

# Appendix I: Criteria for selecting indicators

## Headline indicators

*Measures of Australia's Progress* is designed for the Australian public, and the commentaries are meant to be easily understood by readers who may not be expert in either the subject matter or statistical methods. In many cases, our choice of indicator has had to strike a balance between considerations of approachability, technical precision, and the availability and quality of data.

The headline indicators in this publication are concerned with assessing dimensions of Australia's progress, not with explaining the underlying causes of change. The indicators are about the 'whethers' rather than the 'whys'.

In the view of the ABS, a good headline indicator should:

- ◆ be relevant to the particular dimension of progress
- ◆ where possible, focus on outcomes for the dimension of progress (rather than on say, the inputs or processes used to produce outcomes)
- ◆ show a 'good' direction of movement (signalling progress) and 'bad' direction (signalling regress) – at least when the indicator is considered alone, with all other dimensions of progress kept equal
- ◆ be supported by timely data of good quality
- ◆ be available as a time series
- ◆ be sensitive to changes in the underlying phenomena captured by the dimension of progress
- ◆ be summary in nature
- ◆ preferably be capable of disaggregation by, say, geography or population group
- ◆ be intelligible and easily interpreted by the general reader.

For some dimensions, it is not yet possible to compile our preferred indicator. So a proxy indicator has been used instead, pending further statistical development work by the ABS or other researchers.

## Supplementary indicators

The supplementary indicators are intended to flesh out the information provided by the headline indicator. In some cases, they help bridge the gap between our preferred indicator and the best proxy indicator available today.

To choose the supplementary indicators, much the same criteria were applied – but we did not require that every supplementary indicator show unambiguously good and bad directions of movement or have an outcome focus.