

Attachment A: 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: Global Access Partners Pty Ltd

Meeting host contact details [phone or email]: Catherine Fritz-Kalish, [REDACTED]
cfritz@globalaccesspartners.org

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: 23/05/2023

Meeting location: Suite 3, 24-30 Wellington Street, Waterloo NSW 2017 and online (Zoom)

Participants attending:

- ☐ Member of a community organisation
- ☐ Businesses
- ☐ Academics
- ☐ Union members
- ☐ Individuals
- ☒ Other Australian Government Consultative Committee on Knowledge Capital and Communication (AGCKCC)

Number of participants: 13

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?

[Equality; regional indicators of wellbeing \(see attachment\)](#)

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

Equality

Under the headings “prosperous” or “inclusive”, there could be some reference to equality.

Perhaps, under the heading “prosperous”, there could be the dot point “an economy that is not stifled by extreme and self-perpetuating disparities in wealth”. Or, under the heading “inclusive”, “a society in which all are assured that the rules of distribution are fair, while rewarding effort, creativity and entrepreneurship”.

Regional equality

Under any of the document’s five headings – prosperity, inclusion, sustainability, cohesion and health – there could be mention of the desirability of some level of regional equality. This would be in line with the well-established tradition of achieving equality in state governments’ capacity to provide equal levels of public services, embodied in the Grants Commission principles.

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

We need to develop indicators of wealth (see attachment)

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

Please see attached our submission on pages 4-7.



Measuring what matters

Second consultation process

Submission by the Australian Government Consultative Committee on
Knowledge Capital and Communication (AGCCKCC)

Introduction – the AGCCKCC’s established interest

The AGCCKCC welcomes the opportunity to have a say in the second consultation on *Measuring what matters*.

In our committee’s deliberations, we have been concerned with aspects of “capital” that are not covered in established accounting systems – systems that are based on metrics derived from financial transactions. Our specific interest has been knowledge capital, an interest aligned with the [OECD’s suggestion](#) that future wellbeing indicators include “human capital” and “social capital”.

Our interest goes back many years. We were closely involved in the ABS [Measures of Australia’s Progress](#) project, and with the Australian Unity exercise in developing a comprehensive index of subjective wellbeing.

Two of our members, Prof James Guthrie AM and Ian McAuley, [made a submission](#) in the first round of consultations. Their submission was about six design features they believed were important aspects of wellbeing indicators:

1. Presentation of time-series: a snapshot on its own conveys little information.
2. The need to build on what is already available, including the OECD framework and the ABS Measures of Australia’s Progress.
3. Integration of wellbeing indicators into governments’ accounting systems. They should not be seen as an “add-on”.
4. Attention to inequality in wealth in all its dimensions, particularly the distribution of human capital and social capital.
5. Engagement with existing networks of NGOs and not-for-profits.
6. Establishment of a permanent working group.

In preparing that submission, Guthrie and McAuley noted that the government’s first presentation of indicators in the October 2022 budget, as a new chapter in [Budget Paper 1](#), was somewhat disjointed, possibly having been pulled together in some haste. Nevertheless it touched on the main aspects of wellbeing and there has clearly been a great deal of work in pulling together the present [consultation document](#), ordered around five dimensions of wellbeing – prosperity, inclusion, sustainability, cohesion and health.

In our meeting on 23 May 2023, we discussed this document. Our comments follow.

1. The need for indicators of inequality

Under the first two dimensions – prosperity and inclusion – two strong themes are evident in the document. One is about the need for a basic level of prosperity to be enjoyed by all, including financial security and access to public goods. The other is about equality of opportunity, implicit in references to “opportunities for all Australians” and to “intergenerational mobility”.

These are reasonably uncontentious: the authors have done well in describing these dimensions in terms that few Australians would disagree with.

But we believe there should also be some mention of inequality.

Inequality is a more contentious issue, but there are probably two points, at the far ends of the distribution spectrum, on which there can be broad community agreement.

At one end of that spectrum – one may say the “left” end – is the idea that there should be equality of outcomes, an extreme distributionist view. It’s a reasonable assumption that very few Australians would hold such a view.

The second is that few would be comfortable with a distribution that established a privileged and self-perpetuating oligarchy. That, too, would be rejected by most Australians, although there is a range of views about what level of wealth would be considered to be unacceptable.

Somewhere between, in line with Benthamite and Rawlsian principles, most people would see an optimum, as confirmed by the political acceptance of progressive income taxes and social security benefits. Because that optimum will be different for different people, the government would be wise to avoid specifying it, but it can more safely assert a rejection of the spectrum’s extreme ends.

Societies that develop in an oligarchic direction lose the dynamism that is characteristic of “a growing, productive and resilient economy”, to use the document’s term. Unlike businesspeople in a competitive economy, oligarchs, in their physical or metaphorical gated communities, have no interest in the public goods and safety nets that sustain a productive economy.

In short, there comes a point where inequality in outcomes is incompatible with an objective of inequality of opportunity. As the [Australian Institute of Actuaries](#) points out, while “some inequality is intrinsic to almost any society”, “existing inequalities already have significant implications for social mobility and intergenerational effects”.

In this regard, it is notable that the [2022 Australian Unity Wellbeing Index](#) reveals a growing gap between the wellbeing of older and younger Australians, who increasingly feel that they are not enjoying the opportunities enjoyed by their parents and grandparents, and that they are feeling socially disconnected. That does not bode well for equality of opportunity.

That is why, under the headings “prosperous” or “inclusive”, there could be some reference to equality.

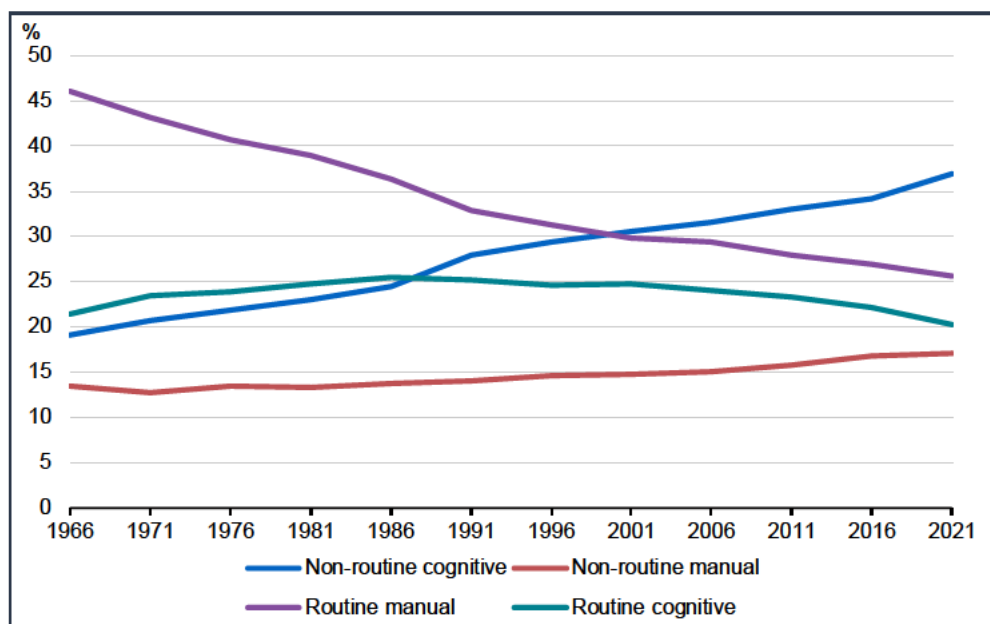
Perhaps, under the heading “prosperous”, there could be the dot point “an economy that is not stifled by extreme and self-perpetuating disparities in wealth”. Or, under the heading “inclusive”, “a society in which all are assured that the rules of distribution are fair, while rewarding effort, creativity and entrepreneurship”.

Supporting indicators

To this end, it is necessary to develop indicators of wealth. There is no shortage of indicators of income, but there is a paucity of indicators of wealth. The ABS [reports regularly](#) on the distribution (by quintile) of financial wealth, including superannuation and home ownership, but there is no reliable and consistent series on the distribution of other components of wealth – particularly human capital and social capital.

Just as access to physical capital has been important in times past, access to these dimensions of capital is increasingly important. As stressed in the budget’s statement [Structural shifts shaping the economy](#), the jobs of the future are “non-routine cognitive” jobs that require human capital in all its dimensions, and social connectiveness, while there will be fewer and fewer jobs for the socially isolated worker.

The chart below, copied from that budget statement, shows employment by occupational task category, going back more than 50 years. Note that in this century so far even the “routine-cognitive” job opportunities are diminishing.



Just as we have invested in mechanisms to collect data on poverty and inequality using financial metrics, it is now important to devote resources to help policymakers understand the distribution of human and social capital. **It is also important that policymakers have some understanding of how that human capital is employed. It is a waste of human resources if**

there are institutional, cultural, regional or other impediments to matching people's capabilities to society's needs.

Maybe the government is coy about suggesting that some level of inequality is undesirable, and does not want to go beyond equality of opportunity as a normative principle. Even so, it should collect and publish data on the distribution of outcomes, because it is a reasonable proposition that a society's distribution of outcomes will be significantly dependent on the extent to which it has achieved equality of opportunity.

2. The need for regional indicators of wellbeing

Australia has been fortunate in avoiding the extreme regional disparities that have afflicted other democracies, but that has been a matter of good luck. Regional decline is costly in many ways – unused infrastructure, costly sub-optimal levels of public services, increased spending on social security and policing as communities fall apart, and lost opportunities for young people who remain in depressed regions.

Both the Australian Unity index and the Australian Actuaries' work show strong regional disparities in wellbeing. The nation's experience with COVID-19 revealed sharp differences in wellbeing within our urban regions. Recent elections have revealed strong support, in certain metropolitan and non-metropolitan regions, for fringe parties appealing to people who feel they have been left behind by society. Some of our outback regions are showing early signs of social breakdown.

Under any of the document's five headings – prosperity, inclusion, sustainability, cohesion and health – there could be mention of the desirability of some level of regional equality. This would be in line with the well-established tradition of achieving equality in state governments' capacity to provide equal levels of public services, embodied in the Grants Commission principles.

Prepared by Ian McAuley on behalf of the AGCCKCC