

An Australian National Development Index

General background paper (Health agencies)

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Purpose of the paper

1. This paper aims to brief interested organisations on the concept and development of an Australian National Development Index (NDI), with a view to their possible support for the project.
2. Two additional background papers are included for organisational Boards and staff members who may be interested in further details, given that the proposal refers to, and will draw on, similar work in Canada and the OECD:
 - *'The Canadian Index of Wellbeing'*, a summary of the national Canadian project initiated in 1999 and now regarded as the world leading example of such a project;
 - *'Measuring the Progress of Societies: Relevance for Asia and the Pacific'*, prepared by the OECD for the UN Economic and Social Commission for Asia and the Pacific, which succinctly summarises the broader global movement for measuring progress, and its implications for democracy, social inclusion and evidence based policy development.

Background

3. At the Australia 2020 Summit in April 2008, the *Strengthening Communities and Supporting Working Families* group recommended, as a priority initiative, the creation of 'a National Development Index (NDI) to measure Australia's economic, social and environmental progress, including social inclusion indicators' and reported annually in Federal Budget papers. Following the Summit, the Prime Minister undertook to 'harness the best ideas ... to help shape a long term strategy for the nation'¹. The Australian Government in its response document generally endorsed the idea of national development indicators, and the need to 'engage the community in discussion about what is important to Australia's progress and development'; and it said it had asked the Australian Social Inclusion Board to report on progress in social inclusion and key progress indicators to measure it.²

The global movement to redefine progress

4. The idea of an index or framework to measure national development (including progress, wellbeing and sustainability) is not new, and has not been confined to Australia. In the past two decades, according to the OECD, a 'global movement'³ has developed around the need to move

¹ www.australia2020/gov/au

² *'Responding to the Australia 2020 Summit'*, Dep't of Prime Minister & Cabinet, Canberra, April 2009, pp 138, 160

³ Enrico Giovannini, OECD Chief Statistician, 2008. 'Global movement for a global challenge'. Paris: OECD.

'Beyond GDP' and to develop new ways of 'Measuring the Progress of Societies'⁴ which provide 'a more comprehensive view of progress that takes into account social and environmental concerns as well as economic ones. As a result, hundreds of initiatives are underway relating to measuring progress and wellbeing at the international, national and (local) levels'⁵. These new national and local progress measures have emerged as a valuable tool for integrated planning, a firmer evidence base for policy, and a stronger, more citizen-engaged democracy.

5. In the past two months alone, three major international reports have been released on the same lines: by French President Sarkozy's international commission, chaired by Nobel prize-winning economists Profs Joseph Stiglitz and Amartya Sen⁶; by the European Commission⁷; and by the OECD⁸. Earlier this year, Canada released the first version of its new Canadian Index of Wellbeing. All of these reports and projects are critical of GDP as the key indicator of national progress. All recommend new national and international systems for measuring progress and wellbeing, which integrate the key dimensions of economy, environment, society, culture and democracy; are developed with broader community involvement and accountability; and take better account of broad values such as equity and sustainability. The OECD project, now partnered by the UN Development Program, the European Commission, and the World Bank, is leading this world movement. *It is a movement which aims to change the global paradigm of progress from economic production to equitable and sustainable wellbeing; and in the process, to promote debate in nations and communities around the world about what true progress means for them.*

Australia's contribution

6. Australia has been a prominent participant in this global movement for 15 years. A Senate Inquiry in 1994-96 examined the possibility of an improved system to measure national wellbeing and citizenship⁹. A national conference on 'Measuring Progress' in 1997 brought together economic, social and environmental policy makers and academics¹⁰. In 2002 the ABS published its pioneering report 'Measuring Australia's Progress' (MAP), a project which helped inspire the development several years later of the OECD global project and similar national projects in several countries. At the community and local government level, dozens of projects have developed around local community well-being indicators, as part of a community planning process, and with strong citizen engagement. Victoria now has a state-wide project to support all local governments to develop progress measures (*Community Indicators Victoria*¹¹), and the Queensland government is proposing a similar system. State progress measures have been developed as part of longer term state development plans in Tasmania, South Australia, NSW and Victoria.

Wellbeing, indicators and public health

7. Wellbeing indicators have become an increasingly important issue for health organisations. Public health bodies around the world from the WHO down have played a vital leadership role in the global movement to develop better measures of progress, and with important impacts: widening the definition of wellbeing; monitoring trends in the social, economic and environmental determinants of health and health inequalities; and providing better mechanisms to engage

⁴ The titles respectively of an international conference convened by the European Commission last year, and of the influential global project currently led by the OECD in partnership with the UNDP and the EC.

⁵ ABS, 2008. 'NatStats08 Conference Handbook', p. 4.

⁶ 'Report by the Commission for the Measurement of Economic Performance and Social Progress', Paris, September 2009, http://www.stiglitz-sen-fitoussi.fr/documents/rapport_anglais.pdf

⁷ 'GDP and beyond: Measuring progress in a changing world', EC, Brussels, August 2009: www.beyond-gdp.eu

⁸ 'A proposed framework to measure the progress of societies' Paris, 2009: see www.oecd.org/progress/taxonomy

⁹ Senate Legal and Constitutional Committee, National Citizenship Indicators Inquiry.

¹⁰ Eckersley, R (ed). 1998. 'Measuring progress: is life getting better?', Collingwood, Victoria: CSIRO Publishing.

¹¹ See www.communityindicators.net.au

communities and citizens in identifying key health and social issues and include them in planning, from international programs like *'Healthy Cities'* to community level projects like *'Leading the Way'* in Victoria.

8. The recent national report of the National Health and Hospitals Reform Commission is a good example of this trend.¹² It underlines in many places the importance of indicators, public reporting, community wellbeing measures and public reporting of progress against clear national goals and values: all of which are more achievable within an agreed national wellbeing measurement framework. Key recommendations of the NHRS report included:

- regular monitoring and public reporting of community confidence in the health system (Rec 3);
- public reporting on health inequalities of disadvantaged groups (R4)
- regular reporting tracking our progress as a nation in health inequities (R5)
- the development of accessible information on the overall health and well-being of local communities including a "wellness, footprint" (R6)
- establishing a rolling series of 10 year national health goals with broad community ownership (R8)
- a strong focus on quality and health outcomes in primary care service (R19)
- a system of hospital reporting against national indicators (R33).

Development of a strategic approach: from local to national

9. In November 2003, VicHealth in Victoria convened a strategic workshop of 30 community indicator, practitioners, stakeholders and researchers to consider ideas for better understanding, sharing and strategic development of community indicators. This led in turn to the commissioning of a scoping report to propose a longer-term state and national strategy for the development of community-based progress measures and suggest a possible role for VicHealth in it¹³. The report recommended that initial efforts be put into building community based wellbeing measures with local government, but that over time, it should broaden its focus to state and national levels.

10. In the past five years, strong advances have been made in the use and development of local community wellbeing indicators in Victoria. They have higher recognition and are more valued; there is a stronger community and Council base of users and supporters, and increased use of indicators in community planning. Legislation requiring Council to develop 4-year local wellbeing plans has reinforced the importance or reliable community indicators. With the establishment of Community Indicators Victoria (CIV), a solid and accessible resource base has been created for a uniform system of state wide community wellbeing indicators.

11. The Victorian CIV project has also influenced the development of similar projects in other states (see below).

Priorities for national development

12. Interest in the development of national wellbeing measurement projects has also grown rapidly in Australia, along with opportunities and networks. This has been the result of many factors: the release of the international reports noted above, advocating better national models; a strong Australian presence in the OECD's project; closer Australian links with Canada's Index,

¹² 'A Healthier Future for All Australians' (Final Report, June 2009), Commonwealth of Australia.

¹³ Salvaris, M., and Wiseman, J., 2004, 'Mapping community wellbeing: Using community wellbeing indicators to choose goals and measure progress', Discussion paper for Victorian Health Promotion Foundation, VicHealth, Carlton, Victoria.

perhaps the most relevant model for Australia; the Australia 2020 Summit with its specific proposal for an Australian National Development Index; and three national conferences convened by the ABS. These conferences have supported the need for national initiatives including the development of a national network, outlined a national development strategy and endorsed the concept of a National Development Index. All of these developments have gradually helped to build a national research and practice network (see paras 15-18 below) and to create a favourable climate for the further development of national initiatives .

13. The VicHealth strategic workshop in 2003 identified some clear priorities for national action. Practitioners believed that '(there is) a strong need to develop a uniform national (and Victorian) framework for wellbeing, using standard indicators, based on an open, participatory process, underpinned with agreed principles, and incorporating local community aspirations'. They supported national strategies to 'build collaboration and cooperation between stakeholders and participants', such as networks and clearing-houses'; develop public support for the value of indicators to the wellbeing of ordinary people; emphasise the democratic and community value of the indicator development process; and better connect indicators with existing policies.¹⁴ The final report suggested action on a range of national measures 'in discussion with relevant government, community, sector, academic and philanthropic agencies'. These measures included:

- a national project to involve communities and stakeholders in the identification and prioritisation of key issues and indicators;
- national community progress and wellbeing legislation;
- agreement on a common framework and integrated suite of national progress and wellbeing indicators, including the further development of those in the current ABS MAP project;
- an audit of current national data sets and development of strategy for filling data gaps;
- regular 'State of Australian communities' reporting; and
- publication of a Commonwealth government handbook on the development and use of community progress and wellbeing indicators.

14. The NDI proposal, as will be seen, has been designed as a platform to achieve these key measures.

Development of a national progress research and action network

15. In the past five years the foundations of a national network have been gradually built up, from the combination of state and local networks, inter-university collaboration and the national co-ordination role of the ABS. In Victoria, a state community indicators network has formed around the CIV project and its Reference Group, the Victorian ABS, and participating state departments, non-government agencies and local government peak bodies. In Queensland over the past few years, the Community Indicators Queensland project (modelled closely on Victoria's CIV) has developed with a similar academic, community and government partnership structure. At the same time, a number of state governments (Victoria Tasmania, SA, NSW) had been independently developing long term state plans which required clear wellbeing frameworks and better progress indicators and state networks to service these plans. In Tasmania's case, this had been formalised through its community planning project, Tasmania Together, and a legislatively established Tasmanian Progress Board.¹⁵

¹⁴ Salvaris and Wiseman 2004, above, pp 50-51.

¹⁵ www.tasmaniattogether.tas.gov.au/about_tasmania_together/progress_board

16. The ABS, through its National Statistics Strategy, has been a critical partner and facilitator in bringing state and local indicator groups together. In 2006, 2008 and 2009, the ABS sponsored national conferences on measuring progress attended by a wide range of academic, community, government and business representatives. These conferences accelerated the development of a national network Strategy and created a forum to discuss national priorities and strategies.

17. At the university level, RMIT University, the University of Melbourne and Griffith University have been the key academic convenors of this network, developing shared priorities and research projects, but at least three other universities have been involved in other related wellbeing indicator projects or signified an interest in involvement in the NDI (Tasmania, UNSW and Adelaide).

18. Another factor helping to build a national network and shared national goals has been the prominent role that Australian statisticians, academics and government officers have played in major international projects: notably, those sponsored by the OECD (whose global project is directed by the ABS's Jon Hall), the European Commission, and the international conferences on Gross National Happiness, partly sponsored by the governments of Thailand and Bhutan. In this process, a strong relationship has developed with national movements and outstanding projects in other countries. This especially the case with the Canadian Index of Wellbeing (CIW), perhaps the outstanding national progress measurement project in the world today and the most relevant for Australia. CIW is a community-led and funded partnership, which includes Federal and provincial governments, Statistics Canada, universities and non-government agencies, and combines community engagement, policy planning and rigorous progress measurement.

Proposal for a National Development Index

19. Within this Australian network, the idea of a national progress or well-being measurement and development framework has steadily taken shape. Members of the network drafted a proposal in 2004 for an international project for collaborative development of a national wellbeing index (with Canada and several other national partners) as part of the OECD project. In 2008 they prepared a paper for the Australia 2020 Summit proposing a 'National Index of Wellbeing'; the final proposal accepted by the Summit included this and other inputs. The National Development Index proposal was strongly supported at the Summit, and also at the ABS national conferences in 2008 and 2009.

Broad vision and goals

20. The broad vision and goals of the National Development Index which we are proposing would be very similar to those of the Canadian project:

- to enable Australians to share in the highest wellbeing status by identifying, developing and publicizing measures that offer clear, valid and regular reporting on progress toward that goal and wellbeing outcomes Australians seek as a nation, and specifically:
- to build a foundation to articulate a shared vision of what really constitutes sustainable wellbeing;
- to measure national progress toward, or movement away from, achieving that vision;
- to understand and promote awareness of why society is moving in the direction it is moving;
- to stimulate discussion about the types of policies, programs, and activities that would move us closer and faster toward achieving wellbeing;
- to give Australians tools to promote wellbeing with policy shapers and decision makers;

- to inform policy by helping policy shapers and decision makers to understand the consequences of their actions for Australian wellbeing;
- to empower Australians to compare their wellbeing both with others in Australia and those around the world; and,
- to add momentum to the global movement for a more holistic way of measuring societal progress.

Operation

21. The operational features of the NDI would be as follows:

- Like the Canadian project, the NDI will be a community-led initiative with partners including governments, non-government agencies, universities and the ABS, and with majority funding from philanthropic, corporate and non-government sources;
- It will report regularly on key dimensions of progress, wellbeing and sustainability that matter to Australians: society, culture, economy, environment and democracy, both in specific fields such as education, health and employment as well as on broader 'cross cutting' themes such as equity and sustainability. Indicators will measure both outcomes and where possible, the key determinants of the major outcomes. NDI reports will thus be designed to identify the key causes and drivers of changes in well-being and sustainability from year-to-year and to enable us to follow broad principles such as equity, social cohesion and sustainability across different regions, communities, population groups and policy fields.
- It will produce an annual (possibly quarterly) Index of Australian Progress, and sub-indices in key component fields, with clear conclusions measured against clear benchmarks based on community priorities, international best practice and other agreed standards.
- It will draw strongly on wide-ranging national community consultation and input to identify community values and priorities and major indicators and to promote a national debate on 'the kind of society we want Australia to be' and the kind of progress Australians want.
- It will draw substantially from the ABS's *Measures of Australia's Progress* as its primary database but with additional indicators based on community and expert input.
- It will be underpinned, like Canada's Index, by a strong national research team.
- To ensure the integrity of the reporting process, it would be overseen by an independent national body, representing experts, the community, relevant government agencies and the ABS and eventually by an independent Institute.
- The NDI will act as a national network for local and community progress and wellbeing indicator projects.
- It will develop a strong media and community education program and a community-friendly national website, with state and local government branches, based on best international models such as Newfoundland's Community Accounts¹⁶.

Participation of government

22. Although the NDI is proposed as an independent community-driven project, we would want to explore a number of possibilities for cooperation with Federal and State governments in its development and operation. Some possible issues for cooperation:

¹⁶ See www.communityaccounts.ca

- How might the NDI fit into a nationally integrated system of well-being measurement, linking local, state and national governments, and thus helping to promote comparability, policy alignment and inter government collaboration? These issues are presumably of concern to COAG and coordinating federal departments such as DPMC and Treasury;
- Prime Minister Rudd has stressed the importance of government and community partnerships, and we believe that the NDI is potentially an outstanding example of such a partnership, bringing mutual benefits to both community and government;
- The Federal government has also emphasised the importance of evidence based policy generally, and of benchmarks and annual reporting in specific fields such as indigenous wellbeing and social inclusion. We would therefore expect federal support for setting goals and measures for national wellbeing generally.

Role of the ABS in NDI

23. It is intended that the ABS will be a key partner in the development of the NDI. The Bureau and the Australian Statistician (Brian Pink) have already indicated support for the project, and it is intended to develop a detailed partnership agreement specifying the respective roles and responsibilities of the ABS and the NDI. The NDI is not intended as a competitor to the ABS's outstanding project, *Measures of Australia's Progress* and should in fact complement and support its further development. While drawing on MAP as its essential data source, the NDI will be designed to carry out a number of roles which the MAP (as a compendium of progress measures) and the ABS (as an independent government statistical agency) cannot easily or properly undertake. These would include: consulting the community on key goals and values for national progress and promoting a debate about the meaning of progress; coordinating a national non-government progress measurement network; producing and promoting an annual index showing national progress against clear benchmarks, both overall and in component areas such as health, education, justice etc; and undertaking research on new indicators in fields like human rights and democracy etc. We envisage that the ABS's role would be similar to that played in the Canadian Index of wellbeing by its Canadian counterpart, Stats Canada, although for historical reasons we would expect the relationship to be closer.

Current state of development

24. Our current state of development is as follows:

- We are in the process of establishing a national coordinating committee. Prominent Australians Prof. Fiona Stanley and Rev. Tim Costello have agreed to act as chief national spokespersons and former Australian Statistician Dennis Trewin as adviser.
- In developing the NDI, we have proposed a collaboration with both the Canadian Index and the OECD's 'Measuring Progress of Societies' project, and both organisations have agreed in principle to this.
- We have had several meetings with the ABS to discuss the project in more detail and identify opportunities for partnership and mutual support.
- We are in the process of approaching a range of peak non-government organisations to become partners in the NDI. To date the ACF and the Red Cross have agreed in principle and we propose to approach another dozen or so organisations.
- An informal agreement has been reached between key researchers/centres at Griffith University, Melbourne University and RMIT University to act as the key research partnership to develop the NDI and to apply for national research funding (ARC, NHMRC

etc) for a long term independent Cooperative Research Centre on the theme of progress and its measurement to underpin the development of the NDI.. Researchers at several other universities have expressed interest in becoming research partners in the NDI.

- We have had discussions with major philanthropic funders and are confident that the concept of a National Development Index will attract substantial support from a number of major possible funders.

Development of Prospectus and 'Business Case'

25. Given that the project (like its Canadian counterpart) is being planned as an ongoing national enterprise requiring an initial development phase of at least five years, we have decided to commission in November-December 2009 a detailed business case. This would provide a detailed, practical and comprehensive project prospectus that would be used as the basis for funder applications, partner invitations, media statements and education material. It will examine all aspects of the development of the NDI including goals, partners, funding, statistical sources, governance and international linkages and sustainability.

The benefits to the nation

26. What is proposed is not simply a better national statistical framework, but rather a dynamic and multi-purpose national development tool built up over time. It is a tool which could help to guide Australia's development and define our 'national vision', and in the process, strengthen democracy and good governance.

27. The NDI would provide regular, reliable and accessible measures of progress and wellbeing in all the key dimensions that matter to Australians: but if it were developed as a long-term public and collaborative process, along the lines of the Canadian and OECD projects, it would also help to:

- promote informed public debate about national progress and priorities
- identify a more systematic and integrated set of national goals and reporting that embodies key community values
- improve accountability and reporting by government
- integrate national planning between federal, state and local governments (through the use of common measures and frameworks)
- provide an authoritative source for evidence based policy making and evaluation
- enable regular input from Australian citizens about the priorities of their communities and nation (through a continuous community consultation and feedback process, as in the Canadian Index of Wellbeing).

28. The proposal is timely because: there is growing acceptance in the community and amongst policy-makers of the need for better and more representative measures of national progress that go 'beyond GDP'; a good deal of preparatory work has already been done and there is a well developed national research and policy network across Australia prepared to take up the practical development of the NDI; and finally, we have some outstanding national and international models which we can learn from and in fact improve on.