



**Submission to the Australian Government  
Department of Treasury**

**on the**

**Measuring What Matters Framework**

**Prepared by**

**COTA Australia**

**January 2023**

## **COTA Australia**

COTA Australia is the peak body representing the almost nine million Australians over 50. For over 70 years our systemic advocacy has been improving the diverse lives of older people in policy areas such as aged care, health, retirement incomes, and more. Our broad agenda is focused on tackling ageism, respecting diversity, and the empowerment of older people to live life to the full.

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## Introduction

COTA Australia welcomes and supports the establishment of a national framework of wellbeing indicators to guide budget priorities and shape policy settings.

The wellbeing budget framework must explicitly measure what matters for and impacts on older Australians as a substantial and growing part of our population. Australian society is ageing. The population aged 50 years and over is projected to grow to 12.1 million by 2041, from an estimated 8.9 million in 2021, an increase of 36 percent.<sup>1</sup>

The measures in the new wellbeing budget framework should enable data to be disaggregated across the lifespan and, in doing so, address the lack of reliable and consistent data measures supporting comparisons of quality of life and wellbeing for age cohorts that can be tracked over time. For older people, data should be broken down into multiple age groups. Our preference would be for age groups broken down in 5-year segments. At a minimum, we would recommend at least 3 age groups be established for people aged 50 years and over.

COTA Australia acknowledges that we are not a research body with expertise in statistical methodology and recognise there are challenges in implementing national measures.

In this submission, COTA Australia will outline some key considerations in establishing an integrated, national wellbeing measurement framework and provide examples of measures to be included in that framework.

### Ensuring older people are counted appropriately in all indicators

The measures in the new wellbeing budget framework should enable data to be disaggregated across the lifespan and, in doing so, address the lack of reliable and consistent data measures supporting comparisons of quality of life and wellbeing for age cohorts that can be tracked over time. Too often indicators for older people are grouped together above a certain age. COTA Australia often finds that the ageist point at which older people are no longer counted is “65 years+”. In some regular national datasets, the older age group is 55 years and older. Even the Australian Census stops its five-year cohorts at 85 years+ bracket, despite the increasing population ageing.

The needs, preferences, and wellbeing of a person aged 75 years or 85 years or 95 years is likely to be significantly different to that of a person aged 65 years. The Government has the potential to change this research behaviour and taking a leadership position on the ageism experienced in research, by mandating that it will only use indices in its wellbeing budget that include an appropriately representative sample of older people.

COTA Australia’s preference would be all age groups broken down in 5-year segments. We recognise that some sample sizes prevent this being possible. In these agreed rare examples,

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<sup>1</sup> ABS, Population projections, by age and sex, Australia - medium series

we would advocate for a lifestyle approach for grouping people aged 50 years and over including 'older working age' (notionally 50-66 years), 'healthy retirement age' (notionally 67-79 years), and 'ageing services age' (notionally 80+ years).

### Older people, quality of life and wellbeing

COTA Australia supports the focus on quality of life in the measurement framework and agrees that a broader range of social and environmental factors are needed, incorporating both material and non-material factors that are important in people's lives.

Material factors like employment, housing and income combined with non-material factors like social activities and family and community relationships can contribute to a fuller picture of quality of life and wellbeing in Australia.

Consideration of the quality of life of older people is becoming increasingly important in the evaluation, quality improvement and allocation of health and social support services. The need for care services for older people living at home will increase in the coming years because of the ageing population and deinstitutionalisation.<sup>2</sup>

An indication of how people perceive their quality of life is also important to measure. How people feel about and perceive themselves and their community matters. COTA Australia's engagement and research indicate that this is particularly important for older people. Subjective wellbeing has been identified by New Zealand and Canada as an important part of their national measurement frameworks. We support the inclusion of established subjective wellbeing indicators such as family wellbeing, general life satisfaction and sense of purpose and domain specific indicators such as economic insecurity, sense of safety and self-reported health and mental health. COTA Australia also recommends specific indicators focused on age related discrimination, retirement, social isolation and loneliness and elder abuse.

Specific survey questions for measurement could include:

- Quality of life: How would you measure your overall quality of life now? How would you rate your physical health, mental health, social relationships?
- Elder abuse: Have you personally experienced elder abuse or do you know someone who has? Did you seek any assistance or speak to anyone about it when you personally experienced elder abuse? Did you speak to anyone or seek any assistance when someone you knew experienced elder abuse?
- Financial security: How secure do you feel about your finances (income from all sources and savings) being able to meet your needs throughout the rest of your life? Does your household currently have any bills from this list that are overdue specifically because you are having difficulty paying them?
- Health: How difficult, if at all, is it for you to access the health and medical services you

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<sup>2</sup> See van Leeuwen KM, van Loon MS, van Nes FA, Bosmans JE, de Vet HCW, Ket JCF, et al. (2019) What does quality of life mean to older adults? A thematic synthesis. PLoS ONE 14(3): e0213263. See also Buettner D, Skemp S (2016) Blue Zones: Lessons from the World's Longest Lived. American College of Lifestyle Medicine, Vol 10, Issue 5

need? (Scale: 0 = no difficulties at all, 10 = extremely difficult) How much time do you spend exercising each week on average (this includes going for a walk and swimming)?

- Age related discrimination: Have you experienced a sense of discrimination specifically because of your age? Was this discrimination related to employment, health care, retail, government services, other?
- Social isolation and loneliness: In the last week, have you had contact with family, friends, neighbours, health or community services, someone else? Thinking about the last few weeks, how often would you say you felt lonely? How content are you with your family relationships and friendships? (Scale: highly content to not content)

The World Health Organisation (WHO) defines quality of life as "an individual's perception of their position in life in the context of the culture and value systems in which they live and in relation to their goals, expectations, standards and concerns".

For COTA Australia, it is important that older people can age well. Policy settings, institutions and governance and services support and enable people to age well by:

- recognising the wide range of capacities and resources among older people
- anticipating and responding flexibly to ageing-related needs and preferences
- respecting their decisions and lifestyle choices
- protecting those who are most vulnerable; and
- promoting their inclusion in and contribution to all areas of community life.

### Intergenerational equity

COTA Australia welcomes a national discussion on intergenerational equity, as referred to in the Treasury paper. In this discussion we would strongly argue that ageism is a key factor resulting in poor wellbeing and quality of life outcomes for many people particularly older people.

The impact of ageism, based on negative and incorrect age stereotypes at any age, particularly restricts the participation and inclusion of older people in all aspects of Australian life. This has adverse effects on both the community and on older people.

The Australian Human Rights Commission has reported that 35% of Australians aged 55-64 years have experienced ageism, with 67% of this discrimination relating to employment.<sup>3</sup> Research on public attitudes reveals that over three quarters of the Australian population believe that someone aged over 55 years is more likely to be made redundant and over two thirds believe they would be less likely to be promoted.<sup>4</sup>

In addition to addressing ageism, there is a strong need for intergenerational equality. Within Australia policy appreciation of lifespan influences on age-based inequalities has been limited. This is a major omission as inequality can be set early in life with disadvantage accumulating

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<sup>3</sup> AHRC (Australian Human Rights Commission) (2013) 'Fact or fiction: Stereotypes of older Australians', Sydney

<sup>4</sup> O'Loughlin, K., H. Kendig, R. Hussain and L. Cannon (2017) 'Age discrimination in the workplace: The more things change...', *Australasian Journal on Aging*, 36(2), 98-101

over the lifespan.

The young people of today are the older persons of tomorrow. The young and the old must be viewed as part of a single continuum in an intergenerational approach based on equity. The use of wellbeing measures and robust data based on age would assist this approach.

Older people contribute to Australian society in vital ways. Their role should not only be acknowledged, but their life outcomes included in national budgets, policy, and planning.

### **Perceptions of ageing**

Governments' perception of ageing needs to change. Whilst there are some challenges, ageing should be seen as an opportunity and not a burden, with benefits for all members of society. In general, Australians are living longer and healthier lives and this should result in less worry about shrinking working age populations.

Older people should be able to improve their knowledge and skills through lifelong learning, pension systems and flexible working arrangements should enable older people to gain and maintain employment and infrastructure planning should ensure easy access to essential services like public transport.

Population ageing provides the Australian economy with opportunities. More products should be tailored to the needs of the growing older population, while universally designed products and the care economy can grow exponentially.

### **Importance of consultation**

The release of a new stand-alone Measuring What Matters Statement in 2023 will be important.

However, to embed and implement this framework effectively into the future, the development of these measures should include ongoing consultation. Consideration could be given to the approach taken by the Canadian Department of Finance who have commissioned surveys and focus groups, held consultations with experts, interdepartmental engagement, cross jurisdictional consultation, and a specific engagement with national indigenous organisations.

Consultation with citizens should ensure engagement with older people. For COTA Australia it is critical that older people are consulted and listened to in the development of wellbeing indicators. Their lived experience is an essential ingredient in developing measures that matter.

### **Wellbeing measures should be linked to Budgets and policy initiatives**

The integrated national wellbeing framework should be linked to decision making processes, particularly Budgets.

Consideration should be given to adopting the New Zealand approach that requires all new policy proposals to specify their contribution to wellbeing and be evaluated on that basis. The New Zealand process of articulating goals, process and reporting is also worth assessing.

### **Living framework developing over time**

The process of developing a wellbeing and quality of life measurement framework linked to Budgets and policy development should be a continuous one.

This would allow the introduction of new measures over time with iterations building on each other and regular consultation with Australian public. Measuring what matters is an ongoing conversation.

There are challenges and tensions between developing a complete or comprehensive set of policy domains and indicators and ensuring that measures and their implications are simple enough to be understood.

Ongoing engagement and consultation with the Australian public is essential to the success of the measurement framework. Australians should play a role in contributing to the establishment and ongoing review of key measures. The Australian Government has a key responsibility in delivering consistent and coherent communication to all sections of the population.

### **Role of the Federal Government**

The Australian Government should take a leadership role in the development of a wellbeing framework by encouraging state and territory governments to be active in supporting a national approach with consistent measures and clear responsibilities for actions and outcomes.

### **First Nations perspectives and input**

Given Australia's history and First Nations people's current level of disadvantage, COTA Australia supports a specific strategy to consult with and include them.

This not only enables integration with reporting on Closing the Gap but also can explore and incorporate the indigenous understanding of wellbeing.

## Initial Wellbeing Measures

COTA Australia agrees policy areas should be discrete and readily understood, shaped for the purposes of measurement. Measures should be understandable and measurable based on timely and reliable data.

We appreciate that in forming a national measurement framework and approach, there is a balance between simple, global, national measures and measures that reflect the diversity and complexity in Australian society.

COTA Australia agrees that whilst the OECD Framework and list of policy domains are a good starting point, measures must be tightened and strengthened to enable more meaningful analysis and interpretation and linked to the Australian context. Data should be able to be aggregated to provide insights about the quality of life of demographic groups including groups defined by age.

### Employment measure should include people aged 65 years and older

Current employment metrics do not capture the key challenges in Australia's labour market with many groups such as First Nations people and women being less likely to be employed.

In an ageing society, with more people seeking to or being required to work longer, employment statistics should include people aged 65 years and older.

### Meaningful housing affordability measures disaggregation by age, gender, tenure and region

There is no international consensus on how to define or measure housing affordability, and no single measure fully captures the range of concerns around the ability of households to secure decent housing in an appropriate location for an acceptable price.

Housing affordability indicators and progress reporting in Australia are often confusing. The OECD measure has been stable and higher than the OECD average from 2004 to 2020. However, a range of other data suggests that Australia has some of the highest housing costs in the world and experiences increasing levels of housing stress and numbers of people who are homeless.

Whilst far from complete and requiring complementary data particularly on housing quality, COTA Australia suggests that housing expenditure-to-income ratios are preferable to price-to-income ratios because they measure housing cost burden and can be disaggregated to measure actual housing spending at household level (e.g., share of households spending over 40% of disposable income on housing costs). Focusing on average disposable income after housing costs does not capture variation between income levels or quality of housing.

Accepting that establishing robust housing affordability measures can be complex, COTA Australia suggests that the wellbeing framework process consider development of housing data aggregated by age, tenure, gender, and region to enable comparisons of demographic groups over time. Through engagement with older people and some research, COTA Australia is aware that a growing number of older people are struggling with housing costs and have a diminishing

quality of life, particularly renters. Single older women are particularly disadvantaged in the housing market, with an increasing number reported as being at risk of, or experiencing, homelessness. There are also significant housing affordability variations between regions both within capital cities and across regional and rural Australia. Establishing a suite of disaggregated housing measures would be highly valuable to informing housing policy initiatives.

### **Poverty indicators for multiple age and household groups and First Nations people**

COTA Australia supports the development of poverty indicators for different age and household groups. This would include establishing a poverty threshold or line. Unlike the wellbeing frameworks of other countries, Australia should measure more than just child poverty.

We recommend poverty indicators for age related household groups as used by the Household, Income and Labour Dynamics in Australia (HILDA) survey. These groups include non-elderly couple, single non-elderly female, couple with dependent children, older couple, single parent, single older male, single non-elderly male, and single older female. For these indicators elderly refers to people aged 65 years and older. This should be a relative income “after housing” poverty indicator that relates to income after deducting housing costs. The use of these age-related household groups would provide more substantive picture of poverty in Australia.

COTA Australia also strongly recommends a poverty indicator be established for First Nations people.

### **Value in developing subjective quality of life indicators**

COTA Australia supports the development of subjective quality of life indicators to complement other measures.

We note that whilst there is no definitive set of guidelines emerging from the international literature, a substantive body of evidence supporting valid and reliable subjective wellbeing measures exists and has been used in the development of national wellbeing measurement strategies in other countries.

Since 2020, COTA Australia, along with the eight COTA state and territory organisations, has commissioned annual State of the Nation (SOTON) reports to understand the views, life experiences and needs of Australians aged 50 years and older.<sup>5</sup> This has provided significant data on the views of older Australians on issues such as overall quality of life, sentiment about the future, personal and broad experience of elder abuse, feelings about financial security, experience of age-related discrimination, social isolation, and loneliness.

COTA Australia would welcome opportunities to share our insights on the development and outcomes of this research.

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<sup>5</sup> See <https://www.cota.org.au/policy/state-of-the-older-nation/>

We can also offer to engage with older people to inform the development of indicators and to communicate the value and the importance of measures for older people.

## Recommendations

1. Ensure, where possible, that all wellbeing indices are published with age breakdowns in five-year age cohorts.
2. Ensure First Nations metrics are incorporated into the national wellbeing framework and can be linked to the Closing the Gap report.
3. Introduce subjective wellbeing and quality of life indicators to measure how well Australians age and monitor the impact of a range of policies, institutions, programs, and services.
4. Measure the impact of ageism (experienced differently by all age cohorts) by ensuring an intergenerational tracking of wellbeing is developed as part of the budget measure.
5. Ensure older people are included in the consultations and co-design processes for the development of the wellbeing measurement framework.
6. Ensure all new policy proposals specify their contribution to wellbeing and that all approved programs and policies are evaluated with reference to relevant wellbeing framework measures.
7. Expand employment and labour market metrics to include all people aged 65 years and older.
8. Develop housing affordability measures can be disaggregated by age, gender, tenure, and region for inclusion in the wellbeing framework
9. Develop poverty measures by age-related household groups for inclusion in the wellbeing framework.