



Submission to the Productivity Commission Inquiry *Caring for Older Australians*

Introduction

This submission is made on behalf of the Australian Unity Wellbeing Index, Australia's most comprehensive measure of personal and national wellbeing. The Index is produced by Deakin University's Australian Centre on Quality of Life and Australian Unity, and has been running for the last decade.

The Australian Unity Wellbeing Index has long advocated for the recognition of quality of life indicators as drivers of policy formation. The current *Caring for Older Australians* inquiry is an appropriate forum within which to expound on the benefits of this focus.

It is commendable that the Productivity Commission has framed its draft report with an overarching statement on wellbeing. It specifies that "government policies, programs and regulations, and the services offered ... need to be redesigned around people's wellbeing and delivered in ways that respect their dignity and support their independence" (p. xxi). In addition to this, it is evident that traditional measures of social progress, such as gross domestic product (GDP) and consumer price index (CPI), fail to take properly into account important elements like community spirit and quality of life. The Australian Unity Wellbeing Index has been able to support an emerging area of social science, which gives a more comprehensive assessment of society's wellbeing and helps us understand more about ways of supporting, growing and developing wellbeing.

The Australian Unity Wellbeing Index is a scientific measure of subjective wellbeing and of national and personal satisfaction with life. National satisfaction relates to economic, environmental and social conditions, whereas personal satisfaction looks at satisfaction with health, personal relationships, safety, community connectedness, future security, spirituality and standard of living.

While every survey examines personal and national wellbeing, each one also investigates a particular issue of social importance to Australians and its impact on wellbeing. Every survey involves a fresh national sample of 2000 people that proportionately represent Australia's geographically diverse population.

Through such comprehensive measures, the Australian Unity Wellbeing Index has been able to determine that on a scale of 0 – 100 Australians rate highly in the happiness stakes – at around 75 points. We have also learnt that our satisfaction with community connectedness increases in the aftermath of natural disasters and shared threats; while the more we earn does not just increase our bank accounts, it increases our satisfaction with health and

relationships. We also know that people who give back to their communities through volunteering have a higher wellbeing than those who do not.

Wellbeing framework

Various organisations submitting responses to the Productivity Commission inquiry have commented on the need to have a wellbeing framework. There are varying understandings of what wellbeing means and how it should be measured.

The World Health Organisation (WHO) defines quality of life as: ... an individual's perception of his or her position in life in the context of the culture and value system where they live, and in relation to their goals, expectations, standards and concerns. It is a broad ranging concept, incorporating in a complex way a person's physical health, psychological state, level of dependence, social relationships, personal beliefs and relationship to salient features in the environment. (1994, p.43)

The Australian Bureau of Statistics says that the domains of wellbeing are 'person centric', reflecting the view that at a community level wellbeing is a collective of individual wellbeing. At the broadest level, the social, material and natural environments surrounding individuals become part of the wellbeing equation (ABS, 2001).

The Benevolent Society put forward a broad wellbeing framework in its submission, comprising several domains under three broad categories — physical, mental/emotional and social (sub.252, p.8).

Yet it is worth pointing out that in the Australian Unity Wellbeing Index we have a credible framework that has been continuously and successfully used for a decade in Australia and overseas. Indeed, it has been referenced in more than 75 academic publications written by authors throughout the world.

The Australian Unity Wellbeing Index also makes a unique contribution to understanding subjective wellbeing through an international wellbeing group, which has more than 150 researchers from over 50 countries working together to understand personal wellbeing as reported by people from different cultural backgrounds.

Following the Stiglitz report (Stiglitz, Sen & Fitoussi, 2009) many countries are developing new national indicators of wellbeing and progress. The Australian National Development Index (ANDI) is being created in close co-operation with the OECD and the Australian Bureau of Statistics. The ANDI will have a 'dashboard' of national indicators of progress, one of which is envisaged to be Subjective Wellbeing, as measured by the Australian Unity Wellbeing Index.

What is wellbeing?

According to the Australian Unity Wellbeing Index, subjective wellbeing is a normally positive state of mind. It is a long-lasting, deep sense of contentment, as opposed to the momentary burst of joy we experience when laughing at a joke. Wellbeing is normally

maintained by an internal active management system that enables people to keep feeling positive, even when things go wrong. This self-regulation works in an analogous manner to the maintenance of body temperature. In-built mechanisms allow our feelings of wellbeing to fluctuate a little, but homeostasis does its best to hold such feelings relatively steady over time. Failure of this system on a chronic basis, due to overwhelming levels of negative life experience, results in the loss of positive wellbeing, and this is what we know as depression.

How is wellbeing measured?

The Australian Unity Wellbeing Index uses a measurement tool known as the Personal Wellbeing Index (PWI) to calculate an individual's wellbeing. The survey participants are asked to rate their satisfaction with the eight domains on a scale of 0-10. The scores from the domains are combined and converted to a 0-100 point range.

The Australian average hovers around the 75 mark. However, it does show some variation. Over the surveys conducted to date, the PWI has ranged from 73.5 to 76.7 on a 100-point scale – a fluctuation of only 3.2 points. This range can be used to identify groups in the population whose wellbeing lies outside this normal range. If the average score of an entire group of people falls below this range, it indicates that the group may contain a higher than normal proportion of people who are at high risk of depression.

In this context, we do not fully agree with the Australian Treasury's position that it is not easy measuring wellbeing because it involves making value judgements about what aspects of life are important to an individual's wellbeing (knowing that people value outcomes differently) and what matters to society. The Australian Treasury said: "... each person will have their own interpretation of what is specifically important with respect to their own wellbeing, the wellbeing of others, and the weight that they place on each dimension of wellbeing." (Treasury 2004, p.2). While this may be true, the Australian Unity Wellbeing Index has been able to show that it is possible to make reliable individual assessments as well as aggregate measures at the national level. This is done through the National Wellbeing Index (NWI), which measures satisfaction with social conditions, the economic situation, the environment, business, national security and government.

Wellbeing, older Australians and aged care services

The Productivity Commission states that access to services that provide the required level of support for maintaining health, personal hygiene, physical safety and pain management forms the first level of support and care that promotes the wellbeing of older Australians. ('Health', in this context refers to physical, mental and social wellbeing, as defined by the WHO.)

The Australian Unity Wellbeing Index identifies segments of the population with the highest and lowest wellbeing. Interestingly, personal wellbeing appears to increase with age. Some of the happiest Australians are aged 65 and over, with an annual household income in excess of \$60,000. Their wellbeing is highly influenced by their relationships and interactions with others. This positive connection with others tends to offset their lower satisfaction with health, which declines as age related ailments set in.

Australian Unity has been using the Australian Unity Wellbeing Index to measure the wellbeing of residents living in the company's retirement living communities. This was done in recognition of the fact that, in caring for older people, services must take into account a client's wellbeing in order to be truly effective—and must also be adaptable to individual needs.

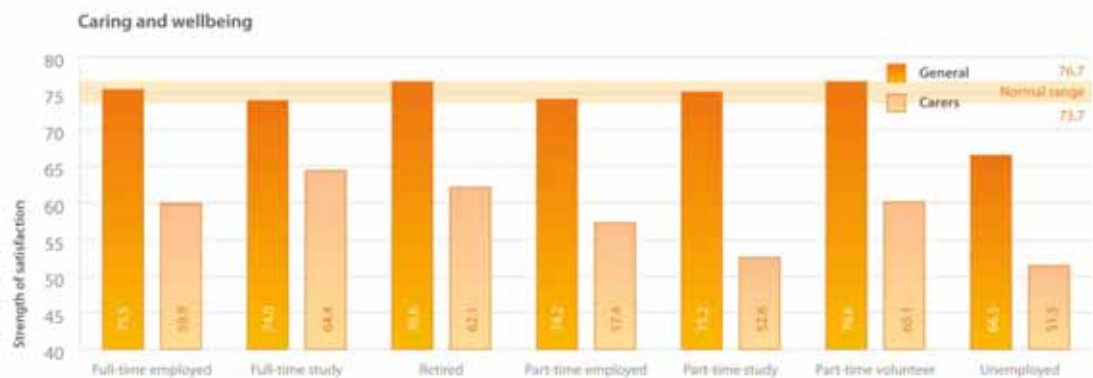
Survey data were collected from several thousand residents aged 65 and over, between 2006 and 2009, and revealed that Australian Unity residents had a significantly higher sense of wellbeing compared to the general population. Residents reported overall wellbeing at more than 80 points, significantly higher than the general population average for the same demographic, at 77 points. Importantly, despite retirement living residents reporting a significantly lower satisfaction with their health versus the control population, other domains of wellbeing compensated for the lower health satisfaction, to lift overall wellbeing to above average levels.

The survey findings are relevant to the Productivity Commission's inquiry into *Caring for Older Australians*, for they clearly highlight the importance of well designed communities and flexible care services in improving the quality of life of residents.

The survey also highlighted the high level of resident satisfaction with facilities and services provided by Australian Unity. Overall, 95 percent of independent living residents and 98 percent of aged care residents reported they were completely satisfied or satisfied.

The Productivity Commission draft report makes one further pertinent point, when it says that the wellbeing of family members, friends and neighbours providing care to older people (they provide most of the care), and people providing formal care (owners of services, workers and volunteers) is also important and should be considered.

In 2007, the Australian Unity Wellbeing Index conducted a special survey coordinated with Carers Australia, which revealed that informal carers have the lowest level of wellbeing of any group yet identified through the surveys. The survey found that, in a study of around 4,000 carers, the average wellbeing score sat at 58.5 points, an alarmingly low figure that indicated the enormous strain and challenge that these Australians are under.



There are many other Australian Unity Wellbeing Index surveys that are relevant to the Productivity Commission inquiry and the development of policies that support older Australians. In October 2008, the Index revealed the troubling finding that more than 30 percent of Australians are lonely. It also showed that the connection between loneliness and wellbeing is stronger for males than females.

The research showed that men who live alone are much likelier to feel lonely than women who live alone, which seems to be consistent with the generally higher ability of females to form emotionally supportive relationships in the absence of a live-in partner.

Conclusion

The Australian Unity Wellbeing Index is both a useful tool of *defining* wellbeing, but also *measuring* wellbeing, with credible data available on how this can work. With every report that is produced, we develop an even deeper understanding of the wellbeing of Australians, providing valuable insight for policy makers.

Studying wellbeing in a systematic and scientific way enables us to quantify the extent to which different factors influence how people feel about their quality of life. It aids in the identification of groups in society that are not doing as well and helps us learn how best to assist people who have low wellbeing. Knowing how people feel and what they want, gives the aged care sector a useful and practical way of approaching 'person centred care' from a policy perspective.

For more information:

- Contact Professor Robert Cummins: robert.cummins@deakin.edu.au
- Full Australian Unity Wellbeing Index reports: <http://www.deakin.edu.au/research/acqol/auwbi/survey-reports/>
- [Australian Unity Wellbeing Index website](#)

References

Stiglitz, J.E., Sen, A., & Fitoussi, J-P. (2009) Report by the Commission on the Measurement of Economic Performance and Social Progress. Paris: OECD.

http://www.stiglitz-sen-fitoussi.fr/documents/rapport_anglais.pdf

What makes us happy? Ten years of the Australian Unity Wellbeing, 2010, Deakin University and Australian Unity

Survey 13: *The Wellbeing of Australians – Caregiving at Home*, July 2005, Robert A. Cummins, School of Psychology, Deakin University, Erik Okerstrom, Australian Unity, Jacqui Woerner and Adrian Tomin, Doctoral Students, School of Psychology, Deakin University,

<http://www.deakin.edu.au/research/acqol/index.htm>

Survey 16.1: *The Wellbeing of Australians – Groups with the highest and lowest wellbeing in Australia (Special Report)*, March 2007, Robert A. Cummins, School of Psychology, Deakin University, Jacqui Woerner and Jenny Walker, Doctoral Students, School of Psychology, Deakin University, <http://www.deakin.edu.au/research/acqol/index.htm>

Survey 17.1: *The Wellbeing of Australians – Carer Health and Wellbeing (Special Report)*, October 2007, Robert A. Cummins, School of Psychology, Deakin University, Joan Hughes, Carers Australia, Adrian Tomin, Adele Gibson, Jacqui Woerner and Lufanna Lai, Doctoral Students, School of Psychology, Deakin University.

<http://www.deakin.edu.au/research/acqol/index.htm>

Survey 20: *The Wellbeing of Australians – Money, debt and loneliness*, October 2008, Robert A. Cummins, School of Psychology, Deakin University, Jacqui Woerner, Adele Gibson, Lufanna Lai, Melissa Weinberg, and James Collard, Doctoral Students, School of Psychology, Deakin University, <http://www.deakin.edu.au/research/acqol/index.htm>

Australian Unity Retirement Living Satisfaction Surveys 2006-2009, Robert A. Cummins, School of Psychology, Deakin University