

Wellbeing Budget

The Albanese Government's first budget on October 25 will include a dedicated wellbeing chapter, which will seek to put people's health and welfare at the centre of the decision making process.

Budgets are traditionally judged by using standard economic indicators such as growth, exports, employment and inflation.

But a wellbeing budget will begin to introduce new benchmarks to gauge the social value of savings and spending measures and their direct impact on people's equality and prosperity.

A wellbeing framework will help guide government policy in a range of areas including mental and physical health, educational attainment, social equity and inclusion, environmental sustainability, children's welfare and Indigenous justice and reconciliation.

Around the world, many governments are adopting new models to advance public wellbeing.

In the half century since Bhutan declared a Gross National Happiness index was more important than Gross Domestic Product, poverty has declined significantly while life expectancy has increased by more than 30 years.

And in Wales, the Future Generations Act (2015) has directed public transport investment to communities with the highest levels of air pollution and has allowed doctors to issue bicycles on prescription.

New Zealand also views public policy through a wellbeing lens with five key areas prioritised for budget funding including social and economic advancement, lifting Maori and Pacific peoples' opportunities and the transition to a sustainable and low emissions economy.

"It is really important that we measure what matters in our economy in addition to all of the traditional measures. Not instead of, but in addition to. I do want to have better ways to measure progress, and to measure the intergenerational consequences of our policies."

- Treasurer Jim Chalmers