

Measuring Community Wellbeing

Official statistics within Australia and other countries are produced to monitor the health and progress of the nation. In terms of progress, the indicators that have traditionally received the most attention have been broad level indicators — national summaries of activities or outcomes relating to particular themes. For example, the Gross Domestic Product (GDP) summarises national economic growth, the national unemployment rate is used as a summary of the labour market health, the Consumer Price Index (CPI) is used as a summary indicator of price increases, and so on.

These broad level summary indicators will always play an important role in describing the health of the nation. However, in recent years there has been an increasing recognition of the potential dangers in relying too heavily upon broad summary measures to assess the nation's health or progress. In particular, it has been argued that there has been too much focus on economic activity in isolation of other factors in assessing the health of the nation, or in assessing the merits or performance of particular policies or initiatives. Advocates of this view have proposed a triple bottom line approach to assessing policies or proposals — that is, joint consideration of social, economic and environmental impacts.

There has also been a significant amount of public discussion and debate, both in Australia and overseas, as to what aspects of our lives and societies we should be trying to measure and monitor. This debate has posed questions such as “what is progress?” and discussed concepts such as wellbeing, quality of life, and sustainability.

Another observation made of broad level summary indicators is that they focus on aggregate, or average, outcomes. The potential danger in this is that while the summary indicator may indicate positive outcomes, there could be substantial difference in outcomes for various groups within the nation as a whole. For example, a national unemployment indicator could be stable, but there could be a big rise in teenage unemployment, or unemployment within a particular region. Therefore, broad summary measures need to be complemented by more detailed measures, to gain a better understanding of performance within a particular area of interest.

In particular, in recent years there has been growing demand for statistical indicators relating to regional and rural Australia, or for individual regions (both metropolitan and non-metropolitan) within Australia. There has been a growing body of research, discussion and debate on the importance of “place” in influencing social, economic and environmental outcomes, and a demand for more detailed regional indicators to help inform this debate and assess the regional impact of policies and initiatives. There is widespread recognition that an effective analysis of the importance of place requires indicators for quite small geographic regions. There can be quite a degree of divergence in wellbeing and outcomes from one end of a suburb to the other. Often the word “communities” is used, as it has connotations of small, immediate and homogenous; as opposed to the words “region” or “regional” that can have connotations of larger areas of geography.

With current public debate, there is considerable interest not just in asking “what progress is Australia making?” or “is Australia’s wellbeing improving?”, but also in asking questions such as “is the wellbeing of Shepparton improving?” and “how well is Eastern Victoria doing compared with Western Victoria?”. These questions ask about the wellbeing of geographic communities, although more broadly, other types of community (for example, communities defined by ethnicity, age or socioeconomic status) may also be of interest.

The Australian Bureau of Statistics (ABS) understands the importance of this debate, and the importance that the State Government of Victoria assigns to it. This article outlines some of the statistical initiatives recently completed or currently in progress that seek to address demand for more detailed and comprehensive statistical indicators; in particular regional and small-area indicators, and indicators that can be used to measure “wellbeing” or “progress”.

What is community wellbeing?

The wellbeing of an individual is a description of their welfare, health or status relative to others. Similarly, community wellbeing attempts to describe the welfare of a community. As a community is a collection of people, many important aspects of community wellbeing are derived from the collective wellbeing of people within the community. For example, average life expectancy of people provides some indication of their health status; and indicators of safety, such as numbers of road fatalities or workplace injuries, describe some of the risks faced by people. A description of wellbeing should anticipate future threats as well as current performance, so indicators such as proportions of people smoking can also help to describe wellbeing.

The wellbeing of a community can also be measured by how well it engages, supports, develops and satisfies the people living within it. For example, the number of people employed, and indicators that describe the characteristics or quality of their work (such as, the number of hours worked and earnings from employment) or the cultural or sporting opportunities offered within a community. Levels of community cohesion, social attachment, or other aspects of social capital within the community help to describe the levels of support offered by the community. The quality of governance within the community is another important indicator. Indicators of satisfaction of the population (for example, “how happy are you?” or “how would you rate this community as a place to live?”) may be helpful in indicating how well the community meets the overall needs of its residents, or in simply describing community wellbeing.

Production of goods and services, and associated economic activity within a community is also an important aspect of community wellbeing. Indicators can be used to look at the total value of goods and services produced, total employment, or economic investment within the community. A diversity of industry can also be argued to contribute to overall community wellbeing.

The infrastructure within a community and access to services determines how the community can meet some of residents’ current and future needs. Indicators can be used to look at the condition of roads or telecommunications links, and number and quality of schools, hospitals, houses and other elements of community infrastructure.

As well as looking at totals and averages, indicators of spread or distribution of characteristics can be used to illustrate the level of equity within a community. Examples of such indicators are the number of people living on relatively low incomes; the number of homeless people; or the number of long-term unemployed.

The natural environment surrounding a community will affect wellbeing. It provides resources for industry and basic needs (such as food, air and water), and can add considerably to the aesthetic nature of the community and the contentedness of residents. Indicators may look at water quality or supply; air quality; salinity and other land degradation factors; and level of vegetation cover or number of extinct or endangered species. Other aspects of the environment, such as the level of noise pollution, also affect community wellbeing.

Finding suitable data sources

Once appropriate indicators have been chosen, the challenge is to find ways of producing indicators that will be reliable enough to accurately guide policy development and assessment, rather than confuse or misinform it.

An important source of information on community wellbeing is the Census of Population and Housing that is conducted every five years, most recently in August 2001. The wealth of data collected in the Census enables indicators to be formed for very small geographic areas, and it is probably a main source of data used by researchers and analysts working in the area of community or small area research. However, it is not possible to collect information relating to all areas of interest nor is it feasible to conduct such a large collection of personal information more frequently than every five years.

Producing reliable indicators is more involved than it at first appears. For example, consider development of an indicator of the level of unemployment within a community. Ideally, such an indicator would be consistent with the monthly unemployment estimates produced by the ABS, so that the level of unemployment in a community can be compared to the level of unemployment in the State as a whole. The first thought may be to use the ABS data source to produce community-level estimates. However, the monthly unemployment estimates are produced from the Labour Force survey that is designed primarily, to produce State and National level estimates. The sample size of the survey is too small to produce reliable estimates for small areas.

A potential solution is to increase the survey's sample size so that it does support the production of small-area estimates. However, this would add enormously to the survey's cost. Even if quite broad regions were used; for example, a total of ten regions for the whole of Victoria; then to produce regional unemployment statistics of the same reliability as current monthly State estimates would require approximately ten times the current Victorian sample size, and subsequent substantially increased interviewing costs. It would also mean that the Victorian community would face a greatly increased survey burden. Currently, each Victorian adult has a chance of 1 in 257 of being selected in the monthly Labour Force Survey in any given month. If the sample size was increased tenfold this would increase to almost a 1 in 25 chance.

Such an expanded survey may not be a practical solution, so other options must be canvassed to obtain the data needed to produce detailed estimates. If it is too expensive and intrusive to collect new data, then better use must be made of existing data. For this reason, many of the attempts to produce community-level indicators focus on using administrative data — that is, data collected through some administrative process. In the case of unemployment, an administrative source to consider is payments of benefits related to unemployment — primarily Job Search and Newstart allowances. This introduces new complexities, including the following:

Differences in unemployment and receipt of benefits. Some people may be employed but still in receipt of a benefit (for example, if only working a small number of hours or only in short-term employment). Other people may be unemployed but not in receipt of a benefit, either because they are not eligible, or because they have chosen not to apply. There can also be distortions caused by administrative lags, for example the gap between becoming unemployed and first receipt of a benefit, and conversely the gap between becoming employed and cessation of a benefit.

Data item quality. Generally, the accuracy of individual data items collected or generated through an administrative process will only be required to ensure administrative aims are met. It would not be cost effective to put extra resources into checking errors in unless it is necessary for the purposes of administrative data. Where administrative data is collected through self-enumeration by individuals (for example, where a person completes forms to obtain a government benefit) it can be prone to error.

Processing lags. Datasets can often be out of date or incomplete due to lags in processing or particular administrative arrangements. This affects not only current estimates, but can also have a large impact on the change in estimates from one period to the next.

Timeliness. The size of most administrative datasets is an advantage in terms of the amount of data that can be used to produce small-area estimates, but a disadvantage in terms of the time it takes to process all of the data. In many circumstances, a survey may be able to deliver more timely results than an administrative data source.

Efficient use of resources. Cost constraints usually require that administrative data sources be used for producing community-level indicators. However, in order to have faith in the reliability of the indicators produced, it is necessary to evaluate the quality of the data source and supporting administrative systems. It may be necessary to implement new quality improvement procedures within the administrative system, to ensure that the data can support reliable statistical indicators.

ABS and Wellbeing Measures

For indicators to be an effective means of measuring progress they must be reliable and robust, with quality assurance procedures put in place to ensure that the indicators accurately measure actual outcomes, and cannot be manipulated or distorted by the operational processes used to collect the data.

The ABS has experience with the collection of data and the production of official statistics. This experience can be utilised by State Government and other governments, businesses and organisations to assist in the production of meaningful and trustworthy indicators. ABS assistance can include the supply of documentation and advice on appropriate statistical standards, classifications, frameworks and quality assurance methods.

A number of ABS projects or collaborations related to measuring community wellbeing are underway and summaries of these projects are provided below.

Measuring Wellbeing

Measuring Wellbeing (Cat. no. 4160.0) was released in October 2001. It presents an overall framework and various conceptual models for social statistics in Australia. It discusses areas of social concern: health, education and training, housing, etc; and how they relate to the wellbeing of an individual and society. It then describes the frameworks, measurement and policy issues relating to these areas of social concern.

This publication helps to define different dimensions of wellbeing, although its attention is restricted to social statistics. Areas of community wellbeing that do not correspond directly to areas of individual wellbeing (for example, governance, equity, tolerance and diversity) are not discussed in detail.

Measuring Australia's Progress

Measuring Australia's Progress (Cat. no. 1370.0) is a new publication to be released in April 2002. The publication is a response to growing demand for comprehensive measures of national progress, so that public debate in Australia is informed by facts and not anecdotes. The publication will consider some of the key indicators of national progress and discuss how they are linked with one another.

It can be difficult to measure, or to obtain reliable data for some aspects. Some potential indicators, while important indicators of social, economic or environmental conditions, cannot be unambiguously associated with progress. For example, while the divorce rate is an important and informative indicator of the change to families in Australia, it is not possible to unambiguously say whether an increase in the divorce rate is a positive or negative outcome. On the one hand, an increasing divorce rate could be interpreted as indicating that there is an increasing rate of unhappy marriages in society. Conversely, it could be argued that there has not been any change to the rate of unhappy marriages in society, but rather an increased divorce rate is due to changes in personal and community attitudes to divorce.

Measuring Australia's progress is intended to give a quick, clear and balanced picture of progress for the nation. Its aim is to provide the Australian public with information and indicators presented in a way which can be readily understood. It also aims to inform and stimulate public debate and encourage all Australians to assess the 'bigger picture' when contemplating national progress.

**Community
Wellbeing and
Progress
Indicators for
Victoria**

In November 2001, the Hon. Steve Bracks M.P., Premier of Victoria, launched '*Growing Victoria Together*', a document that expresses a broad vision for the future of Victoria through a list of goals and priority actions. This Victorian State Government document also lists several indicators or targets that will be used to demonstrate progress towards the articulated goals.

Some of the indicators listed in *Growing Victoria Together* are already published regularly by the ABS, particularly in this publication, the quarterly *State and Regional Indicators, Victoria* (Cat. no. 1367.2) and the annual *Regional Statistics, Victoria* (Cat. no. 1362.2).

The ABS expects to publish further indicators in 2002, as data sources are evaluated and appropriate methodologies for producing reliable indicators are finalised.