



JANUARY 2023

MEASURING WHAT MATTERS

ACADEMY OF THE SOCIAL SCIENCES IN
AUSTRALIA SUBMISSION TO:

THE TREASURY

The Academy of the Social Sciences in Australia

Submission to the October 2022-23 Budget Statement: Measuring what matters

The Academy of the Social Sciences in Australia (the Academy) welcomes the opportunity to make a submission to October 2022-23 Budget Paper Number 1, Statement 4: *Measuring what matters* (the Statement).

The Academy is an independent, not-for-profit organisation that draws on the expertise of over 750 Fellows to provide practical, evidence-based advice to governments, businesses, and the community on important social policy issues. As the pre-eminent Australian organisation representing excellence across the social sciences, the Academy is well-placed to contribute to this national conversation on a wellbeing measurement framework.

The Academy has long had an interest in the concept of wellbeing as demonstrated in the 2014 book, [Measuring and promoting wellbeing](#).

Summary

The Academy strongly supports the Australian Government's initiative to develop a stand-alone Measuring what matters Budget Statement. For many decades Australia was at the forefront of efforts to improve measurement of wellbeing and invested significantly in this work. For example, the Australian Bureau of Statistics (ABS) *Measures of Australia's Progress* (MAP) report, released over 20 years ago, was one of the primary influences on the OECD's global project *Measuring the progress of societies*.

The release of the Statement is an opportunity to improve policy design, evaluation, and priority setting, tapping into a considerable body of work and based on a contemporary understanding of what progress means to Australian society.

Our submission makes five recommendations aimed at ensuring the inaugural national framework facilitates a more informed and inclusive policy dialogue on how to improve the quality of life of all Australians.

Recommendation 1: Consult on wellbeing outcomes before determining indicators

The Statement seeks feedback from the Australian community on the application of the OECD indicators to the Australian context. While the Academy supports this approach and the international comparisons it enables, prior to selecting indicators, it is necessary to have a clear view on what good outcomes look like against each policy area within the wellbeing framework.

This means understanding and articulating the wellbeing outcomes or goals that matter to the Australian community. Only after the goals are clear will appropriate and meaningful OECD indicators be able to be selected and adapted. Some indicators may not be directly relevant to Australia or may need to be adapted because of data availability. As noted in the Statement, there may be some indicators, for example around the wellbeing of Indigenous Australians or the wellbeing of the multicultural mix of Australian society, that are important to Australia but not on the OECD list.

Identification of national wellbeing outcomes could build upon the extensive community engagement for the 2013 MAP report. It identified aspirations, such as *Australians aspire to a society that values and enables learning*, and measured these via relevant indicator/s, such as: *persons aged 25–64 years with a vocational or higher education qualification*. Similarly, in 2017, the Academy partnered with the University of Melbourne and the Australian National Development Index (ANDI) on a national research roundtable *The kind of Australia we want* which set out a prioritised list of ten key aspirations for Australia. The Academy can provide a copy of this report on request.

Recommendation 2: Avoid too many indicators

The Statement outlines the number of indicators used in selected international frameworks, while noting there is significant variation across jurisdictions from 38 in the UK's framework to 158 in Italy's (p.127). The Academy suggests the national wellbeing framework should refrain from using too many indicators; this has been a key criticism of the New Zealand approach.¹ More does not mean better. Too many indicators make it difficult to assess overall wellbeing and reduces the visibility of the priority indicators of wellbeing that need government and public attention. An appropriately focussed set of defensible, understandable, and actionable indicators is what is needed.

Recommendation 3: Enhance ABS capability to produce supporting data, including an annual publication of indicators and trends

Treasury's work to develop and publish the Measuring what matters Budget Statement must be supported and enabled by appropriate national data collection through the ABS. The ABS has the statistical expertise and is in regular contact with other international and national agencies involved in similar enterprises. Furthermore, the ABS is seen as independent and trustworthy with respect to data published by them. This is consistent with the NZ approach, where Treasury's work is supported by Stats NZ, which maintains the indicator database and regularly publishes measures of NZ's current and future wellbeing, along with contextual data. As in NZ, Australia's Treasury would be responsible for the analysis and the interpretation of those indicators.

Recommendation 4: Ensure the professional independence of the Treasury in preparing the document

The Academy favours the approach taken in NZ where statements on the Long-term fiscal position are prepared and published by the Treasury and the legislation requires the Treasury Secretary to sign a statement of responsibility certifying that Treasury has used its best professional judgments about the risks and the outlook. Such an approach limits the risk of political interference and promotes the likelihood of continuing bipartisan support for such reports.

Recommendation 5: Apply the wellbeing framework to future Intergenerational reports

While the Academy supports the annual publication of a Measuring what matters Budget Statement, the wellbeing framework is likely to be of even greater relevance in the longer-term perspective of Intergenerational reports (IGRs). Implicit in the OECD approach is the concept of preserving and developing different types of capital: economic, human, social, and natural. Trends in these are unlikely to be clear in annual assessments but may emerge through the IGRs' projections over 40 years.

¹ Searle, B. A., Pykett, J., & Alfaro-Simmonds, M. J. (Eds.). (2021). *A Modern Guide to Wellbeing Research*. Cheltenham, UK: Edward Elgar Publishing

The Academy's book *Better preparing for Australia's future: Lessons from the 2021 Intergenerational Report for how future IGRs should guide public debate* (available mid-2023) may be directly relevant to the Measuring what matters Budget Statement. The authors are available to discuss the main conclusions with Treasury.

To arrange this or to discuss any matters raised in this submission, please contact Andrea Verdich, Policy Manager on 0438 218 352, or andrea.verdich@socialsciences.org.au.