



Australian Government  
The Treasury



# Measuring What Matters

November 2022

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# Objectives

# Treasurer Public Statements

- Feb 2020 “Traditional measures have a place, but don’t paint the whole picture. We can do more to measure what matters.”
- June 2022 “I’ve committed to a program of measuring what matters. I’ll say something around October, and then finalise something based on consultation with people during the course of this term.”
- October 2022 “in addition to [economic measures], let’s come up with a hard headed, consistent way to measure what matters, not just in our economy but our society.”  
Budget Statement 4 will “sketch out how I think we should go about this...”

# Work to date

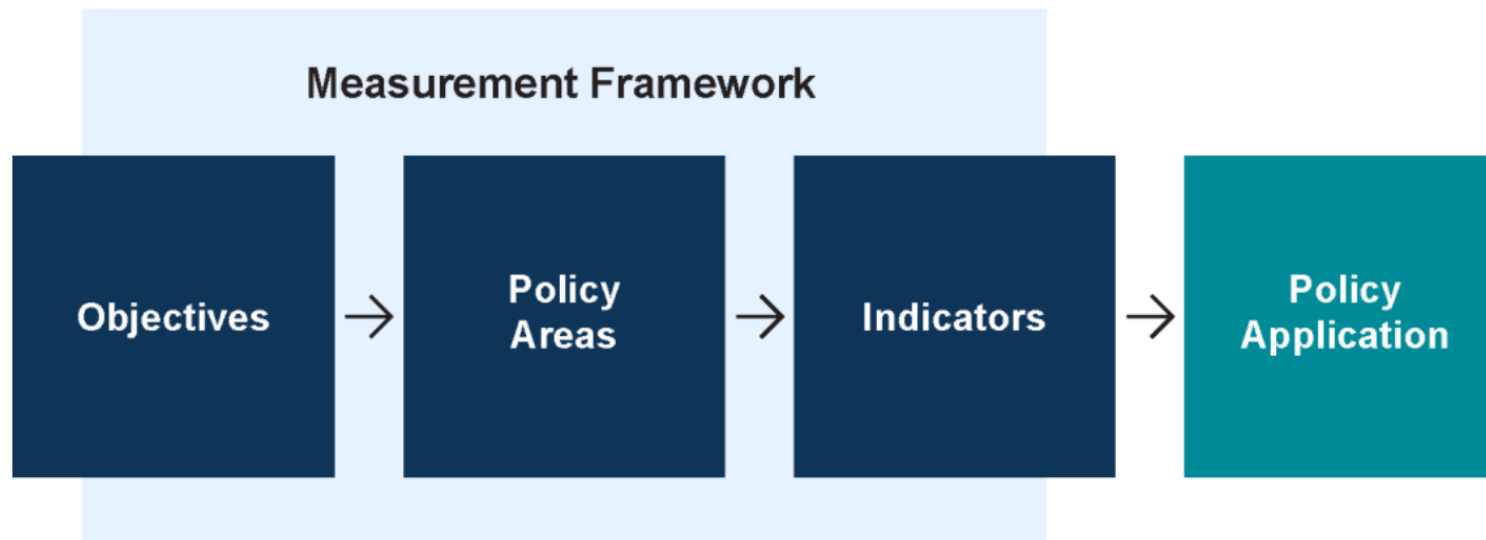
# Budget Statement 4

- Research and literature review only
- Targeted consultation
  - Commonwealth agencies
  - Academics, NGOs and private sector
  - Governments and international bodies



# Frameworks

- Frameworks measure progress/wellbeing in a structured way.



Source: Treasury

# Frameworks internationally

- Objectives:
  - promote a national conversation
  - inform national priorities
  - inform policy
- NZ has integrated into Budget and policy making processes

	Year Created	# Policy Areas	# Indicators
OECD	2011	15	82
Scotland	2007	11	81
Italy	2010	12	153
United Kingdom	2010	10	38
New Zealand	2011	22	103
Wales	2015	7	46
Germany	2017	12	46
Canada	2019	14	83
Iceland	2019	13	39



# Policy Areas

- National frameworks consider similar policy areas

Table 4.1: Policy areas covered in national frameworks

OECD Domains	New Zealand	Canada	United Kingdom	Germany	Iceland	Italy	Wales	Scotland
Current Well-being	Income and Wealth							
	Social Connections							
	Knowledge and Skills							
	Environmental Quality							
	Health							
	Housing							
	Civic Engagement							
	Safety							
	Work and Job Quality							
	Work-Life Balance							
	Subjective Well-being							
Future Well-being	Natural capital							
	Human capital							
	Social capital							
	Economic capital							

Note: Shaded areas are covered in national frameworks.

Source: National agencies; Centre for Policy Development (2022), 'Redefining Progress'

# Indicators

- Indicators track and report on progress under each policy area
- Ideally:
  - Comparable over time and internationally
  - Easily measurable and understandable
  - Have timely and reliable data
  - Can be disaggregated at demographic or geographic level.

# Australian Approaches

- Australia has processes and reporting for measuring progress outcomes
- Processes go to finer levels of detail
- National progress frameworks, complement, rather than replace these processes

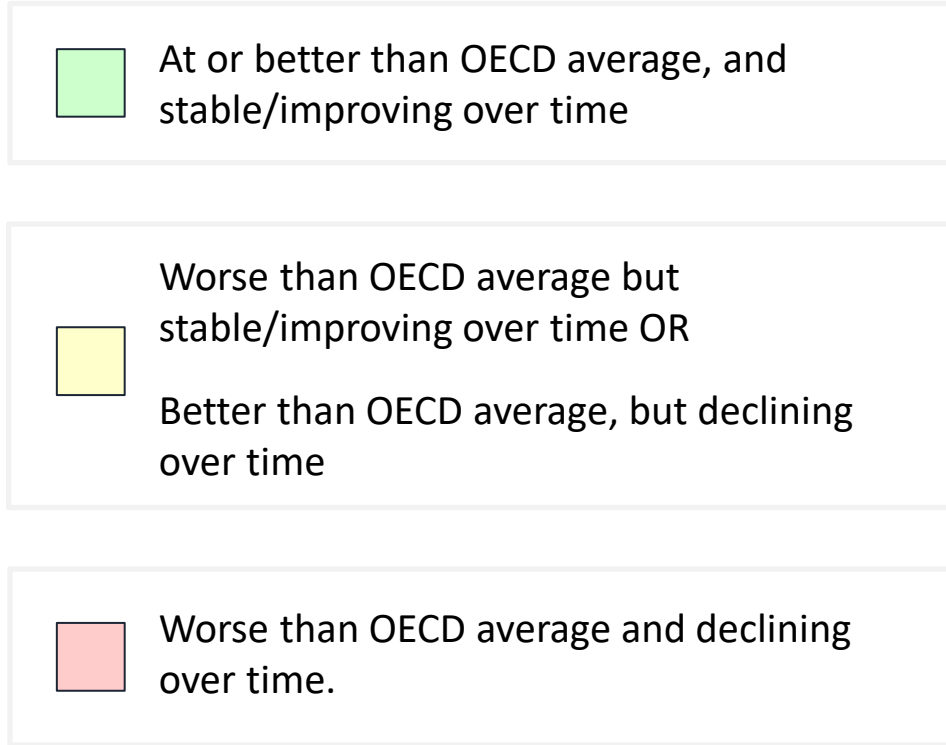
**Table 4.3 – Example processes and reporting related to progress**

- Australia’s Welfare Report (1993–present)
- Report on Government Services (1995–present)
- State of the Environment Report (1999–present)
- Household, Income and Labour Dynamics in Australia (2001–present)
- Footprints in Time: Longitudinal Study of Indigenous Children (2008–present)
- Australian Early Development Census (2015–present)
- Environmental Economic Accounting Strategy and Action Plan (2018–present)
- National Housing and Homelessness Agreement (2018–present)
- National Agreement on Closing the Gap (2008–present)
- The National School Reform Agreement (2019–2023)
- 2020–25 National Health Reform Agreement
- National Aboriginal and Torres Strait Islander Early Childhood Strategy (2021–present)
- National Preventive Health Strategy 2021–2030
- Australian Disability Strategy 2021–2031
- National Mental Health and Suicide Prevention Agreement (2022–2026)
- Women’s Budget Statement (ongoing)
- Annual Climate Change Statement (by end of 2022)

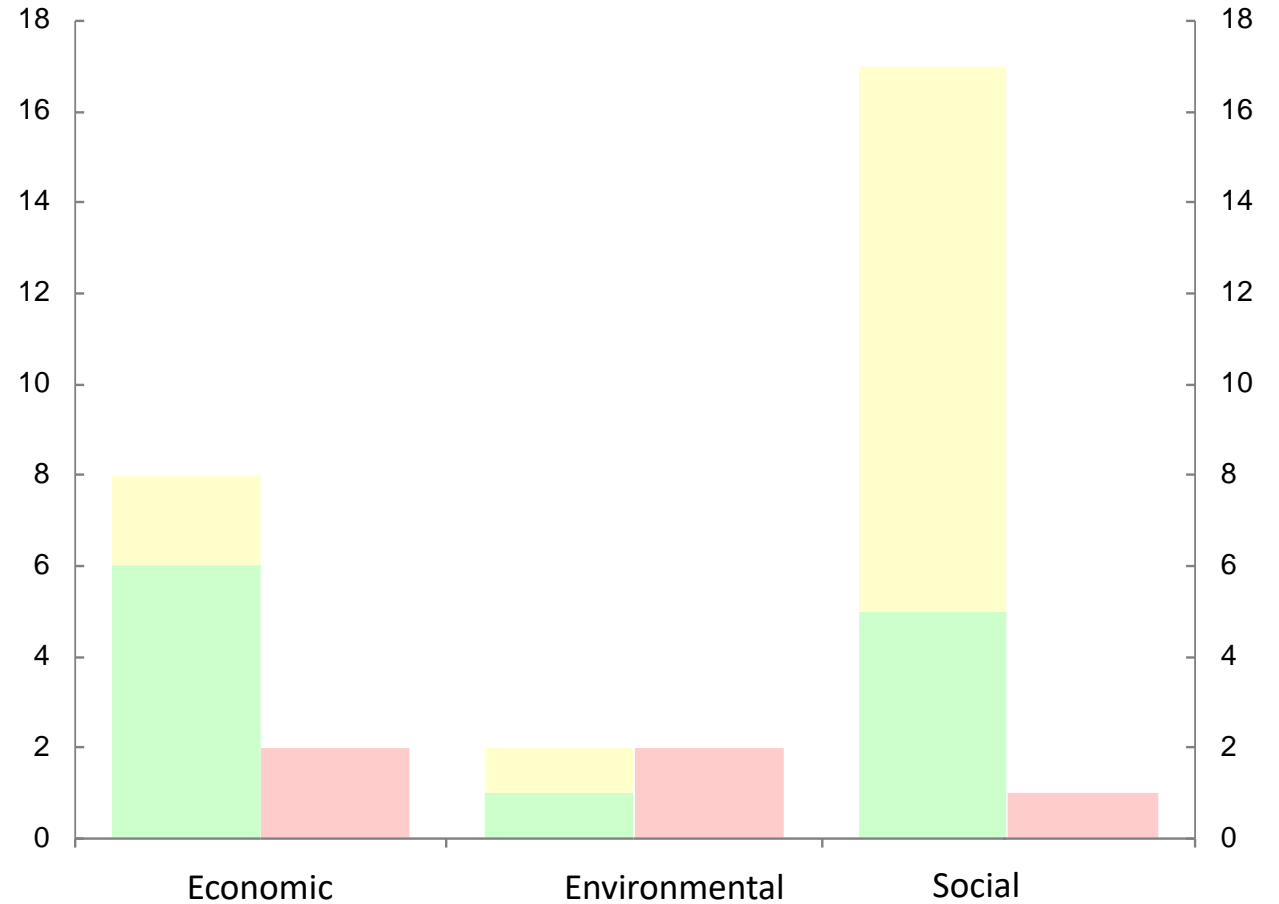
Sources: Australian and state/territory government agencies, Melbourne Institute: Applied Economic and Social Research

# How Australia performs

# Australia's Performance



## Indicators by Theme and Performance



# Australia's Performance

- Budget Statement 4 uses the OECD Framework to assess Australia's performance
- Assessed based on Australia's
  - performance over time, and
  - performance relative to other OECD countries
- Australia performs well with a few exceptions

At/better than OECD average and stable/improving		Worse than OECD average but stable/ improving	At/better than OECD average, but declining	Worse than OECD average and declining
Household income	Produced fixed assets	Gender parity in politics	Financial net worth of general governments	Red list index of threatened species
Household wealth	Having a say in government*	Long hours in paid work	Voter turnout	Household debt
Employment rate	Homicides	Time off	Life satisfaction	Gender gap in feeling safe
Housing affordability	Premature mortality	Greenhouse gas emissions	Social support	Labour underutilisation
Life expectancy at birth	Exposure to outdoor air pollution	80/20 income share ratio	Student skills in science	Material footprint
Education attainment among young adults	Social interactions	Gender wage gap	Trust in government	
			Gender gap in hours worked	
			Students with low skills	
			Negative affect balance	

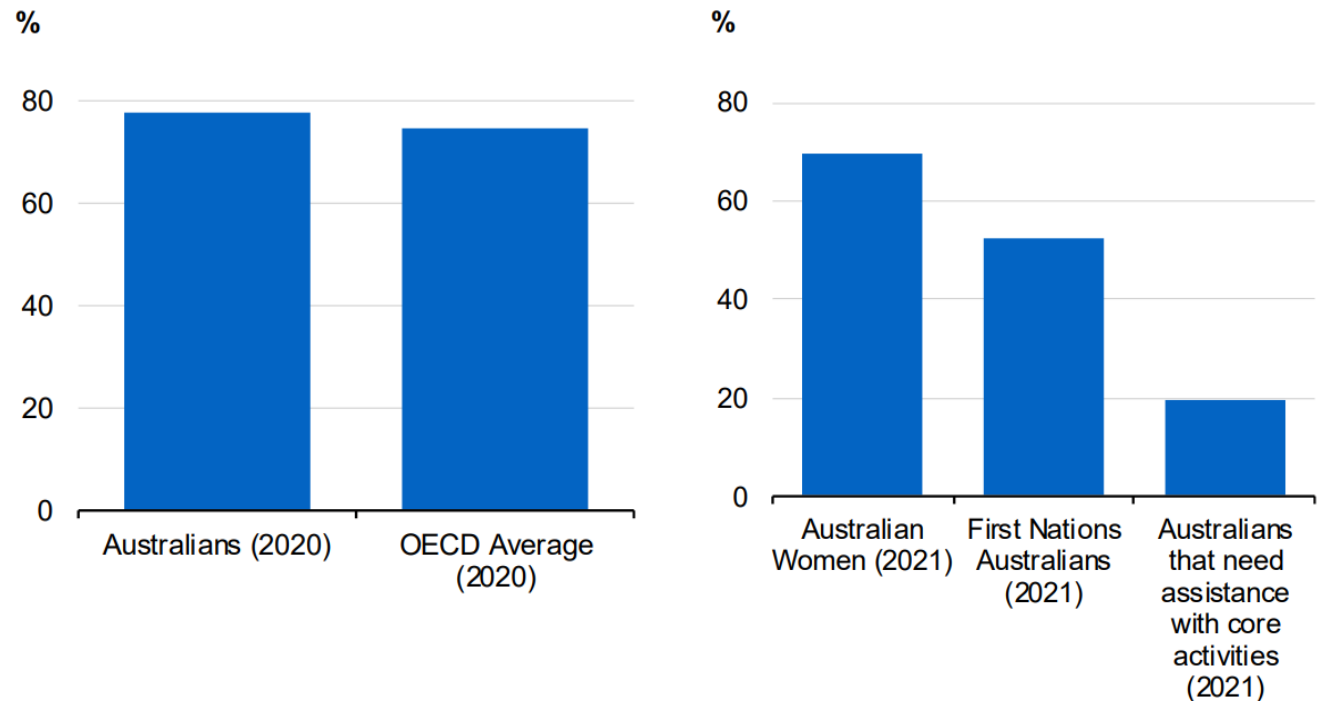
# Limitations of the OECD Framework

- OECD Framework a good start, but imperfect:
  - Not tailored to Australian context or priorities
  - Limited ability to disaggregate / often only available at national level
  - Data not always timely
  - Data not always comparable between countries

# Example – Employment Rate

- Australia performs well on **employment rate**
  - But obscures differences in outcomes across groups
  - E.g. Women, First Nations people and Australians with a disability have worse employment outcomes than the national average.

Chart 4.1: Employment Rate

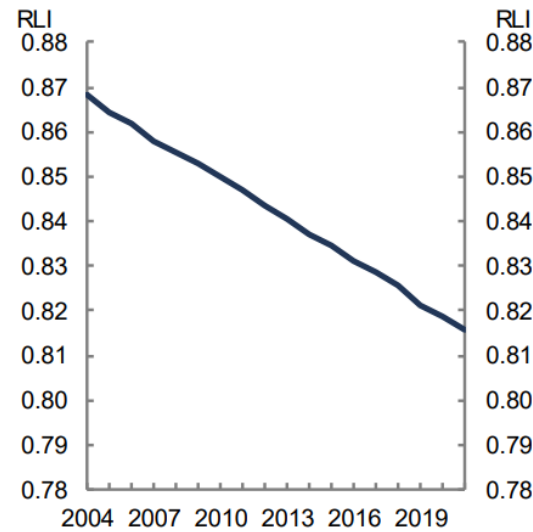




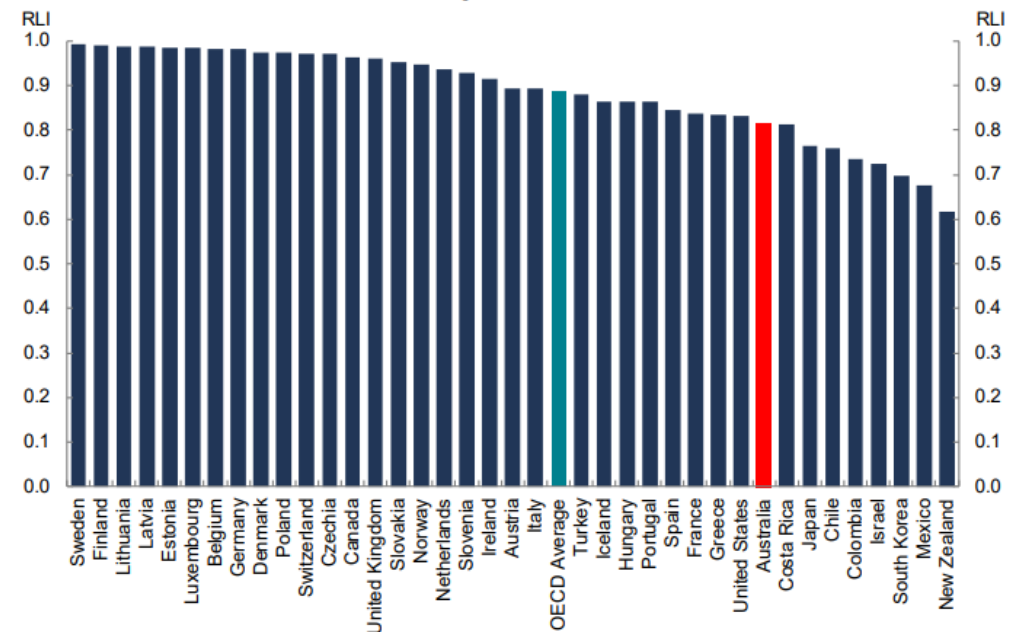
# Example – Red List Index

- **Red List Index** excludes species not formally described
- Many species of conservation concern to Australia not formally described, and therefore not included in Red List
- Understates problem

Australia time series



International Comparison – latest available



# Future directions

# Future directions

- 2023 Measuring What Matters Statement
- Continued consultation
  - Public submissions open until 31 January
- Adapt OECD Framework to Australian priorities
- Key challenges for Statement and beyond likely to include:
  - Consensus on indicators
  - Decisions on how to link to policy and/ or budgets



[Home](#) > [Consultations](#) > Measuring what matters

# Measuring what matters

86 days left to have your say

**Date:** 25 October 2022 - 31 January 2023

**Email:** [MeasuringWhatMatters@Treasury.gov.au](mailto:MeasuringWhatMatters@Treasury.gov.au)

The Government is committed to measuring what matters to improve the lives of all Australians.

Measuring what matters will help us better understand our economy and society while informing policy making.

Treasury is interested in your views on how we can better measure what matters.

## Key Documents

- [Budget Statement 4: Measuring What Matters](#)
- OECD framework indicators - [PDF 181KB - PDF](#) | [Word 192KB - DOCX](#)
- OECD framework indicators spreadsheet - [Excel 289KB](#)
- Detailed indicator briefs - [PDF 711KB - PDF](#) | [Word 695KB - DOCX](#)