



Australian Government

Australian Institute of
Health and Welfare

Australian Institute of
Health and Welfare

Annual report

2007–08

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Celebrating our

20th

ANNIVERSARY

1987–88 to 2007–08



Cover artwork by Christina Budden, National Art School

The AIHW supports up-and-coming Australian artists by purchasing their artwork for the covers of its flagship publications. Artists have the satisfaction of seeing their work on the cover of a publication, displayed at a major launch, and used in posters and other promotional material.

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Alternative formats

This annual report is also available electronically on the Australian Institute of Health and Welfare website, at www.aihw.gov.au.

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Australian Government
**Australian Institute of
Health and Welfare**

*Better information and statistics
for better health and wellbeing*

The Hon. Nicola Roxon MP
Minister for Health and Ageing
Parliament House
CANBERRA ACT 2600

Dear Minister

I am pleased to present the annual report of the Australian Institute of Health and Welfare for the year to 30 June 2008.

Section 4(2)(a) of the *Australian Institute of Health and Welfare Act 1987* defines the Institute as a body corporate subject to the *Commonwealth Authorities and Companies Act 1997* (CAC Act).

In accordance with the requirements of Section 9 of the CAC Act, the report was endorsed on 18 September at a meeting of directors responsible for the preparation and content of the report of operations, in accordance with Finance Minister's Orders.

Yours sincerely

The Hon. Peter Collins, AM, QC
Board Chair

18 September 2008

Mission

Better information and statistics for better health and wellbeing.

Role

The Australian Institute of Health and Welfare (AIHW) is the national agency set up to provide information on Australia's health and welfare, through statistics and data development that inform discussion and decisions on policy and services. The AIHW's focus is on drawing together national data from administrative collections. It works closely with the Australian Bureau of Statistics, which conducts national survey programs in related areas.

AIHW values

Our values are:

- **the Australian Public Service values**—being apolitical, accountable, sensitive and fair, with the highest quality ethics and leadership
- **objectivity**—ensuring our work is objective, impartial and reflects our mission
- **responsiveness**—meeting the needs of those who supply or use our information
- **accessibility**—making information as accessible as possible
- **privacy**—safeguarding the personal and collective privacy of both information subjects and data providers
- **expertise**—applying specialised knowledge and high standards to our work
- **innovation**—showing curiosity, creativity and resourcefulness in what we do.

AIHW corporate plan 2007–10

The AIHW is a major driving force in Australia for national information and statistics on health, community services and housing assistance.

Strategic directions

1. Strengthening our policy relevance
2. Capitalising on the new information environment
3. Enhancing data access, protecting privacy
4. Getting the messages out better
5. Our people—valued, expert and versatile

Responsible minister

As at 30 June 2008



The Hon. Nicola Roxon, MP
Minister for Health and Ageing

Key relationships

The AIHW is part of the Health and Ageing portfolio, and works closely with the following Australian Government Departments: Health and Ageing; Families, Housing, Community Services and Indigenous Affairs; Veterans' Affairs and the Australian Bureau of Statistics. The AIHW also works closely with state and territory departments covering health, housing and community services, and several non-government agencies and peak bodies.

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Chair's report

With the change of government and with it an increasing focus on data, information and evidence to inform Australia's progress, the 2007–08 year has been a busy one for the AIHW. Earlier this year I was pleased to meet with the new Minister for Health and Ageing, the Hon. Nicola Roxon MP to discuss the role of the Institute and how the Institute can contribute to the Government's evidence based policy agenda.

The Board has been pleased with the way the Director and staff have responded to the challenge of the information agenda. Undoubtedly, the solid attention to core business over the 21 years of the AIHW's existence has put the AIHW in a strong position to produce the information required by government and the community.

Producing relevant information required by government and the community.

This year the AIHW celebrated its twentieth anniversary: a time to reflect on the changes we have seen. This was one of the themes explored by the Hon. Neal Blewett in his address at the conference to launch *Australia's health 2008* at the end of June. Dr Blewett contrasted the 'abysmal state of national health statistics' 20 years ago with the latest Australia's health report 'from an institution which has achieved an international reputation' (see page 20).

In 2007–08 the AIHW produced three substantial biennial reference books, highlighting the immense capacity of the AIHW to monitor and report on Australia's health and welfare systems. They included *Australia's welfare 2007*, *The health and welfare of Aboriginal and Torres Strait Islander peoples 2008* and *Australia's health 2008*.



In addition to these reference books, the AIHW has continued to collect, collate, report and analyse information relating to the 45 major national data collections it holds as well as numerous other projects. It is especially pleasing that the AIHW has worked closely alongside the government and Indigenous representatives to collate and analyse the data from two new collections—the Healthy for Life primary care services introduced to Indigenous communities, and the Child Health Checks under the Northern Territory Emergency Response.

Working closely with government and Indigenous representatives.

The Board has spent considerable time dealing with AIHW revenue issues. The Institute has been remarkably successful, since its

inception 21 years ago, in building up revenue for specific projects from sources other than appropriation.

External project funding continues to grow.

Consequently the Institute's appropriation funding has dropped from 78% of total revenue in 1992 (when the Welfare function was added) to less than 30% of current total revenue. While this is an extremely positive indicator of AIHW's performance over that period, it leaves the Institute with a declining capacity to meet core functions – unless funded by specific project allocations. Meanwhile the task of meeting the AIHW's core functions continues to become more challenging as the sources of data continue to grow larger and more complex every year. Though permission was forthcoming for the

AIHW to run a \$730,000 deficit in 2007–08, the Board acknowledges that this should not be seen as the way forward. The Board will need to resolve these pressures in 2008–09.

A great place to work.

Throughout the busy year, the AIHW has maintained its warm, communicative work culture, as evidenced by the results of the Great Place to Work survey, which identified the AIHW as bearing all the hallmarks of a great place to work. Add this to the AIHW's well-deserved reputation for quality, consistency and objectivity, and you have an organisation that the Australian community can be proud of, and that we as Board members are proud to represent.

The Hon. Peter Collins, AM, QC
Chair

Director's report

The AIHW is a great place to work, and I have enjoyed leading our expert and committed staff throughout the year. Many staff have long track records in the AIHW and a wealth of experience in producing and analysing high-quality, consistent data. We are also training new graduates, many of whom come to us already very well qualified to contribute to our work.

A communicative and supportive work culture.

Throughout all the hard work during the year, we have maintained our focus on the importance of a communicative and supportive work culture, providing as much flexibility and support as possible for staff to work in ways that produce the best outputs.

The five strategic directions in our corporate plan have been central to the development of our work program. These directions are also reflected in the government's Portfolio Budget Statements.

The work plan for 2007–08 was approved by the Board at the start of the year, and has formed the basis for our program of both internally and externally funded work throughout the year. The work plan expanded over the course of the year through the addition of new externally funded contract work.

Determining whether to take on contract work requires a balance between the policy relevance of the project and the availability and skills of staff. In the main, it has been possible to redirect staff towards areas of high

relevance. An example of this was the work for Health Ministers on performance indicators for the next Healthcare Agreements, which was a high policy priority that was achieved by redirecting skilled staff from other projects.

Responding to the government's policy directions.

Similarly, analysis of the data the AIHW collects from the 1,500 or so non-government supported accommodation assistance service outlets has contributed to the development of the Government's Green Paper on Homelessness.

We have also been able to take on a range of information development activities in relation to Aboriginal and Torres Strait Islander peoples, such as the Healthy for Life data, the Northern Territory Emergency Response Child Health Check data and evaluation of the Cape York Income Management Trials.

On the population health monitoring side, the new Centre for Monitoring the Mandatory Fortification of Food with Folic Acid and Iodine and the Centre for Chronic Kidney Disease have become the fourth and fifth monitoring centres to be established at the AIHW.

49 new positions created during 2007–08.

As a result of this new-policy relevant work, 49 new positions were created. The number of ongoing staff leaving fell to the lowest number in over four years.

During the year the AIHW reviewed our collaborating arrangements with a number of universities across Australia. The three university-based collaborating units funded from appropriation have been re-established, with new memorandums of understanding in place and agreed workplans. This confirms the core importance of the dental, perinatal and injury statistics units. The Centre for Asthma Monitoring has also been renewed as a collaborating unit, with funding from the Department of Health and Ageing.

A new 'Research Associate' memorandum of understanding has also been developed to better describe the relationship we have with other universities who do not receive funding from the AIHW but with whom we share data under the provisions of our Act.

Planning for the impact of e-health.

One of the biggest changes that looms on our horizon is the conversion to electronic health records, which is well underway. The AIHW has played a leading role in planning for the impact the change will have on the administrative collections we rely on for a great deal of information about health. There are potential risks to statistical information if we don't manage the transition properly, as well as opportunities for enhanced information.

In early February I was a guest of the Canadian Institute of Health Information at a Canadian forum entitled 'Collect once, use often', which explored the implications for the Canadian system of the move to e-health. During the year Julie Roediger, our Deputy Director, has led several workshops, in partnership with the National E-Health Transition Authority, to

map the potential new data flows and ensure that the changes do not take our statistical collections by surprise.

AIHW staff were also engaged in making the most of the data sets we hold by linking data (within our privacy arrangements) to create information that is more person-centred than events-centred. This included work as diverse as linking child protection data to educational outcomes, and linking breast cancer diagnosis to mortality.

Providing researchers with access to data.

Researchers across Australia regularly access the AIHW National Death Index service, allowing them to link records (under strict ethical conditions). Providing researchers with access to data is a core function of the AIHW, with over 100 requests filled during the year. We conducted a stocktake and review of data requests to help us improve this aspect of our business.

Better information and statistics for better health and wellbeing.

No matter how good the statistical methodology, the way in which the information is conveyed to the community is a critical factor in achieving our mission of 'Better information and statistics for better health and wellbeing'. Conveying the message in a better way has been the springboard for a number of new approaches to publications over the past year, including the start of a new series of consumer-focused booklets on arthritis and musculoskeletal conditions.

Our media releases have continued to be picked up by the national media, reflecting a continuing strong interest in the subject matter and a continuing strong reputation for the AIHW as an authoritative source of information.

It has been a mammoth task to pull together three major reference publications in the one financial year. *Australia's welfare 2007* was launched by the Hon. Tanya Plibersek, MP, at her first official function as Minister for Housing. The associated one-day conference run by the AIHW was well received, with keynote addresses from Monsignor David Cappo, Social Inclusion Adviser to the South Australian Government, and Dr Ken Henry, Secretary to the Federal Treasury.

The ABS–AIHW joint publication, *The health and welfare of Aboriginal and Torres Strait Islander peoples 2008*, was launched by the Minister for Families, Housing, Community Services and Indigenous Affairs, the Hon. Jenny Macklin, MP, in association with a one-day conference organised by the Sax Institute in Sydney.

The Minister for Health, the Hon. Nicola Roxon, MP, launched *Australia's health 2008* at another highly successful conference run by the AIHW at the end of June 2008.

The year ahead.

In June 2008, as a result of the changing policy environment created by the new government, I revised the group structure within the AIHW, creating an additional group responsible for our social housing, homelessness and disability services data and information. This will allow a greater degree of focus on these areas for 2008–09 and streamline our interactions with stakeholders.

The nature of our work in the coming year across health, housing, homelessness, disability and Aboriginal and Torres Strait Islander information will be influenced by the decisions of COAG, both in relation to performance indicator reporting by the COAG Reform Council and in the increasing emphasis placed on data to inform policy development. The AIHW is the source of national service-related data that monitors and measures many aspects of performance and we will work hard to ensure the continuing policy relevance of our work.

We also look to the unfolding COAG process as a way to place a myriad of current ad hoc data collection mechanisms on a more secure footing, so that national data collection becomes more sustainable into the future.

A great many people have worked long hours and shown extraordinary levels of commitment to produce our many outputs during the year. The statistical and analytical staff have been very well supported by our business management and information technology staff.

Staff have pulled together to make this organisation a great place in every way.

From the meticulous work of aligning data standards, through multivariate statistical analysis, through data entry, through presenting the messages the data are conveying, through to conference management, staff have pulled together to make this organisation a great place in every way. Thank you.

Dr Penny Allbon
Director



Twenty

Bennett House



Bennett House gardens

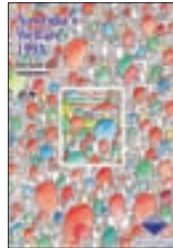


1 July 1987

AIH set up as a Statutory Authority in response to the Kerr-White report, which recommended a new national emphasis on public health research and training. Its 50 staff occupied a prime waterfront position in Bennett House, Acton Peninsula—a former nurses' residence in the grounds of the now demolished Royal Canberra Hospital. A renovator's delight, each 'office' was equipped with a hand basin and mirror.

AIH releases 7 publications.

We enjoy our social activities and can't resist the chance to dress up.



Australia's welfare 1993

1993

First *Australia's welfare: services and assistance* published.

1996

AIHW website launched.

1987 1988 1989 1990 1991 1992 1993 1994 1995 1996 1997

1988

Three Collaborating Units join the Institute—National Perinatal Statistics Unit, National Injury Surveillance and Prevention Project and Dental Statistics and Research Unit.

First *Australia's health* published.

AIH Ethics Committee established—one of the first in a government agency.

1989

Purchase of a very advanced mainframe computer, delivered by crane to the upper level of the building—photographed by the local press!

1992

AIH expands under Health Minister Brian Howe to take on welfare functions, and becomes the AIHW.

Protocols established for release and publication of data.

1995

Move to Fernhill Park—all staff issued with a commemorative t-shirt for the event!



AIH Ethics Committee 1988



Australia's health 1988



Leaving Bennett House

years at the AIHW

Santa and his helper arrive at Bennett House



AIHW directors



1987-93
Dr Leonard R Smith



1993-94
Dr Tim Skinner



1994-96
Dr Bruce Armstrong



1996-2006
Dr Richard Madden



2006-
Dr Penny Allbon



Judith Abercromby, Richard Madden and Jan Reid demonstrate the AIHW website

2002

AIHW, as an Australian Collaborating Centre for the World Health Organization, hosts a major international meeting on the Family of International Classifications.



Harmony Counts

1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007

1997

First Memorandum of Understanding with the Department of Health and Family Services.

2000

AIHW boardroom named The Sidney Sax Room to honour the prominent public health expert and Institute supporter.

2001

First Memorandum of Understanding with the Department of Family and Community Services.

2005

METeOR (Metadata Online Registry) launched—an innovative tool developed by the AIHW to support the development of consistent metadata across the health and welfare fields.

AIHW Choir (Harmony Counts) performs at Australian National Eisteddfod and Floriade.

2007

Now with a staff of 200, AIHW releases a record 140 publications.



Richard Madden, Gwen Sax, Sidney Sax and Jan Reid in 2000



AIHW staff 2007, Fernhill Park

Summary

Who we are

The main functions of the Australian Institute of Health and Welfare (AIHW) relate to the collection, analysis and dissemination of health-related and welfare-related information and statistics. These functions are specified in s. 5 of the *Australian Institute of Health and Welfare Act 1987* (AIHW Act). In summary, the AIHW:

- identifies and meets the information needs of governments and the community to enable them to make informed decisions to improve the health and welfare of Australians
- provides authoritative, timely information and analysis to the Australian Government, state and territory governments and all Australians by collecting, analysing and disseminating national data on health, community services and housing assistance
- develops, maintains and promotes, in conjunction with stakeholders, information standards for health, community services and housing assistance.

The AIHW promotes and releases most of its results into the public domain.

How we are governed

The AIHW was established as a statutory authority in 1987 by the *Australian Institute of Health Act 1987* to report to the nation on the state of its health. In 1992, the role and functions of the then Australian Institute of Health were expanded to include welfare-related information and statistics, making it

the Australian Institute of Health and Welfare. The Act is now entitled the *Australian Institute of Health and Welfare Act 1987* (**Appendix 2 Legislation**, page 163).

Subject to strict confidentiality provisions in the AIHW Act and with the agreement of its Ethics Committee, the AIHW may release data to other bodies or persons for research purposes.

Our reporting framework

The AIHW's outcome as stated in the 2007–08 Portfolio Budget Statements for the Health and Ageing portfolio is 'Better health and wellbeing for Australians through better health and welfare statistics and information'.

The AIHW has one output group: 'Develop, collect, analyse and report high-quality national health and welfare information and statistics for governments and the community'. See **Chapter 2 Performance**, page 29 for more information.

The AIHW prepares a set of annual financial statements as required by the Finance Minister's Orders made under the *Commonwealth Authorities and Companies Act 1997* and the Australian Accounting Standards. These financial statements are audited by the Australian National Audit Office. The detailed financial statements and the auditor's report are contained in **Appendix 1**, page 123.

How we are funded

In 2007–08 the AIHW received 29% of its funding as an annual appropriation from the Australian Government.

Over the years, the annual appropriation has been increasingly supplemented by funding from Australian and state government departments and agencies for work on specific projects. Most funding is now for specific projects. The deliverables and funding for each of these projects are negotiated with the funder.

Summary of financial performance

The AIHW's financial results against the 2007–08 Budget Estimates contained in the 2007–08 Portfolio Budget Statements and the actual results for 2006–07 are summarised in Table 1.

In 2007–08, the AIHW's appropriation funding from the Australian Government was \$8.678 million, an increase of 0.6% over the previous financial year.

External fee revenue increased by 24% over the previous financial year to a record high. Most of this income came from Australian Government departments. The growth in this revenue has been particularly strong for work on Aboriginal and Torres Strait Islander health and welfare.

Expenditure on employees and suppliers increased in line with the growth in revenue.

The AIHW had received approval from the Minister for Finance and Administration to budget for a deficit of \$730,000 for the year due to cost pressures on core appropriation-funded work. The actual deficit was slightly higher than budgeted (by \$34,000, or 0.1% of total expenditure) due to essential one-off expenditure incurred late in the year.

Table 1: Financial results for 2007–08 and 2006–07

	Actual 2007–08 \$'000	Estimates 2007–08 \$'000	Actual 2006–07 \$'000
Revenue			
Appropriation revenue	8,678	8,718	8,625
Total revenue from other sources	20,922	15,703	16,661
Total revenue	29,600	24,421	25,286
Expenditure			
Employees	18,437	16,058	15,426
Other expenditure	11,927	9,093	10,184
Total expenditure	30,364	25,151	25,610
Deficit	(764)	(730)	(324)

Trend analysis

The AIHW's revenue from appropriation and external fees since the creation of the AIHW in 1987 is shown in Figure 1.

Over the last 10 years appropriation income has increased by a compound rate of just 1.1% a year. The proportion of income from

appropriation has decreased from almost 100% in 1987–88 to 29% in 2007–08.

Figure 2 shows that staff numbers have increased in line with the growth in the AIHW's revenue. The increase in the number of staff in 2007–08 was the largest increase in a single year.

Figure 1: Revenue history, 1997–98 to 2007–08

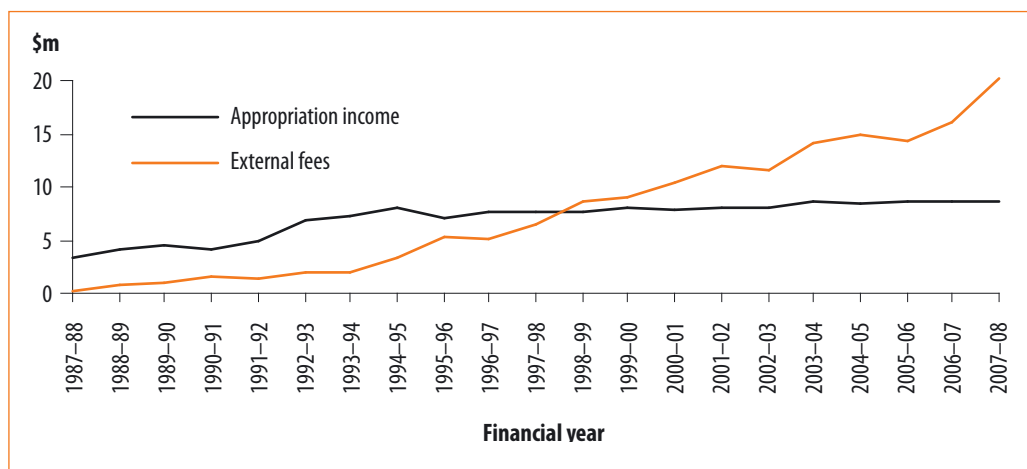
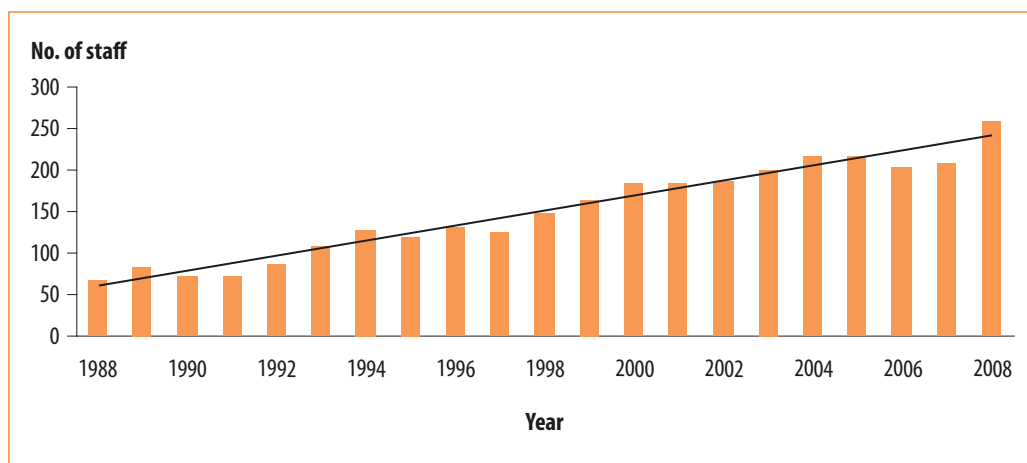


Figure 2: Total staff numbers 1988–2008

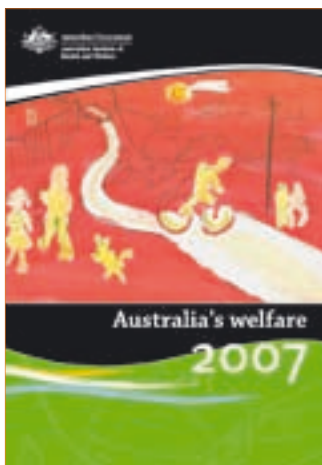


Flagship publications

In alternate years the AIHW is required by its Act to publish *Australia's health* and *Australia's welfare*, both of which are key national resources for these major areas. In addition, the AIHW publishes a comprehensive report in conjunction with the Australian Bureau of Statistics on the health and welfare of Australia's Aboriginal and Torres Strait Islander peoples.



Australia's health 2008



Australia's welfare 2007



The health and welfare of Australia's Aboriginal and Torres Strait Islander peoples 2008

An extract from the Hon. Neal Blewett's keynote speech at the Australia's health 2008 conference

Dr Blewett discussed the formation of the Institute.



The Institute was brought into being as a result of the abysmal state of national health statistics in this country, a weakness underlined dramatically in my first month as minister by the fact that the federal Department of Health did not know in March 1983 that Australia's first case of AIDS had been diagnosed 4 months earlier...

In its 21 years the Institute has established an outstanding publications record. On the health side alone it has produced over 1200 publications...

Dr Blewett then compared *Australia's health* 1987 with the 2008 edition.

Superficially they look very different animals. The 1988 is a pale little beast, its cover in muted colours and quite slim in line—a mere 244 pages. 2008 has a cover in glorious technicolour and is a massive beast—nearly three times as large at 614 pages. 2008 has a 60-page appendix of statistical tables which has no parallel in the earlier number. The glossary has expanded from eight to sixteen pages.

Things not dreamt of in 1988—at least not by the Health Minister of the day—turn up in 2008, including angioplasty, campylobacteriosis and post-traumatic stress disorder. The glossary explosion is mainly due to the vast increase in the detailed coverage of disease in the latest report.

This much greater detail relates to what is perhaps the one most obvious difference between the two reports—the vast increase in the range and depth of health information now available to governments...

Perhaps the most important strategic development in the 20 years has been the focus on particular population groups and age cohorts to illuminate the determinants of health status...