As I begin, I wish to acknowledge the Ngunnawal people, the traditional owners of the land on which we are meeting today.

I am about to complete ten years at AIHW, two 5 year terms of appointment. I decided that I would not seek a third term. So various AIHW colleagues suggested that it would be appropriate for me to offer some reflections on 10 years at AIHW. I was delighted with the suggestion.

First, there is no bucket to be dropped. AIHW, and I, have had good support from governments and agencies across the Australian Government, State and Territory health, community services and housing assistance sectors, as well as the Australian Bureau of Statistics. The AIHW Board, importantly, includes all these key stakeholders, and I’ll say more about that later. Other government players have been supportive, the media has been interested and responsive. Last, and crucial, has been the strong support from the three Board Chairs with whom I have worked, and from the other non-government Board members.

I plan to start with some comments on the role of statistics in a society like Australia’s. I will then cover
the values that have underpinned the AIHW’s work, and
comment on some of the issues that have arisen at AIHW over
the past 10 years. Finally, I will comment on the evolution
of our biennial report, Australia’s Welfare, since 1993.

Official Statistics in a Democratic Society

Statistics appear like water drops in a torrent. There are
drops beyond counting. Every interest group produces reams
of statistics. The media eagerly report each new fact as it
is revealed. Expert commentators may use the latest fact to
make a point, usually in support of a position they already
profess. Then the figure is forgotten by almost everyone,
as the torrent rushes on.

Official statistics are a little different, although they
compete for space within the torrent. There are not many
producers. In Australia, the Australian Bureau of
Statistics is a trusted provider and repository of reliable
information, especially on the economy and the
characteristics of the population. The Australian Institute
of Health and Welfare provides national health and welfare
statistics, largely based on data collected within the
health, community services and housing systems, but also by
analysis of ABS data.

Good official statistics are an essential underpinning of a
democratic society. The regular publishing of reliable and
unbiased information allows governments to be held to
account, as well as providing a base for decision making by
governments and all sectors of the community.

Undemocratic societies control their statistics and the
people who produce them. As an example, a prominent African staff member at Statistics South Africa told me a few weeks ago that Africans were not allowed on the staff of the statistics office in the apartheid era.

Production of official statistics in Australia is based on the UN Principles of Official Statistics. Both the ABS and the AIHW have adapted these principles into a set of Values that underpin our work.

At the Australian Institute of Health and Welfare, we have six values:

Accessibility: making our work available to all Australians

Expertise: applying specialised knowledge and high standards to our products and services

Independence: ensuring our work is objective, impartial and reflects our mission

Innovation: showing curiosity, creativity and resourcefulness in our work

Privacy: respecting and safeguarding the privacy of individuals and the confidentiality of those who provide the information we use

Responsiveness: seeking and responding to the needs of all those who supply or use our data and information users’ needs.
As you might appreciate, these values sometimes push in competing directions. Responsiveness has to be constrained if the Institute is to be independent in setting its work program. Standards need to be measured in relation to the problem at hand, so that information is accessible on issues of importance, and to inform current policy issues; but some information is not better than none if the some can mislead!

AIHW truly lives by these values. We do not engage in work where the results would only be available to those who commissioned us. Although we consult widely and greatly appreciate feedback, the content of our reports and the manner of release are finally determined by us. And from time to time we tackle new issues where external funding is not available, or even would not be appropriate: our forthcoming report on induced abortion is a good example.

Accessibility is much more than simply making our output available to all. We make every effort so that our information is understandable, and listened to so that it will have an impact. Every AIHW publication is accompanied by a media release, written by us. It focuses on key points, and we try to be topical. Listeners to the ABC news each morning will frequently hear our material, and it gets a good run across all the media. All our publications are free on the web, and have been so since the website was launched in 1997.

There is one UN Principle that I do not think we do justice to. This states that "erroneous interpretation and misuse of statistics is to be immediately and appropriately
addressed”. Does the UN mean that we should correct every error in the statistics torrent? I suspect the aim is to focus on systemic or serious error. Our main weapon is to publish openly and to publicise what we publish, and let our data stand in the information marketplace. From then on, caveat emptor, buyer beware, applies.

An example of our approach: The Commonwealth Treasury publishes annual estimates of tax expenditures, taxes foregone for specific purposes rather than payment of appropriated funds, but government expenditure nonetheless. For housing, Treasury includes only the tax expenditures for zone tax offsets and Grants to First Home Owners, a total of $475 million in 2003-04. Respected researchers, with whom AIHW have collaborated, have estimated a 2001 value of $13 billion in assistance to owner occupied housing through the concessional treatment of capital gains on such housing, and a further $8 billion through the non-taxation of imputed rent for owner occupied housing, after correcting for the impact of the non-deductibility of mortgage interest costs. This gives a tax expenditure of $21 billion, rather than the Treasury’s $0.5 billion, and compares with the Commonwealth rent assistance payments and CSHA funding to the States and Territories which totalled $3.2 billion in 2003-04. Australia’s Welfare includes this information to give a more complete context in considering Commonwealth housing assistance arrangements. Even then, we do not consider the differential impact of State and Territory land taxes on occupiers and renters.
Some AIHW issues over the past 10 years

1) Splitting the AIHW

The AIHW was established in its current form in 1992 by the addition of its welfare functions. After the 1998 election, community services (apart from aged care) were moved to the new Department of Family and Community Services. Would this affect the AIHW?

Quickly we moved to establish relations with the new Department. Two specific measures were put in place: FACS were invited to participate on the Board on the same basis as our portfolio department (Health and Aged Care), an invitation immediately accepted (and still in place); and it was agreed by the Board that share of the AIHW appropriation devoted to each portfolio’s sphere of interests would not be changed without appropriate consultation.

In 1999, proposals emerged from the health bureaucracy to consider excising community services and housing functions from the AIHW, with the Institute reverting to an AIH. Where the excised functions would go was not stated, with absorption into FACS and an AIW both put on the table. We quickly learned that these ideas had not emanated from FACS, and had been barely discussed with them. The then Chair, Professor Jan Reid, and I were able to meet the Minister quite quickly, and it seemed that he had not known of these proposals either. Within a week or two, the matter was put to rest.

It has never been clear to me why this issue got on the
table. AIHW governance and activities across two portfolios have not been a problem; our administrative arrangements with the two departments are similar (but not identical). On the contrary: in areas such as child and youth health and wellbeing and Aboriginal and Torres Strait Islander health and welfare, the coverage of the full gamut of issues within the AIHW has assisted complete reporting.

2) Growth of AIHW

That was the one threat to the AIHW that emerged in the past ten years. Now let’s look at the growth of the Institute over that period. Contracted work increased rapidly from 1996 onwards, from $5.3 million in 1995-96 to $15.0 million in 2004-05, while appropriation has remained stationary at around $8 million. Staff numbers have also increased substantially, now totalling over 200. The Institute operates on a strong business model.

What are the drivers of this growth? Well, obviously we do a good job, and provide value for money. But there were factors working in our favour.

Today, most government programs are subject to monitoring and periodic evaluation. So it is essential to have reliable data on the clients, inputs and outputs of the program. Increasingly outcome information is also sought.

Commonwealth-state programs in particular are monitored by both levels of government, and here the honest broker role that AIHW can play on information issues has been welcomed by all parties.
Cross program linkages are increasingly important. So data on each program needs to follow common standards. AIHW has led in the development and dissemination of data standards.

After 1996, there was a strong move to outsource elements of programs that can be done more efficiently outside the administering agency. AIHW has been able to offer specialist information services to take full advantage of this trend.

The new Secretary of the Department of Health and Community Services joined me in 1996 in launching the development of a Memorandum of Understanding between the Department and the Institute, which was signed in 1997. A third version of the MOU has been signed this year. The MOU clarifies the activities of the AIHW vis a vis the Department, and sets out a common basis that different areas of the Department can use in engaging the AIHW. Importantly, AIHW charges full cost for its services. Similar MOUs are now in place with FACS and DVA. These MOUs have simplified the engagement of AIHW by the Departments. Much of the work undertaken in fact fulfils a Commonwealth-State purpose.

A second significant revenue source has been work for the three Ministerial Councils. Housing is the leader in this area, with a 5 year agreement in place between the Council and the AIHW. The joint work program established specifically supports the Commonwealth-State Housing Agreement, and includes a substantial Indigenous portion. AIHW contributes towards the joint work program from its own resources.
There are ongoing programs in community services and health, with projects varying year by year. In addition, specific arrangements support health and community services data standards development and dissemination.

Currently, AIHW has around 40 pieces of commissioned work underway. There is a burden in negotiating these arrangements, for AIHW staff and the agency involved. Many have settled into a routine arrangement, but new personnel can too readily bring into question an apparently stable arrangement.

**Limits to Growth?**

Are there limits to this type of growth? We have employed ongoing staff to undertake the range of work that arises from time limited funding arrangements, with some 75% of staff now being ongoing. This is essential if good staff are to be attracted and retained in Canberra where ongoing Public Service employment is the norm. So far, availability of well qualified staff has not been a limitation, and we have an active staff development and graduate recruitment program.

The Institute has a series of collaborating groups in several Australian Universities, covering a number of specialised areas, which are funded in whole or in part by AIHW. To date, all the collaborations focus on health activities. These provide a valuable supplement to our Canberra based staff. The number of units has grown from 3 in 1996 to 5, as well as several collaborative arrangements with other university based centres. I shall be heading up
one of these, the National Centre for Classification in Health, next year.

The continuing appropriation provides an important base for the externally funded work. A major part of the Institute’s work program is funded directly by the appropriation, notably Australia’s Welfare and Australia’s Health. In addition, the delays which inevitably arise in the approval of outside work can be accommodated because of the stability provided by the appropriation.

An increased appropriation could in principle lessen the reliance on external funding, as well as allowing remaining key information gaps to be addressed. That is a matter for future consideration. Suffice to say now that the AIHW has a large and growing work program, supported by a sound financial position where all future liabilities are fully funded. I am confident that the existing business model is robust enough for some time to come.

A Flagship in the Information Torrent

Each two years, the Australian Institute of Health and Welfare produces two important documents, required by the Institute’s legislation, titled simply Australia’s Health and Australia’s Welfare. Once presented to the Minister, each must be tabled in Parliament.

An important addition to these two mandated reports is The Health and Welfare of Australia’s Aboriginal and Torres
Today, I shall focus on Australia’s Welfare. Today’s publication is the seventh in the series, and the fifth while I have been Director.

All seven editions have described the paid and unpaid care given to people with particular needs in Australia (such as people with disabilities, ageing people, homeless people and children in need), and the workforce and resources involved. The first edition in 1993 included a concise historical overview of Australia’s welfare system; 1997 included a chapter on family and welfare services, 1999 a chapter on the interaction of work patterns and community services, and 2003 a chapter on informal care. 2005 has a special focus on children, youth and families.

In 2001, the scope of Australia’s Welfare was expanded to include indicators of the welfare of Australians. This was essential so that information on welfare services could be placed in the broader context of Australian society. Indicators are grouped within three broad components of welfare:

Healthy living: good air, food, water, housing, health and safety

Autonomy: education, economic resources, employment, mobility and leisure
Participation and social cohesion: strong families, social networks, trust and community engagement

These components were decided on after a comprehensive literature review on wellbeing, and the various frameworks and indicators developed around the world to describe and measure it. Participation and social cohesion in particular are crucial, but too easily passed over. Indicators here are scarce and sometimes subjective. I look forward to better measures of these key social indicators being developed and collected. The recent ABS General Social Survey and National Aboriginal and Torres Strait Islander Survey are a good start.

The production of Australia’s Welfare is a lengthy, complex undertaking. Preparation begins soon after the publication of the previous edition. Writing begins in earnest at the beginning of the year of publication, and refereeing gets under way mid-year.

Occasionally controversy arises. An example is the material on child care affordability. Material was prepared for the 1999 edition, and sent to referees. The Department of Family and Community Services raised several issues, including the family types used and the income levels used. In the end, as Director I took the difficult decision to delete the material. My decision followed FACS agreement to work with the Institute to agree on a format for reporting on this topic in 2001 and later editions. An Institute publication on the topic was published in 2001, and successive editions have included comprehensive information
across a range of family types and income brackets. The indicator used is cost of child care as a proportion of disposable income.

The example demonstrates how application of the AIHW’s values in a real life setting is not simple, and sometimes an immediate outcome is not realisable. But in the longer run, I am confident that the decision to proceed thoughtfully with clear planning to achieve our reporting goal was correct.

Another point flows from this example. *Australia’s Welfare* is mandated by legislation. It is important to have regard to the long term nature of the publication, with each edition building on its predecessors. As well as its comprehensive description of service provision across the welfare sector, *Australia’s Welfare* now reports on expenditure on aged care services (which crosses the health/welfare divide and totals $12.5 billion in 2003-04), met and unmet need for disability services and SAAP services, and, this time, proposes a broader view of homelessness to include marginal residents of caravan parks, defined as low income people, with no security of tenure and no other usual address (which lifts homelessness numbers from 100,000 to 123,000).

We recognise that not every reader welcomes every piece of information we include in *Australia’s Welfare*. Some may use the information in arguments with other stakeholders. Our aim is to be consistent, to listen carefully to arguments from readers, and to build over time a robust, authoritative and interesting story of Australia’s welfare,
its welfare services, the people who work in these services, the unpaid carers who provide almost twice the care volume of the paid sector, and the resources spent on these services.

My colleagues will present and discuss the data contained in Australia’s Welfare 2005 in the remainder of this conference. We welcome your feedback.

**Future Developments**

Australia’s health and welfare systems are the shared responsibility of Australia’s national and state and territory governments, nine in all. There are strong public, private and non-government sectors, and many different occupations. To get consistent information, clear information standards are essential.

Australia is a world leader in health and welfare data definitions, which appear in regularly updated data dictionaries. The Institute has developed a web based registry, METeOR, to allow ready and free access to these definitions, and to assist in their development and updating.

In 1997, the National Community Services Information Agreement was signed by all 9 governments, the AIHW and the ABS. The Institute has provided the secretariat to the Management Group established under this agreement, which is chaired by a community services CEO. There are parallel governance structures for housing information.
Community services information development has been guided by an Information Development Plan, a second edition of which has just been finalised. The new Plan puts a focus on cross sectoral issues as well as specific topics, with statistical data linkage, Indigenous issues, informal care and labour force being priorities.

Thank you for the chance to make these comments. I have enjoyed leading the Institute over 5 biennial cycles. There is a great team of talented and committed people at AIHW, and many of them are here today. To all of you, special thanks and good wishes. Australia’s Welfare is a credit to you, and keep up the good work.