



# Peta Murphy MP

## FEDERAL MEMBER FOR DUNKLEY



### Submission on Measuring What Matters

To whom it may concern,

Thank you for the opportunity to make a submission on Measuring What Matters, and the government's approach to wellbeing more generally.

**I offer this submission in my capacity as the Federal Member for Dunkley.** I have had the benefit of input from others – including locals, economists and policy experts – in its preparation. My interest in this subject both stems from my engagement in and knowledge of the needs of my local community, and from my role as a federal parliamentarian.

I offer my reflections to encourage a better-informed public debate, which I believe is necessary for better outcomes and for the essential task of rebuilding trust in our political institutions. In my December 2020 essay in the journal of the Australian Strategic Policy Institute, [Economic Growth and Wellbeing](#) I called on the Federal Government to embrace a wellbeing approach. It is a topic I have returned to often in the years since.

**It is heartening that the Treasurer, the Hon. Jim Chalmers,** has reinvigorated interest not only in measuring what matters but also in asking ourselves as a nation, “what it is that we value and aspire to as Australians?”. As I point out in my aforementioned essay, what we value and ‘*how we get there*’ will be unique to our time and place. We can learn from history, but Australia must forge its own path forward.

Past Australian leaders have demonstrated that this can be done:

- Following the deep recession of the 1890s, Australia became a federation in 1901 in a movement of democratic renewal that saw us become the first in the world to create a national living wage for its workers.
- Following depression and world war, from the 1940s we embarked on a new nation-building era of infrastructure development and mass migration.
- Following the oil price shocks and stagflation of the 1970s, and recession in the early 1980s, the Hawke and Keating Governments opened our economy to the world, driving industrial modernisation and supported change through a new social wage.

With the experiences of COVID-19, and ongoing geopolitical and climate insecurity, this is the time to think bigger and rediscover national ambition.



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It is worth recalling the 1968 speech by US Senator Robert F Kennedy, which spells out a few home truths about the limitations of the current approach to measuring the success of a country:

*... the gross national product does not allow for the health of our children, the quality of their education or the joy of their play. It does not include the beauty of our poetry or the strength of our marriages, the intelligence of our public debate or the integrity of our public officials.*

*It measures neither our wit nor our courage, neither our wisdom nor our learning, neither our compassion nor our devotion to our country, it measures everything in short, except that which makes life worthwhile.*

**A more innovative, inclusive and resilient Australia should be a bipartisan objective. So should measuring what matters to reach that goal.** Often unknown or ignored is the fact that there is bipartisan commitment to the UN Sustainable Development Goals. Further, Australia has historically been a front-runner in this space, as the first country to establish a statistical agency to measure wellbeing, the first Treasury to define a wellbeing framework in 2004, and through the National Sustainability Council's report on measures of sustainable wellbeing in 2013.

**I believe that this is an agenda that matters and can underpin the sort of policy and democracy reset that is needed.** Because it matters so much, it is important that it is done well and not rushed. There are technical complexities in wellbeing analysis and many layers to the value it can add. But it will be important to sequence activities in a way that steadily builds ambition. We must demonstrate practical relevance in the here and now, as well as building capability and confidence over time. Consider just a few of these layers.

- Measuring what matters must be the basis for allocating our scarce resources and directing our efforts to what contributes most to our wellbeing (appropriately conceived). Measurement is not the end game, but the shared data and understanding it provides is a prelude to analysis, public debate and policy solutions.
- The wellbeing agenda is 'as' not 'or'. Given Australia's economic challenges, it is important to reiterate that economic growth matters. It is highly correlated to many dimensions of wellbeing, including material living standards, and should remain central to policy. However, this is not more important than the other things we value in relation to our people, society, environment and democracy. We need a more innovative, inclusive and resilient development model and a deeper democracy that reimagines the social contract.



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- Communicating the wellbeing agenda requires an understanding of what the data tells us about how Australia is performing against what we value. Appropriately conceived, a wellbeing approach would contain both subjective and objective elements and should be designed to avoid our psychological blind-spots (e.g., short-termism and fear of change). It should also evolve over time. Well-structured processes that engage people and experts in a structured way can enable this.
- By defining, measuring and demonstrating what matters to 'making life worthwhile' in a way that makes sense to everyday people as well as experts, we can enable greater shared understanding and set the scene for deeper analysis. Clear measures and indicators with stretch targets can support our progress.
- Positioning economic growth and wellbeing alongside each other, but as indivisible, can enable more integrated problem solving. This will be essential if we are to meet the changing nature of today's big policy challenges, which are complex, uncertain and contested. It will be essential to guide the big transitions implicit in the digital, clean and care economies. Such challenges require processes that elicit diverse contributions and enough time to build some degree of consensus around direction.

**Measuring What Matters can contribute to better public outcomes and a richer public dialogue in several ways. We should consider its full potential.**

- Public reporting of data on progress, in a way which is accessible and addresses data gaps. For example – multidimensional dashboards are better than a single index, both levels and trends/trajectories matter, scope for a scene-setting national report.
- Deeper qualitative and quantitative analysis of issues, using wider sources of evidence to understand system dynamics, can strengthen shared understanding and insight. At the same time, with better data, more granular analysis, disaggregation and exploration can underpin more citizen- and community-centric governance.
- Government, stakeholder and community dialogue to consider the challenges and opportunities presented by the data and analysis, as a basis for collaborative action. This can support government to determine its priorities and engage stakeholders whose actions influence wellbeing priorities and their pursuit.
- More robust and rigorous policy deliberation to trial new policy methods, empower community and citizen contributions, and incorporate long-term considerations. A reformed Productivity Commission inquiry process could enable this, including by trialling more democratic approaches such as the use of citizen panels or assemblies.



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## What might Wellbeing Reporting look like, in a basic form?

- Annual reporting is likely to be most credible and most useful. The Treasury, Productivity Commission, Australian Bureau Statistics, or an expert group could be responsible for this. Such reports need to be in or close to government if linked with other government processes, so that data collection, analysis and reporting is efficient and coherent.
- The reporting of stocks of economic, social, environmental and democratic capital is essential alongside flow measures. The regular measuring of capital stocks ensures that there is attention on dynamic capabilities, the sustainability of development, and our underlying resilience (absorptive, adaptive and transformative).
- Measurement should be comprehensive, reporting all key dimensions of wellbeing (economic, social, environmental and democratic). This provides the platform from which we can identify where we need to focus effort and resources. At that point, a deeper dive into particular national priorities can be undertaken.
- More robust data and evidence ('what works') platforms that are regularly updated can provide a basis for improvement among policymakers and practitioners. Such platforms at a systems level (i.e., in policy domains), and in the UK and US are supported by strong central institutional support.
- Greater policy coherence across timeframes should form part of the government's review of how various institutions work. There is an opportunity to better connect the annual budget process, regular progress reporting, the three-year election cycle and semi-regular processes such as intergenerational and productivity reviews.

I trust that these contributions to this important debate are useful.

Yours sincerely,

Peta Murphy MP  
Federal Member for Dunkley