



Australian Community Futures Planning

We have it in our power to create the world anew

23 January 2023

SUBMISSION Measuring What Matters

Australian Community Futures Planning (ACFP) is pleased to make this submission to Treasury's program, Measuring What Matters.

ACFP was established in March 2020. It is a community-based planning and research entity that is organising to involve Australians in planning a better future for themselves as a nation and for future generations. At ACFP we are using a new community engagement and planning process called: **National Integrated Planning & Reporting** to create **Australia's first national community futures plan, *Australia Together***. Find out more about [Australia Together](#).

At Australian Community Futures Planning we are working to bring Australians together to plan their own future as a nation.



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has been established to help Australians
build a better

Australia Together

This submission is made by the Founder of ACFP, Dr Bronwyn Kelly. Dr Kelly is a highly experienced former senior public servant in state and local government. She is an expert in the field of national integrated planning and reporting and the author of:

- [By 2050: Planning a better future for our children in 21st century democratic Australia](#) (2020); and
- [The People's Constitution: The path to empowerment of Australians in a 21st century democracy](#) (2022). (Available January 2023.)



She is also:

- the creator and presenter of the videocast series, [The State of Australia in 2020](#), [The State of Australia 2022](#), [Snapshots from Australia Together](#), and [What is Integrated Planning & Reporting?](#);
- an essayist on issues for Australian governance;
- an Honorary Professional Fellow at the University of Technology Sydney's Institute for Public Policy and Governance (2014 to 2021);
- principal author of [Australia Together](#), Australia's first long term, integrated community futures plan;
- co-author of Australia's first comprehensive report on the performance of an elected federal parliament – [The State of Australia 2022 – End of Term Report on the 46th Parliament of Australia](#); and
- creator of the [Australia Together National Wellbeing Index](#).

For detailed information about ACFP, visit our website at <https://www.austcfp.com.au/>
Australian Community Futures Planning has no affiliation with any political party inside or outside Australia. It receives no funding from political parties or other sources. All output from ACFP is supported entirely by voluntarily supplied non-monetary in-kind contributions.



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Contents

Executive Summary.....	3
Introduction – Monitoring wellbeing in Australia today	5
What’s special about the <i>Australia Together</i> National Wellbeing Index?	7
Building a useful national wellbeing index	8
Choices in development of an Australian index of wellbeing.....	12
Useful complexity and integration.....	14
Two types of wellbeing frameworks and their usefulness in conversations with Australians.....	15
Conclusion.....	16
Attachment A – What is the <i>Australia Together</i> National Wellbeing Index?	17
What is the <i>Australia Together</i> National Wellbeing Index?	18
How is the <i>Australia Together</i> National Wellbeing Index assembled?.....	19
How are Targets and Strategies selected for inclusion in the Index?.....	20
How is reporting on progress made transparent?.....	21
What does the Index monitor?.....	22
Attachment B – Comparing the OECD Indicators Framework and the <i>Australia Together</i> National Wellbeing Index	23
Table 1 – Topic (policy) areas covered in <i>Australia Together</i> compared to the OECD Indicators Framework.....	23
Table 2 – Breadth of indicators in <i>Australia Together</i> compared to the OECD Indicators Framework	26
Table 3 – Differences in approach and focus between <i>Australia Together</i> and the OECD Indicators Framework.....	28
Attachment C – The “Australian Cohesion Index” – An example of how not to build and report on wellbeing indicators.....	33

Executive Summary

1. Contrary to Statement 4 of the 2022/23 Budget Paper No. 1, Australia does have an integrated approach to measuring what matters. It is called the **Australia Together National Wellbeing Index**. Depending on the government's purpose in developing an indicators framework, this Index may be as useful for the government and Treasury as it is for Australians.
2. The *Australia Together* National Wellbeing Index is a very different type of wellbeing indicators framework to standard frameworks like the OECD's Better Life Index. Treasury appears to favour OECD-style indicators frameworks. Both types of frameworks have their uses:
 - a. The OECD indicators frameworks is useful for comparing Australia's performance to that of other developed countries, albeit on a small number of indicators and regardless of the relevance of those indicators to the wellbeing of Australians and their preferred quality of life.
 - b. Non-standard indicators frameworks like the *Australia Together* National Wellbeing Index are more useful for measuring what matters to Australians.
3. In choosing a wellbeing indicators framework Treasury appears to prefer an approach where progress in policy areas is measured rather progress in terms of the community's objectives for wellbeing. ACFP suggests that unless a framework is in place that enables everyone to check that a policy is indeed "relevant" to the community's actual objectives, Treasury will run the risk of measuring what doesn't matter and Australia will also miss the benefit of early warnings that can be provided by a well-constructed indicator system about any likely incapacity in government policies to achieve the quality of life that Australians prefer.
4. Indicators developed inside a long term integrated planning framework with the objective of monitoring the *direction* of the nation preferred by Australians – are very useful in providing early warning about policy failures and potential deviation from preferred paths and desired outcomes for quality of life. OECD-style frameworks are less useful for policy development and strategic planning purposes. However, the government does not have a long term integrated planning framework. In its absence, the process of **National Integrated Planning & Reporting** may be a useful example of a planning process which enables people to assess that a policy makes sense in relation to the agreed objectives for the Australian community's quality of life.
5. If the government and Treasury wish to build a wellbeing index, they should **first decide the purpose of the index**:
 - Does Treasury wish to build an index which helps to monitor progress on a government's predetermined policies (as though the policies themselves will automatically lead to the better life that Australians truly want)?
 - Or does it wish to report on the progress of the nation against the objectives of Australians for their quality of life?
 - Or does it wish to do both?

Australians are likely to derive a greater benefit if Treasury's purpose is to do both.

6. Other important questions about **the purpose of the index**:
 - Does Treasury wish to measure progress towards targets for the community's wellbeing in the *future*? Or does it simply wish to measure movements in individual indicators of policy progress compared to the *past*? Or does it wish to do both?

- What is Treasury’s purpose in seeking to “integrate” frameworks?
- Do Treasury and the government wish to develop an early warning system about failing policies and perhaps a system which isolates the top priority policies?
- What sort of wellbeing measurement framework would be most useful to the government in conversations with Australians about what they want in wellbeing and the services they might be prepared to pay for to secure that particular quality of life?

Depending on the answers, Treasury is likely to build quite different measurement systems.

7. A wellbeing indicators framework will be most useful if it is protected from political and corporate interference. Legislation should establish rules for the policy areas to be measured and these should mandate the ethical and open measurement not just of social, environmental and economic indicators but also indicators of inclusive and responsible democratic governance and international citizenry. All these things matter to the wellbeing of Australians. Secure funding for and the independence of the framework should be established in legislation.
8. Measurement systems which are developed within an integrated planning system so that they link policies and indicators with community objectives in wellbeing and security are likely to be more useful than those which simply link different databases.
9. Measurement systems like the *Australia Together* National Wellbeing Index, which recognise complexity in life and the primary importance of the actual lifestyle objectives of Australians, are likely to be more useful in conversations with Australians about what they want in wellbeing and the services they might be prepared to pay for to secure that particular quality of life. OECD-style indicator systems are unlikely to be useful in these conversations.
10. The OECD indicators framework measures very little of what matters to Australians. In terms of measuring wellbeing it excludes key values of health, diversity, equality, the strength of democracy and a number of other very important quality of life factors. The *Australia Together* National Wellbeing Index holds a wider list of what matters to Australians. Because of that it has the capacity to accurately identify the best combination of priority strategies and areas for reform.
11. If the government’s intention of is to measure what really matters to Australians, it is suggested that it would be advisable to ask them what matters *before* deciding how to measure it. Governments should be wary of assuming they know what matters. By contrast, if the intention is simply to add a few environmental and economic indicators into an OECD-style framework, ACFP suggests that this will be helpful but it will also simply result in Treasury measuring what matters to the government or the OECD rather than the people of Australia.
12. The government can ask Australians what matters by commencing conversations with them about their values and aspirations for a better future. However, this can only be done in the context of a long term planning framework which the government does not have. *Australia Together* and National Integrated Planning & Reporting provide an example of a feasible long term planning system for a diverse nation. An option for the government is to link whatever Treasury’s preferred framework might be to the *Australia Together* framework and/or to a similar wellbeing indicators and planning system (if one exists).
13. If the government is interested in the values of Australians as a frame of reference for selecting policies and indicators, Treasury will find some useful information in Chapter 5 of the ACFP’s latest research piece, [The People’s Constitution: the path to empowerment of Australians in a 21st century democracy](#). These findings on Australian values may serve as a useful basis for further studies and national surveys by Treasury.



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Introduction – Monitoring wellbeing in Australia today

It is pleasing to see that the Australian government and Treasury are interested in the views of Australians on how we can measure what matters to improve the lives of Australians. In the absence of a national framework for measuring this, Australian Community Futures Planning (ACFP) has been developing a comprehensive integrated index of national wellbeing since March 2020. As such, we would respectfully like to correct the statement in the Budget Papers for 2022/23 that:

Australia does not currently have an integrated approach to measuring what matters.¹

It is true that the Australian **government** does not have an integrated approach to measuring what matters, but Australia itself does. It is called the **[Australia Together National Wellbeing Index](#)** and it exists as an important tool in factual measurement of Australia's progress towards (or away from) a well-defined **Vision** of what Australians have said really matters to them. It measures the current wellbeing of the Australian people, but also progress towards their preferred future.

This long term vision is called the **[Vision for Australia Together](#)**. It is the product of research by ACFP collating the stated values and aspirations of Australians in the 21st century and is currently housed as a draft for ongoing community consultation in a unique long term plan for Australia called **[Australia Together](#)**. The **Vision** contains 17 statements about the life Australians have said they wish to be able to lead in 2050 and 57 Direction Statements of the safe routes toward that Vision. [Read the Vision for Australia Together in full here](#). And [read about how the draft Vision has been assembled here](#).

[Australia Together](#) is a long term *integrated* plan for a better society, environment, economy and democracy by 2050 or sooner. Its purpose is to make the **[Vision for Australia Together](#)** a reality. The plan is being built *by* Australians *for* Australians with assistance in research and organisation from ACFP. As the nation's first community-built futures plan it has been designed in a special format that helps Australians:

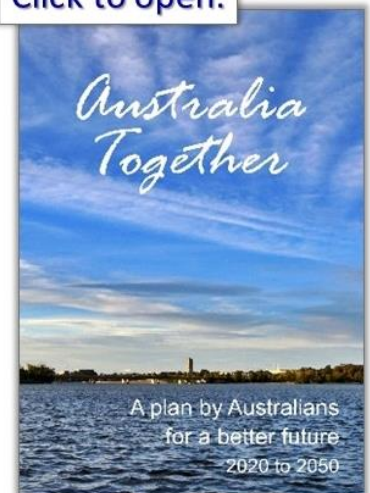
- make and revise decisions about their preferred destination in the future in terms of wellbeing and security;
- select safe paths towards that future; and
- monitor their progress toward or away from targets.

[Read the latest draft of **\[Australia Together\]\(#\)** here](#).

Click to enlarge.



Click to open.



¹ Australian Government, Budget October 2022/23, [Budget Paper No. 1, Statement 4](#), page 119.

The **Australia Together National Wellbeing Index** functions as the tool within the long term integrated plan enabling both:

- the development of Targets and Strategies, and
- the monitoring of progress towards or away from the Targets and the Vision for *Australia Together*.



It also helps monitor whether progress is being made in accordance with the preferred Directions (safe routes to the Vision) in the plan.

Australia Together is currently in its “starting draft” form and is being pilot tested to ensure that the format works efficiently for inclusive and integrated planning purposes. In this pilot testing phase, ACFP has released six issues of the starting draft, each building on the previous issue:

- Issue No. 1 – May 2021 – contained 180 Targets and Strategies.
- Issue No. 6 – July 2022 – contained 275 Targets and Strategies.

[Access all issues of the starting draft of *Australia Together*.](#)

For each Target and Strategy, ACFP has assembled indicators for monitoring purposes. This comprises the *Australia Together* National Wellbeing Index and it includes both:

- baseline data and information about performance in relation to each Target and Strategy at the start of the planning period – namely, the early 2020s; and
- data and information to quantify and/or qualify the Targets and Strategies.

Data points in the Index are not always numerical. The Index holds both qualitative and quantitative data and includes data for physically measurable indicators as well as indicators of subjective perceptions of wellbeing and of policy performance.

With the release of Issue No. 6 it is estimated that the starting draft of *Australia Together* is approximately 65% complete. ACFP anticipates that we will continue to expand and test the starting draft for the next two or three years and that in that time the indicators are likely to grow to more than 350 in number. This is a very large database and one which ACFP hopes Treasury will find useful.

As at December 2022, all pilot testing has suggested that the format of *Australia Together* and the process being used to develop and engage Australians on it are both working well and provide open access to all Australians to follow progress and become involved in the planning itself if they wish. ACFP is of the view that with *Australia Together* the community of Australia has found a way to assemble its plans for the future of the nation and is moving towards being able to express its views to governments about what matters and to express those views in an orderly and fully open process. This process is called **National Integrated Planning & Reporting**, or **National IP&R**. It is a process that any Australian can become involved in from school age (15 or 16 years) and it has the capacity to create the voice of the nation about its preferred future. To find out more about how National IP&R works and even how it can help Australians develop long term national financial plans, [view ACFP’s five-part lecture series on *What is Integrated Planning & Reporting?* here.](#)

Treasury may note that National IP&R is a variation on a long term integrated planning and reporting tool used by local governments in Australia in accordance with state legislation. For information on the genesis and development of National IP&R, [view this peer reviewed article in the Commonwealth Journal of Local Governance.](#)



Key point:
Using the methodology provided by National IP&R and combining that with extensive technical research, ACFP has been able to construct the *Australia Together* National Wellbeing Index so that it measures progress on things that really matter to Australians now and over the long term.

Treasury should note that the first major report on progress towards and away from the Targets, Strategies, Directions and Vision for *Australia Together* was published by ACFP in March 2022. [The State of Australia 2022](#) provided detailed and summarised factual data on over 260 indicators of the progress of Australia during the term of office of the 46th federal parliament and over the previous two decades. Successful production of this report has provided the strongest indication yet that **the *Australia Together* National Wellbeing Index is functioning well to provide clear pictures for Australians of their progress towards the particular better future they desire.**

Read [The State of Australia 2022](#) here.

Find out if we are progressing towards a better Australia.

Click to open.



View video summaries of [The State of Australia 2022](#) here.

Click to view.



The State of Australia 2022
Part 1 – Open full transcript.

Click to view.



The State of Australia 2022
Part 2 – Open full transcript.

What's special about the *Australia Together* National Wellbeing Index?

Although the *Australia Together* National Wellbeing Index is a significantly larger database than most other wellbeing frameworks, it is similar to some of the standard frameworks in that it holds factual data about:

- our health, wellbeing, security, resilience, and our cohesion as a society and nation;
- our performance as environmental custodians and the health of the natural environment itself;
- the strength and sustainability of our economy;
- our standing as a responsible international citizen; and
- the strength of our democracy at home.

These data have been gathered together by ACFP from hundreds of credible sources including the Australian Bureau of Statistics, independent private and public research institutes, universities, and

global databases like the OECD and the United National Sustainable Development Goals and they show the starting points for the long term plan that is *Australia Together*.

But unlike most other wellbeing frameworks, the *Australia Together* National Wellbeing Index also holds data about the preferred longer term destination of the nation in that it includes Targets and Strategies to help make the Vision a reality. It holds data and qualitative information about the scope of the task. This means that uniquely, this wellbeing Index doesn't just look at Australia and Australians as we are now or as we have been. It also looks forward to what we want to become as a nation. We can use it to look back at our national performance over recent times. But we can also use it to check if we are travelling forward to exactly where we want to go – as opposed to somewhere we don't want to go. In that regard it is set up to shed light on our prospects and our ability to safely make our dreams for wellbeing and security a reality. It is about our preparedness for the future. It is also set up to give Australians advance warning about where we might be veering away from our preferred destination and time to get back on track before we do too much damage.

[Find out more about how the *Australia Together* National Wellbeing Index works here.](#)

Building a useful national wellbeing index

As stated above, it is pleasing to see that the federal government will move in 2023 to “release a new stand-alone Measuring What Matters Statement tailored to Australia”² and that:

Treasury will continue to research and consult experts and other stakeholders on what the Statement should measure, how the Statement should link to other frameworks and goals – including at the state and territory level – and how the Statement should be communicated.³

As an expert stakeholder and active practitioner of indicators development and reporting, ACFP offers the following information which may be of assistance particularly in terms of:

1. how Treasury, the government, policy makers and Australians may benefit to greater or lesser degrees from different types of wellbeing indicators frameworks;
2. how reports should be produced;
3. how guidelines should be established to ensure the impartiality, honesty and inclusiveness of whatever framework may be preferred; and
4. how integration with other frameworks and goals can best be organised.

In relation to these four points, this submission contends in summary as follows:

1. Treasury, the government, policy makers and Australians will benefit most from an indicators framework that measures progress towards or away from what matters most to Australians. They will not benefit as much from a framework that merely measures progress on policy inputs as surrogates for outcomes in wellbeing or for “objectives [that] relate to living standards, quality of life, opportunity and meaning”.⁴ This implies the need to canvass the views of Australians on what they value about living in Australia *before* selecting policies that are most likely to meet those objectives and *before* selecting each of the indicators that will help everyone track progress towards the desired living standards.

² Australian Government, Budget October 2022/23, Budget Paper No. 1, Statement 4, page 142.

https://budget.gov.au/2022-23-october/content/bp1/download/bp1_bs-4.pdf

³ Ibid., page 142.

⁴ Ibid., page 124.

2. Reports on indicators will be most useful to Australians and governments if the indicators are established within an integrated long term planning framework such as *Australia Together* (or similar) that:
 - a. **starts** by seeking out and documenting:
 - i. what Australians value,
 - ii. what they want their society to be (and to stand for) now,
 - iii. what they want to become as a nation in character over time, and
 - iv. what they want to build for the future of Australia's society, environment, economy and governance and its standing in international citizenry; **and then**
 - b. selects indicators which will reliably reflect whether they are tracking towards or away from that preferred character and future over time.

However, ACFP recognises that the government does not have an integrated long term planning framework. If there is no intention to develop one, then reports on any indicators developed by Treasury are less likely to enlighten Australians about whether government policy priorities are helping the nation progress towards its preferred future. They are also less likely to help everyone understand where the most effective policy changes may be made to increase our chances of building the future Australians want.

3. A wellbeing indicators framework will be most useful if it is protected from political and corporate interference. Frameworks which do little more than monitor progress with the implementation of policies in the priority areas preferred by the government of the day or businesses are useful in their own way but if Australians are to have confidence that the framework will enable them to monitor policies that are in the *public* interest (for current and future generations and not just for the government of the day), then, as a minimum:
 - a. guidelines for custodianship of the framework should be established to protect it from political and corporate interference;
 - b. adequate arrangements for independence and funding for the framework should be secured through legislation; and
 - c. legislation should establish rules for the policy areas to be measured and these should mandate the ethical and open measurement not just of social, environmental and economic indicators but also indicators of inclusive and responsible democratic governance and international citizenry.

See [Attachment C](#) for an example of how political interference with an indicators framework can result in reports which are misleading.

4. In the internet age a wellbeing indicators framework for Australia can be easily linked to other frameworks such as the OECD's Better Life Index, the United Nations Sustainable Development Goals, Australia's own Closing the Gap and State of the Environment reports and other state, territory and local government measurement systems. Such an interlinked system can be useful for policy developers, but it is less useful for Australians in tracking the "progress" of the nation if only because such linkages can become too time-consuming to follow. If, however, the objective is to establish an integrated approach to measuring what really matters to Australians and to produce reports which everyone can understand and use, then the simplest way to create a sensible and accessible framework with any necessary linkages to other frameworks and goals is to develop indicators which enable Australians to efficiently monitor whether they are progressing towards their particular preferred future. That can only be done by creating an Australian integrated planning framework such as *Australia Together* or similar and ensuring that it is organised as an open planning forum.

The above four points imply that if the government and Treasury wish to build a wellbeing index, they should **first decide the purpose of the index**. The key questions here are:

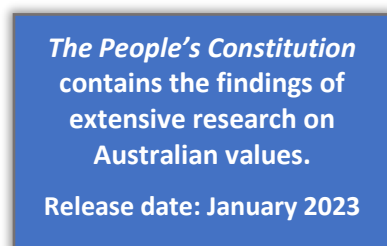
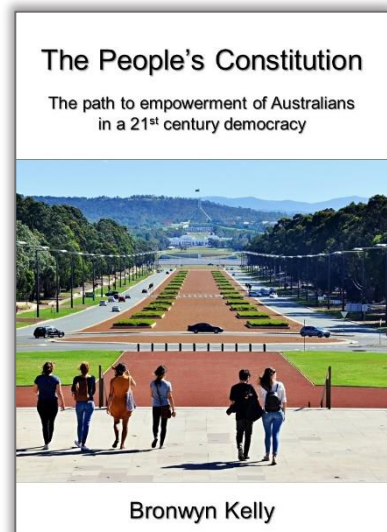
1. Does Treasury wish to build an index which helps to monitor progress on a government's predetermined policies (as though the policies themselves will automatically lead to the better life that Australians truly want)?
2. Or does it wish to report on the progress of the nation against the objectives of Australians for their quality of life?
3. Or does it wish to do both?

Both purposes are valid, even if they are not done simultaneously and in an integrated way. But if they are done together (and if the policies are derived by examination of the objectives of Australians), Australia is likely to derive a greater benefit.

Statement 4 of Budget Paper No. 1 on Measuring What Matters does not provide clear answers to the above questions. Nevertheless, ACFP would submit that, depending on the answers, Treasury will find itself building quite different types of wellbeing measurement frameworks. Statement 4 implies that Treasury might answer Yes to question 1 and probably No to questions 2 and 3. It implies that Treasury is working on the assumption that objectives for quality of life are "intuitive" and "difficult to measure directly"⁵ and that it is therefore preferable to examine wellbeing simply by

measuring progress in the **policy areas** that aim to achieve the desired outcomes.⁶
[Treasury's emphasis.]

ACFP's experience is that, contrary to Treasury's assumption, it is not at all difficult to directly measure progress towards objectives for quality of life – even if they are "intuitive". The fact that ACFP has been able to produce comprehensive reports on progress towards a desired quality of life proves it can be done. We would further suggest that it is essential to measure those objectives *after* checking that they are actually the objectives of the community. In other words, if the government wants to be sure of measuring what matters instead of what doesn't, it shouldn't just assume that its "intuition" about the community's objectives in wellbeing is correct. It should verify its intuition by statistically valid studies, particularly on values but also on the preferred long term quality of life Australians want. ACFP's research has shown that Australians are quite capable of articulating their values and, when given the right space for dialogue, they are also fully capable of clearly and coherently expressing the outcomes they want for the future of their society, environment, economy and democracy. Accordingly, if the government is interested in the values of Australians as a frame of reference for selecting policies and indicators, Treasury will find some useful information in Chapter 5 of the ACFP's latest research piece, [The People's Constitution](#). These findings on Australian values may serve as a useful basis for further studies and national surveys by Treasury.



⁵ Ibid., page 124.

⁶ Ibid., page 124.

Furthermore, because throughout the 21st century Australians have been quite clearly articulating not only what they value in their lives now but also their vision for a better life, Treasury will also be able to find useful information about community aspirations and preferred paths to the future in *Australia Together*. This too may serve as useful basis for further studies and national surveys by Treasury about what matters to Australians. For further information on aspirations and preferred safe paths to the future visit [The Vision and Directions of Australia Together webpage](#).

ACFP would also suggest that as Australia is meant to be a democracy it is essential to have a process in place (like National Integrated Planning & Reporting or similar) which enables everyone to assess that a policy makes sense in relation to the agreed objectives for the Australian community's quality of life. To assess progress in policy areas before checking that the intuited objectives are really wanted by Australians is to put the cart before the horse. In other words, unless a framework is in place that enables everyone to check that a policy is indeed "relevant" to the community's actual objectives (rather than a government's policy predisposition), Treasury will run the risk of measuring what doesn't matter and Australia will also miss the benefit of early warnings that can be provided by a well-constructed indicator system about any likely incapacity in government policies to achieve the quality of life that Australians prefer. The following sections provide more information on why this is so and why ACFP is recommending that Treasury first consider its purpose in developing a wellbeing indicators framework.

Statement 4 suggests that Treasury is leaning towards a framework that simply adds some Australian-specific indicators to an OECD-style framework. If that is so, ACFP would suggest in reply that choices confining measurement frameworks to that model will be less useful to Australians and less useful for any government wishing to have meaningful conversations with Australians about their preferred quality of life and how best to fund and deliver the standard of wellbeing Australians want. However, if there is a willingness to consider more detail about the purpose of the framework, ACFP would submit that in addition to the above three questions Treasury might consider the following:

4. Does Treasury wish to measure progress towards targets for the community's wellbeing in the *future*? Or does it simply wish to measure movements in individual indicators of policy progress compared to the *past*? Or does it wish to do both?
5. What is Treasury's purpose in seeking to "integrate" frameworks? Is it simply to establish a basis on which Australia's performance can be compared to other countries? Or is the intention to help Australians determine progress toward their own preferred goals? Is Treasury trying to create what might be called a "web of meaning" simply by integrating (linking) different *databases*? Or is it trying to create a meaningful framework for decisions by integrating *policies and strategies* so that they complement each other rather than disable each other and so that progress on what matters can be transparently tracked?
6. Does the government wish to develop an early warning system about failing policies and perhaps a system which isolates the top priority policies – those policies and strategies that will have the biggest effect on our chances of making our preferred future a reality?
7. What sort of wellbeing measurement framework would be most useful to the government in conversations with Australians about what they want in wellbeing and the services they might be prepared to pay for to secure that particular quality of life?

Depending on the answers to these questions, Treasury is likely to make quite different choices about what is measured in the framework and how integration is organised. ACFP hopes that the

following information will be useful to Treasury in making a choice about the type of measurement framework that is most useful for its purposes.

Choices in development of an Australian index of wellbeing

In building the format for *Australia Together* and designing the National Integrated Planning & Reporting process, ACFP has gathered some valuable experience about how to build comprehensive, well-integrated indexes of wellbeing for modern democratic nations so that they actually measure what matters to their peoples. Depending on the Australian federal government's objectives, this may be useful to Treasury.

ACFP's experience and research output will be very useful if the focus of Treasury's program is to measure what matters to Australians and it is therefore supplied freely by ACFP. (Everything ACFP produces is openly accessible.) However, if Treasury prefers to focus more (or solely) on what may matter to a federal *government* for purposes of policy development and is simply embarking on a program to integrate what the OECD measures with some extra indicators that are assumed to be important for Australia (disconnected from the actual objectives of Australians), ACFP would assert that this is likely to produce a less useful range of indicators of what matters, especially over the long term, than the range of indicators that would (and do) emerge through a long term National Integrated Planning & Reporting process. See [Attachment B](#) for further detail on the differences between an OECD-style indicators framework and one derived by National IP&R. This comparison will provide a view of just how different the OECD indicators framework is to *Australia Together* and how little the OECD framework contains that is relevant to the wellbeing of Australians.

If the focus is simply on measuring what matters to a particular government – that is, if the “policy priorities” of a government (rather than the values and aspirations of Australians) drive the selection of indicators – then the measurement system and trend data within it may be disrupted more frequently than is desirable, in which case valuable trend data will be lost. Instead of being useful in showing how policies are (or are not) helping Australia improve in terms of wellbeing over time – in other words, instead of functioning as a good early warning and strategic planning system – the framework will simply function as a system for reporting on the government's implementation of its preferred policies (regardless of the quality of each policy), or worse, as a system for reporting only on the narrow range of indicators that suit the story a government wishes to tell, regardless of the truth. (This was the upshot of the Morrison government's “Australian Cohesion Index” discussed in [Attachment C](#).)

This is not to suggest that a narrower range of indicators (narrower than the range in *Australia Together*) would be an unworthy endeavour. On the contrary, almost any program by which the government might seek to track and integrate measures of progress would be of significant assistance to Australians (assuming all performance data are publicly available and verifiable). For instance, a measurement program which reinstated and expanded the ABS Measures of Australia's Progress (MAP), which was unceremoniously de-funded in 2014, and the ABS Year Books which were stopped in 2012, would be very helpful (and probably more helpful than an expansion of the OECD indicators framework).

However, if Treasury is concerned to confine its selection of indicators to a framework that enables it simply to report on progress with some priority government policies and initiatives or the corporate plans of government departments, this should not be mistakenly marketed as a tool for measuring what matters to Australians. It will only be a tool for measuring what matters to governments.

Additionally, if the preferred approach is confined to adding some Australia-specific measures to the OECD indicators framework, it will be acknowledged that this approach is likely to be useful for purposes of comparison of Australia's progress with that of other OECD countries. However, Australians are interested in comparing the nation's performance in relation to their *own* aspirations. They have their own ideas of wellbeing and ACFP's experience is that they require quite different assemblies of indicators and different reporting systems to those of the OECD.

An additional risk of building a measurement framework that simplistically adds to the OECD framework arises because such frameworks will tend towards reporting that is too narrow to reflect the complex multicultural world of Australia. Statement 4 may itself demonstrate this problem. For instance, Treasury appears to have assumed that the only things that need to be added to the OECD framework for the "high-level view" it wishes to provide would be in relation to the natural environment and specific characteristics of our economy.⁷ These would of course be essential additions but so would measures about the health of Australians, the health of our governance systems and democracy, our standing in international citizenry, and our support of diversity, equality and human rights. ACFP's research proves that these things significantly affect our sense of and our actual wellbeing. They matter a lot to Australians.

If the ABS MAP is rejuvenated we might expect (hope) that some indicators of health, good governance, democracy, international cooperation, diversity, equality and rights would find their way back into vogue. However, if they are obscured in the anticipated "high-level" version of the framework then they will miss a sizeable part of the picture of what matters to Australians.

Statement 4 says that:

The 2023 Measuring What Matters Statement will be an important next step in facilitating a more informed and inclusive policy dialogue on how to improve the quality of life of all Australians.⁸

However, ACFP would submit that the sort of framework implied by Statement 4 is relatively unlikely to tell Treasury "how to improve the quality of life of all Australians" much less function as an inclusive form of informed policy dialogue. A wider framework in which everyone can clearly see that a policy is connected to (because it is directly derived from) genuinely desired outcomes in wellbeing – outcomes that have been expressly stated by Australians for their health, security, environmental sustainability and democratic freedoms – is more likely to provide the best guidance on how to improve the quality of life of all Australians.

ACFP would also submit that narrower indicators frameworks which seek to "avoid [so-called] unnecessary complexity", rather than cope with what ACFP would call "necessary complexity", will offer the government less scope to isolate the policies that should be prioritised if we are to maximise the chances of achieving the community's desired wellbeing and security outcomes. Box 4.1 in Statement 4 takes it for granted that:

An effective framework will minimise the number of core indicators to support decision-making by avoiding unnecessary complexity.⁹

But ACFP's experience strongly suggests that this is not true. On the contrary, it is necessary to cope with complexity, however inconvenient, if we are to maximise the chance of isolating the most

⁷ Ibid., page 142.

⁸ Ibid., page 142.

⁹ Ibid., page 126.

urgent priorities for policy reform. *Australia Together* is a framework that interrogates complex inter-relationships between strategies and their relationship with the preferred national directions of Australians. This has made it possible to isolate the most important strategic policies for the 2020 decade – meaning that it has made it possible to isolate the key areas of weakness for Australia and help Australians select the *combination* of policies most likely to address those weaknesses if future generations are to be assured of wellbeing and security. In that sense it uses complexity in measurements and linkages to reduce the complexity of policy decisions, and to reduce it safely. It does not reduce complexity at the outset by resorting to discarding factors that should be front and centre in policy development. Accepting more complexity in a database can actually make Treasury’s job easier, more efficient and more effective in the long run. For more information on how this can work, see Chapter 9 of *Australia Together* and Chapters 11 and 12 of *The State of Australia 2022*.

- [Chapter 9 of *Australia Together*](#) shows how an integrated planning system which recognises complexity is working well in practice to make it easier for Australians to focus in on the top 20 policies (we call them “strategies”) that will make the most difference to our chances of building the future Australians prefer. It shows how when we use this sort of framework we can make policy selection easier and quicker. In particular we can identify the most effective policies earlier than we otherwise would and build our preparedness for the future.
- [Chapters 11 and 12 of *The State of Australia 2022*](#) provide the most recent reports on progress toward and away from the Vision for *Australia Together* and progress in the top 20 urgent areas.

The choice of what should be included in a “Measuring What Matters Statement” is Treasury’s of course. But ACFP would also suggest that if the government and Treasury are inclined to consider a wider approach than simply building on OECD-style frameworks, they may consider developing research programs which seek out information on what Australians genuinely value about their lives in Australia and what they wish to preserve and improve for future generations. Information on Australian values, combined with information about what Australians want to achieve for their future (the tangible lifestyle outcomes and the country they want by 2050), would be more useful in strategic policy design than an indicators framework which merely measures progress on the predetermined “policy priorities” of a government.

If the government wants a measurement system that provides insights into whether a policy is likely to contribute to the community’s desired outcomes then the government will need an integrated planning system and that system should be overarched by a clear idea of what Australians value and aspire to. Australia now has that sort of framework in *Australia Together*. And a key lesson (one of many) that has been learned in building *Australia Together* is that an integrated planning system fosters better policy development than an indicators system developed outside the objectives of a plan that arcs towards the community’s preferred future. Wellbeing – especially the wellbeing of one of the most diverse nations on the planet – is complex and it can’t be secured with narrow measurement systems.

Useful complexity and integration

ACFP submits that if the government prefers to build a wellbeing index that actually helps Australians move towards a better future, then more complex centralised databases populated with indicators that have been selected because they can shed light on progress towards defined wellbeing outcomes would be more helpful. Treasury may assert that larger databases will be too complex to be useful for decision-making on sound policy. But ACFP’s experience is that more complex databases work well to track progress if they are constructed as integrated sets of indicators held in one place (rather than dispersed across various sites – linked or not).

To be clear, we would suggest effective “integration” is not achieved by linking databases per se. Linkages between databases (for example, linkages between state and federal databases) are advisable but they also make it harder for most Australians to follow what is going on. They are less useful for everyone in both policy development and tracking wellbeing. If, however, the objective of measuring what matters is to

provide an important foundation for Australia’s efforts to lift living standards, boost intergenerational mobility and create more opportunities for more people,¹⁰

ACFP would submit that it is better to place less emphasis on linking different databases and more on linking indicators under the umbrella of a national vision for a better future. This does not mean that databases should not be linked. Indeed, Treasury would benefit from linking its own databases to the *Australia Together* National Wellbeing Index and any other relevant database. Nor does it mean that a wellbeing indicators framework should be large for the sake of being large. It doesn’t mean bigger is better. But it does mean that the right type of integration of indicators – integration driven by objectives for quality of life – is more useful for the purpose of figuring out how to establish the sort of wellbeing and security Australians want. It is certainly more useful for having conversations with Australians about how to secure their future at the lowest long run cost.

[Attachment B](#), which provides more detail on the differences between the *Australia Together* National Wellbeing Index and the OECD Indicators Framework, may assist Treasury in discussions about the level of complexity that is desirable for the government’s purposes in measuring what matters. It illustrates how a wellbeing index like *Australia Together* that is built to support the progress of Australians towards a more specific set of desired outcomes will be more complex than frameworks set up for the purposes of a government or for international comparison purposes. It will also be easier to follow, easier to use for policy-making purposes, easier to use in preparing meaningful reports, and easier to use as the basis of conversations with Australians about the services they want and how they should be paid for. The following section offers some comment on the usefulness of different types of frameworks in such conversations.

Two types of wellbeing frameworks and their usefulness in conversations with Australians

Standard wellbeing frameworks such as the OECD’s, the ABS MAP and the Morrison government’s Australian Cohesion Index tend to be quite limited not only in what they measure but in the timeframes over which they take measurements. In the main, reports on the indicators in these frameworks will simply report on changes from one year to the next (or other short and convenient timeframes) and are almost always backward-looking. In the vast majority of cases they do not report progress towards a nation’s preferred future. Progress reports on performance against the targets of the United Nations Sustainable Development Goals (UNSDGs) may be an exception, depending on how the reports are constructed. But in the main OECD-style frameworks simply report movement on a small number of indicators compared to the previous mark. This provides relatively little information useful for early warning about policies that are not working (and are not going to work) to deliver desired wellbeing and security.

By contrast, non-standard wellbeing indexes – those like the *Australia Together* National Wellbeing Index – which are developed inside an integrated planning framework with the objective of monitoring the preferred *direction* of the nation – are very useful in providing early warning about policy failures and potential deviation from preferred paths.

¹⁰ Ibid., page 119.

Both the standard and the non-standard measurement frameworks have their place. However, it is the non-standard wellbeing indexes that offer the greater assistance to governments that might wish to begin a genuine conversation with Australians about what they want in wellbeing and the services they might be prepared to pay for in securing that. The Albanese government is one that has called for such a conversation.

As Treasurer Jim Chalmers signalled on the introduction of his first budget in 2022:

I am hoping that the Australian people are up for a serious conversation about how we pay for the services that they need and deserve and have a right to expect.¹¹

Mr Chalmers was speaking in the context of needing to make decisions about the extent to which Australians should fund these services by taxation and in that context the conversation that might be expected is likely to be narrower than the conversations necessary to develop a more secure future of wellbeing for Australians. A conversation on tax is one worth having but unless a national conversation on wellbeing can be conducted *in the context of what wellbeing actually means for Australians* – and that can probably only be determined by use of an inclusive long term planning process like National IP&R – then a Treasurer is not likely to achieve much more than a grudging acceptance by taxpayers that they will be required to foot the bill for whatever services the government is prepared to include in what will probably be dressed up as a “wellbeing budget” but which is quite unlikely to deliver the level and sort of wellbeing Australians actually want, and moreover very unlikely to deliver it at the lowest long run cost.

By contrast, conversations which start from the point where Australians are asked what they want in terms of wellbeing are far more likely to result in a specification of a standard of living that can be financed with the willing consent of Australians. For information on why and how this is so, view [Episode 2, Part 2 of *What is National Integrated Planning & Reporting?*](#) This shows how adoption of an integrated planning and reporting framework can equip Australians and governments to securely and sustainably finance any services they want and in a way that does not waste their money or lock in inequality.

Conclusion

ACFP would submit that Australians are indeed “up for a serious conversation about how we pay for the services that they need and deserve and have a right to expect”, but they will need that conversation to be conducted on the basis of a sound understanding of the direction of the nation that is preferred by Australians. This means that a conversation about where we all want the nation to go – our preferred destination – is a necessary prerequisite to a conversation about what we are prepared to pay for in services and policies. This requires an integrated planning framework. If we can select policies in that framework then Treasury will find it easy to select appropriate indicators of progress on what really matters.

For information on the elements of an Integrated Planning and Reporting process, visit this link: <https://www.austcfp.com.au/national-integrated-planning-and-reporting>



¹¹ Federal Treasurer, Jim Chalmers, [Press conference, Blue Room, Canberra](#), 11 October 2022.

Attachment A – What is the *Australia Together* National Wellbeing Index?

Australia Together contains

data about starting points for over 270 features of our current health and wellbeing as a nation – including statistics about our current social cohesion, natural environment, economy and democracy.

This is the

Australia Together National Wellbeing Index.

The Index will soon expand to include more than 350 baseline data points, marking our health as a nation in the early 2020s.



The Australia Together National Wellbeing Index



is a unique tool for measuring national wellbeing because it combines baseline data on indicators of wellbeing with targets for real progress on the issues that are most important to Australians.

Developed by acfp, this Index doesn't just measure change from a baseline, it measures the nation's progress towards or away from our preferred targets and outcomes. It measures our success in what matters most to us.

Click [here](#) to see how the Index is developing in Chapters 5 to 8 of *Australia Together*

What is the *Australia Together* National Wellbeing Index?

For more information, view the latest issues of *Australia Together* at <https://www.austcfp.com.au/australia-together>

If you would like to become involved in building a plan for a better Australia, visit the Australian Community Futures Planning website at www.austcfp.com.au
Everyone is welcome to participate.

Further questions may be forwarded to ACFP at info@austcfp.com.au

The *Australia Together* National Wellbeing Index

What is the *Australia Together* National Wellbeing Index?

The ***Australia Together* National Wellbeing Index** is a comprehensive, integrated dataset about Australia's wellbeing and security. It includes data on a wide array of indicators of the health of our society, environment, economy and democracy.

The Index is unique in that indicators within it are chosen to help Australians chart a course to their particular preferred future and monitor their progress from their present position towards or away from that future.

The preferred future is described in the draft [Vision for *Australia Together*](#), which contains:

- 17 statements about the life Australians have said they wish to be able to lead in 2050; and
- 57 Direction statements of their preferred and safe routes toward the Vision.

The ***Australia Together* National Wellbeing Index** is designed to help Australians select targets for their performance as a nation and their preferred strategies for achievement of those targets. It is an essential tool that anyone can use to become involved in:

- planning a better future for the nation,
- monitoring progress, and
- correcting course if need be.

Find out [how the Vision for *Australia Together* has been assembled](#).

Find out [more about *Australia Together*](#).

Find out [how to become involved in planning a better future for the nation](#).

As at December 2022, the ***Australia Together* National Wellbeing Index** contained over 270 indicators of the health, wellbeing and security of Australia at the outset of the 2020s. The Index held baseline and target data for all these indicators to enable comprehensive monitoring of wellbeing. All data in the Index are held in full form (including sources) at all times in ***Australia Together*** to ensure transparency.

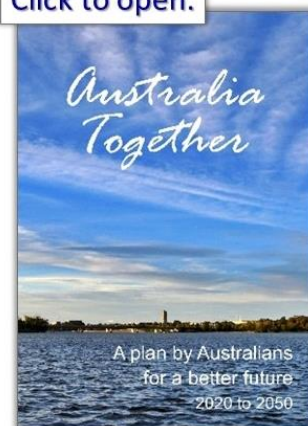
Australia Together is a plan in "starting draft" form and is revised regularly in response to community comment. Reports on the Index are provided prior to the end of federal parliamentary terms of office. For the latest report see <https://www.austcfp.com.au/state-of-australia>



Click to enlarge.



Click to open.



How is the *Australia Together* National Wellbeing Index assembled?

Australia Together is a national long term integrated plan for a better Australia by 2050 or sooner. It is a map through time of the safe paths to our preferred future. As such it is organised to enable us to:

1. select reasonable **Indicators** of progress towards the Vision for *Australia Together*;
2. establish **Baseline** information and data for each Indicator; and
3. establish **Targets** and **Strategies** for progress.

Taken together, the Indicators, Baseline data, Targets and Strategies form Australia's first comprehensive, integrated index of wellbeing. This is an Index that is not only about our current wellbeing but also about our progress towards or away from the type of wellbeing and security we, as citizens of a democracy, are likely to prefer for future generations – for our children.

The structure of linkages in the Index – between the Indicators, Baseline data, Targets and Strategies – allows us to paint accurate pictures of:

- a) our preferred destination by 2050, and
- b) where we are starting from in 2020.

With the aid of the Index we should be able to see:

1. **what life will be like** – for individuals, society, our natural environment, ecology, economy and democracy – if or when we reach the destination described in the Vision for *Australia Together*;
2. **what Australia will have become as a nation** – in its own terms, values, character, and as a global citizen – if we as a community move from the Baseline towards the Targets via the preferred safe Directions of the plan; and
3. **how far away we are from that destination and national character** at the start of the plan in the early 2020s.

ACFP has been able to assemble this structure for a long term national plan by using a specially designed **National Integrated Planning & Reporting** process – **National IP&R**. For detailed information about National IP&R and how to become involved, visit the [ACFP website](#).

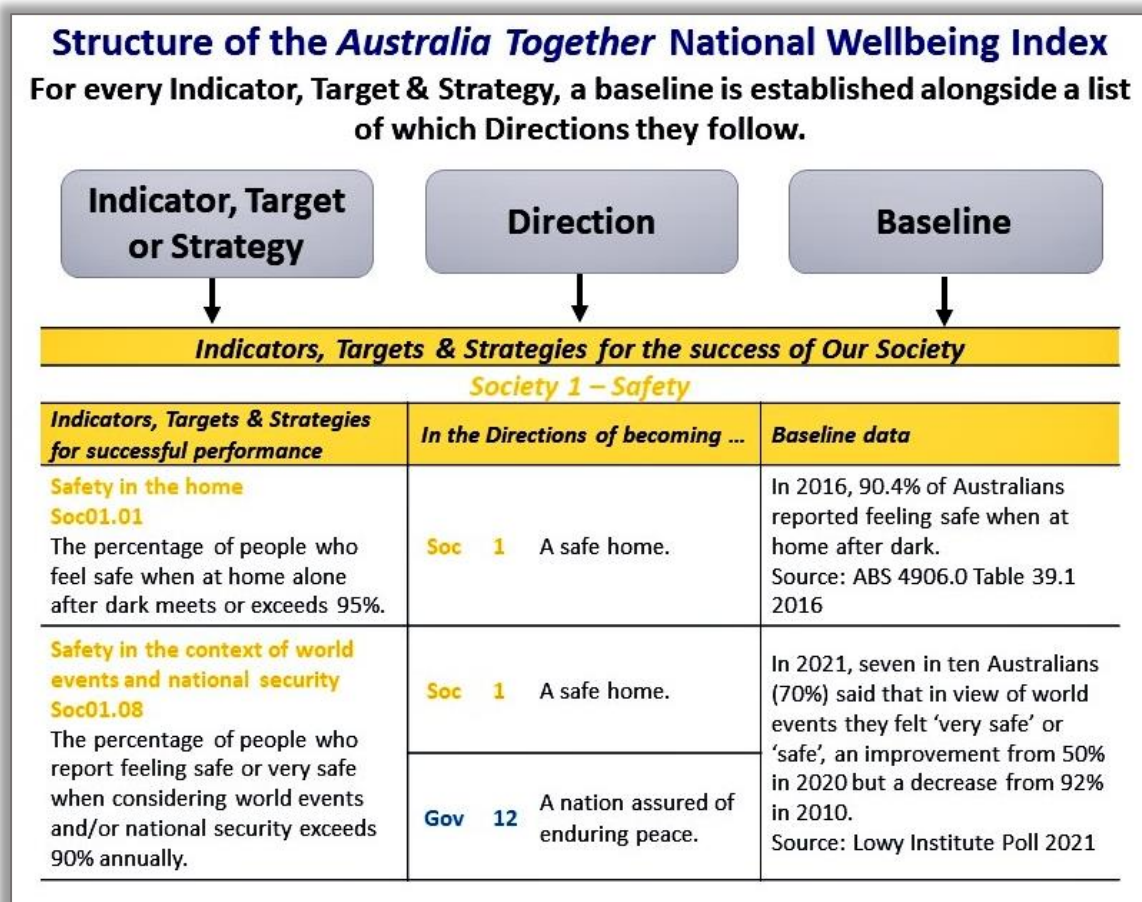
The **Australia Together National Wellbeing Index** is being built progressively and is currently housed inside the starting draft of *Australia Together* itself in:

- Chapter 5 – Targets and Strategies for Success in Our Society,
- Chapter 6 – Targets and Strategies for Success in Our Environment,
- Chapter 7 – Targets and Strategies for Success in Our Economy, and
- Chapter 8 – Targets and Strategies for Success in Our Governance.

As at December 2022, ACFP estimated that the Index was about 65% complete – meaning that it contained over 270 Targets and Strategies with reliable baseline data. It may be expected that another 50 to 100 Targets or Strategies will be added in later Issues of the plan as more Australians become involved during successive parliamentary terms.

The **Australia Together National Wellbeing Index** is a tool of National Integrated Planning & Reporting. This means it is structured so that it links and integrates a wide array of Targets and Strategies for a better future with baseline data about our starting position and within a system for

checking that we are following the safe Directions towards the Vision. Accordingly the Index is set out in *Australia Together* in simple three-column tables as shown in the following graphic:



How are Targets and Strategies selected for inclusion in the Index?

Targets and Strategies can be selected for inclusion in the *Australia Together* National Wellbeing Index if:

- they are of national strategic significance, and if
- it can be demonstrated that they will contribute to achievement of the Vision (whatever it may be) via the safe routes described in the Directions (whatever they may be).

Any Australian can suggest a Target or Strategy. There is really only one central rule in this selection system and this rule is designed to:

- protect the people’s integrated planning system from a loss of its independence through political interference; and
- prevent exclusion of diverse communities from participating in development of Strategies that are necessary to ensure they can find a place of equality and safety in Australia in the future.

The rule is that everyone must be able to find a place for their future and to that end no target or strategy can be included in the plan unless it can be demonstrated that it follows at least one of the 57 Directions of the plan and does not disable other Strategies which do follow the Directions.

In this arrangement, the Vision and Directions act as an independent, apolitical, non-partisan selection system for strategic initiatives that will reliably and efficiently drive the nation towards the Vision of we the people.

If, because of an expressed change of preference by the Australian people, the Vision or Directions change over time, this may admit different Targets and Strategies into the plan. But the Integrated Planning system itself will then work just as well to help Australians isolate the most reliable and efficient Targets and Strategies for the new Vision and Directions.

If Australians get the Vision and Directions right – so that they accurately reflect the aspirations of a diverse but cohesive community of Australians working together – then the Integrated Planning system will automatically ensure that selected Targets and Strategies will fit with that community’s Vision and Directions.

How is reporting on progress made transparent?

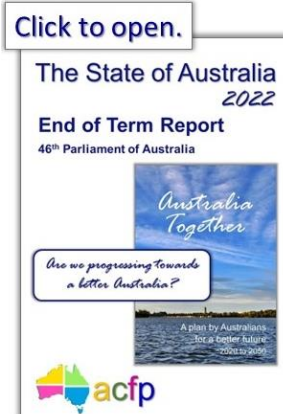
Reports on progress towards Targets and implementation of Strategies are produced at the end of each federal parliamentary term of office. These are called “End of Term Reports”. They are laid out so that readers can see:

- **full information on movement** from the Baselines of Indicators in the Index, and
- **the direction of movement** toward or away from the Targets.

End of Term Reports reprint the entire Index as it appears in latest version of *Australia Together* and then simply add another column which reports on the direction of movement from the Baselines for each Indicator, Target and Strategy, as shown in the graphic below. They then roll up data to produce clear pictures and summaries of where Australia is going and where it is going off track.

Australia Together National Wellbeing Index - Original			End of Term Report
Indicator, Target or Strategy	Direction	Baseline	Report on progress
Indicators, Targets & Strategies for the success of Our Society			
<i>Society 1 – Safety</i>			
Indicators, Targets & Strategies for successful performance	In the Directions of becoming ...	Baseline data	Direction of movement from baseline
Perceptions of safety and trust in the community Soc01.07.01 The proportion of Australians reporting trust in “most people” increases continuously.	Soc 1 A safe home.	In 2019, 55.2% of Australians on survey felt “most people could be trusted”, up slightly from 54.4% in 2014. Source: ABS General Social Survey 2020, Table 17.1	In 2020, 61.9% of Australians on survey felt “most people could be trusted”, up from 55.2% in 2019. Source: ABS General Social Survey 2020, Table 17.1 The longer term trend is steady. ← / →
Safety in the context of world events and national security Soc01.08 The percentage of people who report feeling safe or very safe when considering world events and/or national security exceeds 90% annually.	Soc 1 A safe home. Gov 12 A nation assured of enduring peace.	In 2021, seven in ten Australians (70%) said that in view of world events they felt ‘very safe’ or ‘safe’, an improvement from 50% in 2020 but a decrease from 92% in 2010. Source: Lowy Institute Poll 2021	Updated data not yet available. The shorter term trend was positive. → The longer term trend is distinctly negative with 6% of Australians reporting that they feel very safe in 2021, down from 44% in 2009, and 70% feeling safe or very safe in 2021, down from 90% in 2009. Source: Lowy Institute Poll 2021 ←

For an example of a full End of Term Report and summary reports visit the [ACFP State of Australia webpage](#) or click on the picture below.



What does the Index monitor?

The **Australia Together National Wellbeing Index** is not just a set of numerical statistics. It is about people – their values, desires, social predispositions, policy preferences, cultural attitudes, willingness to work together and preparedness for the future. The Index is built to reflect this complexity and this makes it the most useful measurement tool for purposes of ensuring we are travelling safely to the particular future we prefer.



The complex structure of the Index as an integrated set of Indicators helps Australians make both fine-grained and summary conclusions about progress (and the direction of progress) based on:

- the available statistical data on the *physical* attributes of Australia and Australians and on the *perceptions* of Australians about those attributes; and
- qualitative information available at the time in relation to the attitudes of Australians and the policies of political, business and community institutions.

Deeper insights and conclusions about progress and risks can be drawn because the Index is a complex integrated dataset about the complex integrated life we lead and world we live in. It allows Australians to consider a fuller array of inter-related indicators about each aspect of Australia's health, wellbeing and security. In preparing End of Term Reports for the consideration of Australians, ACFP uses colour to paint summary pictures: **red for negative progress**, **green for positive progress**.

The **Australia Together National Wellbeing Index** is a forward-looking measurement tool, not just a backward looking report on recent progress. It is designed to show:

- how well or poorly we may be performing as a nation in relation to **short term** changes in indicators – of health, wellbeing, environmental sustainability, economic strength, ethical governance and security; and
- our progress as a nation towards or away from **longer term** aspirations about all these things.

The Index therefore tracks progress towards the long term Vision of *Australia Together*, not just the shorter term movements backwards or forwards on each of the hundreds of Indicators in the Index. The benefit of this unique longer term, forward looking approach is that it gives Australians advance notice of any accumulating forces, policies, strategies and prevailing cultural or economic attitudes which may be dragging us away from our preferred future as we have expressed it.

The Australia Together National Wellbeing Index provides the data Australians need to know in the early 2020s so that they can understand the extent of effort needed to arrive safely home in 2050 and can adjust their plan in response to any foreseen need.

Australians are invited to use the Index to inspire them to develop strategies for inclusion in *Australia Together* for things that matter to them and that cannot be set on the right course without an integrated national effort.

Further questions may be forwarded to ACFP at info@austcfp.com.au

Attachment B – Comparing the OECD Indicators Framework and the *Australia Together* National Wellbeing Index

The following tables compare the *Australia Together* National Wellbeing Index with the OECD Indicators Framework.

- **Table 1** shows the “topic areas” measured in the *Australia Together* National Wellbeing Index compared to what Treasury might call the “policy areas” measured in the OECD Indicators Framework.
- **Table 2** provides of comparison of the number of indicators monitored in *Australia Together* per topic area and the number monitored in the OECD Framework.
- **Table 3** provides a comparison of the different approach taken in *Australia Together* to the sort of measures in the OECD framework.

Table 1 – Topic (policy) areas covered in *Australia Together* compared to the OECD Indicators Framework

Some key observations – The OECD Indicators Framework:

- does not measure anything about the current physical and mental health of Australians;
- lacks in indicators necessary to monitor wellbeing in a multicultural nation;
- focuses on measuring the wellbeing of the relatively wealthy rather more than the distribution of wealth;
- is a wellbeing Index for first world countries more than for those suffering misfortune and disadvantage in wealthy countries where inequality is growing (like Australia);
- contains entirely inadequate measures of economic strength; and
- offers no indicators which would give a perspective on the strength of democracy, government and corporate corruption, market distortion, or international cooperation.

Table 1 Topic areas covered in the <i>Australia Together</i> National Wellbeing Index compared to the OECD Indicators Framework				
Topic (policy) areas monitored in <i>Australia Together</i>			Does the OECD have an equivalent?	
Society	1	Safety	Some	Gender gap in feeling safe
				Trust in others
				Social support
				Homicides
Society	2	Indigenous heart	No	Nil
Society	3	Belonging & inclusion	No	Nil
Society	4	Health & wellbeing	Some	Life satisfaction
				Negative affect balance
				Life expectancy at birth
Society	5	Education	Some	Student skills in science
				Educational attainment among young adults
Society	6	Equality	Some	S80/S20 income share ratio
				Gender wage gap
Society	7	Diversity	No	Nil
Society	8	Women & LGBTIQ+	Some	Gender parity in politics

Table 1 Topic areas covered in the <i>Australia Together</i> National Wellbeing Index compared to the OECD Indicators Framework				
Topic (policy) areas monitored in <i>Australia Together</i>			Does the OECD have an equivalent?	
Society	9	Housing	Some	Housing affordability
				Overcrowding rate
Society	10	Family cohesion & community services	No	Nil
Society	11	Early childhood care	No	Nil
Society	12	Aged care & disability services	No	Nil
Society	13	Arts & culture	No	Nil
Society	14	Police services	No	Nil
Society	15	Justice	No	Nil
Society	16	Emergency services	No	Nil
Environment	1	Environmental advocacy	No	Nil
Environment	2	Climate change prevention	Some	Greenhouse gas emissions
Environment	3	Climate change adaptation	No	Nil
Environment	4	Environmental regulation & approvals	No	Nil
Environment	5	Environmental education	No	Nil
Environment	6	Energy	No	Nil
Environment	7	Transport	No	Nil
Environment	8	Agriculture & fisheries	No	Nil
Environment	9	Fresh water supply	No	Nil
Environment	10	Biodiversity	Yes	Red List Index of threatened species
Environment	11	Vegetation	No	Nil
Environment	12	Land & resource conservation	No	Nil
Environment	13	Parks & open space	Yes	Access to green space
Environment	14	Air & water quality	Yes	Exposure to outdoor air pollution
Environment	15	Marine protection	No	Nil
Environment	16	Waste reduction & recycling	No	Nil
Environment	17	Architectural & cultural site heritage	No	Nil
Environment	18	Cities planning	No	Nil
Environment	19	Regional planning	No	Nil
Economy	1	Economic planning, growth & transition	No	Nil
Economy	2	Employment planning & industry transition	Some	Labour underutilisation rate
				Employment rate
Economy	3	Equitable improvement in living standards	Some	Household debt
Economy	4	National wealth generation & sharing	No	Nil
Economy	5	Market regulation & competition policy	No	Nil
Economy	6	Government competitive business participation	No	Nil
Economy	7	Science, research, innovation & collaboration	No	Nil
Economy	8	Technology development & digitisation	No	Nil

Table 1 Topic areas covered in the <i>Australia Together</i> National Wellbeing Index compared to the OECD Indicators Framework				
Topic (policy) areas monitored in <i>Australia Together</i>			Does the OECD have an equivalent?	
Economy	9	International economic engagement & trade	No	Nil
Governance	1	Strength of democracy	Some	Voter turnout
				Having a say in government
Governance	2	National values & identity	No	Nil
Governance	3	Human & other rights	No	Nil
Governance	4	Constitutional reform	No	Nil
Governance	5	Transparency, openness & accountability	Some	Trust in government
Governance	6	Government ethics	No	Nil
Governance	7	Public service independence & excellence	No	Nil
Governance	8	Electoral system & funding reform	No	Nil
Governance	9	Corporate & NGO responsibility	No	Nil
Governance	10	Free communications policy & regulation	No	Nil
Governance	11	International participation & global justice	No	Nil
Governance	12	Peace & security	No	Nil
Governance	13	Humanitarian effort	No	Nil

Table 2 – Breadth of indicators in *Australia Together* compared to the OECD Indicators Framework

Some key observations:

- The OECD Indicators Framework is too narrow in measures to be useful as a wellbeing index for Australians. A useful wellbeing index requires a recognition of much greater complexity. In the 57 topic areas (some call these “policy areas” or “domains”) in *Australia Together*, the OECD Indicators Framework contains measures for only 17 topics. It contains no measures for the remaining 40 topics. This would indicate that the OECD framework is entirely inadequate for policy development purposes in Australia.
- Treasury may note that the OECD Framework is particularly inadequate in terms of its capacity to measure economic strength. This is because indicators have been selected outside a framework which establishes the preferred purpose of each nation’s economy. [Chapter 7 of Australia Together](#) sets out the primary objectives of Australia’s economy – that is, the type of economy Australians aspire to build to suit their purposes for a better quality of life. Perusal of this chapter may be useful in understanding how integrated planning works to help select the indicators most likely to help Australians determine whether they are moving towards their preferred type of economy via the safe routes.

Table 2 Breadth of Indicators <i>Australia Together</i> National Wellbeing Index compared to the OECD Indicators Framework				
Topic areas monitored in <i>Australia Together</i>			No. of indicators currently monitored in <i>Australia Together</i>	No. of indicators in the OECD Indicators Framework
Society	1	Safety	9	4
Society	2	Indigenous heart	30	0
Society	3	Belonging & inclusion	3	1
Society	4	Health & wellbeing	22	7
Society	5	Education	9	3
Society	6	Equality	3	3
Society	7	Diversity	4	0
Society	8	Women & LGBTIQ+	6	1
Society	9	Housing	3	2
Society	10	Family cohesion & community services	9	0
Society	11	Early childhood care	1	0
Society	12	Aged care & disability services	8	0
Society	13	Arts & culture	0	0
Society	14	Police services	3	0
Society	15	Justice	2	0
Society	16	Emergency services	3	0
Environment	1	Environmental advocacy	2	0
Environment	2	Climate change prevention	6	1
Environment	3	Climate change adaptation	1	0
Environment	4	Environmental regulation & approvals	0	1
Environment	5	Environmental education	1	0
Environment	6	Energy	8	0

Table 2 Breadth of Indicators <i>Australia Together</i> National Wellbeing Index compared to the OECD Indicators Framework				
Topic areas monitored in <i>Australia Together</i>			No. of indicators currently monitored in <i>Australia Together</i>	No. of indicators in the OECD Indicators Framework
Environment	7	Transport	0	0
Environment	8	Agriculture & fisheries	0	0
Environment	9	Fresh water supply	0	0
Environment	10	Biodiversity	2	1
Environment	11	Vegetation	1	0
Environment	12	Land & resource conservation	0	0
Environment	13	Parks & open space	0	1
Environment	14	Air & water quality	1	1
Environment	15	Marine protection	2	0
Environment	16	Waste reduction & recycling	0	0
Environment	17	Architectural & cultural site heritage	0	0
Environment	18	Cities planning	0	0
Environment	19	Regional planning	0	0
Economy	1	Economic planning, growth & transition	13	2
Economy	2	Employment planning & industry transition	12	2
Economy	3	Equitable improvement in living standards	21	3
Economy	4	National wealth generation & sharing	12	0
Economy	5	Market regulation & competition policy	3	0
Economy	6	Government competitive business participation	2	0
Economy	7	Science, research, innovation & collaboration	0	0
Economy	8	Technology development & digitisation	0	0
Economy	9	International economic engagement & trade	0	0
Governance	1	Strength of democracy	9	2
Governance	2	National values & identity	4	0
Governance	3	Human & other rights	6	0
Governance	4	Constitutional reform	4	0
Governance	5	Transparency, openness & accountability	11	1
Governance	6	Government ethics	6	0
Governance	7	Public service independence & excellence	3	0
Governance	8	Electoral system & funding reform	4	0
Governance	9	Corporate & NGO responsibility	6	0
Governance	10	Free communications policy & regulation	6	0
Governance	11	International participation & global justice	4	0
Governance	12	Peace & security	8	0
Governance	13	Humanitarian effort	2	0
Total			275	36

Table 3 – Differences in approach and focus between *Australia Together* and the OECD Indicators Framework

Key Observations: In *Australia Together* the focus is on measuring what matters to Australians. Table 3 highlights the narrow focus taken by the OECD not only in what it measures but how it measures it. Each OECD indicator tracks only one measure of progress. By contrast, the *Australia Together* National Wellbeing Index uses multiple indicators for assessing performance in a topic area and selects them on the basis of whether Australians care about them. In some cases, the OECD measures things that Australians do not care about (although governments may).

In cases where *Australia Together* does not measure OECD indicators, it may seek to do so in the future, depending on whether Australians care about such measures. It should be noted that in *Australia Together* indicators are selected whenever Targets and Strategies are established in a topic area. They are not set outside the integrated planning framework. Indicators are selected and monitored for purposes of measuring progress towards a defined state of wellbeing and security, not for the sake of what matters to other wealthy countries in the OECD.

Table 3 Differences in the approach to measurement between <i>Australia Together</i> National Wellbeing Index and the focus taken in the OECD Indicators Framework			
OECD Indicator	OECD measure	Present in <i>Australia Together</i> ?	How do the measures in <i>Australia Together</i> differ from the OECD's?
Household income	The net adjusted disposable income of households.	No	<i>Australia Together</i> measures <i>equity</i> of household income rather than the quantum or growth of income. Income growth is considered less useful as an indicator if taken out of the context of affordability of food, housing, health and essential services. (<i>Australia Together</i> would be somewhat unlikely to use this OECD measure.)
Household wealth	The total of private household assets net of financial liabilities.	No	<i>Australia Together</i> measures <i>equity</i> of household wealth and the shares of national wealth generated by Australians that are returned to Australians. (<i>Australia Together</i> would be somewhat unlikely to use this OECD measure.)
Employment rate	The share of the adult population (aged 25 to 64) who report having worked in gainful employment for at least one hour in the past week.	Yes	<i>Australia Together</i> measures participation rates, underemployment, underutilisation, duration of unemployment, permanence and casualisation of the workforce, source of employment (public or private), strategic goals for full employment, employment transition planning.
Produced fixed assets	The value of a country's stock of produced economic assets per capita, measured in purchasing power parity terms.	No	Evidence has not emerged that suggests this matters to Australians. (<i>Australia Together</i> would be somewhat unlikely to use this OECD measure.)
Educational attainment among young adults	The share of people aged 25-34 with at least an upper secondary education.	Yes	<i>Australia Together</i> measures affordability of tertiary education, student debt, public school funding, university and vocational education funding, primary and secondary school educational attainment, school attendance, early development, pre-school accessibility and attendance.

Table 3 Differences in the approach to measurement between <i>Australia Together</i> National Wellbeing Index and the focus taken in the OECD Indicators Framework			
OECD Indicator	OECD measure	Present in <i>Australia Together</i> ?	How do the measures in <i>Australia Together</i> differ from the OECD's?
Housing affordability	The share of household gross adjusted disposable income that remains available to the household after deducting housing costs.	Yes	<i>Australia Together</i> measures homelessness, home ownership by age, ownership by income.
Gender wage gap	The difference between male and female median wages as share of the male median wage (for full-time employees).	Yes	<i>Australia Together</i> measures gender equality in income, wealth, and superannuation, gender gap in educational attainment, economic participation and opportunity, health and survival.
Financial net worth of general government	The total value of general government assets minus the total value of its outstanding liabilities, as a percentage of GDP.	No	Evidence has not emerged that suggests this matters to Australians. (<i>Australia Together</i> would be somewhat unlikely to use this OECD measure.)
Labour underutilisation rate	The unemployed, the marginally attached and the underemployed expressed as a ratio of the labour force.	Yes	<i>Australia Together</i> measures participation rates, underemployment, underutilisation, duration of unemployment, permanence and casualisation, source of employment (public or private), strategic goals for full employment, employment transition planning.
Household debt	The total outstanding debt of households expressed as a share of household net disposable income.	Yes	<i>Australia Together</i> measures this.
Overcrowding rate	The share of households living in overcrowded conditions.	Yes	<i>Australia Together</i> measures this only for Indigenous households.
Life expectancy at birth	The number of years a child born today could expect to live.	Yes	<i>Australia Together</i> measures life expectancy for males, females, Indigenous and non-Indigenous as well as quality of health and burden of disease across a variety of areas of human health in Australia. The OECD has no indicators of human physical health. This matters more to Australians than life expectancy.
Homicides	The number of deaths due to assault per 100,000 people.	Yes	<i>Australia Together</i> measures this as well as a number of other indicators of personal safety including domestic violence, sexual assault, road deaths and Indigenous suicide.
Premature mortality	A measure of preventable deaths occurring at younger ages, usually due to illness or accidents, expressed in years of life lost per 100,000 people.	No	<i>Australia Together</i> measures this only for Indigenous people. (This measure may be included in future Issues of <i>Australia Together</i> .)
Social interactions (time spent)*	The average amount of time spent on social interactions.	No	<i>Australia Together</i> measures changes in factors that make quality social interactions possible, such as accessibility to education and essential services, sense of belonging and various aspects of social cohesion. (<i>Australia Together</i> would be somewhat unlikely to use this OECD measure.)

Table 3 Differences in the approach to measurement between <i>Australia Together</i> National Wellbeing Index and the focus taken in the OECD Indicators Framework			
OECD Indicator	OECD measure	Present in <i>Australia Together</i> ?	How do the measures in <i>Australia Together</i> differ from the OECD's?
Having a say in government	The share of the population who indicate that 'people like me do have a say in what the government does'.	Yes	<i>Australia Together</i> measures the percentage of those who feel able to have a say, but also strength of and satisfaction with democracy, participation in democracy, voter turnout, income-based trust inequality, and competence in national integrated planning and reporting.
Gender parity in politics	The share of women in the national lower or single houses of Parliament.	Yes	<i>Australia Together</i> measures this for all levels of parliaments.
Negative affect balance	A subjective assessment of emotions that measures the share of respondents with more negative than positive feelings.	No	<i>Australia Together</i> measures happiness and wellbeing trends in comparison with other countries, optimism/pessimism, and life satisfaction across diverse groups.
Students with low skills	The share of 15-year-old students below Level 2 of the OECD Programme on International Student Assessment (PISA) in reading, maths and science	Yes	<i>Australia Together</i> measures affordability of tertiary education, student debt, public school funding, university and vocational education funding, primary and secondary school educational attainment, school attendance, early development, pre-school accessibility and attendance.
Student skills in science	The mean score of 15-year-old students for PISA in science.	Yes	<i>Australia Together</i> measures affordability of tertiary education, student debt, public school funding, university and vocational education funding, primary and secondary school educational attainment, school attendance, early development, pre-school accessibility and attendance.
Social support	The share of persons that indicate they have friends or relatives that can assist them when needed.	Yes	<i>Australia Together</i> measures this.
Voter turnout	The number of votes cast, as a share of the population registered to vote.	Yes	<i>Australia Together</i> measures this but also the percentage of those who feel able to have a say, strength of and satisfaction with democracy, participation in democracy, income-based trust inequality, competence in national integrated planning and reporting.
Trust in government	The share of the population that expresses confidence in the national government.	Yes	<i>Australia Together</i> measures this.
Life satisfaction	The average of the population rating life satisfaction from 0 to 10, where 10 means 'completely satisfied'.	Yes	<i>Australia Together</i> measures happiness and wellbeing trends and comparison with other countries, optimism/pessimism, and life satisfaction across diverse groups.
Long hours in paid work	The share of employees whose usual working hours are 50 hours or more per week.	No	<i>Australia Together</i> measures more about employees who can't get enough work or any work at all. (<i>Australia Together</i> would be somewhat unlikely to use this OECD measure.)

Table 3 Differences in the approach to measurement between <i>Australia Together</i> National Wellbeing Index and the focus taken in the OECD Indicators Framework			
OECD Indicator	OECD measure	Present in <i>Australia Together</i> ?	How do the measures in <i>Australia Together</i> differ from the OECD's?
S80/S20 income share ratio	A measure of inequality that tracks the share of income received by the highest earning quintile relative to the share of the lowest-earning quintile.	Yes	<i>Australia Together</i> measures Gini coefficients for income and wealth and measures shares of national wealth generated by Australians that are returned to Australians.
Time off*	The amount of time not spent working by those in full-time employment.	No	<i>Australia Together</i> measures more about employees who can't get enough work or any work at all. (<i>Australia Together</i> would be somewhat unlikely to use this OECD measure.)
Gender gap in hours worked*	The difference in time that women work relative to men (both paid and unpaid).	No	<i>Australia Together</i> measures average weekly hours worked by casual employees relative to non-casual employees and the length of time taken to transition from casual to permanent employment. Also gender gap in educational attainment, economic participation and opportunity, health and survival. (This measure may be included in future Issues of <i>Australia Together</i> .)
Gender gap in feeling safe	The percentage difference that women do not feel safe compared to men when walking alone at night where they live.	No	<i>Australia Together</i> measures this but not on the basis of gender. Domestic violence is measured as is sexual assault, child assault, victims of crime, safety in the community and safety in the context of world events. (This measure may be included in future Issues of <i>Australia Together</i> .)
Trust in others	The average on a normalised scale of whether people feel they can trust others.	Yes	<i>Australia Together</i> measures this.
Gap in life expectancy by education	The gap in life expectancy among people with low (no schooling, primary and lower secondary educational attainment) and high (tertiary) education at age 25.	No	<i>Australia Together</i> measures the gap in life expectancy between men and women and Indigenous and non-Indigenous Australians. (<i>Australia Together</i> would be somewhat unlikely to use this OECD measure.)
Exposure to outdoor air pollution	The share of population exposed to more than 10µg/m ³ of PM2.5 – a measure of particulate pollution.	Yes	<i>Australia Together</i> measures air quality but not exposure by shares of population. (This measure may be included in future Issues of <i>Australia Together</i> .)
Greenhouse gas emissions	The tonnes of CO ₂ -equivalent per capita emitted by country.	Yes	<i>Australia Together</i> measures this.
Material footprint	The amount of raw material per capita extracted to meet the economy's final demand.	No	<i>Australia Together</i> does not measure this. (This measure may be included in future Issues of <i>Australia Together</i> .)
Red List Index of threatened species	A combined indicator of extinction risk for a broad range of flora and fauna.	Yes	<i>Australia Together</i> measures flora and fauna extinctions.

Table 3 Differences in the approach to measurement between <i>Australia Together</i> National Wellbeing Index and the focus taken in the OECD Indicators Framework			
OECD Indicator	OECD measure	Present in <i>Australia Together</i>?	How do the measures in <i>Australia Together</i> differ from the OECD's?
Access to green space	The share of the urban population with access to recreational green space within 10 minutes' walking distance from their home.	No	<i>Australia Together</i> does not yet measure this. (This measure may be included in future Issues of <i>Australia Together</i> if data are available.)

Attachment C – The “Australian Cohesion Index” – An example of how not to build and report on wellbeing indicators

In 2021 the Morrison government negotiated to add a new biennial “Australian Cohesion Index” into what had until that time been the fully independent Scanlon Index of Social Cohesion. The Scanlon Index is a high quality survey and report on Australia’s social cohesion which has been running for more than 15 years through Monash University with funding from charitable sources. It makes an extremely important contribution to the process of monitoring Australia’s wellbeing.

In 2021, however, the independence, integrity and continuity of the Scanlon Index surveys and reports were affected somewhat by government involvement. The report on the 2021 surveys – Mapping Social Cohesion 2021¹² – was published in a slightly truncated form compared to previous years with some negative data being removed from the report. And alongside the Index (or rather, subsuming it) Australians were introduced to a new federal government funded “Australian Cohesion Index”, the stated aim of which was to “redraw the map on social cohesion”. This new index incorporated parts of the Scanlon Index of Social Cohesion as a set of “subjective” measures of cohesion and added in 24 other “objective” measures of a cohesive society.

Unfortunately, the new Australian Cohesion Index obscured somewhat more than it revealed about Australia’s actual social cohesion and was outright misleading in reporting on its “objective” indicators due to:

- the selectivity and narrow scope of the indicators chosen, and
- the baseline dates and time periods that were used for reporting on trends.

A mere 24 objective measures of our “material conditions, health, education, participation and connections” did not (and will not) suffice for an accurate picture of Australia’s “cohesion”. And because of the exclusion of a broader array of indicators, a wider time scale and significant trend information, the picture painted by this ostensible index of our “cohesion” was, on balance, demonstrably false.

For instance, in reporting on the indicators selected to monitor material conditions the ultimate results were published as a positive gain between 2008 and 2018. The implication was:

- that economic growth per capita had improved over the period – when in fact it had not;
- that household incomes had grown substantially – when in the broader trend they had not;
- that poverty had declined – when in the broader trend it had not; and
- that income inequality had lessened – when in the broader trend it had not.

Reliance on a small number of cherry-picked indicators and selection of a baseline years that obscured real trends and variability between years had clearly led to a set of quite serious misrepresentations. The whole exercise resulted in conclusions being drawn that bore little relation, and sometimes none, to the actual data relied upon.

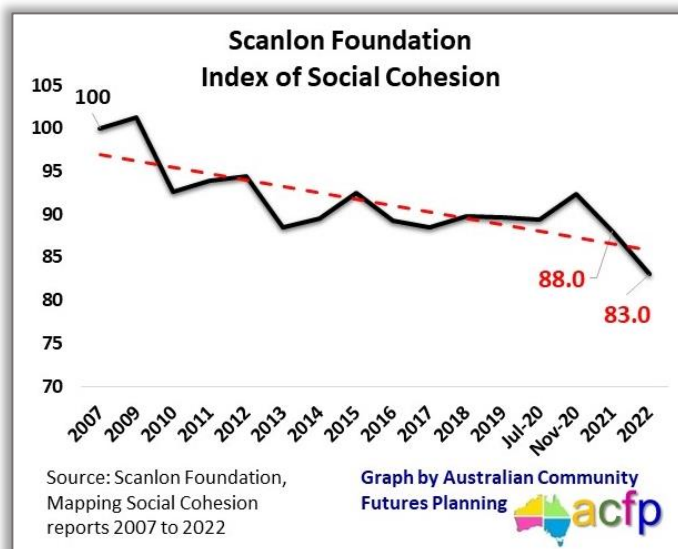
Additionally, several indicators chosen as “objective” measures did not monitor our “social cohesion” at all. They simply lied – either directly or by serious omission – about our real health and wellbeing as Australians and as a nation. They told the biggest lies in relation to our education, insulting Australians with an aggregate index score that promoted our education system as though it

¹² Scanlon Foundation, Mapping Social Cohesion 2021. <https://scanlonfoundation.org.au/2021-mapping-social-cohesion-report/>

had delivered better results for us overall, when in fact the system had been systematically attacked by governments over the decade and our educational attainment scores had dropped severely compared to other OECD countries. The same negative results would have applied for vital structures that underpin our democracy, such as transparency and trust in governments and politicians. But no such measures were assessed as part of the Australian Cohesion Index. If they had been, the results would not testify to a cohesive democracy in 2021. Again the selectivity of the indicators was a major problem.

The 2021 Australian Cohesion Index reported a result that boiled Australia’s progress in social cohesion down to a couple of numbers. This was entirely unhelpful for both purposes of policy development and accountability to Australians. It portrayed the result as a small decline of cohesion between 2008 and 2018 – a drop from 100 to a score of 97 in relation to the 24 new objective indicators, and a drop from 100 to a score of 94 on the original subjective domains in the Scanlon Index. Despite this negative trend, the overall result was promoted in positive terms as “social cohesion in broadly solid shape, despite COVID-19”. This ran entirely counter to the reported data. The more accurate picture of Australia’s decline in social cohesion was plain in the detail but obscured in the reporting.

With regard to the “subjective” domains of the original Scanlon Index, the data showed quite clearly that Australia’s social cohesion was in decline, having improved only once in the history of surveys undertaken by the Scanlon Foundation – way back in 2009. Thereafter it has been mostly downhill for Australia’s sense of social cohesion and has been noticeably downhill in terms of attitudes to immigration, multiculturalism, diversity and social justice. The current score for Australia’s social cohesion on the Scanlon Index is the lowest in the history of the survey.



This is a result which should be attended to by the Albanese government. Both the decline in social cohesion and the fact that it was obscured in reporting are a serious concern. ACFP would suggest that wellbeing indexes are most useful to Australians and governments when they are not misused for political purposes. We would suggest that Treasury create strong guidelines for any wellbeing index that may be established which protect them from being used for political purposes rather than as the basis of sound policy development.