

30 January 2023

Treasury
Langton Crescent
PARKES ACT 2600

Email: MeasuringWhatMatters@Treasury.gov.au

Dear Sir/Madam

Response to Consultation: Measuring What Matters

The Actuaries Institute (the Institute) is the peak professional body for actuaries in Australia. Our members work in a wide range of fields including insurance, superannuation and retirement incomes, enterprise risk management, data analytics, climate change impacts and government services. We have a longstanding commitment to contribute to public policy discussions where our members have relevant expertise and welcome this opportunity to comment on matters relating to the Government's proposed application of the *OECD Framework for Measuring Well-being and Progress* to Australia.

As noted in our pre-budget submission, the Institute reiterates its strong support for the Government's introduction of a well-being framework to 'measure what matters' and encourages the integration of the framework where possible across all levels of government. A framework used for the systematic monitoring and improvement of programs across governments and its agencies could enable a transformational improvement in societal well-being.

In 2020, the Institute considered the issues of what should be measured for the purposes of analysing intergenerational equity (between age groups) and how it has changed over time. We refer you to this documentation for comprehensive coverage of factors impacting the well-being of Australians¹.

A notable area of improvement for the Institute's work, and which we are currently addressing, is research considering intragenerational (within age group) issues to more comprehensively inform societal discussions about equity, equality and fairness. The Institute looks forward to releasing this work in the first half of 2023.

Ideally, we would also like to have included an indicator/s around civic engagement but this was not possible due to data limitations we encountered. Inclusion of such an indicator/s would more strongly reflect aspects of social capital and includes level of engagement and trust in government and agencies as well as strength of community.

We encourage the Government to continue with the efforts that have been underway for some time now to further strengthen data collection and linkage across agencies, such that outcomes sought from the well-being Budget framework can be accurately observed and

¹ Refer [Mind the Gap – The Australian Actuaries Intergenerational Equity Index](#) and [A Narrow Escape? The 2021 Australian Actuaries Intergenerational Equity Index Update](#)



programs dynamically improved to lift overall well-being. The potential benefits from this are substantial². Having the overarching well-being budget framework should ensure further investments necessary in data collection and analytic processes are strategic priorities.

The Institute has published detailed analysis on a wide range of specific topics that impact well-being, such as climate change, mortality and morbidity, retirement incomes, aged care and the gig economy. Treasury may wish to explore these as it considers the application of the OECD framework to Australia. Papers can be found [here](#).

The Institute would be pleased to discuss this submission. If you would like to do so, please contact Elayne Grace, Chief Executive Officer of the Actuaries Institute, on (02) 9239 6100 or elayne.grace@actuaries.asn.au.

Yours sincerely,

Naomi Edwards
President

² Refer Appendix B – The data and analytics rich investment valuation approach to improve government services in [Big Data and the Digital Economy: Benefits and Pitfalls in the Insurance Industry](#), Conference Paper delivered by Institute CEO to a joint ABS and RBA Conference in March 2022.