



**AIA Australia Limited**  
(ABN 79 004 837 861 AFSL 230043)  
PO Box 6111  
Melbourne VIC 3004  
Phone : 1800 333 613  
Fax : 1800 832 266  
AIA.COM.AU

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Measuring What Matters, Social Policy Division  
Treasury  
Langton Cres  
Parkes ACT 2600  
**By email:** [measuringwhatmatters@treasury.gov.au](mailto:measuringwhatmatters@treasury.gov.au)

Dear Sir/Madam

## **MEASURING WHAT MATTERS – SECOND PHASE CONSULTATION**

Thank you for the opportunity to provide input into the development of the *Measuring What Matters Statement*. We welcome the publication of the first statement later in 2023 as a significant step towards improving community wellbeing and focusing on those things that make a difference to individuals.

AIA Australia is a life, health and wellbeing insurer, committed to helping people live healthier, longer, better lives. We are a purpose-led organisation, focused on making a difference in people's lives.

Our social responsibility is underpinned by a shared-value approach, to help people improve their health. Our shared-value approach means we put our efforts into projects and interventions that benefit not only our customers and our business, but society more broadly.

In responding to this consultation, we engaged some of our wellbeing partners to include a broader community perspective in our response. These partners are Ending Loneliness Together (<https://endingloneliness.com.au/>), Pain Revolution (<https://www.painrevolution.org/>) and Prevention United (<https://preventionunited.org.au/>).

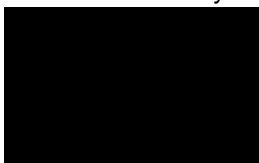
There was general consensus that the five policy themes identified (*Prosperous, Inclusive, Sustainable, Cohesive* and *Healthy*) provided clarity on the objectives that the Government is hoping to achieve. There are some areas where we believe refinement is needed, or greater emphasis or focus is required, and this is reflected in the main section of our response.

In addition, the community view was that a sixth theme, *Safe*, should be added, as community safety directly impacts many of the other themes identified like cohesion and inclusion. It also directly impacts the health of the community.

We have also included suggestions on indicators that would be useful in measuring progress against the objectives.

Should you wish to discuss any aspects of our response please do not hesitate to contact Tom Gordon, Head of Regulatory Affairs in the first instance on [tom.gordon@aia.com](mailto:tom.gordon@aia.com) or [REDACTED]

Yours sincerely



**Damien Mu**  
CEO and Managing Director  
AIA Australia

## General comments

Measuring the wellbeing of a person and a community requires equal focus on their physical wellbeing, their mental wellbeing and their financial wellbeing. There should be explicit recognition of each of these when measuring community wellbeing.

The measures should expect greater accountability from institutions. Many of the descriptions are framed at the 'society' level which directs more of the responsibility towards the individual. In some cases, the description may be better directed at the system and/or institution to ensure that accountability is clear. For example, the *Healthy* section focuses on individuals' health, without taking into account access to quality, affordable healthcare, and a healthcare system that puts the patient at the centre.

We believe it is important within each of the themes to acknowledge that there is not currently a level playing field in Australia, which should also be reflected in the indicators. For example, a description like *"People have access to education, knowledge and training so they have the skills to fully participate in society and the economy throughout their life"* doesn't take account of the inequalities inherent in access to good quality education, as well as people's differing opportunities to fully participate in society and the economy.

In terms of issues that are likely to be of greater importance in the future than they are now, the explosion of AI and greater community awareness of its integration into day to day settings should be considered. AI is likely to have significant impacts on employment and the future of the workforce, as some roles become redundant while new roles are created. Additionally, technology that is poorly targeted can undermine many of the policy themes that Government has identified. The spread of mis- or disinformation risk undermining efforts to improve inclusivity and cohesion.

This spread of false information also stokes fear in the community and can lead to reduced satisfaction which impacts negatively on health. There must be greater accountability for the institutions who deploy technologies, particularly if their interests are advanced over those of the broader community. We have picked this up in our proposed new pillar *"Safe"*.

## Prosperous

In our view, measuring wellbeing should be more focused on the individual rather than the economy. As drafted, some of the descriptors under this pillar are positioned as a measure of the economy, for example *"An economy that seizes the opportunities from the net zero transition and digitisation"*.

A greater focus on the individual might mean that the theme is reworded to something closer to *Financially Secure* or *Financially Well*.

This theme and its descriptors should also reflect that it has to be equitable – it doesn't matter if the economy is thriving or the top 1% in the community are doing well if others cannot afford the necessities of life. The focus of a growing, productive and resilient economy should be in closing the inequality gap – a rising tide that lifts all boats. A potential descriptor would include *"A society that minimises wealth inequality among the community"* and a potential target would be to keep the Gini coefficient between 0.20 and 0.25.

Recognition of the need for people to afford life's essentials (under the *Inclusive* theme) is welcome, however the community view was that this better sits as a description under the *Prosperous* theme.

## Inclusive

The heading describes *Inclusive* as *"A society that shares opportunities and enables people to fully participate"*. Any measurement of progress should ensure that participation is meaningful, as the outcome for individuals is improved where participation is actively undertaken rather than something forced on them. This could be reflected in the heading by replacing 'fully' with 'meaningfully'.

Additionally, this theme could be improved by also reflecting the negatives; that is, actively describing what an inclusive society is not, which can then carry through to the indicators. For example, including a descriptor such as *"A society that is free of racism, sexism, ageism, homophobia, transphobia, religious or disability discrimination"*.

## Sustainable

This theme makes several references to a changing climate. In our view, this should be broader than climate change and should acknowledge the way in which current practices use the natural environment and resources and the impacts they have.

The community feedback was that the description needed to be more explicit in order to ensure that it meets its objectives. For example, “A natural environment that is valued, *respected* and sustainably managed in the face of climate change *and current practices*, for current and future generations *and all members of the community*.”

This could also be reflected in the first descriptor “A healthy natural environment for current and future generations, protected from the damage caused by climate change *and the use of natural resources*.”

The third descriptor could also be broadened by removing the reference to “on track to reach net zero emissions”. The focus should be on the need for a sustainable ecosystem, which is broader than an emissions target.

An additional descriptor could align with the government's stated focus to reverse the decline of priority species and prevent any new extinctions of plants and animals.

The environment has consequences on people's health. There is an inextricable link between people's health and the environment. Climate change is the greatest global health threat of this century. It plays a crucial role in human health and wellbeing both directly: through storms, droughts, floods, heatwaves, temperature changes and wildfires, and indirectly: through water quality, air quality, land-use change and ecological change.

The nature of the relationship is two-way; that is, our behaviours impact environmental health, which in turn impacts human health. For humans to thrive, a healthy environment is essential, and in the same way, the environment needs healthy human behaviour to thrive. AIA Australia published a report in 2022 which provides a summary of the evidence and scientific literature linking human health and the environment.

You can access this report here - <https://www.aia.com.au/content/dam/au-wise/en/docs/reports/the-environment-and-our-health.pdf>

The last descriptor could be amended to read “A society that values *and respects* the social, cultural, *health* and economic significance of our natural environment.”

This theme could better acknowledge that climate change has greater impacts on particular groups of Australians. Younger people, for example, suffer greater levels of climate anxiety. Those with lower socioeconomic position, Indigenous peoples, seniors and people with pre-existing health conditions are impacted to a greater degree.

## Cohesive

The explicit recognition of Closing the Gap and valuing First Nation culture is important. However, in our view, Closing the Gap is broader than culture and cohesion. Addressing differences in key metrics like health, education and mortality, should be captured across the other pillars, such as Prosperous, Inclusive and Healthy.

In a comparable way to valuing First Nation cultures, society should also celebrate multiculturalism, and this should be expressly noted in the description of this theme. For example, “A society that embraces and values multiculturalism and its diversity”.

The community view was that this theme should reflect a positive intent to facilitate and encourage closer engagement with community and more multi-generational living to reduce the barriers to cohesion. Barriers need to be removed – a simple example is the barriers faced by community members in seeking to bring together their community, for example by holding a street party.

Balancing the community spirit intended with the effort in overcoming common barriers like obtaining council permits and arranging public liability insurance creates friction and undermines attempts to deliver progress on this objective.

## **Healthy**

We welcome the recognition of good physical and mental health as a core pillar of community wellbeing.

Improving health outcomes has economic benefits – ill-health directly affects social and economic participation. Poor health status represents one of the largest brakes on an economy's labour supply, meaning that successful preventative health measures can potentially have significant positive economic impacts and improve productivity of those in the workforce.

The community view is that the description under this theme should explicitly address:

- the inequality between cohorts
- removal of barriers to accessing quality, affordable healthcare
- a greater focus on health promotion designed to improve health literacy
- more focus on upstream activities and preventative health and mental health strategies
- a positive skew towards improving health outcomes rather than simply outputs and activity
- reflection of the impact of climate change on personal health – both physical and mental
- the need for strong public health messaging designed to counter disinformation (particularly relevant given the lessons from the COVID pandemic)

The objective of a society in which people feel well and are in good physical and mental health could be enhanced by a positive acknowledgement that people are protected from harmful industries, particularly where these industries advance their economic interest at the expense of the health and wellbeing of the society. For example, by including the following in the description *“A society where people are protected from institutions which advance their economic interest above people's health and wellbeing”*.

## **A sixth theme – Safe**

The community view is that a sixth theme – *Safe* - should be included. A society that helps people feel safe and secure will positively impact community wellbeing. Conversely, a society that doesn't help the community feel safe and secure risks undermining key objectives like cohesion and inclusivity. The physical and mental health of members in the community is impacted if they don't feel safe and secure.

A safe and secure society therefore underpins many of the objectives that the Government hopes to achieve.

The theme could be expressed as *“A society in which people are protected from violence, abuse and exploitation”* and include descriptors (some of which currently support the Cohesive pillar) such as:

- A society where people feel safe at home, online and in the community
- A government that is trusted by the public
- A society that is free of child maltreatment, bullying and family violence
- A society that reduces the inequity in how people are treated by institutions

## **Indicators**

We have noted indicators in the table below which we believe will allow Government to measure progress across the key themes identified.

Some of these were reflected in our January 2023 submission, while others are those used in the frameworks used by other countries. This is not an exhaustive list, but simply some thought-starters for consideration.

Theme	Indicator	Data source	Additional info
Prosperous	A measure of income inequality across the population	GINI coefficient	
Sustainable	Health impacts of air quality - Restricted annual activity days due to illness resulting from exposure to human-made PM10 pollution	This is a unit of measurement in New Zealand's Living Standards Framework	
	Prevalence of agricultural drought	This is a unit of measurement in New Zealand's Living Standards Framework	
	Emissions of greenhouse gases		This is a unit of measurement in Wellbeing of Wales
	Emissions of greenhouse gases attributed to the consumption of global goods and services in Australia		This is a unit of measurement in Wellbeing of Wales
	Percentage of surface water bodies, and groundwater bodies, achieving good or high overall status		This is a unit of measurement in Wellbeing of Wales
Cohesive	Social connectedness	Measure social isolation from ABS data (living alone statistics)  ABS to separately measure loneliness, similar to how the UK Government's Office of National Statistics measures this	AIA Australia report - The power of social connection. <a href="https://www.aia.com.au/content/dam/au/en/docs/reports/the-power-of-social-connection.pdf">https://www.aia.com.au/content/dam/au/en/docs/reports/the-power-of-social-connection.pdf</a>
	Social cohesion Index	<a href="https://scanloninstitute.org.au/australian-cohesion-index-2021/">https://scanloninstitute.org.au/australian-cohesion-index-2021/</a>	
	Percentage of people agreeing that they belong to the areas; that people from different backgrounds get on well together; and that people treat each other with respect		This is a unit of measurement in Wellbeing of Wales
	Percentage of people who are lonely		This is a unit of measurement in Wellbeing of Wales

Theme	Indicator	Data source	Additional info
Healthy	Risk factors (high blood pressure, dyslipidaemia, impaired fasting glucose and overweight and obesity)	ABS population health surveys	Context and more details found in AIHW's article on biomedical risk factors <a href="https://www.aihw.gov.au/reports/australias-health/biomedical-risk-factors">https://www.aihw.gov.au/reports/australias-health/biomedical-risk-factors</a>
	Access to mental health services	ABS National Study of Mental Health and Wellbeing	<a href="https://www.abs.gov.au/statistics/health/mental-health/national-study-mental-health-and-wellbeing/latest-release">https://www.abs.gov.au/statistics/health/mental-health/national-study-mental-health-and-wellbeing/latest-release</a>
	Health status - Percentage of adults reporting good, very good or excellent health	Proposed survey by ABS or AIHW	This is a unit of measurement in New Zealand's Living Standards Framework
	Mental health - Percentage of adults with high or very high levels of psychological distress	Proposed survey by ABS or AIHW	This is a unit of measurement in New Zealand's Living Standards Framework
	Burden of disease	AIHW	<a href="https://www.aihw.gov.au/reports/burden-of-disease/burden-of-disease-study-2018-key-findings/contents/about">https://www.aihw.gov.au/reports/burden-of-disease/burden-of-disease-study-2018-key-findings/contents/about</a>
	Premature mortality	ABS or AIHW	
	Healthy life expectancy at birth including the gap between the least and the most deprived		This is a unit of measurement in Wellbeing of Wales
	Percentage of adults / children with two or more healthy lifestyle behaviours		This is a unit of measurement in Wellbeing of Wales
	Mean mental wellbeing score for people		This is a unit of measurement in Wellbeing of Wales
	Percentage of people participating in sporting activities three or more times per week		This is a unit of measurement in Wellbeing of Wales

Theme	Indicator	Data source	Additional info
	Mental health wellbeing	<p>Using various measures including</p> <ul style="list-style-type: none"> <li>• Warwick Edinburgh Mental Health and Wellbeing Scale,</li> <li>• Mental Health Continuum Short Form, or</li> </ul> <p>WHO-5 well-being index</p>	
Safety	Child protection notifications	<p>ABS Personal Safety Survey</p> <p><a href="https://www.abs.gov.au/statistics/people/crime-and-justice/personal-safety-australia/latest-release">https://www.abs.gov.au/statistics/people/crime-and-justice/personal-safety-australia/latest-release</a></p>	