

Consultation on Measuring What Matters

Submission on behalf of the Centre for Urban Research

January 2023

Dear Treasury,

This submission is made by A/Professor Melanie Davern as Director of the [Australian Urban Observatory](#)¹, based in the Centre for Urban Research at RMIT University. The Australian Urban Observatory (AUO) was established in 2020 at RMIT University measuring, mapping and monitoring changes in city liveability at the municipal, suburb and neighbourhood level across the 21 largest cities in Australia. These cities were selected to align with the Australian Government National Cities Performance Framework and home to approximately 70% of Australia's population. Liveability indicators and demographic indicators included in the AUO assess local liveability for over 40,000 neighbourhoods and 170 municipalities in 2018 and 2021. These indicators have been included in nationally significant policy documents including the State of Environment Report and the National Cities Performance Framework. The national indicators system of the AUO was developed based on learnings from development and operation of Community Indicators Victoria which was the first statewide community wellbeing indicators system used for policymaking and planning in Australia. A/Professor Davern's research is also cited in the OECD (2013) Guidelines on Measuring Subjective Wellbeing.

The [Centre for Urban Research](#) at RMIT University is a focal point for leading and emerging scholars to deliver conceptual and applied research to create transformative change to cities and regions. We are deeply committed to a research impact culture that scales up and reaches out to develop and apply new ideas, understandings, and practices. The Centre has about 70 researchers, of which approximately 65% are research intensive. Staff expertise spans urban and transport planning, public policy, human geography, economics, environmental sciences, public health, spatial analysis, history, and sociology. The Centre's membership draws on deep and diverse academic expertise, active and meaningful collaborations, and lessons from the past and present to contribute thoughtfully to major urban and global agendas. Our cross-disciplinary research and new directions programs are gaining global recognition for addressing complex interdisciplinary challenges.

A summary of key recommendations is provided below in response to Treasury's proposal on better measures of wellbeing for Australia.

1. Summary of recommendations

- Indicator frameworks should be concise to be workable and implemented in policy. Frameworks should include key measures to highlight issues of importance acknowledging that comprehensiveness can compromise effectiveness. Indicator frameworks used to measure progress internationally (Table 4.2 in the Budget October 2022-23) generally assess under 15 policy domains with the exception of the New Zealand Living Standard Framework which includes 22 domains.

¹ auo.org.au

- Only New Zealand and Italy include over 100 indicators and there is a greater risk in reduced attention and policy focus with broad frameworks and excessive indicators and the general public are also less likely to understand and conceive the ideas driving the policy. Indicators should be designed to draw attention to key issues requiring attention and engage in future conversation and action.
- One of the major benefits of the New Zealand Living Standard Frameworks is the direct integration into policy and cross-sectoral implementation, monitoring and assessment. Any Australian wellbeing framework should address the need for these factors in implementation.
- Subjective wellbeing should be included in any national wellbeing framework. If public policy seeks to achieve societal benefits, then it is essential to measure individual perceptions of wellbeing and not the more global concept of life satisfaction. Subjective wellbeing refers to both affective and cognitive components and is an important wellbeing outcome recommended by, and included in, the OECD wellbeing framework. Subjective wellbeing is also included in the wellbeing framework for New Zealand, Canada, United Kingdom and Wales with statistical agencies collecting these data in many of these countries. The Australian Unity Wellbeing Index developed by Prof Bob Cummins and colleagues at Deakin University has also been used to measure subjective wellbeing nationally for the past 23 years provide an exceptional normative database to interpret subjective wellbeing results in the Australian context. Negative affect balance is not an appropriate measure to be included in the wellbeing framework, is poorly measured and does not replace the broader measure of subjective wellbeing.
- Additional health indicators should be considered in the framework if the wellbeing framework seeks to address and identify inequities across the country. Health inequities are unfair and avoidable differences in health outcomes associated with socio-economic and area-based disadvantage. Including health status indicators and rates on the leading causes of death in Australia such as coronary heart disease, dementia, cerebrovascular disease or lung cancer. Loneliness or self-rated health assessments could also be considered for inclusion within the domain of social connections/interactions/support. Area-based disparities in health outcomes are critical to understanding progress in society and a wealthier country does not mean better wellbeing or health if inequities are increasing across society or socio-spatial disadvantage is increasing.
- Liveability of cities should be considered within an Australian wellbeing framework. Urban growth, rapid development and urban sprawl are contributing to increasing commuting times, housing inaffordability, transport costs, air and noise pollution, work-life imbalance and fewer opportunities to develop community connections. Area-based assessment of liveability is currently made available in the [Australian Urban Observatory](#) for 21 cities, including city scorecards, and disaggregated results for municipalities, suburbs and neighbourhoods. Access to public open space is also included in the AUO. Understanding progress and measuring what matters to improve the lives of all Australians should also include measurement and monitoring of changes in liveability. This is particularly relevant when liveability assessments are freely available to Treasury and can easily be tracked across time. In the AUO liveability describes a place that *is safe, attractive, inclusive, sustainable, with affordable and diverse housing, connected by walking cycling and public transport to public open spaces, local shops and services, local employment and education with leisure and cultural opportunities.*

- Indicators included in the wellbeing framework should adhere to best practice principles for indicators² that include: a clear identification of public policy and purpose; measurement to draw attention; indicators developed according to a theory of change; different levels of area-based and demographic based aggregation; indicators that support citizen engagement and community dialogue; connect with the lived reality and relevance to Australians; and connect to future budget, planning and decision making.
- Measures of Australia's Progress brought together social, economic and environmental indicators related to national progress and was last developed by the Australian Bureau of Statistics in 2013. These indicators and the work of the ABS should be acknowledged and investigated in the wellbeing framework.
- Additional indicators should be considered to assess climate change and climate adaptation. These could include land surface temperature, sea surface temperature, ecosystem/biodiversity assessment and associated links to state of the environment reporting, changes to vegetation coverage, vulnerability assessments, natural disasters, corporation contributions to mitigation, food security assessments. The climate change response developed for Victorian councils of "How Well are We Adapting"³ could assist with climate change adaptation monitoring and the development of further indicators.
- The Red List Index does not translate well to the Australian context and the Australian Threatened Species Index provides a better indicator and can be directly understood by more people. Threatened species is a negatively framed indicator of loss and additional indicators of natural capital are suggested. An urban biodiversity index is recommended currently being developed in Australia. Additional indicators of environmental infrastructure should also be included in the wellbeing framework.
- Additional indicators of housing affordability should be included in the wellbeing framework including assessments of housing affordability according to income categories and age groups (e.g. 30/40 measure, older Australians and younger Australians) rental and mortgage stress, key workers living within areas, or indices combining housing, mortgage and inflation costs (e.g. VAMPIRE Index). A number of additional housing market indicators related to liveability will be made publicly available in the Australian Urban Observatory in late February 2023.
- There is an opportunity for government to align the delivery of any wellbeing framework with with the UN Sustainable Development Goals and align with existing indicators and targets.

² Davern, M.T., Gunn, L., Giles-Corti, B. *et al.* Best Practice Principles for Community Indicator Systems and a Case Study Analysis: How Community Indicators Victoria is Creating Impact and Bridging Policy, Practice and Research. *Soc Indic Res* **131**, 567–586 (2017). <https://doi.org/10.1007/s11205-016-1259-8>

³ <https://adapt.waga.com.au/>

Thank you for the opportunity to make this submission to Treasury and welcome the development of a wellbeing framework and budget in Australia. Please direct any queries related to this submission to A/Prof Melanie Davern on melanie.davern@rmit.edu.au or phone 03 9925 3090.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Melanie Davern', with a long horizontal flourish extending to the right.

A/Prof Melanie Davern
Director Australian Urban Observatory
Vice Chancellor's Senior Research Fellow
RMIT University