

The Australian Centre on Quality of Life's submission to the Measuring What Matters consultation

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About the Australian Centre on Quality of Life

The [Australian Centre on Quality of Life \(ACQoL\)](#) is a research centre located at the Centre for Social and Early Emotional Development at Deakin University in Melbourne, Australia. ACQoL is committed to improving our understanding of life quality and wellbeing of individuals, families and communities through both theory development and empirical research. ACQoL currently has over 800 members from around the world, consisting of academic researchers, graduate students, and staff from various disciplines, including psychology, sociology, health sciences, and statistics. Members access the centre to obtain or share research findings relating to wellbeing and life quality. In addition, the ACQoL has formed an international collaborative network of national and international researchers, practitioners, and policy makers called the International Wellbeing Group (IWbG). The IWbG is dedicated to promoting and advancing the use of one of the most reliable multi-item measures of subjective wellbeing, the Personal Wellbeing Index (PWI).¹

The Australian Unity Wellbeing Index

At its conception in 2001, the ACQoL formed a partnership with Australian Unity to develop the Australian Unity Wellbeing Index – a rigorous and highly regarded annual survey of wellbeing in Australia. In addition to the AUWI, the ACQoL is home to the Australian Unity Longitudinal Wellbeing Study, which follows samples of Australians over time who respond to the annual cross-sectional surveys. Both of these surveys use several indicators and instruments to measure life quality including valid and reliable measures of subjective wellbeing.

Subjective Wellbeing

Subjective wellbeing refers to one's self-reported feelings about their overall life.² Measuring subjective wellbeing enables policymakers to monitor people's wellbeing, make informed decisions about targeted interventions and policies, and evaluate the effectiveness of existing policies aimed at improving wellbeing.^{3,4} Subjective wellbeing is often measured by asking a single question: "How satisfied are you with your life as a whole?", referred to as Global Life Satisfaction (GLS). For example, GLS is used as a measure of wellbeing by the Australian Bureau of Statistics (ABS) in the General Social Survey. However, a more reliable approach to measuring subjective wellbeing is through a multi-item measure, like the Personal Wellbeing Index (PWI), which asks one to rate their satisfaction across several aspects of their life.¹ Considering satisfaction across key life domains provides a richer picture of people's wellbeing, is more reliable than using a single question of life satisfaction, and, most importantly, provides more context to inform targeted policymaking. Both GLS and the PWI have been consistently included in every AUWI survey over the last 21 years.

AUWI Methodology

Every year, the AUWI asks a randomly recruited and geographically representative sample of 2,000 Australians aged 18 to 90+ years about seven life areas – their *standard of living, relationships, purpose in life, community connectedness, safety, health, and future security*. Using an internationally recognised methodology,¹ the AUWI combines their subjective ratings across these seven life areas into a single score out of 100, which forms the Personal Wellbeing Index (PWI).

Additionally, the AUWI measures national subjective wellbeing using the National Wellbeing Index (NWI).¹ The NWI determines the average satisfaction across six domains of national life – the *economy, the natural environment, social conditions, government, business, and national security*. Each survey also includes demographic questions and a small number of additional items that explore specific issues of personal or national interest and change from one survey to the next. Spanning 21 years and 39 cross-sectional, geographically representative surveys, the AUWI has measured the subjective wellbeing of over 70,000 Australian adults and is a rich source of data for researchers and policymakers.

Recommendations

ACQoI welcomes the Australian Government's recognition of the importance of incorporating wellbeing measures into budget and policy decisions in its commitment to improving the wellbeing of all Australian citizens. It is ACQoI's belief that the PWI is the most appropriate measure to use as a national indicator of subjective wellbeing.

Recommendation 1: The government uses the Personal Wellbeing Index (PWI) as a national indicator of subjective wellbeing

Using the PWI as an indicator of subjective wellbeing will provide the government with an annual population-based measure of how Australians feel about their life across key policy areas. The PWI has been recommended as a preferred tool for measuring subjective wellbeing by both the OECD³ and WHO⁵ and directly fits the provided criteria for a good progress and wellbeing indicator as below.

Relevant and Complete

The PWI measures the average level of Australian adults' satisfaction across seven domains of personal life – standard of living, health, achieving in life, personal relationships, safety, community connectedness and future security. Together, the domains have been shown to explain about 40-60% of the variance in one's overall life satisfaction.¹ Importantly, these broad areas of life are highly relevant to policy priorities.

Measurable and Comparable

The AUWI provides a longstanding measure of subjective wellbeing in Australia. Data from 39 cross-sectional surveys of over 70,000 Australian adults between April 2001 and June 2022 is free, publicly available, and ready for use. Notably, this provides the government with a normal range of subjective wellbeing levels in Australia from 20+ years of comparable data. While the measures of subjective wellbeing are highly stable when averaged across population samples (see Figure 1 below), these measures are also valid and reliable indices of disadvantage within our community. For instance, when compared against normal levels of subjective wellbeing, people who are carers for a disabled person at home, who are unemployed, or who are a single parent, have much lower wellbeing.⁶ For an example, see Figure 2 below and our recent piece on wellbeing during the pandemic in [The Conversation](#). Moreover, this loss of normal level subjective wellbeing is a valid and reliable indicator of mental distress in the forms of depression, stress and anxiety. As data are collected annually, using PWI as an indicator will enable the government to identify priority demographic groups and geographic regions for targeted policy, as well as monitor the effectiveness of policy on the subjective wellbeing of Australians.

Reliable and Understandable

The PWI is a highly reliable measure of subjective wellbeing that has been consistently validated in diverse population sub-groups in Australia and overseas.¹ Items in the PWI are simple and easy to understand and have been recommended for use by the OECD³ and WHO⁵.

Recommendation 2: The government includes the Personal Wellbeing Index (PWI) measure in the General Social Survey

Given its alignment with the above criteria, it is recommended that the PWI is used in addition to the measure of overall life satisfaction in the General Social Survey conducted every 1-5 years by the ABS. The PWI is simple, quick, reliable and valid, would add minimal time to the survey and provide a more robust measure of subjective wellbeing in the General Social Survey.

Figure 1. The Normal Range of Subjective Wellbeing in Australians from 2002 to 2021⁶

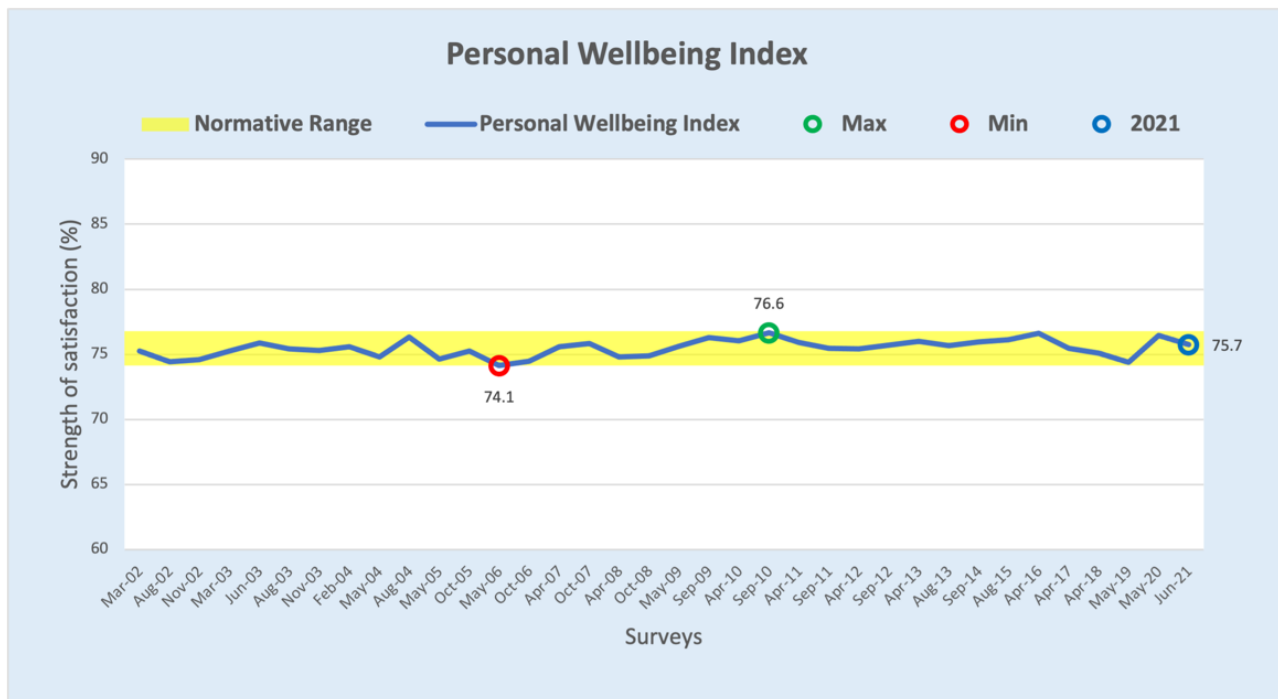
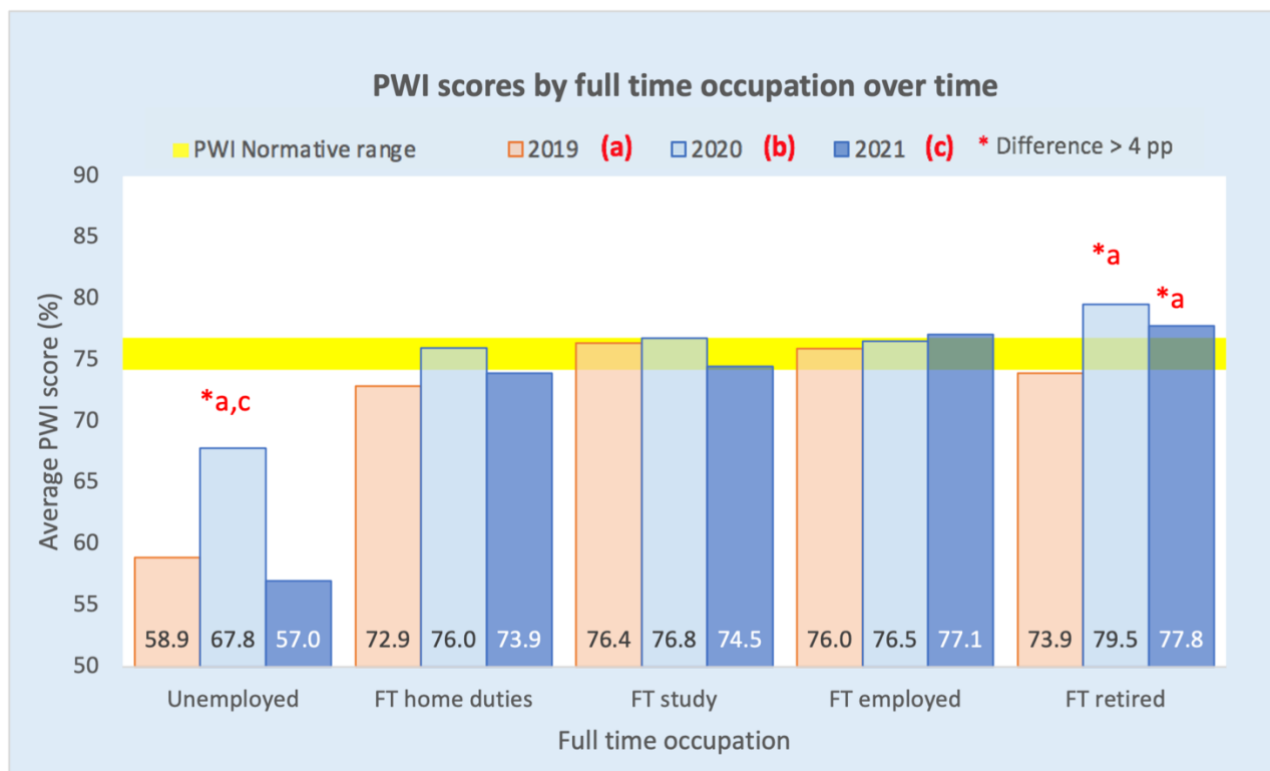


Figure 2. Subjective Wellbeing in Australians by Full Time Occupation Type from 2019 to 2021⁶



* Noting that a difference of 4 pp (percentage points) is statistically significant.

References

- ¹ International Wellbeing Group (2013). Personal Wellbeing Index: 5th Edition. Melbourne: Australian Centre on Quality of Life, Deakin University. <http://www.acqol.com.au/instruments#measures>
- ² Capic, T., Weinberg, M. A., Tomy, A. J. & Cummins, R. A. (2020). Nomenclature for Subjective Wellbeing Research. In: Personal Wellbeing Index Manual: 6th Edition, Chapter 11. Cummins, R. A. (Ed.). ACQol Open-Access Publications, Australian Centre on Quality of Life. Deakin University, Melbourne. <http://www.acqol.com.au/development/publications#Open-access>
- ³ OECD (2013), OECD Guidelines on Measuring Subjective Well-being, OECD Publishing, Paris. <https://doi.org/10.1787/9789264191655-en>.
- ⁴ Gaukroger, C., Ampofo, A., Kitt, F., Phillips, T. & Smith, W. (2022). Redefining progress: A review of global approaches to wellbeing, Centre for Policy Development. <https://cpd.org.au/wp-content/uploads/2022/08/CPD-Redefining-Progress-FINAL.pdf>
- ⁵ WHO (2012), Measurement of and target-setting for well-being: an initiative by the WHO Regional Office for Europe, WHO Regional Office for Europe, Paris. https://www.euro.who.int/_data/assets/pdf_file/0003/180048/E96732.pdf
- ⁶ Khor, S., Capic, T., Cummins, R.A., Fuller-Tyszkiewicz, M., Olsson, C.A., Hutchinson, D. & Lycett, K. (2021). Australian Unity Wellbeing Index - Report 38. Subjective wellbeing in Australia during the second year of the pandemic. Geelong: Australian Centre on Quality of Life, School of Psychology, Deakin University. <http://www.acqol.com.au/projects#reports>.