

Submission to Treasury consultation: Measuring What Matters

January 2023

As a provider of integrated primary health, mental health and social support services to individuals and communities that experience disadvantage in Melbourne, cohealth welcomes the opportunity to contribute to Treasury's consultation on [Measuring What Matters](#).

cohealth is encouraged that the Australian Government is taking the first steps of identifying and measuring key social outcomes, in addition to traditional economic indicators, as part of the budget process, and starting the process of developing a Wellbeing Budget. Traditional budget indicators, such as GDP, measure economic progress and change, and while important, they fail to reflect the outcomes that are important to individuals and the community. Wellbeing Budgeting provides the opportunity to shift the focus towards meaningful social outcomes, and cohealth is heartened by the move to this approach.

A broader set of indicators will enable policy makers to better understand the impacts of policies on different groups and work to reduce inequities and ensure that all Australians have the best possible outcomes in life. Of course, simply measuring items of wellbeing will not in itself improve the lives of Australians. Measurement is only one step in comprehensive Wellbeing Budgeting, which must also include hearing from Australians about the things that are important in their lives, setting wellbeing goals, integrating these into budgeting and policy processes, and continually reviewing their success.

This process will take time, and we cannot wait until the introduction of full Wellbeing Budgeting to implement essential changes that will immediately improve the wellbeing of some of the most disadvantaged Australians. This includes reducing poverty, ensuring everyone has a roof over their heads, can live their lives free from violence, racism and discrimination, and has the affordable, holistic, place-based and the culturally safe health care they need. There is already abundant evidence that key priorities to improve the wellbeing of the Australian community include reducing inequality (income, wealth, gender); significantly increasing the rate of JobSeeker Payment; urgently investing in social housing; and improving Medicare to reduce the costs of seeing a GP or specialist and paying for medication and preventative health. It is critical that the Australian Government urgently implement policies to achieve these aims without waiting for the development of Wellbeing Budgeting.

About cohealth

cohealth is one of Australia's largest community health organisations, delivering care from over 30 locations across the inner, north, and west of Melbourne as well as statewide services across Victoria. cohealth provides integrated general practice, medical specialist, dental, allied health, mental health, alcohol and other drug, counselling, family violence, and social support services to more than 50,000 people each year.

People using cohealth services typically experience social disadvantage and are consequently marginalised from mainstream health services or require a higher level of care and support – such as people who are experiencing homelessness, mental illness, people who use alcohol and other drugs, Aboriginal and Torres Strait Islanders, refugees and asylum seekers, recently released prisoners, LGBTIQ communities and people with chronic and complex health conditions.

The circumstances of the people cohealth works with are not reflected in the traditional budget approach. Wellbeing Budgeting holds the potential to identify social outcomes, and analyse and track the impact of public policies on various groups in the community, and lead to better public policy that works to reduce inequality and drive positive social outcomes.

Measuring What Matters

As noted on the Measuring What Matters consultation website, the OECD Framework for Measuring Well-being and Progress is well known and the inspiration for many countries' approaches.¹ As such, it provides a useful starting point as Australia embarks on better measuring what matters. However, the OECD Framework has limitations in data and coverage, and for this reason, other countries have identified specific objectives, policy areas and indicators to supplement it. cohealth agrees that it is important for Australia to add further detail and indicators to reflect our unique conditions and priorities.

Identifying what matters

A wellbeing economy moves beyond the focus on economic indicators such as GDP (Gross Domestic Product) and budget balances as our primary markers of progress, towards indicators that prioritise health, social and environmental outcomes for the people today and the generations of the future.² The concept of wellbeing economies has been developed to drive a new way to think about social progress and target funding to make the biggest difference. A Wellbeing Economy is one that is designed

¹ <https://treasury.gov.au/consultation/measuring-what-matters-2022>

² <https://www.vichealth.vic.gov.au/media-and-resources/publications/wellbeing-economy#whatisit>

with the purpose of serving the collective wellbeing of people and the planet, first and foremost; in doing so, it aims to deliver social justice on a healthy planet.³

Traditional economic measures fail to take account of important aspects of the lives of individuals and society as a whole – that everyone has their basic needs for food, housing, employment and safety met, and are part of inclusive and vibrant communities.

Measuring the things that matter to Australians will enable progress to be tracked and enable comparisons with other nations. However, measurement is only a first step. To drive progress, these indicators must be actively used to inform government priorities, policymaking and the allocation of resources, and not just be an adjunct to the Budget.⁴

Measuring what matters - foundations

Important foundations for Measuring What Matters and developing Wellbeing Budgets:

- **Community engagement and involvement.** It is important the community as a whole is involved in identifying what matters, and that this encompasses the diversity of Australians. Particular attention needs to be placed on ensuring that the groups which are often excluded from, or who have little input into, national conversations are supported to have their voices and goals heard. This would include – but is not limited to – Aboriginal and Torres Strait Islanders; people experiencing socio-economic disadvantage; people experiencing homelessness; people with a disability, poor physical or mental health; people from refugee and asylum seeker backgrounds; culturally and linguistically diverse communities; LGBTIQ+ communities; people from rural and remote areas; young people and older adults.

This community involvement should be ongoing to ensure goals remain relevant over time.

- Developing clear **goals** – once national wellbeing goals have been identified, indicators to measure them can then be identified. It is likely that these will reflect the various policy areas, or domains, identified in the Measuring What Matters Budget Statement (p125)⁵ – income and wealth; social connections; knowledge and skills; environmental quality; health; housing; civic engagement; safety; work and job quality; work-life balance; subjective wellbeing; and natural, human, social and economic capital – but confirming that these are what is important to Australians is an important part of the process.
- **Reflect differences** of experiences. High level indicators can hide the differing experiences and circumstances of different groups in society, so it is vital that

³ VicHealth 2022 *A toolkit to progress wellbeing economy approaches in Australia*
<https://www.vichealth.vic.gov.au/media-and-resources/publications/wellbeing-economy>

⁴ Cassandra Goldie, ACOSS CEO, quoted in [Croakey](#)

⁵ <https://budget.gov.au/2022-23-october/content/bp1/index.htm>

indicators can be disaggregated by gender, age, socio-economic status, cultural background/ethnicity (including Aboriginal and Torres Strait Islander and refugee status), disability, education, geography, and more. As people possess multiple characteristics at the same time, indicators that can reflect this intersectionality are particularly valuable.

Disaggregating measures in this way would help measure inequality and provide the foundation to address them. Too often inequalities are invisible, and not explicitly considered in the policy making process. As a result, policies that are intended to improve wellbeing can have the unintended consequence of increasing inequality.⁶ Disaggregated measures that highlight inequality and the differing impacts of policy decisions are vital to identify where to target policy action and highlight whether a policy response will improve or exacerbate inequality.

- All indicators included in the framework must have clear targets for improvement.

Additional measures:

The policy areas, or domains, identified in the Measuring What Matters Budget Statement (p125)⁷ - income and wealth; social connections; knowledge and skills; environmental quality; health; housing; civic engagement; safety; work and job quality; work-life balance; subjective wellbeing; and natural, human, social and economic capital provide a good starting point. Additional indicators that cohealth proposes be included are:

- **Poverty.** Australia has no national definition of poverty, and consequently does not formally measure it, nor have a plan to reduce poverty, despite our commitment under the Sustainable Development Goals to halve poverty by 2030. Defining, measuring, developing a national plan and setting targets for the reduction of poverty must be headline indicators in a Wellbeing Budget. The work of the ACOSS and UNSW Poverty and Inequality Partnership⁸ provides an excellent starting point for this measure.
- **Wealth inequality**, in addition to income inequality. One measure of inequality is included in the OECD framework indicators, the 'S80/S20 income share ratio'. This is a measure of income inequality, tracking the share of income received by the highest earning 20 percent of the population compared with the lowest earning 20 percent. However, income inequality measures do not take account of non-income resources, so including these by measuring wealth inequality is vital. Wealth is very unequally distributed in Australia, as a result of the increasing value of property and shares, and is only likely to increase as home ownership becomes

⁶ Flavel, J et al (2022). The need for improved Australian data on social determinants of health inequities. Medical Journal of Australia. [doi 10.5694/mja2.51495](https://doi.org/10.5694/mja2.51495)

⁷ <https://treasury.gov.au/consultation/measuring-what-matters-2022>

⁸ <https://povertyandinequality.acoss.org.au/>

more unaffordable for younger generations.⁹ Wealth also receives favourable taxation treatment compared to income, further favouring those with the income to invest in these assets.

- **Deprivation** measures. The deprivation approach identifies those unable to achieve an acceptable standard of living, assessed using prevailing community norms and perceptions. While the key component of approaches to measuring income-based inequality is a poverty line, the deprivation approach identifies items that are widely seen as essential pre-conditions for inclusion and then establishes who does not have and cannot afford these items.¹⁰ This provides a more nuanced adjunct to income-based measures of inequality.
- More diverse **health indicators**. In the OECD Framework health measures are limited to: life expectancy at birth; premature mortality; negative affect balance; gap in life expectancy by education; and exposure to outdoor air pollution. It would be valuable for an Australian framework to include a wider range of indicators, including measures such as: access to health care; preventable hospital admissions; major disease prevalence; addiction; mental health; child development; social isolation/connectedness; and investment in health promotion. How these figures differ across different population groups, ie health inequities, is also important to measure and track.
- **Employment** – measures of underemployment, precarious employment and job security, in addition to standard employment measures.
- Measurement of **cultural safety**. It is vital that Aboriginal and Torres Strait Islander peoples are closely involved in identifying and developing relevant measures, on an ongoing basis, in wellbeing budgeting approaches, and their data sovereignty is respected at all times.
- **Digital inclusion**. While the digital economy is generating social, cultural, and economic benefits for many Australians, these benefits are not equally shared.¹¹ Those without the resources to access devices and connections, or the capacity to use them can experience major barriers to education, work, and vital services.
- Key **social policy areas of nation priority** that are identified during the process of community engagement. These may include measures relating to gender inequality, family violence, mental health, homelessness and housing stress, and the like.

⁹ <https://povertyandinequality.acoss.org.au/category/inequality/wealth-inequality/>

¹⁰ Comparing the Monetary and Living Standards Approaches to Poverty Using the Australian Experience (2022) <https://link.springer.com/article/10.1007/s11205-022-02888-8>

¹¹ <https://www.digitalinclusionindex.org.au/what-is-digital-inclusion/>

cohealth would welcome the opportunity to discuss this submission and our perspectives on Measuring What Matters. Please contact Jane Stanley, Advocacy and Policy Advisor on jane.stanley@cohealth.org.au