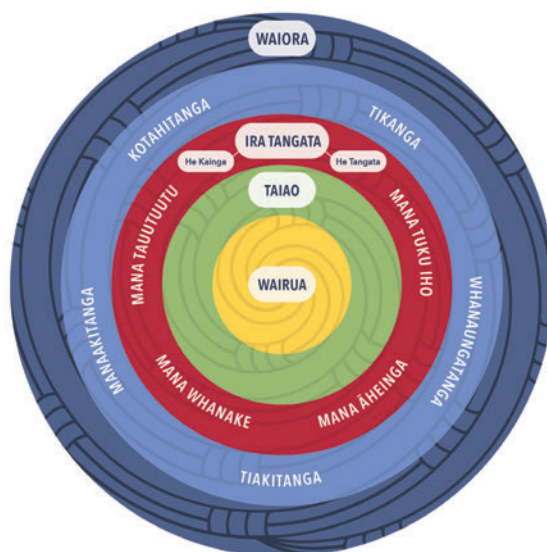
Source: The Treasury (2022), *Te Tai Waioira: Wellbeing in Aotearoa New Zealand*.

- 3.7 To help measure and analyse the progress of well-being, the Treasury developed a dashboard of indicators that are consistent with the Living Standards Framework. The dashboard includes time-series analysis and distributions throughout population groups (such as by gender, ethnicity, and region).
- 3.8 The Treasury gets many of these indicators from Statistics New Zealand's Indicators Aotearoa New Zealand database and surveys, such as the New Zealand Health Survey and the General Social Survey.
- 3.9 In 2019, the Treasury sought public feedback on some indicators as part of a general data update. The Treasury also consulted with experts and other agencies as it further developed the Living Standards Framework in 2021.²⁷

Other perspectives on well-being that the Treasury uses

- 3.10 To complement the Living Standards Framework, and to better understand Māori well-being, the Treasury uses another framework called He Ara Waiora. Waiora, meaning health or soundness, often refers to a Māori perspective on well-being. According to the Treasury, He Ara Waiora is a holistic intergenerational approach to well-being that is derived from mātauranga Māori.
- 3.11 The Treasury developed He Ara Waiora through a process of engaging with iwi and Māori across New Zealand and through an ongoing partnership with expert Māori thought leaders, collectively referred to as Ngā Pūkenga.
- 3.12 He Ara Waiora offers a comprehensive view of well-being and differs from the Living Standards Framework in many important ways. For example, the interconnections between domains of well-being (called “ends”) begin with wairua (spirit) as the foundational source of well-being, which flows through to te taiao (the natural world), then on to te ira tangata (the human domain).
- 3.13 He Ara Waiora also presents a set of values (called “means”) for achieving the domains of well-being. These values embrace te ao Māori principles and include kotahitanga (unity), tikanga (Māori customs and values), whanaungatanga (a sense of connection), manaakitanga (hospitality), and tiakitanga (stewardship).
- 3.14 Figure 2 summarises He Ara Waiora as a diagram.²⁸

Figure 2
He Ara Waiora: A Māori framework of well-being



Source: The Treasury (2022), *Te Tai Waiora: Wellbeing in Aotearoa New Zealand*.

28 For a description of the ends and means, see the Treasury (2021), *He Ara Waiora – brief overview*, at treasury.govt.nz.

- 3.15 *Te Tai Waiora* also has a strong focus on Pacific people's well-being. A background paper to *Te Tai Waiora* considers Pacific perspectives on the Living Standards Framework and well-being (see the Appendix). Key messages from this background paper were used in *Te Tai Waiora*.
- 3.16 The paper states that any framework for describing and understanding Pacific people's well-being must place family as the dominant relationship. Culture also plays a key role in the well-being of Pacific people.
- 3.17 The Treasury told us that its work on Māori and Pacific people's well-being drew heavily on previously published papers, including a 2019 background paper on the development and content of He Ara Waiora and the *Pacific Aotearoa Lalanga Fou* report from 2018.^{29, 30}

The objectives for preparing *Te Tai Waiora*

- 3.18 The Public Finance Act clearly states what is needed in a well-being report. However, the Act does not specify how this information should be reported on or used.
- 3.19 *Te Tai Waiora* includes a discussion of its purpose, but this is mainly about what information the report includes. The Secretary to the Treasury's foreword provides a more useful statement of the purpose of *Te Tai Waiora*, which is to inform choices about economic decisions and the government's competing priorities.
- 3.20 Using well-being reports to help inform economic decision-making and government budgeting is important. However, in our view, this is not enough to achieve the overall objective of building a broader understanding of well-being and using this understanding across the government. It is also not enough to recognise the role of *Te Tai Waiora* as a stewardship report.
- 3.21 To consider what else might be needed, we looked at what *Te Tai Waiora* and other relevant background documents and speeches said about the well-being report and its potential use. In our view, *Te Tai Waiora* needs to have three main objectives if it is to help achieve a broad understanding of well-being and build its use across government:
- Provide a comprehensive, balanced, and accessible view of the state of well-being in New Zealand.
 - Inform government policy and investment priorities, including through the Budget.
 - Support public understanding, discussion, and comment.

29 McMeeking, S, Kahi, H, and Kururangi, G (2019), *He Ara Waiora: Background paper on the development and content of He Ara Waiora*, University of Canterbury Research Repository.

30 Ministry for Pacific Peoples (2018), *Pacific Aotearoa Lalanga Fou*.

- 3.22 The third objective reflects the Treasury's ambition for *Te Tai Waiora* to encourage robust public discussion, debate, and feedback. The third objective also recognises *Te Tai Waiora* as one of the Treasury's suite of stewardship reports. This should help support the government and its Ministers to act as stewards of the public interest and to support the public's trust and confidence in the government.

***Te Tai Waiora* as a stewardship report**

- 3.23 *Te Tai Waiora* is one of several stewardship reports that provide the insights and foresights the government needs to act as a long-term steward of the public interest. Other stewardship reports by the Treasury include:
- *He Tirohanga Mokopuna 2021: The Treasury's combined Statement on the Long-term Fiscal Position and Long-term Insights Briefing*; and
 - *He Puna Hao Pātiki: 2022 Investment Statement*.
- 3.24 Stewardship reports provide the government with the information it needs to identify future opportunities and challenges, evaluate their implications, and plan for them. Stewardship reports also help demonstrate public accountability and build public trust: "Robust accountability entails, among other things, the effective exercise of foresight, insight and oversight".³¹ In our view, all stewardship reports should be seen as trusted and meaningful sources of information about what matters to New Zealanders.
- 3.25 The Treasury views *Te Tai Waiora* as playing a crucial role in supporting and informing other stewardship reports about what matters to New Zealanders. For example, it can identify important challenges or opportunities, and other reports can analyse the implications of these further.
- 3.26 The potential value of a stewardship report that provides information about New Zealand's state of well-being and the risks to its future sustainability cannot be overestimated. However, whether that potential will be realised remains uncertain. One important factor will be the ability of *Te Tai Waiora* to be widely understood and used.

31 Boston, J, Bagnall, D, and Barry, A (2019), *Foresight, insight and oversight: Enhancing long-term governance through better parliamentary scrutiny*, Institute for Governance and Policy Studies, Victoria University of Wellington, page 20.

A brief overview of *Te Tai Waiora*

- 3.27 *Te Tai Waiora* has a clear connection to one of the Treasury's four strategic outcomes, which is to ensure sustainable public finances that support intergenerational well-being.
- 3.28 The Treasury's Economic Strategy, Economic Capability, and Analytics and Insights teams prepared *Te Tai Waiora*. The Treasury started work on *Te Tai Waiora* in May 2021 after a planned update of the Living Standards Framework. Three approaches were considered in deciding how to prepare the report. These were:
- simply describing the state of well-being, past trends, and any risks to its sustainability, with little analysis other than what had already been done;
 - a more in-depth analytical approach that builds on the description of well-being and provides a deeper analysis of, for example, its drivers, issues of inequity and inequality, and its distribution throughout population groups; or
 - an approach that broadens the analysis of well-being by also considering other perspectives about what is important by engaging and collaborating more with a wide range of stakeholders, communities, and the public.
- 3.29 The Treasury took the second, more analytical, approach to preparing *Te Tai Waiora*.
- 3.30 The Treasury told us there were many reasons why it chose the more in-depth analytical approach. The approach is consistent with legislative requirements, there is a strong focus on building an evidence base for future well-being reports and new policy-relevant analysis, and it demonstrates the Treasury's commitment to taking well-being seriously by investing in its intellectual capability.
- 3.31 The Treasury's intention for the report was to help inform the government's investment priorities and funding decisions. The Treasury considered that the report's primary audience would be policy advisors, public sector leaders, academics, and other experts.
- 3.32 Consistent with this analytical approach, the Treasury also published various background papers to accompany *Te Tai Waiora*. These provided more in-depth information and analysis on topics relevant to the report. See the Appendix for a list of these background papers and a short description of what they contain.
- 3.33 To further support *Te Tai Waiora*, the Treasury drew on a wide variety of evidence from other research into well-being, its engagement with other public organisations, other departments' public surveys, and its own analysis. Because the public had already been engaged in the development of the Living Standards

Framework and dashboard, the Treasury consulted, in a targeted way, with subject-matter and policy experts from within and outside of the Treasury for *Te Tai Waiora*.

- 3.34 For example, the Treasury:
- sought the advice of public and private sector organisations such as the Social Wellbeing Agency, Motu Economic and Public Policy Research, the New Zealand Institute of Economic Research, and the Office of the Prime Minister's Chief Science Advisor;
 - held roundtable discussions with the Victoria University of Wellington School of Government and other experts, and sponsored and edited the August 2022 issue of *Policy Quarterly*, with a well-being economics theme; and
 - spoke with Ngā Pūkenga (Māori thought leaders who advise the Treasury) and interviewed selected rangatira from throughout the country.
- 3.35 The Treasury also tested the findings from its analysis of well-being internally and with other groups. These included the Economic Chief Executives Group,³² the Social Wellbeing Board, and the Chief Science Advisors Forum. The Treasury also set up an expert advisory panel to review and challenge the final well-being report.
- 3.36 An important part of the Treasury's engagement strategy was running a series of open webinars on topics such as subjective well-being, well-being approaches to policy, and building well-being resilience. A range of international and New Zealand speakers were invited. They brought different perspectives and insights on well-being. The Treasury told us that this provided a source of intellectual stimulation and fostered debate in the Treasury and across the wider public sector.
- 3.37 Overall, there were 18 seminars, with 12 international speakers and nine domestic well-being experts. The well-being seminar series was very well received – 3280 participants took part in the events, either in-person or online.
- 3.38 The Treasury promoted *Te Tai Waiora* well in all forms of media and through speeches, newsletters, and interviews (for example, with Radio New Zealand). The Treasury's media analysis shows that 57 stories in the traditional media (radio, television, and newspapers) were about or referred to *Te Tai Waiora* or the background papers from May 2022 to May 2023.

32 The Economic Chief Executives Group includes chief executives of the Treasury, the Ministry of Business, Innovation and Employment, the Department of the Prime Minister and Cabinet, the Ministry of Foreign Affairs and Trade, New Zealand Customs Service, Te Puni Kōkiri, the Ministry of Social Development, the Ministry of Education, Statistics New Zealand, Inland Revenue, New Zealand Trade and Enterprise, the Ministry of Transport, the Ministry for Primary Industries, the Tertiary Education Commission, and the Ministry for the Environment.

- 3.39 On the Treasury's website, people viewed *Te Tai Waiora* or downloaded a PDF of the report 5767 times in the six-month period following its publication. This was higher than other Treasury stewardship reports over the same period.
- 3.40 The Treasury observed that, although the immediate media coverage was relatively muted, many of the key findings had already been published. In its view, the media was using the report as a long-term information resource.
- 3.41 The Treasury is currently carrying out a post-publication review, and it will use the review's findings to inform future reports.
- 3.42 The following are the main messages from *Te Tai Waiora*:
- Life in Aotearoa New Zealand has improved in many ways over the past 20 years.
 - Compared to other OECD countries, Aotearoa New Zealand is a good place to live in many ways.
 - Compared to other OECD countries, Aotearoa New Zealand is generally a good place to live for most older people.
 - Aotearoa New Zealand performs less well on well-being for children and young people – particularly in areas such as literacy, numeracy, and mental health.
 - Our rental housing is among the least affordable in the OECD.
 - Māori have had an especially rapid increase in rates of psychological distress, high levels of discrimination, and low trust in government institutions.
 - Pacific peoples' well-being is lower than the national average in many other areas, with poor housing and low incomes for Pacific peoples being two standout issues.
 - In many respects, well-being has held up in recent years despite the Covid-19 pandemic.
 - Although New Zealand has high natural capital, aspects of the natural environment are deteriorating.
 - Sustaining well-being will depend on our society's ability to adapt to a lower-carbon economy and a warmer global climate.

Realising the objectives of *Te Tai Waiora*

- 4.1 *Te Tai Waiora* provides an in-depth analysis of New Zealand’s well-being and the risks to its future sustainability.
- 4.2 In our view, three objectives need to be realised if *Te Tai Waiora* is to help build a broader understanding of New Zealand’s well-being, increase the use of well-being information throughout the government, and support the government to act as a steward of what is important to New Zealanders.
- 4.3 In this Part, we take a closer look at the three objectives for *Te Tai Waiora* and whether the Treasury is realising them. We draw on what we found in the various well-being reports from other countries that we looked at and our own research.

The three objectives and what we expect to see

- 4.4 In our view, *Te Tai Waiora* needs to realise three objectives if it is to help build a broader understanding of New Zealand’s well-being, increase the use of well-being information throughout the government, and support the government to act as a steward of what is important to New Zealanders.

Objective 1: The report provides a comprehensive, balanced, and accessible view of the state of well-being in New Zealand

- 4.5 For Objective 1, we expect to see a focus on:
- clearly explaining well-being and the frameworks used to understand well-being (the Living Standards Framework and He Ara Waiora);
 - providing indicators and evidence that are robust and easy to understand;
 - giving details about the relevance of the indicators and how the Treasury chose them;
 - comparing the Living Standards Framework with other frameworks and describing any limitations and complexities;
 - Māori well-being; and
 - meeting the Public Finance Act’s requirements.

Objective 2: The report informs government policy and investment priorities, including through the Budget

- 4.6 For Objective 2, we expect to see *Te Tai Waiora* starting to be used to inform policy and investment decisions and that it aligns with other related reports from central and local government. We also expect to see evidence of the report starting to be used in building capability and assisting other policy areas throughout government.

Objective 3: The report supports public understanding, discussion, and comment

- 4.7 For Objective 3, we expect to see that the Treasury has encouraged feedback from a wide range of people and engaged with that feedback. We also expect the Treasury to present and communicate the report in a way that is accessible, understandable, and meaningful to a wide range of people.
- 4.8 The third objective also recognises *Te Tai Waiora* as a stewardship report that provides the information the government needs to act as a long-term steward of the public interest.

Objective 1 – Does *Te Tai Waiora* provide a comprehensive, balanced, and accessible view of the state of well-being in New Zealand?

- 4.9 *Te Tai Waiora* starts with a clear and all-encompassing explanation of well-being that is meaningful to New Zealanders (that is, what it means for our lives to go well). However, it is not clear how this explanation relates to the analytical domains of the Living Standards Framework and He Ara Waiora. Therefore, it might be difficult for readers to connect the Treasury's perspective on well-being with its analysis of it.
- 4.10 Other countries' well-being reports connect their explanation of well-being to their frameworks and indicators more clearly – for example, in the background sections to the Netherland's *Monitor of well-being* and the *Wellbeing of Wales* report.
- 4.11 That said, the content and analysis of *Te Tai Waiora* are detailed, wide-ranging, and comply with the Public Finance Act. *Te Tai Waiora* and its background papers include detailed analysis and insights about many aspects of New Zealand's current state of well-being, past trends, and risks to its sustainability.
- 4.12 *Te Tai Waiora* analyses equality and equity to a greater extent than most other well-being reports we reviewed. One exception is the Netherland's *Monitor of well-being*, which has a strong focus on the distribution of well-being throughout population groups and a regional analysis.
- 4.13 Through its supporting frameworks, *Te Tai Waiora* recognises the institutions that help safeguard New Zealand's well-being and the well-being of Māori and Pacific communities. To inform its understanding of Māori well-being, the Treasury spoke with selected leaders and rangatira from throughout the country.

- 4.14 In the other well-being reports we reviewed, we did not find frameworks for working with indigenous communities.³³
- 4.15 *Te Tai Waiora* has a reasonably balanced discussion of New Zealand’s current state of well-being, past trends, and risks to its sustainability. Many of the Treasury’s indicators of well-being in *Te Tai Waiora* were from Statistics New Zealand’s Indicators Aotearoa New Zealand database. These indicators reflect subjective and objective perspectives on New Zealand’s individual and collective well-being.
- 4.16 The Treasury tested the relevance and importance of these indicators with public organisations, academics, and experts from the Treasury and elsewhere.
- 4.17 Other countries also test their indicators with the wider public. For example, the Office for National Statistics’ indicators provide an “overview of how the UK is doing across the 10 areas of life that the UK public told us matter most”.³⁴
- 4.18 Some of the indicators in *Te Tai Waiora* are limited in terms of their quality (mostly because of a lack of data). The Treasury acknowledges this at various points in the report, and it summarises areas for improvement in the “Next steps” section. Other aspects of the indicators’ quality, origin, and timeliness can be found in other background papers (see the Appendix).
- 4.19 Data limitations (including missing data) are a common feature of other countries’ well-being reports.
- 4.20 In contrast to other countries, *Te Tai Waiora* has little discussion or analysis about how its Living Standards Framework domains and indicators align with the sustainable development goals. We discuss this further in paragraph 4.44.
- 4.21 In terms of the report’s accessibility, the large amount of detailed specialised information and data on well-being provides a convenient and relevant body of information for subject-matter experts, policy advisors, and academics.
- 4.22 This data has its uses. However, the Treasury presents and discusses this data in a way that makes many of the findings in *Te Tai Waiora* difficult to relate to, understand, or engage with for New Zealanders who are not subject matter experts. This is despite earlier engagement with the public on the Living Standards Framework itself and the Treasury’s extensive public promotion of *Te Tai Waiora* in the media, speeches, interviews, and webinars.
- 4.23 In our view, engaging with the public more on *Te Tai Waiora* could have improved the Treasury’s understanding of what matters to people and communities and made the report more accessible, understandable, and meaningful. The

33 We understand that Canada is partnering with indigenous communities to develop national well-being frameworks and strategies.

34 See “Measures of National Well-being Dashboard: Quality of Life in the UK”, at ons.gov.uk.

complexity and multitude of views about New Zealand's well-being can be challenging to explain and analyse. However, if the Treasury engages with the public more, it will be able to develop a richer picture of New Zealand's well-being.

4.24 We talk about the issue of accessibility in paragraphs 4.46-4.64.

Summary

4.25 *Te Tai Waiora* provides a large and well-considered inventory of information about New Zealand's state of well-being, but it has limited accessibility for many New Zealanders. In our view, there is a potential opportunity to improve and expand the report's accessibility.

Objective 2 – Does *Te Tai Waiora* help inform government policy and investment priorities, including through the Budget?

4.26 One of the main objectives of *Te Tai Waiora* is to support better decision-making throughout the government. In our view, this could occur by:

- improving the capability of the Treasury and other public organisations;
- informing Budget processes and policy priorities; and
- assisting other policy areas and responsibilities.

Improving capability

4.27 Well-being is at the heart of the Treasury's strategic intentions to 2025. One of the Treasury's four strategic outcomes is to ensure that public finances are sustainable to support intergenerational well-being.

4.28 To help the Treasury achieve this, one of its five strategic priorities is to develop and embed the Living Standards Framework and He Ara Waiora into its policy advice. The Living Standards Framework indicators that *Te Tai Waiora* uses could help measure the Treasury's progress.

4.29 The Treasury told us that, although it is still early in the process, developing the Living Standards Framework and preparing *Te Tai Waiora* have broadened its thinking about what well-being looks like in New Zealand. The Living Standards Framework and *Te Tai Waiora* have also helped the Treasury to develop a comprehensive view of what New Zealand's well-being could look like. The Treasury told us that this can be seen in its regular day-to-day work and in its long-term strategic thinking.

- 4.30 For example, preparing and publishing *Te Tai Waiora* has helped frame new policy questions, triggered conversations in the Treasury, and encouraged collaborative work with other public organisations. *Te Tai Waiora* also supported greater internal consideration about how the Treasury could incorporate equity and fairness into Ministerial advice and its guidance on cost-benefit analysis.
- 4.31 The Treasury expects that, in the future, the well-being reports will inform its other stewardship reports and its investment and research priorities.
- 4.32 The Treasury also supports other public organisations to develop their well-being capability. As part of preparing and publishing *Te Tai Waiora*, the Treasury also organised public webinars about incorporating well-being into public organisations' policy development processes.

Informing the annual Budget

- 4.33 The Budget is the government's main way of providing money to its priority areas to deliver the results it wants to achieve.
- 4.34 The Treasury believes that well-being reports could deepen its understanding and explanation of the state and drivers of well-being. The Treasury considers that this will help to inform government policy and investment priorities through the annual Budget process.
- 4.35 The Budget is also an important tool for controlling what public organisations spend and how they work together. Embedding well-being into the budgetary process requires the government to consider and specify the priorities it believes will help improve current and future well-being.
- 4.36 This means that public organisations are encouraged to work towards meeting those wider well-being outcomes more collaboratively and to use broader measures of success to track their progress.
- 4.37 An example of how the Government changed its well-being objectives in response to *Te Tai Waiora* is in the Government's 2023 Budget Policy Statement:

In its recently published Wellbeing report (Te Tai Waiora: Wellbeing in Aotearoa New Zealand 2022), the Treasury identified areas important for improving New Zealand's wellbeing that are broadly consistent with past budgets' wellbeing objectives. These include safe and affordable housing and Māori and Pacific skills and opportunities. We have made slight revisions to the objectives for Budget 2023 to reflect an increased emphasis on improving our young peoples' foundational literacy and numeracy skills, educational experience, and mental health outcomes.

- 4.38 We consider this is a good start to embedding well-being into the annual Budget process, and it provides a strong foundation for future budgets.

Assisting other policy areas and obligations

- 4.39 The Treasury published *Te Tai Waiora* in November 2022. We expect the report's usefulness in supporting public organisations will develop over time. Recent publications by the Climate Change Commission, the Mental Health Foundation of New Zealand, the Ministry of Foreign Affairs and Trade, the Productivity Commission, and Matamata-Piako District Council, refer to *Te Tai Waiora*.
- 4.40 However, more needs to be done to support the use of well-being information in other policy areas. For example, the Productivity Commission recently observed that the current approach to well-being focuses heavily on measurement, and it is not well integrated into the public management system.³⁵
- 4.41 The 2019 amendments to the Local Government Act 2002 reinstated a focus on community well-being for councils' decision-making, planning, and reporting. We consider that future well-being reports could also help inform how councils' long-term plans will contribute to regional and national well-being outcomes.
- 4.42 This is consistent with what the Central Bureau of Statistics in the Netherlands told us about its recent publication of regional well-being information being popular with communities and regional authorities creating local policies.
- 4.43 To encourage the wider use of future well-being reports, the Treasury could look at how Scotland and the Office for National Statistics in the UK publish case studies that show how the well-being framework has been used. The Scottish government partnered with various non-governmental organisations to develop guidelines for organisations to use Scotland's well-being framework in their policy making.
- 4.44 New Zealand's commitments under the 2030 Agenda for the sustainable development goals provide another important opportunity to use well-being information. In particular, New Zealand is expected to set national frameworks to achieve the goals, including, if necessary, its own sustainable development goal targets and indicators that are relevant to New Zealand. Our Office's 2021 report *The Government's preparedness to implement the sustainable development goals* found only limited progress in the Government's preparedness to implement the goals.

³⁵ The New Zealand Productivity Commission (2023), *A fair chance for all: Breaking the cycle of persistent disadvantage*, page 10.

Summary

- 4.45 *Te Tai Waiora* is the Treasury's first report describing the state of well-being in New Zealand. We expect the report's potential usefulness in the government will develop over time. Although more needs to be done, there is already evidence that it could improve the Treasury's internal capability, inform Budget processes, and assist other policy areas.

Objective 3 – Does *Te Tai Waiora* help support public understanding, discussion, and comment?

- 4.46 *Te Tai Waiora* is one of several stewardship reports that the Treasury prepares from time to time. These reports reflect the Treasury's stewardship role in managing longer-term systemic issues that could affect the public finance system's sustainability, resilience, and adaptability.
- 4.47 The Treasury told us that *Te Tai Waiora* complements its other stewardship reports by identifying the longer-term systemic issues that New Zealanders care about. *Te Tai Waiora* does not identify or encourage debate about what the government's priorities are or could be.
- 4.48 Individually and collectively, the information from stewardship reports supports Ministers to act as stewards of the public interest and support the public's confidence in the government. Therefore, all stewardship reports should, in our view, aim to improve the quality and depth of public information and understanding.
- 4.49 This is consistent with what Nancy Hey – a recognised expert in well-being and founder of the "What Works" Centre for Wellbeing in the UK – said in one of the Treasury's first seminars on well-being.
- 4.50 Nancy Hey discussed her experiences of working on well-being and remarked on the importance of ensuring that the evidence base is available to everyone everywhere. She suggested that the evidence base should be deliberately aimed at the "average adult", but recognised the challenges of doing so.
- 4.51 The importance of a well-being report's accessibility and relevance to the public is also seen in the way well-being is reported in other countries. Although the purpose and process of reporting may differ in some respects, other countries, for the most part, regularly engage with the public and use a feedback process designed to meet their needs. This feedback can include seeking information about what is important to people, the uses of the reported information, and the accessibility of the report and its findings. These additional processes help make the reports' form and content more accessible and engaging for the public.

- 4.52 Engaging on frameworks and indicators is important. However, this is not enough to build a wider understanding of well-being, encourage public debate, or help establish a well-being report's relevance, credibility, and usefulness to the public (and their representatives).
- 4.53 The Treasury chose a more detailed analytical approach for its first well-being report. We consider that it had good reasons for doing so (see paragraphs 3.30 and 3.31). Consistent with this approach, *Te Tai Waiora* drew on evidence and support from engaging with public organisations, public surveys, the Treasury's analysis, and subject-matter experts from the Treasury and elsewhere.
- 4.54 As a result, *Te Tai Waiora* contains a large amount of potentially useful public information about well-being in New Zealand. However, this information is in a form that is difficult for non-experts to relate to, understand, and use.
- 4.55 We found evidence of this throughout *Te Tai Waiora*, such as the use of overly complicated terms that the report sometimes does not explain well. Examples include a "macro perspective on wellbeing", "shadow prices", "segmentation analysis", and "macroeconomic conditions".
- 4.56 Furthermore, although other documents clearly set out and explain the domains of well-being, *Te Tai Waiora* does not define them. They are also not well connected to the report's overarching explanation of well-being.
- 4.57 *Te Tai Waiora* variously describes well-being as collective, financial, intergenerational, multidimensional, and subjective, with little explanation about what these terms mean in relation to a nation's well-being.
- 4.58 The Treasury needs to do more to improve the accessibility of the information, analysis, and insights for its future well-being reports, including using more plain and accessible language and wider channels of communication.
- 4.59 The Treasury told us that its intention for this first report is to help inform the government's investment priorities and funding decisions, and that Statistics New Zealand's reporting of its Indicators Aotearoa New Zealand dataset is more important for public engagement and discussion. The Treasury also told us that widely consulting on *Te Tai Waiora* and summarising the different viewpoints would conflict with its ability to apply its own expert and objective opinion.
- 4.60 In our view, public engagement would improve and not diminish the Treasury's expert and objective opinion because what is important to people is at the heart of any explanation and reporting of a nation's well-being. Furthermore, these arguments are not consistent with the messages in *Te Tai Waiora* about

encouraging robust public discussion and debate. They are also not consistent with the role of *Te Tai Waiora* as a stewardship report.

- 4.61 The Treasury has wide discretion about how it prepares the well-being report. Public engagement and participation could be improved by consulting on the report and the framework at the same time and could be gathered through some form of citizen assembly or through online platforms such as “Pol-is”.^{36, 37}
- 4.62 Statistics New Zealand also prepares reports on national well-being from time to time.³⁸ We consider that Statistics New Zealand and the Treasury should align their well-being reporting to avoid potentially confusing readers with two sets of national reporting.

Summary

- 4.63 In our view, the objectives of reporting on New Zealand’s well-being are more than just to provide an inventory of information for the government’s economic and other decision-making. The role of *Te Tai Waiora* also includes supporting other stewardship reports to help governments act as stewards of the public interest in a way that builds the public’s understanding and confidence.
- 4.64 Therefore, improving how future well-being reports inform, and are informed by, a broad range of New Zealanders would be helpful. It might also be useful for the Treasury to engage with Statistics New Zealand about how both sets of well-being reporting could work together to help improve public understanding, discussion, and feedback.
- 4.65 The Treasury told us that it may decide to engage and collaborate more with New Zealanders when it prepares its next well-being report. If this happens, it will be a significant and positive step forward.

36 Citizen assemblies support more-informed policy making and are made up of a group of citizens from all walks of life. Ireland has been using citizen assemblies of 100 people for many years to consider how it could better manage issues such as drug use. See citizenassembly.ie.

37 Pol-is an online platform for gathering, analysing, and understanding what large groups of people think about what matters to them. It is supported by advanced statistics and machine learning. See pol.is/home.

38 See a “Snapshot of New Zealand’s Wellbeing from Statistics New Zealand”, at www.stats.govt.nz.

Appendix

List of background papers

We list and briefly describe the background papers that the Treasury prepared to support *Te Tai Waiora*.³⁹

Social cohesion in New Zealand

This paper discusses the evidence base about social cohesion in New Zealand. It introduces relevant concepts and reviews social cohesion indicators for New Zealand (including those used in the Living Standards Framework).

Wellbeing during the first year of COVID-19: An analysis of the wellbeing supplement to the New Zealand household labour force survey

This paper focuses on how well-being in New Zealand changed in the immediate, short term, and medium term, using survey data from the first year of the Covid-19 pandemic until March 2021. It tracks outcomes for all New Zealanders, as well as key groups particularly impacted by the pandemic.

Our wellbeing throughout the COVID-19 pandemic

This paper explores recent data to describe observed trends in New Zealanders' well-being from Covid-19's arrival in New Zealand in early 2020 to the first quarter of 2022, as well as emerging observable evidence or potential leading indicators of longer-term impacts on New Zealanders' well-being.

Wellbeing in Aotearoa New Zealand: A population segmentation analysis

This paper seeks to understand the factors that are related to differences in subjective well-being in the New Zealand population aged 15 years and above, using data from the General Social Survey.

Wellbeing and natural capital: Understanding the sustainability and risks

This paper investigates evidence on how sustainable the contribution of New Zealand's natural environment is to the well-being of its people.

New Zealand's wellbeing: Is it sustainable and what are the risks?

This paper focuses on three questions: What do we know about whether New Zealand's overall wealth is increasing, declining, or staying the same? What major risks does New Zealand face that could undermine future well-being? What is the best way to build resilience to limit the impact of the risks on the sustainability of future well-being?

³⁹ For the background papers, see the Treasury (2022), *Te Tai Waiora: Wellbeing in Aotearoa New Zealand 2022*, at treasury.govt.nz.

Trends in wellbeing in Aotearoa New Zealand: 2000-2020

This paper focuses on three questions: Where are we as a country positioned on average in comparison to other countries in the various domains of well-being? Has our situation improved, worsened, or stayed stable over time? Are there any notable differences in the distribution of well-being throughout various groups in the population?

Trends in Māori wellbeing

This paper is a first attempt at applying He Ara Waiora to inform discussion about impacts on Māori well-being. It includes a high-level summary of emerging trends, including Māori gaining qualifications at faster rates than other groups and the Māori economy growing at a faster rate than the wider economy. However, challenges persist, specifically with income, material hardship, health, and housing.

The distribution of advantage in Aotearoa New Zealand

This paper follows an earlier background paper (“Trends in wellbeing in Aotearoa New Zealand, 2000-2020”). That paper highlighted the complex distribution of well-being in this country. This paper explores these complexities, with a detailed examination of the distribution of being advantaged and disadvantaged in New Zealand throughout multiple dimensions.

Equality, equity and distributive justice

This paper explores the meaning of equality, other common values, and theories of distributive justice. Among other things, it highlights the factors that each theory considers relevant for equity distribution so that the reader can understand some of the key differences.

An update to estimates of human capital in New Zealand

This paper uses census data from 1986 to 2018 to update the estimated value of human capital in New Zealand. It highlights key findings about the value of human capital in New Zealand. The paper discusses the methodology used, the estimated value of human capital in New Zealand, and factors that underpin these results, as well as some subgroup analysis (including disaggregated numbers for Māori and non-Māori and by gender).

Pacific peoples’ wellbeing

This paper looks at the well-being of Pacific peoples in New Zealand across a range of well-being areas. It includes an overview of relevant Pacific worldviews, community structures, and aspirations of Pacific peoples. In particular, it highlights the relationship between cultural identity and well-being for Pacific peoples and the strength and resilience of family and community relationships in Pacific communities.

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