

Submission to the Treasury – Measuring What Matters (Second Phase)

MAY 2023

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About UnitingCare Australia

UnitingCare Australia is the national body for the Uniting Church's community services network and is an agency of the Assembly of the Uniting Church in Australia.

We give voice to the Uniting Church's commitment to social justice through advocacy and by strengthening community service provisions.

We are the largest network of social service providers in Australia, supporting 1.4 million people every year across urban, rural, and remote communities.

We focus on articulating and meeting the needs of people at all stages of life and those that are most vulnerable.

Introduction

UnitingCare Australia welcomes the opportunity to contribute to the Second Phase of the Treasury's consultation on measuring what matters.

Our submission is made in two parts – an overview and commentary about the development of the wellbeing framework and the completed Consultation Feedback Form at Attachment 1.

Overview

We recognise the inherent complexity in developing measures which properly consider social and economic wellbeing. Ensuring that the right measures are developed to assess those issues that matter most is essential to the success of this endeavour. Critical to this is ensuring that the wellbeing framework is embraced by governments, businesses, and the broader community. Doing so will enable us to shift the prevailing discourse that every action and decision by business and government should be viewed through a lens of cost benefit/return as if value is solely determined in economic terms. As the Treasurer noted¹

“To measure what matters is also to recognise a growing consensus from economists and investors that our economies need to embed and express **more than one notion of value** [emphasis added]”.

The Treasurer's position that the notion of *value* extends beyond an economic focus, is important in the context of this process of measuring what matters. However, it is important that in developing a wellbeing framework that the things that matter are not measured through the lens of economy-first. In other words, the measures developed to assess the progress against the developed indicators should not be viewed solely through a traditional economic lens. Instead, we argue that the lens through which we consider value embrace both tangible economic outcomes as well as social goods where these goods reflect our social values. Doing so will give permission to governments and businesses to invest in social goods and adopt a priority approach to investing early and proactively in people and communities, not because it's economically advantageous, but that it is simply the right thing to do.

Indeed, this accords with Australia's obligations under various international instruments to address social inequality more broadly, including the Universal Declaration of Human Rights, Convention on the Rights of the Child and the Convention on the Rights of People with Disability. The framework should be an important part of ensuring that these instruments are enshrined in all government

¹ The Hon Jim Chalmers MP, *Capitalism After the Crises*, The Monthly February 2023

decision making. In essence we call for a framework that enables us to better assess the social and economic wellbeing of the nation – the ‘nation’ representing people across the life course, from infants to older Australians. Just as a singular focus on income oversimplifies understandings of individual wellbeing², the same applies to our economy and the wellbeing of all Australians. A framework which properly recognises the interdependency of social and economic factors is essential in providing a truer picture of the wellbeing of the nation.

Governments currently collect more than enough relevant data to make informed policy choices aimed at improving the wellbeing of its citizens and the economy. The challenge in furthering this holistic approach to wellbeing is that currently measures of social wellbeing do not have the same standing in the public arena as those used to assess the wellbeing of the Australian economy. Indeed, such is the dominance of economic measures over social measures, that governments and commentators simply infer from economic data such as GDP growth, CPI and Unemployment rates, whether we are doing well or otherwise as a nation.

Take for example the unemployment rate. The Treasurer and most economic commentators view an unemployment rate below 4% as a positive indicator of the strength of the Australian economy. By historic comparisons the current percentage of people who are jobless or underemployed is low. The latest rise in the number of unemployed people has been viewed positively by many economic commentators because the increase in the number of jobless people may allow the Reserve Bank of Australia to pause further interest rate rises, which in turn could help limit further cost of living and business cost pressures.

According to the latest job numbers³ there are more than 1.4 million people looking for work or more hours of work. While at a macro-economic level, the unemployment numbers are “good”, at a societal level, there are some 1.4 million people who are now socially and financially vulnerable. For some of these people it is a life of entrenched poverty and long-term unemployment, forced to live off welfare benefits which are completely inadequate and below the poverty line.

To argue that, in relative terms, Australia is doing well because there are only 1.4 million people looking for work or more hours of work is to do so through an economy-first lens, which is not in keeping with the broader ideal of a wellbeing framework.

² UnitingCare Australia and the Australian National University. *Household Financial Stress and Financial Wellbeing in Australia*, 2022.

³ ABS 6202.0 Labour Force, Australia April 2023

Such a perspective does not, for instance, recognise that one in six Australian children (16.6%) live in poverty⁴, and that the flow-on effects of early disadvantage can often translate to unmet potential and diminished opportunity later in life⁵. Using available evidence and a lens of wellbeing is essential in recognising how Australians are fairing across the life course and subsequently directing investment, and particularly, early investment, to where it is needed to ensure best outcomes for all. If our economic decisions are not measured appropriately and not recognised as translating into better outcomes for individuals and communities, the likelihood is that people are serving the economy, rather than the economy serving the needs of the people.

The examples above highlight several concerns we have with the current framework. First, it remains unclear whether the framework and its measures will be developed with an economy-first lens and what reporting priority will be given to the traditional economic measures such as GDP growth over the proposed wellbeing indicators in future budget papers. Second is the utility of the framework beyond being a tool for government policy makers. This is of particular interest because if the public discourse and commentary about the nation's wellbeing continues to be dominated by traditional economic measures, it is difficult to envisage the longer-term utility of the wellbeing framework.

To our second issue, we see value in developing what might be regarded as macro-level societal wellbeing indicators. As mentioned previously, economic indicators such as GDP growth, CPI and Unemployment rates are regularly used as measures of the overall health of the economy. These measures do not in themselves provide a comprehensive assessment of the economy but act as an easily accessible proxy for the economy's condition which governments, commentators and the public understand. That is, they offer an overview of the performance of the economy which most people are now familiar with, thanks to regular reporting via the nightly news and social media.

Despite the ease in which an assessment can be made about the wellbeing of the economy using such indicators, they don't properly represent societal wellbeing. To this point we recommend the development of macro-level societal indicators which would function similarly to those economic indicators mentioned and provide an easily understandable snapshot of Australia's social wellbeing.

These indicators need not be comprehensive in nature but nonetheless provide a sense of our social wellbeing. We suggest that societal wellbeing indicators could include a Relative Poverty Rate, Housing (rental and purchased) affordability and

⁴ Social Policy Research Centre (University of New South Wales) and Australian Council of Social Services). *Poverty in Australia 2022 Report*.

⁵ UnitingCare Australia. *Child Social Exclusion, Poverty and Disadvantage in Australia*. 2018.

some measure around access to healthcare. These indicators should be reported on regularly, with data underpinning these measures being obtained and published through the Australian Bureau of Statistics. These three indicators offer a useful snapshot of societal wellbeing and when combined with the economic indicators provide a more holistic overview of the wellbeing of the nation.

Finally, the issues arising from the consultation on Measuring What Matters are provided in the Feedback Form at Attachment 1.

We are happy to meet with the Treasury to further expand on the issues raised in our submission.

Measuring What Matters: Consultation Feedback form

To be completed by meeting host after each meeting and returned to measuringwhatmatters@treasury.gov.au by 26 May 2023.

Meeting details

Meeting host name/ organisation: UnitingCare Australia

Meeting host contact details [phone or email]: Fay Mound faym@nat.unitingcare.org.au

Meeting host

- ☐ Member of Parliament
- ☐ Local government
- ☒ Non-government organisation
- ☐ Business
- ☐ Academic
- ☐ Community group
- ☐ Individual
- ☐ Other Click or tap here to enter text.

Meeting date: 15/05/2023

Meeting location: Online

Participants attending:

- ☒ Member of a community organisation
- ☐ Businesses
- ☐ Academics
- ☐ Union members
- ☐ Individuals
- ☐ Other Click or tap here to enter text.

Number of participants: 4

What matters to Australians?

1. Did the five emerging policy themes Prosperous, Inclusive, Sustainable, Cohesive and Healthy resonate with meeting participants?

☒ Yes ☐ No if not, why not [Click or tap here to enter text.](#)

2. Which of the following themes are most important to you? (Select three)

☐ **Prosperous:**

A growing, productive and resilient economy

☒ **Inclusive:**

A society that shares opportunities and enables people to fully participate

☒ **Sustainable:**

A natural environment that is valued and sustainably managed in the face of a changing climate for current and future generations

☒ **Cohesive:**

A safe and cohesive society that celebrates culture and encourages participation

☐ **Healthy:**

A society in which people feel well and are in good physical and mental health now and into the future

3. Which themes or descriptions were most frequently discussed? (Select three)

☒ **Prosperous:**

A growing, productive and resilient economy

☒ **Inclusive:**

A society that shares opportunities and enables people to fully participate

☐ **Sustainable:**

A natural environment that is valued and sustainably managed in the face of a changing climate for current and future generations

☒ **Cohesive:**

A safe and cohesive society that celebrates culture and encourages participation

☐ **Healthy:**

A society in which people feel well and are in good physical and mental health now and into the future

4. What do you see as the most important issues for future wellbeing? Are these captured by the emerging policy themes?

There was some discussion about the number of themes and whether themes 1, 2 and 4 could be merged and renamed. The suggestion to merge was based on the idea that the three themes (reduced from 5) could act as a high order macro-level measures of national wellbeing in conjunction with some of the traditional measures used to assess the health of the economy. However, if the current five theme framework is a more useful tool to Government in the development and monitoring of social and economic policy, then it should remain with more work to develop a macro set of indicators which provide a picture of our national societal and economic wellbeing (see submission).

5. How might the descriptions be amended to best reflect our priorities?

The descriptors are appropriate however the questions which remain outstanding are - what data will be used to measure these descriptors and will they be developed through and economy-first lens?

6. Are there any indicators and existing data sources that will be critical to inform the emerging policy themes?

Governments have access to a plethora of data, through the ABS, AIHW (and similar agencies) as well as through contract and regulatory reporting obligations. The Government should first explore its current store of data before seeking additional data from business and community organisations. However, there was a strong push for that data to be published regularly and via the ABS

7. Is there any additional information you would like to see in the Measuring What Matters Statement? If so, please outline.

This was the area of most discussion, the key issues raised included:

- Indicators contained within the wellbeing framework should include demographic categories which will be important in measuring wellbeing and progress
- A schedule of rolling reporting of indicators would be useful with the key measures reported at least on a quarterly basis. The utility of the framework would be compromised if reporting was a once-a-year event and only within the Budget context
- The data used to measure wellbeing should be reported through the ABS
- Some further clarification around the purpose(s) and use of the framework is needed – is the primary purpose of the framework simply about reporting on KPIs or that of a strategic policy framework for government and its agencies to use in the shaping of new policy proposals
- The need to use this opportunity to introduce ‘societal wellbeing’ into public policy/budgetary vernacular and across government and the broader public discourse