



Measuring What Matters

ARACY Submission

January 2023

About ARACY

ARACY – Australian Research Alliance for Children and Youth seeks to catalyse change by bringing people and knowledge together for the benefit of children and young people in Australia. We strive to achieve this by advocating for evidence-based policy and practice, focusing on prevention and early intervention. Our consultations with over 4000 children and young people, their families, and experts have shown us what wellbeing means to them: to be loved, valued, and safe; to have material basics; to be physically and mentally healthy; to be learning; to be participating; and to have a positive sense of identity and culture. These six domains are reflected in ARACY’s wellbeing framework for children and young people — [the Nest](#).

We have been operating within this framework since 2013 and have progressed our work including publication of trackable indicators in our 5-year Report Cards and our most recent ARACY-UNICEF report [The Wellbeing of Australia’s Children](#)ⁱ incorporating both internationally comparable and Australian-specific indicators. Our experiencing in conceptualising, measuring, and tracking wellbeing for children and young people at a national level puts us in a position of unique expertise to advise on a national Australian wellbeing framework.

Summary & Recommendations

- **A dedicated national child and young person’s wellbeing and progress framework should be implemented alongside and in addition to a national wellbeing and progress framework.** This is necessary to appropriately reflect needs of children and young people which differ from adults, and to maximise the social and economic benefits of enhanced intergenerational mobility. This approach has been implemented by the OECD and internationally.
- ARACY’s *The Nest* wellbeing framework and accompanying ARACY-UNICEF report *The Wellbeing of Australian Children* have unique advantages over every other child wellbeing framework in Australia. **We recommend the ARACY-UNICEF *Wellbeing of Australia’s Children* report be implemented immediately as the wellbeing framework and reporting mechanism for children and young people**, with planned enhancement aligned with additional recommendations in this report.
- ARACY’s *The Nest* wellbeing framework and accompanying ARACY-UNICEF indicator report *The Wellbeing of Australian Children* is participatory, age-appropriate, incorporates evidence-based principles of child wellbeing, tailored to the Australian context, and internationally comparable. Key features of an ideal child and young person wellbeing framework would additionally include:

- **Measures of the effectiveness of systems**, such as measures which drive and monitor collaboration, should be included to ensure the wellbeing framework influences and guides decisions.
- **Measures that can be disaggregated by geographic and demographic level** must be included wherever possible to advance equity by empowering organisations outside Treasury to engage with the data and thus draw attention policy issues affecting subpopulations that may not be evident across national measures.
- **Data gaps that are meaningfully acknowledged**, and attempts made to establish appropriate measures when needed.
- **Regular updates incorporating evidence and data updates as well as consultation with children, young people, and families** to maintain currency with social, economic, and environmental changes should be embedded.
- **Consider the wellbeing of current as well as future generations** of children and young people.
- **Include a greater breath of information sensitive to a child's age and developmental stage.**

Introduction

Measuring what matters can support a new approach to shape the economy that brings wellbeing to the centre of how we think about purpose, value, and development. Rather than a machine to maximise economic growth, the economy should be a societal instrument to promote human wellbeing. New measures can promote progress that is people centred, equitably distributed and environmentally and socially sustainable. The outcome will be a society that is more just, inclusive, equitable and sustainable.

Wellbeing for Children & Young People

Budget Paper Number 1ⁱⁱ Statement 4 acknowledges supporting children's wellbeing is a key mechanism to lift living standards of Australians now and into the future. The statement cites "intergenerational mobility" (referring to the ability of children to transcend the socio-economic status of their parentsⁱⁱⁱ), and the established economic and societal benefits of reducing disadvantage among children based on research by James Heckman. It is for these reasons ARACY strongly supports the prioritisation of children's wellbeing in a national wellbeing framework, and therefore recommend measures of child wellbeing are embedded in reporting.

In its current form, only 2 of the 36 OECD headline indicators directly examine wellbeing of young people. The two indicators are 15-year-old students with low skills, and 15-year-old student skills in science. Both measures are narrow in scope and age and do not capture the importance of wellbeing throughout the life course, including the social and economic return on early years investment.

Other limitations include:

- No measures for early learning/education - this is a precursor to young adult education attainment.
- No measures for identity and belonging
- No measures for access and connectivity
- No measures of our institutions
- No measures for the performance of our services.
- Most measures are objective (which are important), however, having subjective measures (perception, satisfaction) in the framework can provide a better indicator of impact on the lives of individuals.

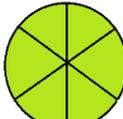
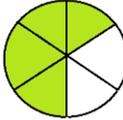
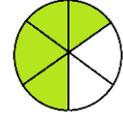
Some bodies have addressed this by developing a dedicated children's wellbeing and progress framework. Examples include the OECD itself, through the *Measuring What Matters for Child Well-being and Policies*^{iv}, alongside New Zealand (*Child and Youth Wellbeing Strategy 2019*)^v, Finland (*National Child Strategy 2021*)^{vi}, and Ireland (*Better Outcomes, Brighter Futures: The National Policy Framework for Children and Young People 2017-2020*)^{vii}. The strength of this approach is the proportional significance of children's wellbeing is represented and appropriately prioritised, both by population (with people aged 0-24 years constituting more than 30% of the national population of Australia^{viii}) and by social and economic return on investment.

➤ **A dedicated, specialised national wellbeing and progress framework should be implemented to monitor and address the wellbeing of children and young people.**

Comparison of Existing Frameworks

At present there are several wellbeing reports of relevance to a national wellbeing and progress framework for children and young people in Australia. These have been summarised in Table 1. The frameworks and associated indicators have various strengths and weaknesses, and none are ideal. However, we consider ARACY's wellbeing framework *The Nest* and the associated ARACY-UNICEF compendium of indicators (*The Wellbeing of Australia's Children*^{ix}) to have strengths exceeding the others. These are outlined in the following section.

Table 1: Comparison of wellbeing frameworks and indicators relevant to Australian Children.

Org.	Title	Basis of Framework (Participatory)	Age	Wellbeing Domains	Coverage of Nest Domains	Indicators	Australian-specific
OECD	<i>Measuring What Matters for Child Well-being and Policies</i>	Literature-based “...outcome areas most frequently used in multi-dimensional child well-being research” ^x	0-17	<ul style="list-style-type: none"> ▪ Material ▪ Physical health ▪ Social, Emotional & Cultural ▪ Cognitive & Educational 		120+	No
ARACY/ UNICEF	<i>The Wellbeing of Australia’s Children</i>	Literature review + extensive consultation including direct consultation with children, young people, and families	0-24	<ul style="list-style-type: none"> ▪ Valued, loved and safe ▪ Material basics ▪ Healthy ▪ Learning ▪ Participating ▪ Positive sense of identity & culture 		63	Yes
AIHW	<i>Australia’s Children</i>	Modified general population model “...developed to measure and report on health and welfare of the general population. It has been modified for child reporting” ^{xi}	0-12	<ul style="list-style-type: none"> ▪ Individual health ▪ Education ▪ Family social support ▪ Household income and finance ▪ Parental employment ▪ Housing ▪ Justice and safety 		38	Yes
AIHW	<i>Children’s Headline Indicators</i>	Unclear “...endorsed by 3 ministerial councils” ^{xii}	0-12	<ul style="list-style-type: none"> ▪ Health ▪ Early learning and care ▪ Family and community 		19	Yes
AIHW	<i>National Youth Information Framework</i>	Unclear	12-24	<ul style="list-style-type: none"> ▪ Education, employment, and economic situation ▪ Factors influencing health ▪ Family, relationships, and community ▪ Health status and wellbeing ▪ Health system performance 		38	Yes



The Nest Wellbeing Framework: Key Strengths

Participatory

The greatest strength of *The Nest* is the development of a robust foundational framework based on direct consultation, expert knowledge, and evidence. What matters should be determined by people. Research shows that the act of participating itself is critical to wellbeing. Indeed, participation is a wellbeing domain identified by young people as essential to wellbeing. Developing progress measures needs the engagement of citizens working with academics and policy makers. The engagement can also produce a wellbeing vision with priority outcomes founded on what matters. This means enabling individuals and communities to contribute to regular updates, including children and young people themselves.

The Nest was developed in consultation with over 4000 children, young people, families, researchers, policymakers, and service providers and coupled with the best available evidence. From this, we distilled six interdependent domains which work together to support children and young people thrive. These are: to be valued, loved and safe; to have material basics; to be physically and mentally healthy; to be learning; to be participating in family, community and decision making; and to have a positive sense of their identity and culture. Importantly, none of the other frameworks cover in whole the wellbeing domains identified by children and young people in The Nest as necessary for them to thrive. Most omitted, both in the above frameworks and more generally, are measures of participation and positive sense of identity and culture (see Table 1).

Strengths-based, Collaborative, Holistic, and Child-Centred

A wellbeing framework for children and young people should incorporate evidence-based principles. ARACY's *The Nest* wellbeing framework was developed upon these principles. While we acknowledge there are limitations especially around data, ideally a wellbeing and progress framework for children should be:

- **Strengths-based:** many indicators are framed from a deficits-lens. For example, we report of 'child mortality' in the first 5 years rather than 'child survival'. A strengths-based approach is widely recognised as best practice to working with children and young people. In addition, the way information is framed impacts on audience support for initiative. For example, deficits framing deters support of parenting initiatives compared to a strengths-based approach^{xiii}. While it is critical to identify areas needing improvement, identifying strengths that can be harnessed to enhance other aspects of wellbeing.
- **Collaborative:** enable children, young people, and those who care for them to have a say in what matters most
- **Holistic:** incorporate all elements necessary for a child's wellbeing, thereby recognising that these 'domains' are indeed interlocking, and support each other (e.g., a child cannot thrive in an educational setting if they are hungry or preoccupied the concerns about family violence).

- Child-centred:** this means that the outcomes being monitored are meaningful for the individual or community they are designed to support. For example, over 75% of Australians believe that government's chief objective should be to promote policies designed to maximise human wellbeing rather than greater wealth. So, while an indicator like GDP may have value, it is not person-centred.

More information on these principles and the evidence behind them can be found via ARACY's Common Approach^{xiv}.

Age Appropriate

The Nest framework and associated indicators covers ages 0 through to 24, which maps best with known phases of the developing brain. Neuroplasticity – i.e., the flexibility and adaptability of brain tissue which is heightened in developing brains - is the biological underpinnings of the high returns on investment in children and young people.

Tailored & Comparable

ARACY-UNICEF framework and report is both specific to the Australian context as well as including indicators that are internationally comparable. Where able, data has been disaggregated to highlight inequitable outcomes for Aboriginal and Torres Strait Islander children.

Figure 1: ARACY's The Nest Wellbeing Wheel



ARACY's *The Nest* wellbeing framework and accompanying ARACY-UNICEF report (*The Wellbeing of Australian Children*) has been developed with extensive consultation including children and young people, incorporates indicators of participation, identity and culture, utilises evidence-based principles of child wellbeing, spans an age range aligned with current understanding of brain developmental, has been developed in the Australian context, and includes indicators enabling international comparability. These features confer unique advantages over every other child wellbeing framework in Australia.

- **We recommend immediate funding and implementation of the ARACY-UNICEF children and young person's wellbeing framework and indicator set, with scheduled enhancements to occur in alignment with the recommendations below.**

Enhancing Features

Measure Systems

Measuring what matters to people is an important element of a national wellbeing and reporting framework. However, systems and processes to ensure these measures influence and guide decisions will be essential. The OECD has reported on countries experiences with wellbeing metrics including mechanisms for embedding in government through detailed case studies. Wellbeing can be embedded through government priorities, legislation, budget rules and frameworks, performance targets, statutory agencies, and reporting requirements. For example, Wales has introduced legislation supported by governance arrangements and New Zealand has incorporated frameworks into budget and policy making processes:

- Wales - the Wellbeing of Future Generations Act requires national goals and progress measures, entrenches clear values and reporting requirements in public agencies, and creates mechanisms to implement them including a Commissioner for Future Generations, a National Advisory Panel, annual audits, and a future trends report.
- New Zealand – we support the New Zealand's introduction of a wellbeing budget that links to national priorities. Citizens identify wellbeing priorities and requests for funding by Ministers must show how the initiative advances these priorities. Government must define wellbeing objectives and use them to guide financial decisions.

- **A national wellbeing and progress framework should include measures of the effectiveness of systems, such as measures which drive and monitor collaboration, to ensure these measures influence and guide decisions.**

Increase Comparability

An important element of any wellbeing framework is comparability, not just internationally but within jurisdictions. However, national data may not capture issues of federal significance if the affected population is too small. Taking the opportunity to advance equity and reduce disadvantage, especially among children, will require measures able to be disaggregated for groups experiencing

disadvantage. Data that can be disaggregated empowers research or other organisations to identify and draw attention to important trends affecting subpopulations. Ideally, indicators should be able to be disaggregated to reflect populations of interest (such as marginalised groups and state or local government jurisdictions). The specific inclusion of measures able to be disaggregated at a level meaningful to vulnerable populations is an important opportunity to advance equity and reduce disadvantage and should be considered during development. This empowers research and other organisations to identify and draw attention to important trends affecting subpopulations that may not be evident across national measures.

- **Measures able to be disaggregated at a meaningful level for populations of interest (both geographical and demographic) should be included wherever able to address inequity. This will empower organisations outside of Treasury to engage with the data and highlight important trends affecting subpopulations that may not be evident across national measures.**

Highlight Data Gaps

ARACY notes the OECD *Measuring What Matters for Child Wellbeing and Policies* makes clear where indicators of an element of wellbeing should be available, but are not, thus highlighting important data gaps.

- **A national Australian framework should acknowledge data gaps and seek to establish appropriate measures where this data is needed.**

Dynamic

A wellbeing framework and reporting mechanism should be flexible and dynamic, enabling regular updates consistent with emerging evidence, evolving community values and priorities, and to account for social, economic, and environmental changes. This includes regular engagement with community members, including children and young people, as part of the updating process.

- **A national Australian framework for children and young people should embed regular updates that incorporated evidence and data updates as well as consultation with children, young people, and families to maintain currency with social, economic, and environmental changes.**

Other Features

The OECD's *Measuring What Matters for Child Wellbeing and Policies*^{xv} suggests several general principles that should be considered in developing a wellbeing framework and reporting measure for children. These include:

- Forward looking – where children can enjoy a positive childhood in the present, as well as develop skills and knowledge that enable them to thrive into adulthood. Additionally, this includes considerations for climate.
- Capture information that is sensitive to a child’s age and developmental stage, and aim to include indicators which represent all ages (presently there is a sparsity of indicators which capture the wellbeing of younger children)
- Capture inequities across subpopulations (which links to the ability to disaggregate data)

Additional Resources

There are many existing frameworks and initiatives that can support Measuring What Matters. The UN Sustainable Development Goals provide a robust starting point for improved metrics and indicators for measuring the value. Australian National Development Index is an incorporated not for profit company supporting governments to develop new measures and is strongly connected internationally. The WHO Council on the Economics of Health for All was established in 2020 to provide guidance on creating a wellbeing economy. The Council is interested in piloting and scaling up activities including country-led applications with willing stakeholders. The Wellbeing Economy Alliance’s Policy Design Guide has resources, tools, case studies, and suggestions to help develop a framework.

Where to Next?

Wellbeing extends beyond measurement and must encompass the whole of government system approach, embedding wellbeing throughout the system. In time, we must address the relationships and intersections of systems and sectors, their context and conditions, their cultures and norms, their goals, roles and capabilities, and their collective performance and impact to truly shift wellbeing outcomes for people.

In a report by [ANZSOG and Every Child \(2021\) on System Leadership for Children and Youth Wellbeing](#), which brought together over 80 system leaders, identified six ways of working if we are to improve wellbeing outcomes, that are similar to Wales 5 Ways of Working. These include the following:

- **Changing minds:** culture change; challenging assumptions and norms; shifting mental models; reframing the narratives; listening for and hearing lived experience, expertise, and evidence.
- **Sharing power:** citizen and community leadership; collaborative and inclusive governance; diverse public participation; devolved decision making; participatory design.
- **Trust and relationships:** building connections; trusting others; guiding not directing; loosening control; working together; diverse and inclusive partnerships.
- **Seeing the whole and being focused:** broadening the view; breaking down silos; joining the pieces; seeing connections; addressing root causes; focusing on high value and high impact change.
- **Taking time:** a long-term outlook; beyond political cycles; more than a quick fix; try, test, and learn; an ongoing commitment; champions to hold firm over time.

- **Skin in the game:** having courage; being purposeful; taking risk; reflection and learning; seeing our part in the system

➤ **In future, established ways of working should be identified to guide people, policies and practices and processes as a mechanism to combat siloing of accountability especially given the holistic nature of improving wellbeing. These ways of working would complement the framework and help support policy design, implementation, and evaluation.**

Conclusion

➤ **We recommend the ARACY-UNICEF *Wellbeing of Australia's Children* report be implemented immediately as the wellbeing framework and reporting mechanism for children and young people, with planned enhancement in the form of additional health-of-systems indicators, indicators included with specific consideration of disaggregate potential, conscious highlighted of data gaps, embedded updates including regular community consultation, with greater breadth of indicators sensitive to developmental ages, and a formulation that reflects both current and future wellbeing of young people.**

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