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Measuring wellbeing – the Australian Bureau of Statistics’  
framework for social statistics

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# Measuring wellbeing – the Australian Bureau of Statistics’ framework for social statistics

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# Measuring wellbeing – the Australian Bureau of Statistics’ framework for social statistics

## Executive summary

A central role of a national statistical office is to provide statistics that describe the wellbeing of individuals and of society as a whole. To this end, the Australian Bureau of Statistics (ABS) provides statistics that are concerned with living conditions and social arrangements that monitor progress towards social goals, and inform the decisions of governments, community groups, organisations and individuals as they work to create better conditions of life.

Among national statistical offices, the ABS has taken a pioneering role by developing a wellbeing framework to underpin its activity in the field of social statistics. This was published in *Measuring Wellbeing: Frameworks for Australian Social Statistics, 2001* (cat. no. 4160.0) available at [www.abs.gov.au](http://www.abs.gov.au). At its broadest level this framework comprises areas of social concern, population groups and transactions between individuals and groups within their social environment.

Areas of social concern arising from aspects of life that make an important contribution to wellbeing are population, family and community, health, education and training, work, economic resources, housing, crime and justice, and culture and leisure. These areas constitute the fundamental building blocks of the wellbeing framework.

Some groups within the population are of particular interest to government and the community. Population groups at risk of disadvantage may vary over time as social circumstances change. Groups that are currently identified in the wellbeing framework include children and youth, older and retired people, women, unemployed people, Indigenous people and people living in remote areas.

In the wellbeing framework, transactions refer to social exchanges between individuals and other entities in their social environment that affect wellbeing. They can be identified and examined within each area of concern. Transactions take many forms ranging from the giving and receiving of love and care as may be seen to occur among family and friends, to the exchange of labour for salaries as formalised in employment contracts between employers and employees.

Also within each area of concern, the wellbeing framework presents specific frameworks that reflect social arrangements, underpin conceptual development and guide statistical activity in that area or domain. For example, within the work domain there are separate frameworks for economic and non-economic work.

Compilation of a wellbeing framework provides an opportunity for a national statistical office and its stakeholders to review the breadth of its social statistics activity and develop strategic responses to identified gaps in concepts and data. Accordingly, the wellbeing framework has helped to shape the organisational structure, collaborative data development activity and analytical output of the ABS. It has also provided a useful tool for building the knowledge and

skills of those within the organisation and beyond who are concerned with increasing their understanding in this field of work and how it might be developed.

As a result, there have been ongoing developments since the wellbeing framework was first published in 2001, including enhancements to relate the basic framework to individual and community resources, and development of new frameworks in collaboration with stakeholders in some areas of concern such as learning, social capital and the family. In addition, ABS has since used a framework of interrelated economic, environmental and social dimensions to measure progress, and the Australian Treasury has released an alternative wellbeing framework for analysing trade-offs in public policy options.

Looking to the future, the focus in Australia on social inclusion draws attention to the need to measure multiple disadvantages as a basis for informing decisions to facilitate policy responses that cross traditional portfolio boundaries. Other emerging issues that may impact on the future design of frameworks for social statistics include the social impact of increased use of information and communications technology, and lifestyle changes in response to environmental concern.

## Introduction

A major driving force in human activity is the desire for optimal health, for better living conditions and improved quality of life. Individuals seek to achieve this for themselves, for their family, and for the communities of which they are a part. A fundamental charge of government is to create better conditions of life for the population, and many community groups and private organisations also work towards this objective. All these players need information to guide their decisions in this endeavour. A central role of a national statistical office is to provide such information by producing statistics that describe the wellbeing of individuals and of society as a whole. To this end, the Australian Bureau of Statistics (ABS) provides statistics that are concerned with living conditions and social arrangements that monitor progress towards social goals, and inform the decisions of governments, community groups, organisations and individuals as they work to create better conditions of life.

The system of social statistics has evolved in keeping with changing perceptions about the scope and dynamics of human wellbeing. The Organisation for Economic Co-operation and Development (OECD) originally proposed that wellbeing could be effectively measured by identifying some key aspects of life that are fundamental to individual wellbeing, such as good health, sufficient income, rewarding work, and so on (OECD, 1976). Building on this work, the ABS released *Measuring Wellbeing: Frameworks for Australian Social Statistics* (ABS 2001). This paper describes the system of social statistics as presented in the ABS publication *Measuring Wellbeing* by focussing on wellbeing as a central organising principle and then relating this to areas of social concern, population groups and social transactions. The paper describes how the wellbeing framework influences statistical activity within ABS and outlines some developments that have occurred since the framework report was first published.

## The concept of wellbeing

Wellbeing refers to a desired state of being. For individuals this includes having good health and being well-off in other aspects of life such as family life, work, housing, and so on. Since the preferred state of being of any entity has many facets, wellbeing is regarded as being a multidimensional concept. It is a concept typically used in reference to specific entities of interest: hence the use of terms such as individual wellbeing, family wellbeing, and societal wellbeing. For entities involving groups of people including families, communities and society as a whole, wellbeing is commonly conceived as being apparent from the wellbeing of individual members, and many social indicators are constructed accordingly. However, the wellbeing of society, its local communities, its organisations and groups, and its families also depends on how well they each function. Thus, whether or not group members are working co-operatively and effectively with each other towards commonly held aspirations provides another means for measuring the wellbeing of the group of interest.

Individuals interact within a dynamic culture consisting of the natural environment (light, heat, air, land, water, minerals, flora, fauna), the human made environment (material objects, buildings, roads, machinery, appliances, technology), social arrangements (families, social networks, associations, institutions, economies), and human consciousness (knowledge, beliefs, understanding, skills, traditions). Wellbeing is the outcome of all these interactions.

Measuring wellbeing, therefore, involves mapping the whole of life, and considering each life event or social context that has the potential to affect the quality of individual lives, or the cohesion of society. At the individual level, this can include the physical, emotional, psychological and spiritual aspects of life. At a broader level, the social, material and natural environments which surround each individual are a part of the wellbeing equation.

Individual wellbeing can be measured using people's subjective evaluation of themselves, based on their feelings, or by collating any number of observable attributes that reflect their wellbeing. In some ways, wellbeing might best be assessed subjectively, as it is strongly associated with notions of happiness and life satisfaction. Thus personal wellbeing might be measured in terms of how happy or satisfied people are with their life or with aspects of their life (their job, health, etc.). While such measures may be difficult to interpret, they have been collected in surveys and can provide insight into wellbeing and progress (ABS 2006: pp.178–183).

The other approach, more strongly based in scientific tradition, is to measure wellbeing by counting people with particular attributes. For example, aspects of the population's health can be assessed by counting the number of people who have particular health conditions; economic wellbeing can be assessed, in part, by counting the number of people with particular levels of income or wealth. The ABS has given primacy to objective measures of wellbeing, largely for the pragmatic reasons that such information is most useful to government agencies concerned with policy development or service delivery, and is more readily interpreted. Of course, this type of information collected through surveys and administrative systems has wide applicability, both to the direct measurement of wellbeing and to inform decision-making more generally.

### **Areas of social concern**

When asked what contributes most to their wellbeing, people tend to immediately think of good health and sufficient income. Many may add a job they enjoy, harmonious personal relationships, and leisure activities. Historically, the development of social statistics frameworks began with this intuitive approach of identifying fundamental human needs.

In the 1970s, the OECD proposed that wellbeing could be measured by defining goal areas, or areas of concern, which it defined as denoting 'identifiable and definable aspirations or concerns of fundamental and direct importance to human wellbeing' (OECD, 1976). The OECD selected these areas 'based on their direct and fundamental relationship to wellbeing'. Recognising this work, the ABS selected a number of aspects of life that contribute to individual wellbeing on which to base its system of social statistics. At the time, these aspects were considered core in relation to the many dimensions of human existence. Each now corresponds with a generalised area of concern within the system of social statistics. The term 'area of concern' is apt, as it suggests the overall concern a society has with the wellbeing of its citizens.

### Aspects of life and areas of social concern

<i>Aspect of life contributing to wellbeing</i>	<i>Area of social concern</i>
Support and nurture through family and community	Family and community
Freedom from disability and illness	Health
Realisation of personal potential through the acquisition of knowledge and skills	Education and training
Satisfying and rewarding work both economic and non-economic	Work
Command over economic resources, enabling consumption	Economic resources
Shelter, security and privacy, through housing	Housing
Personal safety and protection from crime	Crime and justice
Time for and access to cultural and leisure activities	Culture and leisure

These aspects of wellbeing are a selected subset of a larger list that might be considered to be important to a person's wellbeing; examples of other aspects include feeling loved, having a sense of self worth or having a sense of spiritual wellbeing. Human rights, which can sometimes be taken for granted but which are crucial to personal wellbeing, might also be included (e.g. freedom of speech, freedom of religion, access to an independent court and justice system). Attitudes that foster community cooperation and cohesion, such as trust and obligation, are becoming more widely recognised as contributing significantly to wellbeing. Many of these, however, are embraced indirectly by areas such as family and community, culture and leisure, or crime and justice. Others, such as self worth, are affected by factors such as satisfying work and good health, and can be addressed in relation to each of the areas listed above.

Other concerns associated with wellbeing also apply across all areas, e.g. concerns relating to access to services. One area that supports the production of social statistics and is relevant to all the eight areas listed above, is that of population. This area is concerned with demographic measurement and trends. It supplies frameworks for analysis across all areas of social statistics. Issues such as population ageing and growth and the implications of these for society and the natural environment are addressed within this area. Accordingly, population constitutes a ninth area of social concern in the wellbeing framework, and because of its fundamental importance to each of the other areas it is usually placed first when the areas of concern are listed.

### Population groups

Population groups of interest to governments and communities usually consist of people who may be disadvantaged compared to the rest of the population in terms of one or more areas of life (e.g. unemployed people are of interest in the area of work). The group might be eligible for a response from the community that would aim to overcome or counteract this disadvantage (e.g. unemployment benefit/job search allowance, retraining).

People can be classified into population groups based on one or more of their characteristics, such as their age or employment status. It is often possible to target a population group so that its identifying variables closely align with the eligibility criteria for a planned government service. By analysing data about this targeted group, government planners can estimate potential numbers needing the service, and likely budgetary costs. Data from successive surveys that identify this same population group provide a means of analysing the take up rates of the service and the extent to which the consumption of the service has modified the wellbeing status of the group.

Statistics can be collected and published for a wide range of population groups (e.g. long term unemployed, retired people, crime victims, Indigenous people, lone parents). The array of groups identified by the ABS is not based on a fixed or standard list. Its content varies over time, reflecting changing pressures in society and changing needs of statistical users. Some groups may be of interest to public policy but unable to be measured reliably in statistical collections. For instance some groups make up so small a proportion of the total population that even large surveys do not encounter enough representatives of the group to produce meaningful statistics. In other cases, where the distinguishing characteristics of a population group are particularly sensitive (e.g. sexual assault victims) it can be difficult to phrase questions, or ensure privacy, in such a way that the group is fully identified.

## **Transactions**

People are embedded in a web of circumstances that link them to their families and the surrounding community. Individual wellbeing and the wellbeing of society are intrinsically affected by this network and the interactions that take place within it. Simply to maintain their own wellbeing or that of family members, people must become involved in transactions with others.

Seen in this way, social transactions are events which change personal and societal wellbeing over time, and are therefore another important element in the system of social statistics. Transactions between community members are also the point at which social capital can be built or diminished. Crime is an example of a transaction that depletes trust, and therefore diminishes social capital; voluntary work is a transaction that increases goodwill between people, and builds social capital.

Transactions, or social exchanges, take place from the moment people draw their first breath. Babies cry to be fed, and parents feed them. Children are nurtured and taught social values, and sick or elderly family members are cared for. Governments deliver health and education services. Social groups provide recreation and a sense of belonging, and religious groups provide spiritual guidance and support. The labour market functions around contracts between employers and employees. A model of transactions is particularly useful within a system of social statistics, as it maps the whole of society, acknowledges the interrelatedness that is at the core of society, and directly addresses the dynamic process by which wellbeing is influenced.

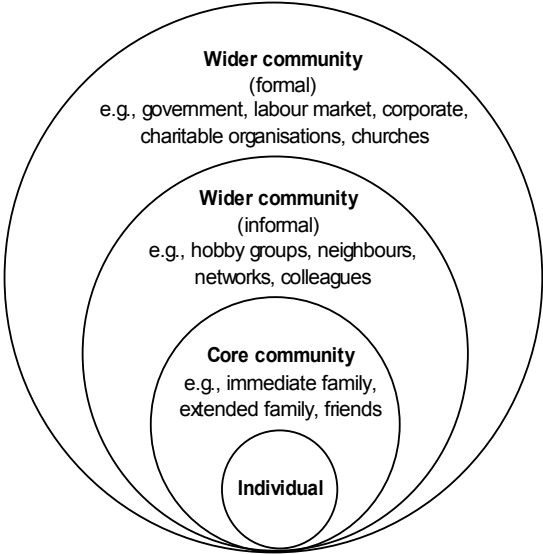
Importantly, whether individuals choose to engage in transactions that improve their wellbeing, or are able to fully benefit from transactions they are a part of, will depend on a complex range of circumstances. Some individuals or families may be caught in a cycle that reinforces low socioeconomic status. For example, people who have been out of work for a



long period may undergo a loss of self esteem, which may in turn affect their ability to negotiate a job. A difficult or disadvantaged family background might affect a person's ability to acquire skills or to build healthy relationships. These interlocking factors suggest a reduced 'social capability' which adversely affects wellbeing. The complexity inherent in a loss of social capability requires an approach which lays emphasis on connections and interrelations. A transaction model can be an effective way of ensuring all relevant players, links and interdependencies have been covered.

The model used in the ABS for social statistics describes an individual's social environment in terms of nested communities. An individual's core community (most usually their immediate family) is the setting for a person's primary and most intimate transactions. The core community consists of those people who provide love, comradeship, nurture, care and support, economic security, and guidance on commonly held social values. The wider community encompasses transactions and social exchanges which people undertake beyond their immediate circle of family and friends. Once again, what constitutes the wider community for the individual is determined by the functions performed with or for the individual by other people and organisations. For example, key functions of the formal wider community are to provide the individual with employment and a source of income to satisfy his/her consumption needs, and key functions of the informal wider community are to provide a social and communication network that joins the individual to others with similar interests and values.

**COMMUNITIES IN THE SOCIAL ENVIRONMENT**



There is a range of types of transaction that can be covered by the transaction model, including: political transactions, whereby individuals and communities can influence political processes and policy decisions; social contracts, whereby governments are charged with the care and support of community members; economic transactions, typically involving the marketplace; and personal transactions, typically involving core community members and

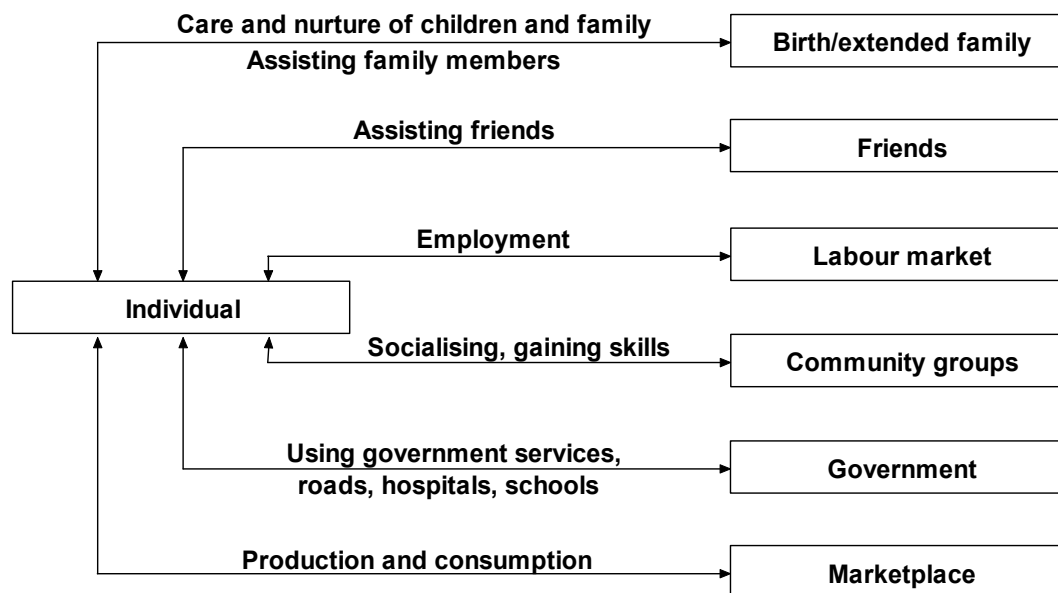
characterised by varying degrees of interdependence. Other attributes of transactions can also be important to consider when investigating the implications for wellbeing. These include the:

- direction, frequency, and efficiency of the transaction (e.g. effectiveness of government support services);
- type of service and benefit provided by the transaction;
- barriers to access to the transaction; and
- effect of the transaction (e.g. whether or not wellbeing is improved).

To understand the direction of transactions, the active parties in the transactions are identified as either providers or receivers. Obviously there will be many types of providers, and receivers (as individuals or as families/households) will have many different levels of wellbeing and be in a range of life cycle stages.

This model is presented below but can also be elaborated separately for each area of concern.

### Transaction model of exchanges between individuals and communities



The transactions model is similar to that of the ecological (or bio-ecological) system used by Ure Bronfenbrenner in the analysis of child development (Paquette & Ryan 2001). The ecological model consists of systems which impact on the development of the child, from the micro-system of family and friends in which there is direct involvement, to the larger systems that encompass the parents' workplace, cultural norms and values and the dimension of time. The ecological systems model has particular applicability to the family and community area of concern. It incorporates a concept of reciprocity in that the outcome of exchange results in change both for the child and the environment in which he or she is interacting. Further, by including the dimension of time, the model incorporates the concept of transitions or life-

stages, an aspect of wellbeing that is also elaborated in the ABS wellbeing framework (ABS 2001: p.21).

## **Frameworks within areas of concern**

Within each area of concern, the wellbeing framework presents specific frameworks that reflect social arrangements, underpin conceptual development and guide statistical activity in that area or domain. The following section uses the work domain to illustrate how specific frameworks are presented within the overarching wellbeing framework.

### **Scope and definition**

Frameworks for measuring an area of concern are first set within a discussion of the scope of the area and the function of activity within that aspect of life for the individual and society. The domain of work, for example, comprises both paid and unpaid work. Work allows individuals to contribute to their community and can enhance their skills, social networks and identity. Paid work is a major source of economic resources and security for most people and unpaid work fosters the effective functioning of the family and wider community. The labour force is a fundamental input to economic production, and its size and composition are crucial factors in economic growth. Work has the capacity to generate and support communities through the goods and services it creates, and through the training, infrastructure and socialisation it provides.

While the measurement of an area of concern presupposes that there are adequate definitions of the key elements of the area, there may nevertheless be issues that require ongoing clarification. While there may be generally agreed definitions of economic or paid work and non-economic or unpaid work, deciding how to classify a particular activity is not always straightforward. Some work exchanges do not involve monetary remuneration, yet they contribute directly to the production of goods and services, for example where family members work unpaid in a family business.

There are also challenges involved in classifying the population into those who are employed, those who are unemployed, and those who are not economically active. People who are substantially retired from the labour force may continue to work now and then. People who have been unemployed for an extended period and gain temporary work may be considered employed in terms of economic activity, but, for social analysis purposes, may be more appropriately included with people classified as unemployed. Many of these conundrums are addressed by the International Labour Organisation's (ILO) framework for measuring employment, unemployment and underemployment, which is one of several work-related frameworks that inform statistics in this area.

## **Social issues**

Social issues associated with each area of concern provide the motivation for public policy and measurement. For example, the significant changes in the nature of work and in working arrangements that have occurred over the last few decades have provided the context for many of the social and policy issues currently surrounding paid work such as forms of employment (e.g. part-time/casual), leave entitlements, child care arrangements and unemployment benefits. Shifts in the types of industries that provide the bulk of employment together with new technologies have changed the types of skills that are in demand, and have reduced opportunities for low and unskilled workers. The large and ongoing upsurge in female employment has led to changes in how employed women, their families and their employers negotiate the competing needs of work and family responsibilities. Furthermore, the ageing of the Australian population has led to policy debate about workforce and retirement planning for the future.

## **Population groups**

Some population groups may be of interest to many different areas of concern while others may relate primarily to one or two. While people who are unemployed are defined in terms of the work domain, they are a key population group within the other areas since they are generally at high risk of disadvantage.

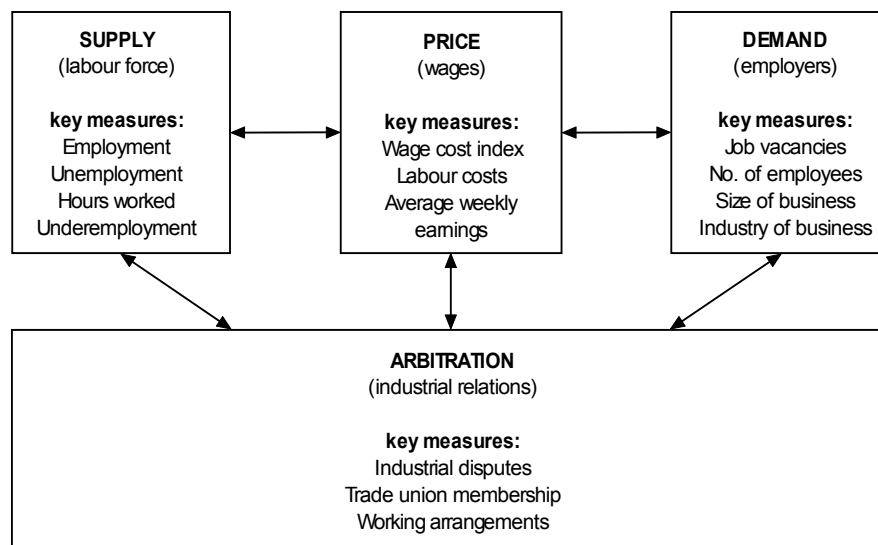
Other population groups of interest within the work domain include people with marginal attachment to the labour force, people who are underemployed, lone parents with dependent children, people with caring responsibilities, people with disabilities and people approaching retirement. This list can be extended and similar lists can be constructed in the other areas of concern.

## **Frameworks for measuring work**

Within the context of the scope and functions of the area of concern, statistical frameworks assist in mapping the conceptual domain and underpin statistical measurement. Given the scope of work as encompassing both market and domestic spheres, separate frameworks are presented for economic and non-economic work. While there are many connections between these two aspects, in the collection of work statistics there is generally a broad level differentiation between them.

Economic work, or, more specifically, labour market activity, is understood as a demand/supply transaction. On the demand side are employers, who have a need for labour as a factor of production. On the supply side, the economically active population is the source of labour. Within this model, data about earnings, compensation of employees and labour costs describe the price of labour. Industrial relations data describes the arbitration of value and conditions between players through workplace bargaining and minimum wage setting. Each of the elements of this supply/demand framework has some key measures associated with it.

## LABOUR MARKET FRAMEWORK



In economic accounting, the notion of work as a wider concept than economic-based labour is a fairly recent development. Prior to the 1993 UN revision of the System of National Accounts (SNA), work equated strictly with the notion of economic activity. A person was counted as economically active only if they contributed or were available to contribute to the production of goods and services falling within the SNA production boundary. Although the 1993 revision did not extend the boundary of economic activity, it did allow unpaid household work to be encompassed by the SNA framework within a specialised system of satellite accounts.

Alternatively, a time use framework can be used to measure activities related to non-economic work. As used by the ABS, this framework incorporates the activity classification used for analysing the Time Use Survey. The framework identifies and enables comparisons between time spent on economic work (contracted time) and non-economic work (committed time). The measurement of unpaid work can be extended to include an estimate of its monetary value, using for example the replacement cost approach (the cost of replacing this work with paid work) or the opportunity cost approach (the cost to the person undertaking the work of missed income earning and other opportunities).

### Data sources

Data to measure each area of concern can be collected using surveys (e.g. the Labour Force Survey and the Time Use Survey), or can be obtained from administrative collections (e.g. records of recipients of unemployment benefits). Since labour force status is a fundamental characteristic for understanding the wellbeing of individuals, it is collected as a standard item in virtually all ABS surveys.

Frameworks for each area of concern, particularly as they are developed in collaboration with community and government stakeholders, establish data requirements and identify gaps. Other aspects of work that have high policy priority and are collected in surveys include transitions

from study to work and superannuation and retirement intentions. In addition, the General Social Survey collects information across all areas of social concern so that the interrelationships among work and other areas can be examined.

## **Relationship between frameworks and statistical activity**

Compilation of a wellbeing framework provides an opportunity for a national statistical office and its stakeholders to review the breadth of its social statistics activity and develop strategic responses to identified gaps in concepts and data. Accordingly, the wellbeing framework has helped to shape the organisational structure of the ABS Social Statistics Group. It has provided a template for developing and reviewing the content of surveys in collaboration with community and government stakeholders and is used as a way of organising analytical outputs.

### **Areas of concern and organisational structure**

The wellbeing framework is reflected in the organisational structure of the Social Statistics group. Each area of social concern is the responsibility of a National Statistical Centre (NSC), whose key role is to provide a focus for leadership in that field of statistics. NSC staff take an active role in engaging, building and maintaining close relationships with key stakeholders. NSCs develop statistical frameworks, standards, and classifications, and promote their use in the wider Australian community. They also produce analytical reports using ABS and other data.

An NSC is often paired with a Household Survey Centre (HSC). The key role of an HSC is to develop and implement household surveys within particular areas of concern. For each household survey, key responsibilities of the HSC include developing and maintaining relationships with the survey reference group and managing all aspects of the survey cycle – questionnaire design, processing, development of basic products, and evaluation.

One advantage of the NSC-HSC model is that it facilitates focussed attention to conceptual development, client engagement and survey operations within an area of social concern. Staff engaged in survey design, processing and dissemination build expertise in conceptual issues relevant to the area of concern, while staff engaged in conceptual development, client engagement and analysis, deepen their understanding of survey issues.

### Areas of social concern and ABS organisational structure

<i>Area of concern</i>	<i>National Statistical Centre</i>	<i>Household Survey Centre</i>	<i>Selected collections</i>
Population	Demography		<ul style="list-style-type: none"> <li>•Population Census</li> <li>•Vitals (AC)</li> </ul>
Family and community	Family and Community	Children and Families Surveys	<ul style="list-style-type: none"> <li>•General Social Survey</li> <li>•Time Use Survey</li> <li>•Family Characteristics and Transitions Survey</li> <li>•Childhood Education and Care Survey</li> </ul>
Health	Health and Disability	Special Supplementary Surveys	<ul style="list-style-type: none"> <li>•National Health Survey</li> <li>•Survey of Disability, Ageing and Carers</li> <li>•Mental Health Survey</li> </ul>
Education and training	National Centre for Education and Training Statistics	Education, Crime, Culture and Migrants Surveys	<ul style="list-style-type: none"> <li>•Survey of Education and Training</li> <li>•Survey of Education and Work</li> <li>•Adult Literacy and Life skills Survey</li> <li>•School enrolments (AC)</li> </ul>
Work	Labour Market Statistics	Labour Force Survey Labour Supplementary Surveys	<ul style="list-style-type: none"> <li>•Labour Force Survey</li> <li>•Supplementary surveys on labour-related topics, e.g. Underemployed Workers, People Not in the Labour Force</li> </ul>
Economic resources	Living Conditions	Household Economic Resource Surveys	<ul style="list-style-type: none"> <li>•Survey of Income and Housing</li> <li>•Household Expenditure Survey</li> <li>•Survey of Employment Arrangements, Retirement and Superannuation</li> </ul>
Housing	Living Conditions	Household Economic Resource Surveys	<ul style="list-style-type: none"> <li>•Survey of Income and Housing</li> </ul>
Crime and justice	National Centre for Crime and Justice Statistics	Education, Crime, Culture and Migrants Surveys	<ul style="list-style-type: none"> <li>•Crime and Safety Survey</li> <li>•Personal Safety Survey</li> <li>•Prisoners, Courts (AC)</li> </ul>
Culture and leisure	National Centre for Culture and Recreation Statistics	Education, Crime, Culture and Migrants Surveys	<ul style="list-style-type: none"> <li>•Surveys on various topics, e.g. Attendance at cultural venues and events, Participation in sport and physical activity</li> </ul>

AC Administrative collection(s)

## Population groups and survey content

During the 1980s, the ABS put effort into ensuring population groups were defined in a standard way in statistical collections. This standardisation meant data about groups of special interest could be brought together from different surveys, or from surveys conducted at different points in time. This allowed the needs of these groups to be analysed in more depth, and for changes in needs that occurred over time to be identified.

Accordingly, ABS has adopted a core set of standard socio-demographic modules that are included in all social and labour surveys, thereby enabling these collections to provide information on population groups in a consistent way.

### Core survey items and population groups

<i>Selected core socio-demographic item</i>	<i>Population group</i>
Age	Children, youth, older people
Sex	Women
Country of birth	Migrants
Indigenous status	Aboriginal and Torres Strait Islander peoples
Relationship/family composition	Families with dependent children, one-parent families
Labour force status	Unemployed people; jobless households

Two population groups, namely Aboriginal and Torres Strait Islander peoples and migrants, have their own dedicated workgroup: the National Centre for Aboriginal and Torres Strait Islander Statistics and the Migrant Statistics Centre.

### Population groups and ABS organisational structure

<i>Population group</i>	<i>Section</i>	<i>Selected collections</i>
Aboriginal and Torres Strait Islander peoples	National Centre for Aboriginal and Torres Strait Islander Statistics	<ul style="list-style-type: none"> <li>•Population Census</li> <li>•National Aboriginal and Torres Strait Islander Social Survey</li> <li>•National Aboriginal and Torres Strait Islander Health Survey</li> </ul>
Migrants	Migrants Statistics Centre	<ul style="list-style-type: none"> <li>•Population Census</li> <li>•Characteristics of Migrants Survey</li> <li>•Administrative data from the Department of Immigration and Citizenship</li> </ul>



## **The wellbeing framework and analytical output**

For the past 15 years, the ABS has published a compendium publication *Australian Social Trends* (cat. no. 4102.0) which includes articles on current and emerging social issues. *Australian Social Trends* is structured according to the wellbeing framework's areas of concern. It draws on a wide range of data to present a contemporary picture of Australian society. For each area of concern it provides a set of national and state/territory indicators which describe how key aspects of wellbeing in that area have been changing over time and how circumstances differ between states/territories. It also provides comparisons with other countries.

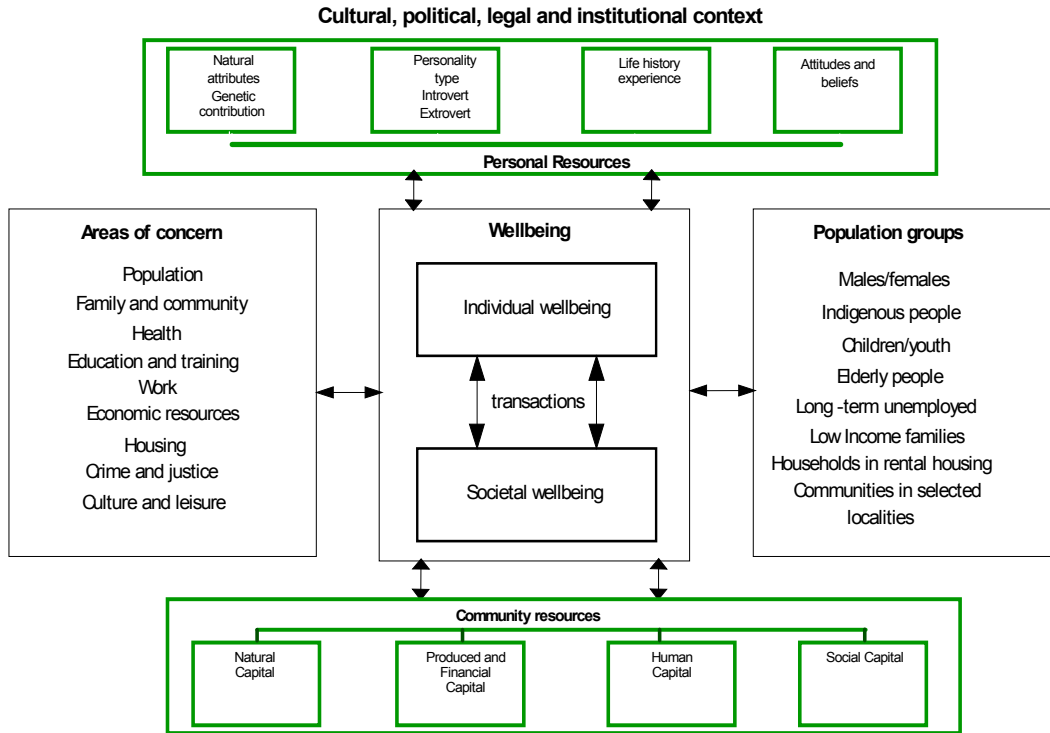
## **Further developments**

*Measuring Wellbeing* (ABS 2001) constituted a stock-take of ABS conceptual understanding and information sources in the field of social statistics, thereby enabling a strategic approach to ongoing development. Since publication there have been enhancements to relate the basic framework to individual and community resources, and developments of new frameworks in some areas of concern such as learning, social capital and the family. In addition, ABS has since used a framework of interrelated economic, environmental and social dimensions as a basis for measuring Australia's progress, and the Australian Treasury has released an alternative wellbeing framework for analysing trade-offs in public policy options.

## **Enhancement of the basic framework**

Since its release, further thinking about the content of the framework has suggested the need to include additional dimensions which link wellbeing outcomes to the availability and use of resources. Resources are conceived as being stocks of things that may be used (and either developed or depleted) to meet people's wants and needs. As depicted in the diagram these include a spectrum of personal and community resources. Whether the types of personal resources listed (such as personality type, life experience and attitudes and beliefs) are comprehensive and appropriately labelled as being resources is a matter that needs further consideration, but the ideas relating to what constitutes vital community resources (namely: human, economic, natural and social capital) are now well established by the OECD and others. Moreover, it is the idea that all community resources, particularly natural resources, can be depleted (or developed) that connects the concern with sustainability to the wellbeing framework.

## AN EXTENDED FRAMEWORK FOR MEASURING WELLBEING



### Ongoing development of statistical frameworks for areas of concern

Since the release of *Measuring Wellbeing*, ABS has released a framework for education and training statistics (ABS 2003), a social capital framework (ABS 2004), and is currently undertaking further development of frameworks for family statistics, and income, expenditure and wealth statistics.

Social capital was noted as an important and cross cutting concept in discussion of the initial social statistics framework (ABS 2001: pp.20–21). In light of continuing national and international interest, and following widespread consultation, ABS released a framework based on the OECD definition of social capital: “networks, together with shared norms, values and understandings which facilitate cooperation within or among groups”. It has four dimensions: network qualities (or norms and common purpose), network structure, network transactions and network types. Information on these dimensions was collected in the 2006 General Social Survey.

Set within the wellbeing framework described above, the family statistics framework currently under development aims to scope the full range of family wellbeing related issues for which data might be collected. This is being done through four dimensions: family structures, family transitions, family functioning and family/community transactions. The framework aims to

expand thinking about the range of statistics that might be developed to support informed debate about family wellbeing and the factors that influence it.

Ongoing framework development has been undertaken with input from the community and governments to ensure the outcomes adequately reflect social issues and have the capacity to inform decision-making. Furthermore, ABS has engaged with stakeholders to formulate a number of Information Development Plans within areas of concern, such as crime and justice, and the arts and cultural heritage (culture and leisure), and for particular population groups, such as children and youth. These set broadly agreed priorities for statistical activity not only within ABS but across government agencies more generally.

### **Measures of Australia's Progress**

Recent years have seen growing public interest in many nations in assessing whether life is getting better, and whether the level of (or pace of improvement in) the quality of life can be sustained into the future. Although most regard Gross Domestic Product (GDP) as an important measure of progress, there are many who believe that it should be assessed in conjunction with other measures of progress.

*Measures of Australia's Progress* (ABS 2006) is intended to provide a concise selection of statistical evidence that will allow people to make their own assessment of whether life in Australia is getting better. It portrays national progress using an array of indicators that measure change within four areas, the first two of which relate to the social domain: individuals, living together, the economy and the environment. The headline dimensions broadly incorporate the areas of social concern.

### **Framework for Measures of Australia's Progress**

<i>Domain</i>	<i>Headline dimensions</i>
Individuals	Health Education and training Work
Living together	Family, community and social cohesion Crime Democracy, governance and citizenship
The economy and economic resources	National income Economic hardship National wealth Housing Productivity
The environment	The natural landscape The air and atmosphere Oceans and estuaries

In addition to interest in tracking indicators within each domain, there is growing interest in the relationships among domains. Such interest is prompted by evidence that progress in the economic and social domains appears to come at the cost of depletion within the environmental domain, thus focusing attention on the concept of sustainability.

**Release of a wellbeing framework by the Australian Treasury**

The Australian Treasury has developed a wellbeing framework to underpin its policy analysis and advice to government (Australian Treasury 2004). Treasury notes:

Wellbeing has different meanings for different people. The Australian Bureau of Statistics (ABS) suggests that wellbeing relates to ‘the desire for optimal health, for better living conditions and improved quality of life’. However, each person will have their own interpretation of what is specifically important with respect to their own wellbeing, the wellbeing of others, and the weight that they place on each dimension of wellbeing. The diversity of these interpretations, and the fundamental nature of the questions posed, means that it is a significant challenge to create a useful and comprehensive framework for the consideration of wellbeing. (Australian Treasury 2004)

The intention of Treasury’s wellbeing framework is to ensure a broad assessment of the costs and benefits of policies. It considers wellbeing in terms of the *social welfare function*. Within this approach, the unit of analysis is the *utility* of individuals, defined to be some measure of their pleasure or happiness. It recognises a range of determinants for utility (beyond just income and GDP), and also a range of constituents of utility (beyond just individual happiness).

Chart 1: Treasury's Wellbeing Framework



Most policy reforms will involve trade-offs within or between dimensions of wellbeing. Such trade-offs can be complex and multidimensional. Redistribution of resources, for example, can provide low income groups with substantive freedom to participate in the economy and society more generally. However, such redistribution may impact on markets and create disincentives for production (and thereby lower the overall level of consumption possibilities). Decisions regarding policies involving such trade-offs ultimately require judgments to be made about valuing different aspects of social welfare, which can only be done through the political process.

**The Australian Treasury’s wellbeing framework**

<i>Domain</i>	<i>Aspect of wellbeing</i>
Level of opportunity and freedom that people enjoy	Capacity for people to choose the lives they want to live
Level of consumption possibilities	People’s command over resources to obtain goods and services to satisfy their needs and wants
Distribution of those consumption possibilities	Spread of all aspects of consumption possibilities across the population, including across different groups in society, across different geographic regions and across generations
Level of risk that people are required to bear	Intrinsic uncertainty in possible outcomes that is present in almost all decisions. In this broadest conceptual sense, risk impacts on all individuals, and is everywhere in the economy and in society
Level of complexity that people are required to deal with	Proliferation of the number of considerations, and the interconnections between those considerations, for many economic and broader social decisions

## Looking ahead

Current and emerging social trends and public policy responses suggest areas for future development of the ABS wellbeing framework. A common theme, acknowledged in the first issue of the framework, was the *connection* among its different elements. Social issues associated with information technology and environmental concern cut across all aspects of life and could be more clearly articulated in each area of concern. Public policy responses aimed at fostering social inclusion draw attention to multiple disadvantages and the overlap between population groups.

### **Information and Communications Technology**

The increasing use of information technology for communication, business and recreation has prompted preliminary work to develop a statistical framework. An initial paper authored within ABS (De 2007), tabled at the 11<sup>th</sup> meeting of the OECD Working Party on Indicators for the Information Society held in London in May 2007, discussed how the social impact of ICT might be superimposed on each area of concern in the wellbeing framework. Issues discussed included the development of virtual communities of interest, the relationship between communications technology and social capital, and changing opportunities for work, study and leisure.

### **Environmental concern**

The surge in public debate about environmental issues has been accompanied by an increased need for statistics to measure the quality of the natural environment and the impact of economic activity. Consideration of how natural events such as wind and fire storms, droughts, and prospective sea level changes exacerbated by global warming are impacting on peoples lives are also coming to the fore.

The framework for measuring progress includes an explicit environmental dimension and facilitates the evaluation of trade-offs between economic, social and environmental aspects of progress. The enhanced wellbeing framework includes natural capital along with human, economic and social capital as constituting the broader context for human activity.

### **Social inclusion**

The Australian Government (2008) is using the concept of social inclusion to frame policymaking to address economic and social disadvantage. It is based on the belief that all people need to be able to play a full role in all aspects of Australian life, including:

- securing a job
- accessing services
- connecting with family, friends, work, personal interests and local community
- dealing with personal crisis
- having their voices heard

By emphasising multiple disadvantages, social inclusion policies focus not just on interventions in particular areas, such as mental health, education, employment or justice, but also on programs where interventions cut across portfolio boundaries. Another characteristic of thinking about social inclusion is a focus on the geographic community as the place for programs that are informed by local needs and have a high level of community involvement. Ongoing development of the wellbeing framework, therefore, may result in more transparent linkages among areas of social concern and a greater focus on measuring the wellbeing of social entities such as geographic communities as well as individuals.

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