



Measuring What Matters

Alliance Social Enterprises Submission



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We recognise First Nations peoples as the Traditional Custodians of the lands throughout Australia and acknowledge their continued connection to country and culture. We pay our respect to Elders past, present and emerging; and to all First Nations peoples, and the wisdom they hold.

Alliance Social Enterprises (ASE) is a non-for-profit certified social enterprise which has collaborated with Simerica-Jacobs¹, global leaders in social value analysis, wellbeing research and econometrics to develop the Australian Social Value Bank (ASVB)². The ASVB's online Social Value Calculator allows anyone to conduct rapid, simplified, Social Cost Benefit Analysis (SCBA)³ that aligns with best practice government guidance. The strength of the ASVB lies in its bank of 68 methodologically consistent Wellbeing Values⁴ which allows the value of social outcomes to be included in decision making.

Alliance Social Enterprises believes that “Measuring What Matters” is a critical step for the Australian Government to take. We congratulate them on their intention to develop an overarching framework for measuring the progress and wellbeing of Australians in order to generate more “informed policy making and improved accountability”. We also believe that Australia should integrate their framework into their decision-making processes, as New Zealand has done⁵.

ASE has been working to support such aspirations since its inception in 2017, when we licensed our bank of Wellbeing Values to New Zealand Treasury for use in their internal budget processes and for inclusion in their Cbax⁶ tool. This agreement was then extended to include an additional seven New Zealand Government Departments. Our submission focuses on the use of Wellbeing Values to support budget allocation decisions relating to initiatives developed under the Australian Framework.

We also propose additional data collection to create Wellbeing Values that align to the Australian Framework, ensuring priority groups are statistically represented. We are mindful that particular attention needs to be given to the wellbeing of First Nations people. ASE is currently working to obtain funding for a research project to explore whether Wellbeing Valuation, when taken back to first principles, can be applied to Aboriginal and Torres Strait Islander peoples.

ASE also supports the submission made by A/Prof Christian Nygaard, Director of the Centre for Urban Transitions (CUT) at Swinburne University of Technology⁷. This submission

¹ [Simerica-Jacobs](#)

² [Australian Social Value Bank](#)

³ “Social Cost Benefit Analysis (SCBA) assesses the impact of different options on social welfare.” [HM Treasury \(2021\), ‘Wellbeing Guidance for Appraisal: Supplementary Green Book Guidance’](#)

⁴ [Australian Social Value Bank Outcomes List \(2022\)](#).

⁵ Statement 4: Measuring What Matters, Box 4.2: Wellbeing Budgets – New Zealand and International Developments

⁶ Te Tai Ohang, The NZ Treasury (2022), [‘CBAX Tool User Guidance, Guide for Departments and Agencies using Treasury’s CBAX tool for Cost Benefit Analysis.’](#)

⁷ [Centre for Urban Transitions \(CUT\) at Swinburne University of Technology](#)

provides additional technical detail relating to the use of Welfare Weights and Wellbeing Valuation in SCBA.

We are collaborating with CUT and the Community Housing Industry Association (CHIA)⁸ on a tool to calculate the social and green benefits created by the development of Social and Affordable Housing⁹ which is referenced in CHIA's submission also. It provides a practical example of how Wellbeing Valuation is being used to strengthen the business case for the development of Social and Affordable Housing.

ASVB Alignment to the OECD Framework

Please find attached a paper which aligns the ASVB outcomes against the Domains of the OECD Wellbeing Framework.

It should be noted that the ASVB was originally developed by an alliance of three Community Housing Organisations, and therefore the Wellbeing Values that were developed focus on outcomes relevant to Community Housing Tenants, but which have broader application.

The current list of 68 wellbeing outcomes in the ASVB have been derived using the Wellbeing Valuation¹⁰ methodology and are based on datasets from the HILDA¹¹ (Household Income and Labour Dynamics in Australia) survey and the Journeys Home¹² survey. Wellbeing Valuation “uses econometric techniques to estimate the life satisfaction created by a particular non-market good and converts this into monetary value by combining it with an estimate of the effect of income on life satisfaction.”¹³ Wellbeing Valuation is listed as an accepted methodology to value non-market goods in both the HM Treasury Greenbook¹⁴ and the NSW Government Guide to Cost Benefit Analysis¹⁵. Wellbeing Values can be used in ex-ante SCBA to support Budget allocation towards initiatives which have the greatest positive impact on the wellbeing of Australians and show value for money, and for ex-post reporting against budget spending. Such analysis could be considered for inclusion in policy

⁸ [Community Housing Industry Association](#) (CHIA)

⁹ [CHIA – Key Initiatives, Social & Green Benefits Calculator](#)

¹⁰ Australian Social Value Bank (2017), '[Measuring Social Impact; The Technical Reference Paper.](#)'

¹¹ [HILDA \(Household Income and Labour Dynamics in Australia\) Survey](#)

¹² [Journeys Home survey](#)

¹³ Australian Social Value Bank (2017), '[Measuring Social Impact; The Technical Reference Paper.](#)';

¹⁴ HM Treasury (2021), '[Wellbeing Guidance for Appraisal: Supplementary Green Book Guidance](#)'

¹⁵ NSW Government - The Treasury (2017), '[NSW Government Guide to Cost-Benefit Analysis](#)'

and program development, implementation and evaluation, and existing processes such as Commonwealth Portfolio Budget Statements (PBS) and intergovernmental agreements.

Additional Data Collection

We suggest that Government review current ABS data collection and existing reporting processes (as per Table 4.3 – Statement 4: Measuring What Matters) to assess where additional data collection could be included moving forward. We must ensure priority groups are statistically represented in datasets when disaggregated. This will allow identification of outcomes that have significant impact on the wellbeing of specific groups. It will also allow for valuation of specific outcomes for priority groups. This in turn will support the Government’s implementation and evaluation of policy initiatives that aim to improve specific outcomes under the Framework.

The creation of these wellbeing values will also support organisations to build their business case when tendering to implement these initiatives on behalf of Government.

Once relevant data has been collected, we would welcome the opportunity to work with the Government to undertake Wellbeing Valuation on outcomes that align to the Australian Framework.

As acknowledged in Statement 4: Measuring What Matters, there are limitations to the OECD framework not being tailored to the Australian context, with an obvious gap being representation of our First Nations people. ASE is hoping to collaborate with the Mayi Kuwayu¹⁶, National Study of Aboriginal and Torres Strait Islander Wellbeing, and Kowa Collaboration¹⁷, to explore whether Wellbeing Valuation can be applied to First Nations people. We have received in-principle agreement from both parties based on preliminary discussions.

Wider Social and Economic Benefits of Social and Affordable Housing

The aim of this project is to develop a tool that enables the calculation of the social and environmental benefits created through the construction of social and affordable housing. It was prompted by Infrastructure Australia’s 2021 Infrastructure Plan¹⁸, Outcome 8.3.1 ‘*Guide better social infrastructure investment by developing a consistent, national valuation*

¹⁶ ANU (2023), [Mayi Kuwayu](#) National Study of Aboriginal and Torres Strait Islander Wellbeing

¹⁷ [Kowa Collaboration](#)

¹⁸ Infrastructure Australia, [2021 Australian Infrastructure Plan](#)

framework that captures, measures and assesses the quadruple-bottom-line benefits of social infrastructure’.

The tool includes ASVB Wellbeing Values for a range of housing outcomes, educational attainment outcomes, reduced overcrowding, reduced parental stress and reduced financial stress¹⁹. These outcomes have also been broken down into three age ranges and whether people live in a capital city or not. We are currently undertaking further Wellbeing Valuation research to understand the value of housing outcomes specific to people with a disability.

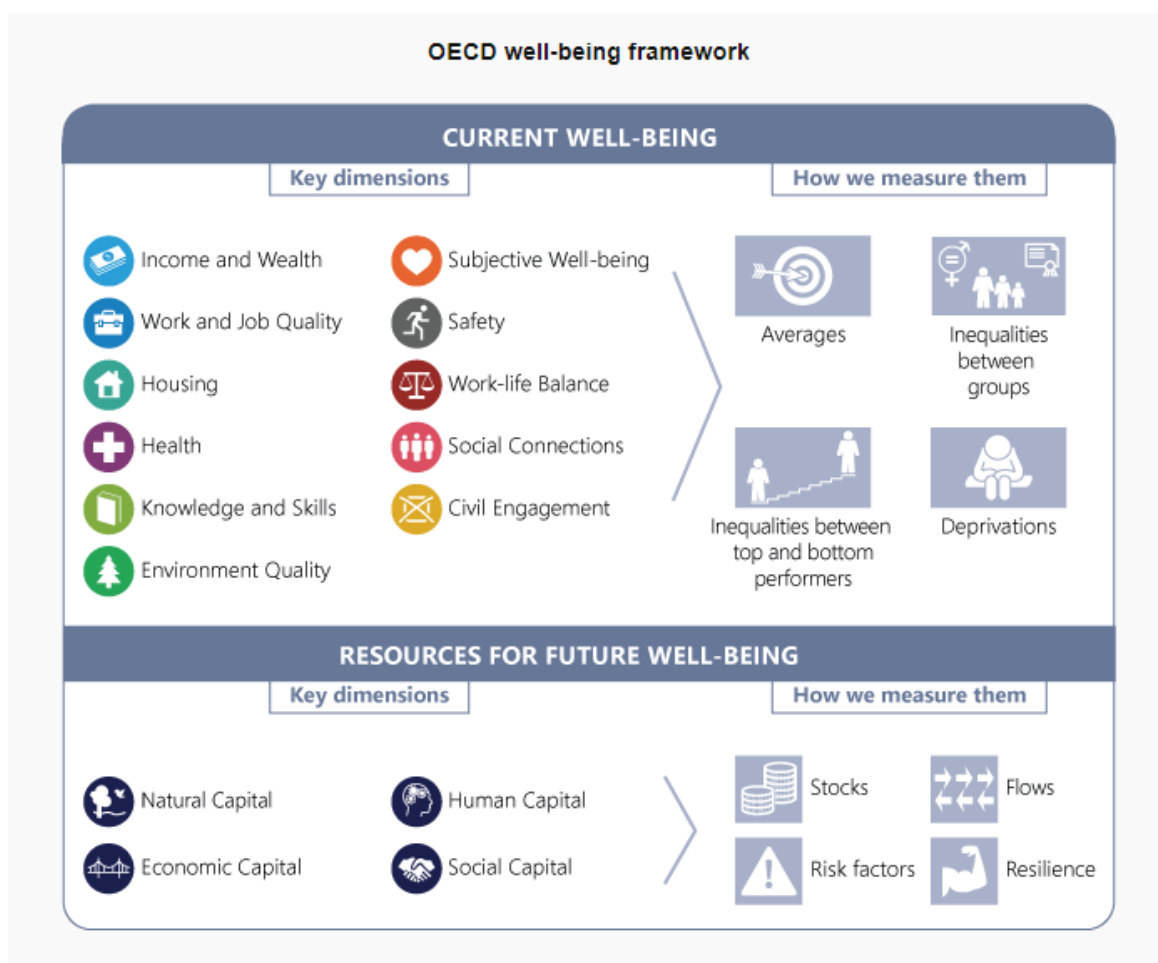
The project group have also worked with Simetrica-Jacobs to undertake a discrete choice experiment to derive an Australian specific value for “access to greenspace” for use in the tool.

The project is targeting completion in April 2023.

We would welcome the opportunity to discuss the ASVB and Wellbeing Valuation with you.

¹⁹ [Australian Social Value Bank Outcomes List \(2022\)](#),

OECD WELLBEING FRAMEWORK - ASVB OUTCOME ALIGNMENT



“The OECD Framework for Measuring Wellbeing and Progress ... is based on the recommendations made in 2009 by the Commission on the Measurement of Economic Performance and Social Progress to which the OECD contributed significantly. It also reflects earlier OECD work and various national initiatives in the field. This Framework is built around three distinct components: current wellbeing, inequalities in wellbeing outcomes, and resources for future well-being.”²⁰

ASVB Contribution

For the purpose of aligning ASVB Outcomes to the OECD Framework we will only look at the Key Dimensions of Current Wellbeing. In the table below these will be referred to as OECD Domains.

²⁰ <https://www.oecd.org/wise/measuring-well-being-and-progress.htm>

It should be noted that additional Wellbeing Values can be developed under any OECD Domain with the collection of additional data.

OECD DOMAINS	OECD INDICATORS	ASVB OUTCOMES
<p>INCOME AND WEALTH</p>	<ul style="list-style-type: none"> • Household Debt • Household Income • Household Wealth • S80/20 - income inequality • Gender Wage Gap 	<ul style="list-style-type: none"> • Able to be financially resilient • Able to make ends meet
<p>WORK AND JOB QUALITY</p>	<ul style="list-style-type: none"> • Labour Underutilisation Rate • Employment Rate 	<ul style="list-style-type: none"> • Obtained casual employment - <ul style="list-style-type: none"> ○ equivalent full-time hours • Obtained casual employment – <ul style="list-style-type: none"> ○ equivalent part-time hours • Obtained full-time employment • Obtained part-time employment • Became self-employed • People with injuries, illness or disability obtained employment
<p>HOUSING</p>	<ul style="list-style-type: none"> • Housing Affordability • Overcrowding 	<ul style="list-style-type: none"> • Homelessness to temporary accommodation • Homelessness to Social Housing • Homelessness to secure accommodation • Temporary accommodation to Social Housing • Temporary accommodation to secure accommodation • Housing is no longer overcrowded • Housing is no longer overcrowded • Housing Quality - Reduced impact of noise • Improved condition of Social Housing property • Able to make ends meet

<p style="text-align: center;">HEALTH</p>	<ul style="list-style-type: none"> • Life Expectancy • Life Expectancy by education 	<ul style="list-style-type: none"> • Improved overall health • No longer obese • Increased levels of walking • Feels in control of life • Accessed free meal programs • Relief from depression/anxiety • Increased hope for the future • Reduced parental stress • Improved diet • Relief from Type 2 Diabetes • Free from Sleeping problems • Improved self-esteem/confidence • Accessed Family Violence services • Accessed Gambling Support services • Participates in frequent moderate exercise • Accessed support for people who were sexually assaulted as an adult • Increased sense of trust in other people • Relief from Post-Traumatic Stress Disorder (PTSD) • Freedom from alcohol problems • Ceased using Cannabis • Ceased injecting illegal street drugs • Treated for drug and alcohol problems in last year • Ceased smoking <ul style="list-style-type: none"> • (a) Social Smoker • (b) Full time Smoker
<p style="text-align: center;">KNOWLEDGE AND SKILLS</p>	<ul style="list-style-type: none"> • Educational Attainment Among Young Adults • Student Skills in Science • Students with Low Skills 	<ul style="list-style-type: none"> • Qualification Obtained - Certificate levels III and IV • Completed Year 12 • Improved numeracy • Adequate computer skills

		<ul style="list-style-type: none"> • Improved English language skills for non-native speakers • Commenced education - Certificate level I or II • Commenced education - Certificate level III or IV • Improved job readiness • Increased help-seeking
ENVIRONMENT QUALITY	<ul style="list-style-type: none"> • Greenhouse Gas Emissions • Access to Green Space • Exposure to Outdoor Air Pollution 	<ul style="list-style-type: none"> * A Discreet Choice Experiment has been conducted to develop a value for “Access to Green Space” which could be used. * This is an area where further Wellbeing Values could be developed with the collection of additional data.
SUBJECTIVE WELLBEING	<ul style="list-style-type: none"> • Life Satisfaction • Negative Affect Balance 	<ul style="list-style-type: none"> • Relief from depression/anxiety • Increased hope for the future • Reduced parental stress • Increased resilience <p>* It should be noted that all wellbeing values included within the ASVB are based on relative improvements to Subjective Wellbeing determined by a Life Satisfaction survey question.</p>
SAFETY	<ul style="list-style-type: none"> • Gender Gap in Feeling Safe 	<ul style="list-style-type: none"> • Increased sense of personal safety • Reduced problems with anti-social behaviour • Reduced problems with teenagers hanging around • Reduced problems with vandalism/graffiti • Prevented reoffending

<h2 style="text-align: center;">WORK-LIFE BALANCE</h2>	<ul style="list-style-type: none"> • Long Hours in Paid Work • Time off • Gender Gap in Hours Worked 	<p>* This is an area where further Wellbeing Values could be developed with the collection of additional data.</p>
<h2 style="text-align: center;">SOCIAL CONNECTIONS</h2>	<ul style="list-style-type: none"> • Social Interactions • Social Support 	<ul style="list-style-type: none"> • Meets friends regularly • Joined a social group • Talks to neighbours regularly • Volunteers • Talks to neighbours regularly • Adequate contact with a non-resident child • Good neighbourhood <ul style="list-style-type: none"> • (a) Neighbours do things together • (b) Neighbours help each other • Improved relationship with partner • Improved relationship with children • Improved relationship with former spouse/partner
<h2 style="text-align: center;">CIVIL ENGAGEMENT</h2>	<ul style="list-style-type: none"> • Trust in Government • Gender Parity in Politics • Voter Turnout • Having No Say in Government 	<p>* This is an area where further Wellbeing Values could be developed with the collection of additional data.</p>