Chapter 1

Governance and organisation of the Australian Institute of Health and Welfare

The Hon. Peter Collins and the Hon. Tony Abbott MP at the launch of Australia's health 2006

A BRIEF HISTORY AND OUTLINE OF THE ROLE OF THE AIHW

The AIHW was established as a statutory authority in 1987 by the *Australian Institute of Health Act 1987*. 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* (AIHW Act) (Appendix 2, page 103).

The Act makes provision for the AIHW to collect and produce information and statistics relating to the health, housing and community services of the people of Australia. The AIHW provides the information that governments use to develop policy and make appropriate decisions.

The AIHW is part of the Health and Ageing portfolio and works closely with the Australian Government Department of Health and Ageing (DoHA). It also has a strong relationship with the Australian Government's departments of Families, Community Services and Indigenous Affairs (FaCSIA) and Veterans' Affairs, the Australian Bureau of Statistics, as well as with state and territory departments covering health, housing and community services and with various non-government agencies.

The AIHW also plays a leading role in data development — definitions, standards, classifications and statistical techniques.

In providing and developing statistics, therefore, the AIHW plays an active role in the complex interplay of government and non-government networks that have an interest in Australia's health and welfare statistics and information.

GOVERNANCE

The corporate governance arrangements are the processes by which the AIHW is directed and controlled.

The AIHW is an Australian Government statutory authority within the Health and Ageing portfolio, reporting directly to the portfolio Minister, the Hon. Tony Abbott, the Minister for Health and Ageing.

The AIHW is defined as a body corporate subject to the *Commonwealth Authorities and Companies Act 1997* (CAC Act). The AIHW reports to Parliament through the responsible Minister.

The AIHW has delegated management of its affairs to the AIHW Director. The Director is appointed by the Minister on the recommendation of the Board. The Director, who is a member of the Board, is responsible to the Board for the AIHW's activities. The performance of the Director is reviewed annually by the Board Chair.

The AIHW's main governing agents are the Board, the Ethics Committee and the Audit and Finance Committee.

AIHW Board

The role and composition of the Board are specified in s. 8(1) of the AIHW Act. Board members, other than three ex-officio members and a staff representative, are appointed by the Governor-General on the recommendation of the Minister for Health and Ageing for periods not exceeding 3 years.

Details of 2005–06 Board members are listed below. The financial statements contain details of remuneration of Board members (Note 11, page 94), and Related Party Disclosures of the Board (Note 12, page 95).

The following is a list of Board members for the period 1 July 2005 to 30 June 2006.

AIHW Board members 2005–06

Chair
The Hon. Peter Collins

Secretary, Department of Health and Ageing
Ms Jane Halton

Australian Statistician
Mr Dennis Trewin

Australian Health Ministers' Advisory Council nominee
Mr Peter Allen

Community Services Ministers' Advisory Council nominee
Ms Linda Apelt *(until 17 February 2006)*
Ms Sandra Lambert *(from 17 February 2006)*

Representative of state and territory housing departments
Dr Owen Donald

Ministerial nominees
Prof. Heather Gardner
Assoc. Prof. Kerry Kirke
Mr Ian Spicer

AIHW staff nominee
Ms Chrysanthe Psychogios

Director, AIHW
Dr Richard Madden *(until 6 January 2006)*
Dr Penny Allbon *(from 13 February 2006)*

Five Board meetings were held during the period. Details of meetings attended and Board members' qualifications and experience are in Appendix 5, page 139.

The Charter of Corporate Governance adopted by the Board takes into account contemporary issues regarding corporate governance and forms the basis for Board operations in an increasingly complex environment.

The AIHW Charter of Corporate Governance is available in Appendix 12, page 181.

Indemnities and insurance premiums for officers

The AIHW provided appropriate indemnity and insurance coverage for officers during the financial year.

Ethics Committee

The functions and composition of the AIHW Ethics Committee are prescribed in s. 16(1) of the AIHW Act and Regulations accompanying the Act. The committee's main responsibility is to advise the AIHW on the ethical acceptability or otherwise of current or proposed health- and welfare-related activities of the AIHW or of bodies with which the AIHW is associated. The AIHW may release identifiable health and welfare data for research purposes with the agreement of the committee, provided that release does not contravene the Commonwealth Privacy Act and the terms and conditions under which the data were supplied to the AIHW.

Membership and meetings

Membership of the Ethics Committee at 30 June 2006 is shown below. The Ethics Committee meets the National Health and Medical Research Council requirements for the composition of human research ethics committees.

Four meetings of the Ethics Committee were held during 2005–06 and attendance at meetings is shown in Appendix 6, page 141. The committee agreed to the ethical acceptability of 29 projects during the year.

Ethics Committee members 2005–06

Chair
Mr Robert Todd

Medical graduate with research experience
Dr Wendy Scheil

Graduate in a social science
Dr Siew-Ean Khoo

Nominee of the Registrars of Births, Deaths and Marriages
Ms Val Edyvean

Minister of religion
Rev. D'Arcy Wood *(until 1 December 2005)*
Rev. Dr Wesley Campbell *(from 1 December 2005)*

Legal practitioner
Ms Marina Farnan *(until 30 September 2005)*
Ms Kathryn Cole *(from 30 September 2005)*

Representatives of general community attitudes
Mr John Turner
Ms Janet Kahler

Director, AIHW
Dr Richard Madden *(until 6 January 2006)*
Dr Penny Allbon *(from 13 February 2006)*

Audit and Finance Committee

The Audit and Finance Committee is a subcommittee of the AIHW Board. The committee authorises and oversees the AIHW's audit program and reports to the Board on financial and data audit matters.

Membership and meetings

Membership of the Audit and Finance Committee is shown below. Attendance at the five meetings held during the year is shown in Appendix 6, page 141.

The major matters on which the committee reported to the Board were review of annual financial statements, internal audit program, and data audit program.

Audit and Finance Committee members 2005–06

Chair
Ms Linda Apelt *(until 17 February 2006)*
Mr Ian Spicer *(from 12 March 2006)*

Continued

Audit and Finance Committee members 2005–06 (continued)

Chair AIHW Board
The Hon. Peter Collins

Member
Mr Ian Spicer *(until 12 March 2006)*
Mr Peter Allen *(from 22 March 2006)*

Remuneration Committee

The Remuneration Committee is a subcommittee of the AIHW Board. The committee advises the Board on the remuneration of the Director and provides performance feedback to the Director.

Membership and meetings

Membership of the Remuneration Committee is shown below. Attendance at meetings is shown in Appendix 6, page 141.

Remuneration Committee members 2005–06

Chair AIHW Board
The Hon. Peter Collins

Member
Mr Ian Spicer

FUNCTIONS AND STRUCTURE

Roles and responsibilities

The AIHW's main functions relate to the collection, analysis and dissemination of health-related and welfare-related information and statistics, and are specified in s. 5 of the 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 to non-government clients 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 may:

- enter into contracts or arrangements, including contracts or arrangements to perform functions on behalf of the AIHW (details of such collaborations are included later in this report)
- subject to strict confidentiality provisions in the AIHW Act and with the agreement of its Ethics Committee, release data to other bodies or persons for research purposes.

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

Structure

The AIHW structure is aimed at ensuring the AIHW fulfils its roles and responsibilities in the best manner possible. The structure was modified during the year to reflect growth in various aspects of the work program and to ensure staff had clear, balanced and reasonable workloads.

Since April 2006 the Director has been supported by a Deputy Director and four Group Heads, each with major functional responsibilities. The Deputy Director has responsibility for the Information and Strategy Group, and the Group Heads have responsibility for Health and Functioning, Welfare and Housing, Economics and Health Services, and Business. A chart showing the AIHW's structure as at 30 June 2006 is shown opposite.

Executive staff at 30 June 2006 are listed below. Information about Unit Heads is included in Appendix 9, page 149.

Director
Dr Richard Madden *(until 6 January 2006)*
Dr Penny Allbon *(from 13 February 2006)*

Deputy Director and Head of Information and Strategy Group
Mr Ken Tallis *(from 27 March 2006)*

Health and Functioning Group Head
Dr Ching Y Choi *(until 4 April 2006)*
Dr Paul Magnus *(acting from 4 April 2006)*

Welfare and Housing Group Head
Dr Diane Gibson
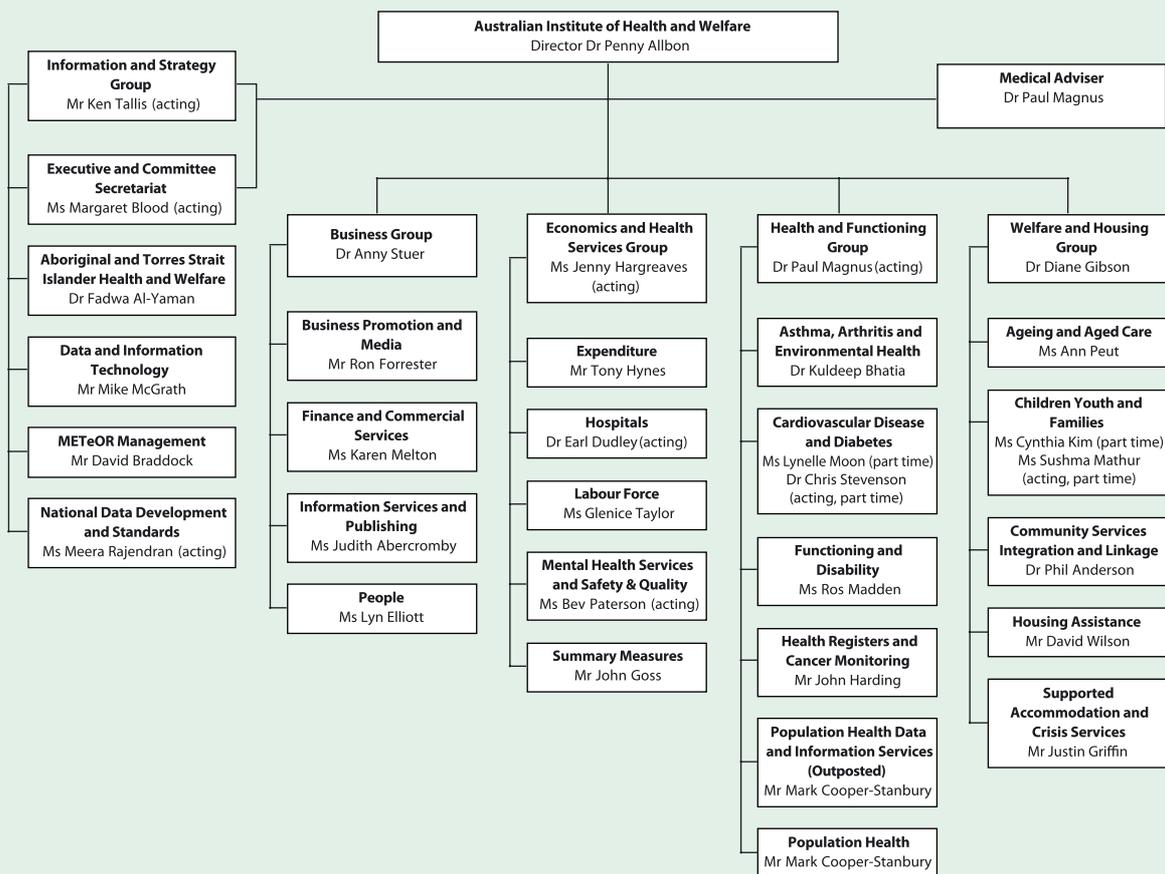
Business Group Head
Dr Anny Stuer

Economics and Health Services Group Head
Ms Jenny Hargreaves *(acting from 3 April 2006)*
Mr Ken Tallis *(until 27 March 2006)*

AIHW organisational chart
as at 30 June 2006

Australian Institute of Health and Welfare
Director Dr Penny Allbon

Medical Adviser
Dr Paul Magnus

Information and Strategy Group
Mr Ken Tallis (acting)

Executive and Committee Secretariat
Ms Margaret Blood (acting)

Aboriginal and Torres Strait Islander Health and Welfare
Dr Fadwa Al-Yaman

Data and Information Technology
Mr Mike McGrath

METeOR Management
Mr David Braddock

National Data Development and Standards
Ms Meera Rajendran (acting)

Business Group
Dr Anny Stuer

Business Promotion and Media
Mr Ron Forrester

Finance and Commercial Services
Ms Karen Melton

Information Services and Publishing
Ms Judith Abercromby

People
Ms Lyn Elliott

Economics and Health Services Group
Ms Jenny Hargreaves (acting)

Expenditure
Mr Tony Hynes

Hospitals
Dr Earl Dudley (acting)

Labour Force
Ms Glenice Taylor

Mental Health Services and Safety & Quality
Ms Bev Paterson (acting)

Summary Measures
Mr John Goss

Health and Functioning Group
Dr Paul Magnus (acting)

Asthma, Arthritis and Environmental Health
Dr Kuldeep Bhatia

Cardiovascular Disease and Diabetes
Ms Lynelle Moon (part time)
Dr Chris Stevenson (acting, part time)

Functioning and Disability
Ms Ros Madden

Health Registers and Cancer Monitoring
Mr John Harding

Population Health Data and Information Services (Outposted)
Mr Mark Cooper-Stanbury

Population Health
Mr Mark Cooper-Stanbury

Welfare and Housing Group
Dr Diane Gibson

Ageing and Aged Care
Ms Ann Peut

Children Youth and Families
Ms Cynthia Kim (part time)
Ms Sushma Mathur (acting, part time)

Community Services Integration and Linkage
Dr Phil Anderson

Housing Assistance
Mr David Wilson

Supported Accommodation and Crisis Services
Mr Justin Griffin

Collaborating agreements with universities

The AIHW has agreements with a number of universities and organisations based at or affiliated with universities to facilitate collaboration. Such collaborations extend the range of skills available to the AIHW and enhance its capacity to perform its functions across a broader range of subject matter. See Appendix 4 on page 137 for further information on these collaborating agreements.

BUSINESS

This section highlights initiatives associated with the AIHW's relationships with its partners, clients and employees and with the application of high professional and ethical standards to its work.

The AIHW's business and people strategies are driven by the values, objectives, priorities and strategies described in its business plan and its corporate plan, which expires in 2006. Work on developing a new corporate/strategic plan began with senior staff attending a workshop to formulate ideas about directions and strategies.

Also, during the year:

* negotiations to renew the Memorandum of Understanding with DoHA were completed

* a 2-year agreement between the Department of Health and Ageing and the AIHW's Public Health Information Development Unit at the University of Adelaide was signed and the work program is under development

* Acumen Alliance was contracted to conduct a second 3-year internal audit program. This program ensures that AIHW practices and procedures are efficient and effective (see Risk management strategies, page 12).

Financial position

The AIHW received $8.549 million in appropriation funding from the Australian Government. This was an increase of 1.5% on the previous financial year. Revenue from externally funded projects totalled $14.262 million, a decrease of 4.5% from the previous financial year. The AIHW recorded a small surplus for the year and continues to hold adequate reserves to fund ongoing operations. Full details are in Appendix 1, page 61.

Information and communication strategies

The AIHW website continues to serve as a major communication channel, averaging between 2,000 and 3,000 visitors with 11,000 requests for pages each day. AIHW staff spend considerable and increasing time responding to requests for information received via the website and other means.

All AIHW publications (released at an average of two or three a week) are freely available in full text on the website when their embargo is lifted. A total of 3,600 people currently subscribe to the automated publications release notification service available on our website.

During the year, a considerable effort was made to enhance the AIHW's profile in the Australian education sector by requesting that relevant sections of university and college websites add links to the site. Much of the metadata underlying the website was upgraded with the aim of boosting the site's ranking with the major internet search engines.

Access to AIHW data was improved in 2005–06 by adding to the website a searchable data catalogue, containing details of a large selection of statistical data. The catalogue can be searched in various ways to obtain details about specific data holdings. It also provides links to statistical data products available on the website, such as data cubes, while maintaining data protection and security. The AIHW also contributes information on its data collections to the ABS-coordinated National Data Network (NDN).

During the year the AIHW published 132 reports averaging 91 pages and with 65 media releases. This constitutes an 18% growth in reports over the preceding year and is by far the most reports ever produced by the AIHW in one year.

AIHW staff gave over 90 conference and seminar presentations and wrote around 95 journal articles and abstracts.

Media coverage and AIHW's community relevance

Most AIHW reports receive coverage in major metropolitan newspapers and radio stations and some television coverage is achieved for those of exceptional interest. Generally, the level of coverage is heavily influenced by the level of current public interest in a particular topic. Accordingly, the prominent media performers over the year were reports on drug use and treatment, cancer and mortality, and those relating to Indigenous Australians, all of which consistently achieved higher than average radio coverage.

Reports on these topics included *Statistics on drug use in Australia 2004, Alcohol and other drug treatment services in Australia 2003–04, Mortality over the twentieth century in Australia: trends and patterns in major causes of death, Cancer incidence projections for Australia 2002–2011, BreastScreen Australia monitoring report 2002–2003, Expenditures on health for Aboriginal and Torres Strait Islander peoples, 2001–02* and *The health and welfare of Australia's Aboriginal and Torres Strait Islander peoples 2005*.

In addition, the topic of homelessness generated significant interest, with *Demand for SAAP accommodation by homeless people 2003–04* receiving extensive coverage.

Standout performers included *Cancer incidence projections for Australia 2002–2011*, which generated 13 major press articles, 81 radio items, 17 television items

and 8 online stories; *Statistics on drug use in Australia 2004*, which generated 16 major press articles, 23 radio items, 7 television items and 8 online stories; and *Towards national indicators for food and nutrition: an AIHW view*, which generated 9 press articles, 14 radio items, 2 television items, and 2 online items.

Particularly interesting was the very high radio coverage that *Cancer incidence projections for Australia 2002–2011* and *Medical labour force 2003* received, with 81 and 78 different items respectively.

The AIHW is also used as a reliable information source by Members of Parliament. It was cited 27 times during the year in the Hansards of both Houses of Parliament. This was about one-third the number of mentions of the Department of Health and Ageing, for example, and around three times the number for the Health Insurance Commission.

All AIHW publications are available at no charge on the AIHW's website (www.aihw.gov.au). In addition, the site offers free access to a large number of interactive 'data cubes', which allow users to produce customised tables or graphs to suit their needs.

Printed copies of AIHW publications can be purchased by mail order, online via the website and at a discounted price over the counter at the AIHW's premises.

Risk management strategies

Risk management strategies have been adopted to identify areas of significant operational or financial risk and to develop and implement arrangements to manage those risks.

A new **information security strategy** was developed during the year to enhance the AIHW's mechanisms for ensuring it lives up to the high information-security standards it demands of itself and to meet the expectations of legislation, data providers and the community. An important element of the strategy is a framework for information security accountability and responsibility. It established the position of information security manager to coordinate all aspects of information security management.

A **privacy brochure** developed and almost completed during the year will be an important tool for helping staff and others to understand the ethical, privacy and confidentiality provisions better.

The AIHW annual **audit program** covers data, data administration, finance, human resources and other administrative procedures. Administrative procedures covered by the audit program this year were:

* IT Help Desk

* outsourced payroll system

* purchasing and receivables.

The audit reports were considered by management and a number of changes implemented in response to the reports' recommendations.

A data audit was conducted on the Commonwealth–State/Territory Disability Agreement data collections.

This audit did not identify any significant weaknesses.

PEOPLE

The AIHW and its collaborating units are staffed by highly skilled people dedicated to the values and work of the organisation. The AIHW seeks to create a stimulating environment built on commitment to excellence, continuous learning, trust and respect for differences.

The AIHW encourages security of tenure and safety and sound health among its staff with opportunities for personal and professional development and for the staff to advocate on their own behalf.

Staffing

Staff numbers have fallen by a little under 10% in 2005–06 financial year following 2 years of relatively constant levels. At 30 June 2006 the AIHW employed 204 people, corresponding to 180 full-time-equivalent staff.

The annual graduate recruitment round resulted in 12 new graduates beginning work at the AIHW between December 2005 and February 2006.

An equal opportunity employer

AIHW staff are employed under the *Public Service Act 1922*. Details of staffing during 2005–06 are shown in Appendix 8, page 147.

Vacancies are advertised on the AIHW website as well as in the *Australian Public Service Gazette,* and this information is accessible to people with disabilities. Applicants are asked to state whether they have a disability and what assistance they would need at interview. Applications may be made by email or in hard copy and enquiries about accessibility matters are responded to promptly. Many vacancies are also advertised in the print media.

Recruitment and selection guidelines include a statement that the AIHW is an equal opportunity employer that values and promotes workplace diversity. Managers and selection advisory committees are encouraged to demonstrate attitudes and practices that support members of designated groups applying for, securing and maintaining employment.

The AIHW regularly monitors its facilities to ensure that they are accessible to people with disabilities and makes improvements whenever possible. Front doors have been replaced to make them easier for people with disabilities to use, a ramp is available to enter the building and car-parking spaces are reserved for people with disabilities.

Personal and professional development

The AIHW Learning and Development (L&D) Advisory Committee continued to drive professional activities this year. The development and delivery of a series of pilot performance-building workshops was one of the major L&D activities.

The Good Practice seminar series was held fortnightly, and statistical and writing advisory services continued to be offered fortnightly as well.

AIHW learning and development programs are available to all staff, including those recruited through the graduate intake, from the time they begin work at the AIHW.

A healthy workplace

The fourth AIHW Certified Agreement was certified in late July 2005. It commits the AIHW to undertake a review of workloads and work–life balance, to enhance the organisation's performance management, and to deliver a month-long program to promote better health among staff.

Safe working practices are covered by the AIHW Occupational Health and Safety (OH&S) Agreement, which was signed in 1998. The agreement recognises the AIHW's legal responsibility to ensure that the workplace and staff work practices are healthy and safe. It is accessible to staff via the AIHW intranet, which provides advice on a range of occupational health and safety issues.

The OH&S Committee met four times during the financial year, and also conducted business out-of-session. It has been developing a new OH&S Agreement and First Aid Policy.

Measures taken to ensure the health, safety and welfare at work of employees and contractors included:

- training in occupational health and safety work practices, and in managing occupational health and safety risks
- updating fire fighting and emergency evacuation procedures and providing training for fire wardens, including first aid persons
- engaging professional occupational therapists to assess individual workstations for many staff
- undertaking regular workplace inspections and doing repairs and maintenance as required.

One incident required the giving of notice under s. 68 of the *Occupational Health and Safety Act 1991*.

The AIHW was not subject to any investigations during the year, and no directions were given under s. 45 or notices given under ss. 29, 46 or 47 of the *Occupational Health and Safety Act 1991*.

Keeping to ethical standards

Ethical standards at the AIHW are upheld with its values in mind: accessibility, expertise, independence, innovation, privacy, and responsiveness.

These values, and those of the Australian Public Service, shape the *AIHW Corporate Plan 2003–2006*, the business plan which flows from the corporate plan, and the annual Work Program.

To reinforce the AIHW's strong commitment to its values, staff (and those with approved access to AIHW data) are required to sign an Undertaking of Confidentiality in relation to data held under the AIHW Act. An important part of the AIHW's induction program is a discussion, led by the Director, of the values and ethical standards under which the AIHW operates. These practices together with our data audit programs are designed to ensure the confidentiality of the data held. The APS Values and Code of Conduct are regularly promoted to staff in seminars and newsletters.

A convivial workplace

The Director supports the AIHW Social Club. The club's main function is to organise four functions throughout the year and raise funds.

Social Club functions held each year and open to all staff are an Easter party, the AIHW birthday, the Melbourne Cup and an end-of-year party. At the AIHW birthday, staff that have been with the AIHW for 10 years are acknowledged and awarded a certificate of recognition of service.

Staff awarded certificates of recognition in 2005–06 for 10 years service

Justin Dorman

Kathy Southgate

Phil Anderson

Hongyan Wang

Christopher Stevenson

Staff also participate in fundraising activities for charity and organise 6-weekly visits to donate blood.

AIHW actively encourages staff to recycle where possible and to conserve energy in appropriate ways.

There were high levels of participation in events organised for the first AIHW Health Month program held in May 2006. The program included a seminar on *The seven habits of fit and healthy people*, nutrition seminars, and cholesterol and diabetes screening. The *10,000 step program* attracted large numbers and many staff appear to be continuing with the activities begun as part of that program. Staff with a competitive edge participated in a *Platinum fitness test* that reaped both pleasing and challenging results.

Sensitivity in handling grievances

AIHW procedures for dealing with grievances are outlined in our Certified Agreement which is available on the intranet.

- All staff are encouraged to discuss grievances with their manager in the first instance.
- Workplace Harassment Contact Officers have been appointed to help staff.
- All staff have access to professional counselling through an external Employee Assistance Program. Details of this arrangement are available to all staff on the AIHW intranet and from the human resources area.