

6 February 2023

The Treasury, the Australian Government  
Via email: [MeasuringWhatMatters@Treasury.gov.au](mailto:MeasuringWhatMatters@Treasury.gov.au)

Our Ref: 2023/049658

Dear Treasury

**Northern Beaches Council Submission – [Budget Statement 4 - Measuring What Matters](#)**

Northern Beaches Council would like to thank The Treasury for the opportunity to submit feedback on Budget Statement 4 – Measuring What Matters (Measuring What Matters).

Northern Beaches Council has stewardship of one of NSW's most scenic urban, coastal and bushland areas. Stretching from Palm Beach to Manly, the Northern Beaches boasts more than half of all beaches in Sydney.

More than 266,000 people call the Northern Beaches home. The community faces unique and significant wellbeing challenges in the future in part due to an increasingly ageing population. Council has undertaken significant work over the past 2 years to develop a Wellbeing Outcomes Framework that measures individual and community wellbeing, integrating wellbeing considerations and evidence into local decision making.

Council welcomes Treasury's acknowledgement that traditional macroeconomic indicators do not provide a complete or holistic view of community's well-being.

**Summary of key points in this submission:**

- Further clarity on the purpose of this framework would allow for better integration of a national framework with existing work of state and local governments around wellbeing.
- The role of a national framework does not need to be all things to all people but can provide highest level direction for other levels of government and organisations to align their work and move towards consistent and accessible measurement.
- A key purpose of a wellbeing framework should be to allow for policy makers to identify differences in experience between population groups, especially for underrepresented groups.

- Subjective wellbeing is fundamental to understanding wellbeing at an individual level and is different from personal objective wellbeing measures.
- Consideration of how complementary measures could be included as a subset in a national framework. Allowing for consistency and comparability for groups who conduct focused work, potentially through an indicator bank.
- Further consultation with state and local government on how a national framework supports existing work around wellbeing within local contexts would be welcomed.
- Further consultation is required that better targets the needs of underrepresented groups who traditionally find it difficult to engage in formal submission processes such as this one to understand their views on proposed indicators.

The remainder of this submission provides additional detail about each point.

### **The role of a national framework**

Measuring What Matters states on page 119:

- *“An overarching framework would complement these processes by providing a fuller perspective and improving visibility of the progress made on agreed priorities”*

An overarching framework would assist in complementing the wide range of indicators currently collected through specialised reporting. For this to be successfully utilised for decision making at a local level, indicators need to be built to allow for high level population tracking as well as at more granular levels, ideally Statistical Area level 4 (SA4).

Clarity around the purpose of this framework would focus on the ability of the framework to be adapted by different groups. Treasury should consider how to further explore the role of this framework in enabling other stakeholders to contribute to nuanced measurement of wellbeing for different local areas.

### **Consultation**

It is important to ensure that the indicators selected effectively allow for analysis of wellbeing at a national, state, and local level so that successful consultation can occur around agreed priorities to improve elements of wellbeing by all stakeholders.

Measuring What Matters states on page 142:

- *“An Australian framework would aim to provide a high-level view of Australia’s progress and well-being to improve visibility of key indicators at a national level”*

And page 126

- *“An effective framework will minimise the number of core indicators to support decision-making by avoiding unnecessary complexity”*

Minimising the number of core indicators and providing analysis at a population level will be beneficial for users of the framework. However, a key purpose of a wellbeing framework is to ensure that decision makers can identify differences in wellbeing outcomes between various groups living in the community, especially where there are inequalities across different groups.

While the national framework may not explicitly explore nuanced population groups, to provide leadership and direction effectively for policy direction and decision making it needs to allow for analysis and benchmarking to occur across a range of dimensions including but not limited to:

- Age
- Gender identity
- Ethnicity and cultural heritage
- Religion
- Sexual orientation
- Socio-economic status
- Family make-up
- Employment status
- Housing status
- Level of education
- People living with a disability

## **Subjective Wellbeing**

Table 4.1 on page 125 of Measuring What Matters places subjective wellbeing as its own domain:

- Based on our research into established wellbeing frameworks, subjective wellbeing is interwoven throughout all elements of wellbeing and should not be a singular domain. It would be helpful to define measures of personal subjective wellbeing as identified as a domain in Measuring What Matters and subjective wellbeing indicators across all domains.

Consider defining these two terms as:

**Personal subjective wellbeing:** A complex combination of a person's physical, mental, and emotional and social health factors.

**Subjective wellbeing across all domains:** Individual perceptions of measures of wellbeing across a range of fields such as social, participation, environmental, financial etc.

There are several examples from local and international contexts that demonstrate different ways of distinguishing these two types of wellbeing. The ACT Wellbeing Framework<sup>1</sup> articulates this difference within their framework and would provide a good starting point for considering how to frame this within a national framework.

Box 4.1 states on page 125 of Measuring What Matters that a good wellbeing indicator is:

- *“Measurable: indicators should have the potential for objective measurement”*

*“Reliable: preference should be given to indicators underpinned by objective and accurate data, which is not subject to different interpretations.*

Concerns are raised that this implies that subjective indicators by this definition do not make good measures of wellbeing. Subjective indicators are a critical component of a Wellbeing Framework for decision making within a local government context but are also likely to have a positive impact on decision making for all levels of government.

Subjective indicators are important as they highlight the lived experience of people and are better able to capture difference between population groups. These indicators compliment rather than replace objective measures of wellbeing. Both are important for decision making and allow and provide a more holistic view of wellbeing allowing prioritisation and confidence in decisions around improving overall wellbeing of a community.

### **Individual vs. Community wellbeing**

Measuring What Matters states on page 123:

- *“The central challenge of progress reporting is bringing attention to the broader factors that underpin community well-being and longer-term economic prosperity, in a focused way.”*

A focus on community wellbeing is critical to understating and improving resilience and social cohesion. It is noted that all the metrics provided for discussion are individual measures of wellbeing.

In developing a framework for the Northern Beaches, the indicators identified to measure community wellbeing alongside individual wellbeing include:

1. Current experience and relative importance of social cohesion
2. Current experience and relative importance of sense of community
3. Current experience and relative importance of opportunity for all<sup>2</sup>.

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<sup>1</sup> ACT Wellbeing Framework - <https://www.act.gov.au/wellbeing>

<sup>2</sup> Living in Place - [https://views.id.com.au/local\\_governments](https://views.id.com.au/local_governments)

## Ways of working

Measuring What Matters states on page 140:

- *“Provide common understanding of objectives across levels of government  
Enable more consistent evaluation of policy against progress, which can help to inform who is best placed to take policy action and address issues with policy implementation”*

Further exploration with key stakeholders, including local government, would indeed be beneficial. That would facilitate understanding on how a national framework can better enable all stakeholders to establish ownership and direct action to achieve relevant objectives across all levels of government.

From a local government’s perspective, an effective national framework would need to provide the mechanism for nuanced local data sets to contribute to aligning local policy making to state and national priorities, as well as providing the grounds for advocacy in response to local need.

To successfully incorporate wellbeing dimensions in policy decision making at a local level, access to data at LGA and suburb, if not Statistical Area level 4, is vital to it being valuable for local government which provides critical services and infrastructure for our community’s resilience, sustainability, and wellbeing.

The way that Northern Beaches Council has addressed this for our context is through inclusion of critical liveability attributes using the Living in Place methodology for subjective measures of wellbeing<sup>3</sup>.

This allows for benchmarking at a local level against other population sets, as well as identifying the unique things that are important to our community. This approach could be adopted by other organisations and departments as they can be retrofitted to existing wellbeing frameworks.

Measuring What Matters states on page 126

- *“An effective framework will minimise the number of core indicators to support decision-making by avoiding unnecessary complexity”*

To combat the challenges of minimising core indicators, while creating a comprehensive picture of wellbeing the introduction of a “indicator bank” or similar would allow for headline indicators to be selected, while providing a catalogue of indicators that provide better ability to measure outcomes at community levels.

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<sup>3</sup> <https://content.id.com.au/community-views#:~:text=Living%20in%20Place%20is%20an,liveability%20and%20determine%20future%20needs.>

NSW Department of Communities of Justice<sup>4</sup> have built an indicator bank into their Core Client Outcome and Indicator Framework for this purpose. Treasury could consider a similar approach for a national framework.

### Proposed OECD indicators

Feedback on relevant proposed indicators:

<p>Employment rate and differences across cohorts – page 132</p> <p><i>“This metric does not capture some of the key challenges in Australia’s labour market. For example, not all people have equal opportunities to participate in work”</i></p>	<p>This could be addressed by capturing data that can be analysed by demography and geography to identify different experiences across the population. There are some data points from the census that would enable this, albeit in 5-year intervals.</p>
<p>Housing affordability in the Australian context – page 133</p> <p><i>“This metric is not effective at assessing housing affordability in Australia as it does not directly capture the upfront-costs or mortgage serviceability costs of housing.”</i></p>	<p>The OECD measure for housing affordability is not effective in capturing the whole picture for the local Australian context. Particularly when considering demographic and geographic differences in experience.</p> <p>This indicator is particularly vulnerable to masking underrepresented groups and their experience of housing affordability and needs to be carefully considered.</p> <p>At a local level the impacts of this can be seen in the deterioration of social connections and networks as family and friends move to a new area for affordable housing or if tenancy is not secure. This has a significant impact on wellbeing for those who move and those who stay in place.</p> <p>One way to address this would be to include a subjective measure of both experience and relative importance for this element.</p>
<p>Greenhouse Gas Emissions</p> <p><i>“The indicator does not show whether Australia is on track to meet its legislated emissions reductions targets, or whether the cumulative decline across OECD countries will be sufficient to reduce the impact of climate change in line with the Paris Agreement”</i> Page 136</p>	<p>An opportunity exists to expand reporting beyond the current measures (per capita emissions) to allow for better demonstration against our targets and towards meeting the Paris Agreement.</p>

<sup>4</sup> The NSW Human Services Outcomes Framework - <https://www.facs.nsw.gov.au/resources/human-services-outcomes-framework>

Thank you for your consideration of the points raised in this submission. If you wish to discuss any of the matters raised please contact Briana Davis, Social Planning and Strategy Coordinator on 8495 6821.

Regards,

A handwritten signature in blue ink, appearing to read 'K. Walshe', is positioned above the typed name.

Kylie Walshe  
Executive Manager Community, Arts & Culture