

## Chapter 2—Performance



The AIHW's performance is guided by legislative, government and organisational requirements. As an independent statutory body under the AIHW Act, the AIHW provides information and does related developmental work in the areas of health, community services and housing assistance. The AIHW also has an important role as the custodian of major databases.

This chapter provides a summary of the AIHW's performance against the 2007–08 Portfolio Budget Statements and an analysis of the financial results.

## Portfolio Budget Statements—outcome and output structure

The AIHW's outcome and output structure, as set out in the *Portfolio Budget Statements 2007–08: Health and Ageing Portfolio*, consist of one outcome and one output group (see figure 5). This was a simplification from three outputs in 2006–07.

Under the AIHW's performance framework, the outcome and output group are underpinned by four key strategic directions. These directions help the AIHW to plan, monitor and evaluate its performance in producing its output, achieving its outcome and fulfilling its mission. Achievements against the strategic directions are discussed on page 31.

Nine performance indicators are used to monitor the AIHW's performance. The AIHW's performance against each of these indicators is discussed further in this chapter.

For an explanation of AIHW's reporting framework see **Our reporting framework** on page 16.

**Figure 5: Portfolio Budget Statements—outcome and output structure for the AIHW, 2007–08**

<b>Outcome</b>
Better health and wellbeing for Australians through better health and welfare statistics and information.
<b>Output</b>
Develop, collect, analyse and report high-quality national health and welfare information and statistics for governments and the community.
<b>Key strategic directions</b>
Strengthen its policy relevance through stronger stakeholder engagement.
Capitalise on the new information environment to maintain and enhance the quality of Australia's health and welfare statistics.
Enhance data access while guarding privacy.
Improve communication of key messages in information and statistics.
<b>Performance indicators</b>
Meeting the legislative requirement for presentation of <i>Australia's welfare 2007</i> and <i>Australia's health 2008</i> to the Minister.
Presentation of the AIHW's annual report in line with legislative requirements.
Enhanced consistency and comparability of information through the use of national data standards in national data collections.
Increased use of data standards in data development.
The availability and accessibility of up-to-date national data standards for the health, community services and housing sectors.
Enhanced capacity to produce high-quality information and analysis across the health and welfare sectors.
The volume of projects funded on a fee-for-service basis.
Broad awareness of the AIHW's publications and information products.
Increased availability of electronic tools to improve access to timely data.

## Portfolio Budget Statements—achievements against key strategic directions

The *AIHW corporate plan: strategic directions 2007–2010* contains five strategic directions that form the basis of the four strategic directions in the Portfolio Budget Statements for 2007–08. The directions in the Portfolio Budget Statements are to:

- strengthen our policy relevance through stronger stakeholder engagement
- capitalise on the new information environment to maintain and enhance the quality of Australia’s health and welfare statistics
- enhance data access while guarding privacy
- improve communication of key messages in information and statistics.

### Strengthen policy relevance

In 2007–08 the AIHW continued to collect and analyse information about a range of topics that inform policy and programs in Australia, such as hospital services, health expenditure, disability services and social housing. The breadth and depth of AIHW analysis was showcased in 2007–08 with the release of its three flagship publications, *Australia’s welfare 2007*, *Australia’s health 2008* and *Health and welfare of Australia’s Aboriginal and Torres Strait Islander peoples 2008*, a joint publication with the Australian Bureau of Statistics.

There was also a particular focus on Australians who are most in need of health and welfare services—Indigenous Australians, children, the aged, the homeless and those at risk of homelessness.

The AIHW is constantly working to expand the evidence base to improve outcomes for Indigenous Australians. Examples of work conducted in 2007–08 include engagement in the Healthy for Life project, which has improved the capacity and performance of primary health care services that provide care to Indigenous Australians to deliver high-quality maternal and children’s health services and chronic disease management; the first trial of a unit record collection for administrative data for Indigenous community housing, which will allow more detailed analysis and support evaluation of services; and collaborative work with jurisdictions to improve Indigenous identification in admitted hospital patient care data. The number of jurisdictions now suitable for reporting has increased from four to six, an important improvement given the high usage of hospital services among Indigenous Australians.

The AIHW has gathered data from a number of sources to report on the health and wellbeing of children and young people. In 2007–08 the AIHW established a new centre for monitoring the mandatory fortification of food with folic acid and iodine, a pilot collection in three jurisdictions for additional juvenile justice data items for offences relating to supervised sentences of young people in the juvenile justice system, and a new collection for younger people with disabilities in residential aged care.

The AIHW continued to work closely with service providers and funders to provide reporting and advice on the number of people in Australia who use Supported Accommodation Assistance Program (SAAP) agencies. The AIHW also contributed to the development of the Australian Government

Green Paper on Homelessness, *Which way home? A new approach to homelessness*.

A highlight of 2007–08 was the conduct of the high and complex needs census, which ran from 16 to 22 June 2008. This involved clients from all SAAP agencies nationwide. The census aims to gain a greater understanding of the extent, level and complexity of the needs of people who are homeless or at risk of homelessness.

As well as improving the evidence base for understanding populations in need, the AIHW continued work on a range of policy-relevant issues that affect all Australians. These included the establishment of a new national data set for monitoring chronic kidney disease, production of a set of performance indicators for the health system, and a new report on elective surgery in Australia that utilised data linkage to produce new measures of access to elective surgery that may be developed for routine reporting.

### **The new information environment**

In 2007–08 the AIHW expanded the metadata available in METeOR, Australia's repository for national data standards for health, housing and community services statistics and information. This was complemented by the release of the *National health data dictionary* (version 14) and the *National community services data dictionary* (version 5) on CD rather than in hard-copy.

The AIHW's ongoing work linking national data sets continued with the successful linkage of a number of major aged care data sets, funded in part by an NHMRC Health Service Grant. By using administrative data to create anonymised service paths the AIHW is able to analyse people's experience of the aged care system without compromising

their privacy. This new resource is already in use, answering policy questions about the outcomes arising from aged care assessments and the experience of people with dementia. The AIHW has also published a methodological paper on the linkage of SAAP, child protection and juvenile justice data collections, which established the feasibility and utility of a linked data set to understand the interaction between homelessness, child protection and contact with the juvenile justice system.

### **Enhance data access while guarding privacy**

In addition to releasing 99 publications in 2007–08, the AIHW provided more than 500 pages of supplementary data on its website, provided a range of searchable data sets and processed about 100 requests for data from researchers, all in accordance with strict privacy protection and the requirements of the relevant data custodians.

In 2007–08 additional data cubes were provided for health expenditure, elective surgery waiting times, Indigenous housing conditions in rural and remote areas, labour force data and online interactive atlases of population health of Aboriginal and Torres Strait Islander peoples published by an AIHW collaborating unit, the Public Health Information Development Unit.

In addition to these services to the public, the AIHW developed a suite of electronic tools to allow Aboriginal Medical Services participating in the Healthy for Life program to submit and access their data more easily in a secure environment.

### Better communication of key messages

The AIHW was active on several fronts in communicating its messages better to stakeholders and the community. Major areas tackled during the year included upgrading the writing skills of staff, providing ongoing training in media skills, improving report and website production processes, launching

several major reports to the public, and actively disseminating report findings to key contract funders and Ministers' offices.

As a result the AIHW was mentioned in over 3,500 media items during the year, compared with around 2000 mentions the previous year (see Table 7 on page 115 for more information).

### *Australia's welfare 2007 fast facts*

- Median weekly disposable household income rose by 34% in the 10 years from 1995–96.

#### **Housing and homelessness**

- 100,000 people in Australia are homeless—most common reasons are interpersonal relationships, including domestic violence and relationship breakdown and conflict, and the need for time-out from family.
- Indigenous Australians in particular suffer from higher levels of sub-standard housing, overcrowding and homelessness.

#### **Education**

- Education retention rates for Aboriginal and Torres Strait Islander students (40%) were just over half that of non-Indigenous students (76%) in 2006.
- Indigenous students were also substantially less likely to meet national benchmarks in reading, writing and numeracy.

#### **Labour force**

- Labour force participation among the Indigenous population is 59% compared with 78% for the non-Indigenous population.

#### **Children**

- 13,000 young people experience some form for juvenile justice supervision.
- 20% of the population consists of children under the age of 15.

- Between 2002 and 2006 the number of children on care and protection orders rose by 32%, from 20,557 to 27,188. Some of this can be explained by greater community awareness of child abuse and neglect, and the cumulative effect of children who enter the system at a young age and remain there for some years. But it's not the entire explanation.
- 1.6 million children were in either formal or informal child care in 2006.

#### **Older Australians**

- 2.7 million older Australians (people aged 65 and older) made up 13% of the population in 2006.
- Approximately 29% of older people live in their own homes, and only 6% live in non-private dwellings such as nursing homes and hospitals.
- In 2006, there were 145,000 older people in residential aged care.
- Spouses and adult children, mostly daughters, made up equal proportions of all primary carers of older people (43% each).

#### **People with a disability**

- 3.9 million people had a disability (20% of the Australian population) in 2003.
- The prevalence rates of severe disability among indigenous Australians were at least twice as high as those of other Australians.

## Portfolio Budget Statements—achievements against performance indicators

Output: Develop, collect, analyse and report high-quality national health and welfare information and statistics for governments and the community

	MET	SUBSTANTIALLY MET	NOT MET
<b>INDICATOR ONE</b> Meeting the legislative requirement for presentation of <i>Australia's welfare 2007</i> and <i>Australia's health 2008</i> to the Minister	●		
<b>INDICATOR TWO</b> Presentation of the AIHW annual report in line with legislative requirements	●		
<b>INDICATOR THREE</b> Enhanced consistency and comparability of information through the use of national data standards in national data collections	●		
<b>INDICATOR FOUR</b> Increased use of data standards in data development	●		
<b>INDICATOR FIVE</b> The availability and accessibility of up-to-date national data standards for the health, community services and housing sectors	●		
<b>INDICATOR SIX</b> Enhanced capacity to produce high-quality information and analysis across the health and welfare sectors		●	
<b>INDICATOR SEVEN</b> The volume of projects funded on a fee-for-service basis	●		
<b>INDICATOR EIGHT</b> Broad awareness of the AIHW's publications and information products	●		
<b>INDICATOR NINE</b> Increased availability of electronic tools to improve access to timely data	●		

## INDICATOR ONE

MET

### Meeting the legislative requirement for presentation of *Australia's welfare 2007* and *Australia's health 2008* to the Minister

#### *Summary of achievements*

- Presented *Australia's welfare 2007* to the Minister of Health and Ageing on 4 December 2007 and tabled it in parliament on 6 December 2007.
- Presented *Australia's health 2008* to the Minister of Health and Ageing on 29 May 2008 and tabled it in parliament on 24 June 2008.

#### *Reference points*

Both reports completed on time.

Presentation of *Australia's welfare 2007* to the Minister by the end of 2007.

Presentation of *Australia's health 2008* to the Minister by the end of June 2008.

## INDICATOR TWO

MET

### Presentation of the AIHW annual report in line with legislative requirements

#### *Summary of achievements*

- Presented the *AIHW annual report 2006–07* to the Minister for Health and Ageing on 27 September 2007 and tabled it in parliament in October 2007. The ACT Division of the Institute of Public Administration Australia noted that 'the AIHW annual report for 2006–07 was coherent, [and] contained detailed information about both financial and operational performance'.

#### *Reference points*

Presentation by 31 October 2007.

Maintain or increase previous year's satisfaction.

## INDICATOR THREE

MET

### Enhanced consistency and comparability of information through the use of national data standards in national data collections

#### *Summary of achievements*

- Improved the Indigenous identification in admitted patient care data through audits with New South Wales and Victoria agreeing to use nationally accepted reporting standards.
- Improved the reporting of educational outcomes for children on guardianship or custody orders.
- Developed a pilot collection of additional items in the juvenile justice area.
- Developed new data collection for younger people with disabilities in residential aged care.
- Developed an expanded national minimum data set on congenital anomalies and options for monitoring folate and neural tube defects.

- Improved data for the publications *Child protection, Australia* and *Adoptions, Australia* to adhere more closely to the counting rules developed by the AIHW in partnership with the states and territories.
- Improved the financial and performance reporting of the National Committee for Housing Information and the Commonwealth State Housing Agreement so that they now come from the one source that conforms to the International Financial Reporting Standards.
- Assessed the misclassification of external causes of death and participated in a project to study quality of external cause coding of hospital records.

#### *Reference point*

National data standards are used in national data collections.



**Increased use of data standards in data development***Summary of achievements*

- Increased by 10% the number of data development groups using METeOR as a collaborative platform (118 work groups, up from 106).
- Increased by 21% the data elements included in METeOR endorsed as standards in the financial year 2007–08 (3,221 data elements, up from 2,659).
- Included the Government Health Expenditure National Minimum Data Set on METeOR.
- Developed a data quality framework for the Commonwealth State/Territory Disability Agreement National Minimum Data Set.
- Completed preliminary work to develop national data standards for the collection of labour force details on health care and allied health care professionals.
- Refined data elements for the Mental Health Establishments National Minimum Data Set.
- Completed preliminary work to develop new indicators for the National Prisoner Health Data Collection.
- Completed preliminary work to develop data specifications for breast cancer.

- Developed new data elements for the cervical screening data dictionaries.
- Changed the registration status of 1086 metadata items.
- Trained 43 new Commonwealth, state and territory staff in METeOR.
- Developed draft data standards for the introduction of a statistical linkage key and mental health questions to the Alcohol and Other Drugs Treatment Services National Minimum Data Set collection.

*Reference points*

Increase number of data development groups using METeOR by 2% over previous year.

Increase in data elements by 2% over previous year.

## INDICATOR FIVE

MET

### The availability and accessibility of up-to-date national data standards for the health, community services and housing sectors

#### *Summary of achievements*

- Posted updated versions of the health data dictionaries to the Internet every 6 months. Posted community services and national housing assistance data dictionaries to the Internet as updates were endorsed.
- Updated Australian data provided to international organisations for Joint OECD (Organisation for Economic Co-operation and Development), EUROSTAT and WHO (World Health Organization) Health Accounts Data Collection, OECD social expenditure data collection, WHO Country Health Information Profile and Health Databank.

- Released the *National health data dictionary* (version 14) and the *National community services data dictionary* (version 5) on CD rather than in hard-copy.

#### *Reference points*

Online updates to data standards are made within 1 month of endorsement by registrars.

A document outlining new data standards or changes to existing items is published every 6 months.

## INDICATOR SIX

**SUBSTANTIALLY MET**

### **Enhanced capacity to produce high-quality information and analysis across the health and welfare sectors**

#### *Summary of achievements*

- Contract work increased by 16% from \$17.4 million in 2006–07 to \$20.2 million in 2007–08.
- Expanded contracts to include new work on disease expenditure, hospital expenditure, Australian Health Care Agreement performance indicators, children, families, aged care, Indigenous community housing and dwelling conditions, prisoners' health, arthritis, osteoporosis, hip fractures, asthma, chronic obstructive pulmonary disease, and cancer survival and prevalence in Australia.
- Contracted new work with the National Heart Foundation, Australian Commission on Safety and Quality in Health Care and the Pharmacy Guild.
- Conducted High and Complex Needs census for SAAP agencies.
- Established new centres for Monitoring Chronic Kidney Disease, and Mandatory Fortification of Food with Folic Acid and Iodine.
- Contributed to the 2008 world drug report.
- Number of publications (99) decreased by 29% from 2006–07 (140) partly due to resources being diverted to flagship publications resulting in the release of over 40 publications in July and August 2008 (see Figure 7 on page 113).
- Released three major biennial reference publications.
- Contributed to the development of the Australian Government Green Paper on Homelessness, *Which way home? A new approach to homelessness*.
- Diversity of publications expanded from 2006–07.
- Developed a new report on elective surgery in Australia.
- Expanded topics in the report *Older Australia at a glance*.
- Released the first publication for children and young people that used linked data.
- Upgraded the national collection of Commonwealth State Housing Agreement community housing data.
- Expanded perinatal health information and statistics.
- Produced a draft report on the effect of mandatory folate fortification of food on neural tube defects in Australia.

#### *Reference point*

Maintain or increase on previous years.

## INDICATOR SEVEN

MET

### The volume of projects funded on a fee-for-service basis

#### Summary of achievements

- The ratio of non-appropriation revenue for 2007–08 was 71%. This includes sale of services, interest and other revenue. The ratio of sale of services to total income was 68% compared with 64% in 2006–07.

#### Reference point

Ratio of non-appropriation revenue to total funding greater than 50%.

## INDICATOR EIGHT

MET

### Broad awareness of the AIHW's publications and information products

#### Summary of achievements

- Gained an increase in press, radio and online media coverage for AIHW reports. The overall level of media coverage was significantly higher in 2007–08 (3,569) than in 2006–07 (2,080) and 2005–06 (2,016), despite there being fewer media releases during 2007–08 (56) than in 2006–07 (62) and 2005–06 (65). This increase was partly due to the AIHW moving to a more comprehensive online monitoring service and more journalists subscribing to the publication release service.
- Increased level of citation in the Hansards of both Houses of Commonwealth Parliament to 55 during 2007–08, an increase of 41% from 2006–07 (39) and 104% increase from 2005–06 (27).
- Received over 1.1 million visits to the website in 2007–08, with an average of 3,035 visitors a day, a small increase over 2006–07 (3,000) and a significant increase over 2005–06 (2,500).
- Increased subscriptions to the AIHW's automatic release notification service available via the website.

- Promoted the AIHW and its publications by exhibiting at seven major Australian health and welfare conferences (see **Promoting our publications** on page 116).
- Hosted two major conferences—Australia's welfare 2007 and Australia's health 2008—to promote and distribute the publications (attended by over 700 delegates).
- The report *Australia's health* is used as a resource by secondary students and university students. In New South Wales and Victoria *Australia's health* is a recommended reference for the Personal Development, Health and Physical Education syllabus for students studying for their Higher School Certificate or Victorian Certificate of Education.
- Statistics from AIHW publications are regularly used by a range of popular magazines and health industry journals including *Woman's Day*, *Good Health*, *Australian Pharmacist*, *Cancer Australia* and the Royal Australasian College of Surgeons' magazine *Surgical News*.

#### Reference point

Maintain or increase on previous years.

**Increased availability of electronic tools to improve access to timely data***Summary of achievements*

- Expanded the availability of electronic datasets and tools for 2007–08.
- Developed new electronic data tools to access the data developed for health expenditure, elective surgery waiting times, Indigenous housing, Indigenous primary health care services and BreastScreen Australia.
- Updated electronic dissemination of health expenditure funding mix, labour force, Chronic Diseases Indicators, General Record of Incidence of Mortality (GRIM) and Australian Cancer Incidence and Mortality (ACIM) books, SMART data collection tool for use by SAAP agencies, cancer data cubes.
- Developed new electronic data for Headline Indicators for Children's Health.
- Updated AIHW web pages to make information more accessible.
- Developed data cubes for survey information on the condition of dwellings for Indigenous people before and after the Fixing Houses for Better Health program was implemented.
- Developed electronic tools to allow Aboriginal Medical Services participating in the Healthy for Life program to submit and access their data more easily.
- Published online, interactive atlases of population health of Aboriginal and Torres Strait Islander peoples.

*Reference point*

An increase on previous year.

## Summary of financial performance

### Income statement

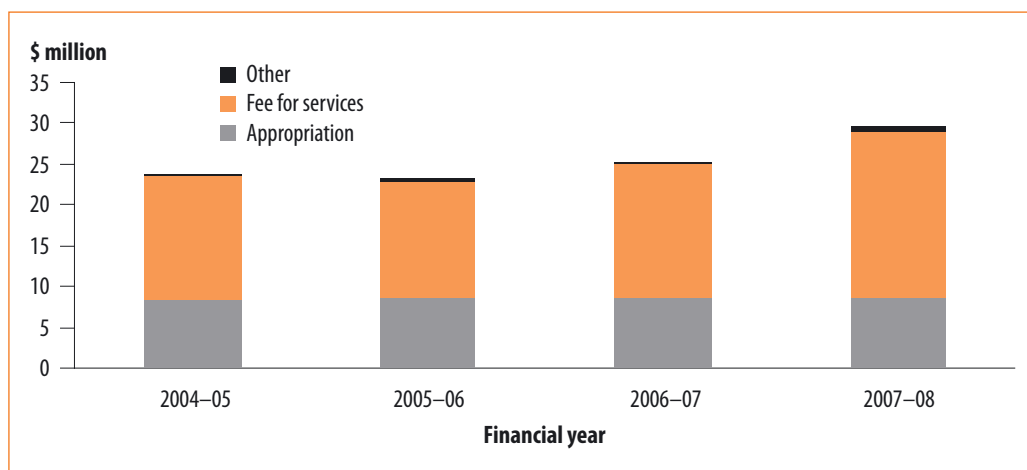
The AIHW recorded a deficit of \$764,000 in 2007–08 compared with a deficit of \$324,000 in the previous year and a budgeted deficit of \$730,000 (see Table 4).

**Table 4: Income statement summary**

	Actual 2007–08 \$'000	Estimates 2007–08 \$'000	Actual 2006–07 \$'000
Revenue	29,600	24,421	25,286
Expenses	30,364	25,151	25,610
Net surplus/(deficit)	(764)	(730)	(324)

In 2007–08, the AIHW's appropriation funding from the Australian Government was \$8.678 million, an increase of 0.6% on the previous financial year. Revenue from externally funded projects totalled \$20.2 million, an increase of 24.1% on the previous year. Interest income was 53% higher in 2007–08 than in the previous year due to higher cash balances and higher interest rates (see Figure 6).

**Figure 6: Comparison of income sources**



Expenses were 18.6% greater than in 2006–07. The majority of this increase was in salaries and on-costs, the cost of consultants, staff training and maintenance of office buildings. Most of these cost increases related to the increase in externally funded work.

The AIHW had received approval to budget for an operating loss of \$730,000 in 2007–08 from the Minister for Finance and Administration. The actual loss exceeded the budgeted loss by \$34,000, or 0.1% of expenditure, due to one-off essential expenditure incurred late in the year.

### Balance sheet

Cash and term deposits totalled \$7.8 million, an increase of \$0.7 million on the previous year (see Table 5). This was due to an increase in the amount of contract revenue received in advance of services provided. All excess cash has been invested in term deposits in accordance with the AIHW Investment Policy. This policy was developed during the year to maximise earnings from authorised investments while ensuring the security of AIHW funds. Liabilities were higher than

budgeted and the previous year's liabilities due to the growth in expenditure resulting from the increased levels of work.

**Table 5: Balance sheet summary**

	Actual 2007–08 \$'000	Estimates 2007–08 \$'000	Actual 2006–07 \$'000
Cash	7,778	4,788	7,133
Other financial assets	5,541	4,612	4,601
Non-financial assets	3,208	3,534	3,126
Total assets	16,527	12,934	14,860
Provisions	5,171	4,579	4,660
Payables	9,942	6,215	8,022
Total liabilities	15,113	10,794	12,682
Equity	1,414	2,140	2,178

### Cash flow

Net cash received from operating activities was \$1.35 million. This is mainly due to an increase in the level of cash received in advance for services not yet provided. The AIHW spent \$0.7 million on the purchase of property, plant and equipment, and leasehold improvements. The net cash increase in the year was \$0.7 million, lifting the cash balance from \$7.1 million to \$7.8 million. See **Appendix 1**, page 123 for full details of the financial statements.

### Outlook

Since 1996–97 the AIHW's appropriation has reduced by over 15% in real terms after allowing for the effect of the consumer price index. During this time the complexity and scope of the AIHW's work has increased, with large increases in the amount of data stored and the number of reports produced. Due to the application of the efficiency dividend, the AIHW's appropriation will fall by \$49,000 to \$8.6 million in 2008–09.

Externally funded income is not expected to be as high in 2008–09 as 2007–08. The agreement with the Public Health Information Development Unit has ceased and the drug survey only occurs every 3 years. In 2007–08 funding for these projects contributed \$1.8 million to the AIHW's external income.

The AIHW has budgeted to break even in 2008–09. In order to achieve this, the AIHW will have to reduce some of its outputs, including the scope of the publications *Australia's health* and *Australia's welfare*.

## Australia's health 2008 fast facts—a day in the life of Australia's health

### Vital stats

- 746 babies are born, including 12 sets of twins; 230 babies by caesarean section.
- 300 females become mothers for the first time; they are aged 28 years on average.
- 360 people die; 75 are under 65 years of age and 9 are under 25.

### Increasing and decreasing our risk

- 2.9 million people smoke at least one cigarette; 56,000 of these smokers are under 18.
- 2,000 infants receive a dose of the triple antigen vaccine to prevent diphtheria, tetanus and polio.
- 6,500 females aged 20 and over have a Pap smear through the National Cervical Cancer Screening Program.

### Diseases and conditions

- 1,200 people are diagnosed with a non-melanoma skin cancer.
- 290 people are diagnosed with other invasive cancers; 110 people die from them.
- 130 people aged 40–90 years have a heart attack; 52 are fatal.
- 2 children are diagnosed with Type 1 diabetes.

### Medicines

- 500,000 subsidised prescriptions are dispensed, at a cost to government of \$17 million.
- 2 million people take cholesterol-lowering medication.
- 780,000 people take antidepressant medication.
- Around one-third of females aged 16–59 years take the oral contraceptive pill.

### Health services

- 270,000 people visit a GP.
- 150,000 people consult an allied health professional.
- 32,000 people aged 15 years and over visit a dentist.
- 7,400 incidents are attended by ambulance services.
- 660 people have contact with the Royal Flying Doctor Service.
- 19,000 services are provided in emergency departments and 44,000 in hospital outpatient clinics.
- 18,000 people are admitted to hospital; 7,800 stay at least one night.

### Health professionals

- 240,000 people are employed as nurses or midwives; 92% are female.
- 23,000 people are employed as primary care practitioners (mostly as GPs); 63% are male.
- 13,000 people are employed as pharmacists; 57% are female.
- 10,000 people are employed as dentists; 72% are male.
- 10,000 people are employed as ambulance officers or paramedics; 79% are male.