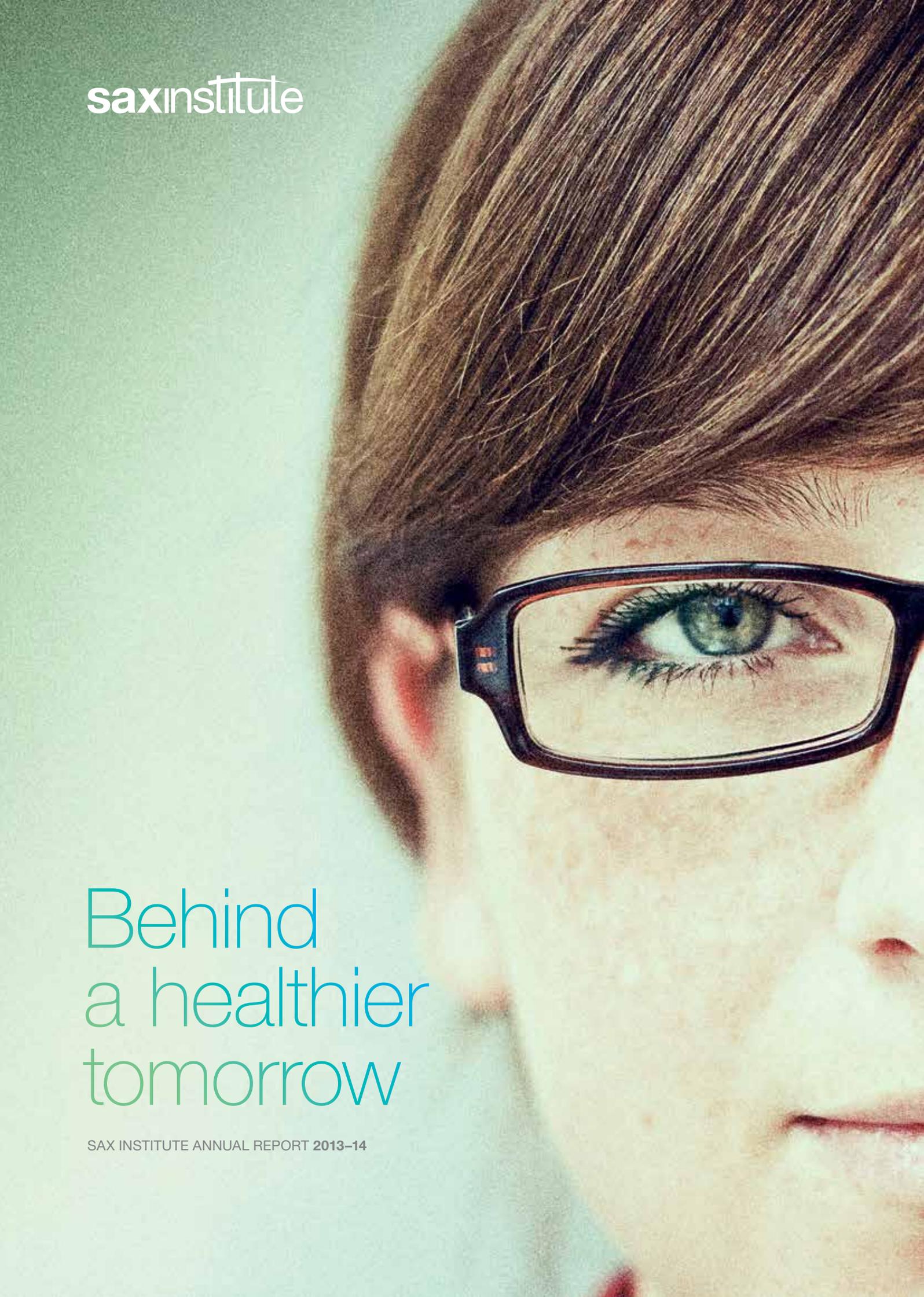


saxinstitute

A close-up, high-angle portrait of a young girl with brown hair and freckles, wearing black-rimmed glasses. Her green eyes are looking directly at the camera. The background is a soft, out-of-focus light green.

# Behind a healthier tomorrow

SAX INSTITUTE ANNUAL REPORT 2013-14

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# About the Sax Institute

**The Sax Institute mission is to improve health and wellbeing by driving the use of research in policies, programs and services.**

Connecting research with policy and programs strengthens Australia's capacity to make the wisest possible decisions about health and healthcare. But this does not happen by itself. It needs expertise and systems in place to identify opportunities and guide the process – to build bridges.

The Institute builds these bridges in NSW and across Australia. Our work enables researchers and decision makers to work together in making the best possible contribution to the nation's health.

We help health decision makers find and use the best evidence about what works when they are developing policies or designing programs and services to improve care. Evidence from research can play a key role in investing limited resources more effectively, and effective investments are increasingly critical as health leaders balance higher demand for services with the need to manage costs and maintain quality of care.

We help researchers carry out higher quality research that better informs health decisions. The world class research assets we have built enhance their capacity to carry out groundbreaking work. And we help them understand decision makers' needs so their work can actively inform policy making and program delivery.

We help improve the health of Australians who use the many programs and services that have improved as a result of relevant, timely and high-quality research.

The Sax Institute occupies a unique position in the Australian health and research landscape. We are a not-for-profit organisation, independent of any one university or research group, but with a large network of 42 public health and health services research groups and their universities as members. We receive funding from the NSW Ministry of Health and support from other government, non-government, philanthropic and competitive research funding agencies.

# 01

## Build and maintain sustainable research assets

The Sax Institute has developed and manages three world-class research assets. The 45 and Up Study ensures that ongoing health information from more than a quarter of a million people is available to answer some of the nation's most pressing questions. The Study of Environment on Aboriginal Resilience and Child Health (SEARCH) is an innovative research partnership with Aboriginal communities who are also using the groundbreaking data to improve care. And the Secure Unified Research Environment (SURE) is a technology solution making it possible for researchers to access large collections of health data securely and across jurisdictions to collaborate and innovate.

# 02

## Drive research that contributes to policy

When researchers and decision makers work together, the resulting research is more likely to be useful to policy and programs. We create pathways and connections so health decision makers can play a greater role in setting research directions. Our Analysis for Policy program, for example, has been designed to help them use the rich information within the 45 and Up Study. The new Australian Prevention Partnership Centre is forging new ways of uniting the best research and decision making expertise to tackle the challenge of preventing chronic disease. In the past five years, we have forged or contributed to 44 of these collaborative partnerships.

# 03

## Give decision makers ready access to research

Our leading-edge Knowledge Exchange program helps health decision makers find and use research evidence and research expertise. Our Evidence Check program has resulted in more than 150 rapid reviews being commissioned, many of which have had an immediate impact on health decisions. And Evaluation Make helps policy agencies better evaluate their policies and programs. We also create opportunities for researchers and policy makers to share information, such as through HARC, the Hospital Alliance for Research Collaboration, which is a partnership between the Institute, the Agency for Clinical Innovation, the Clinical Excellence Commission and the Bureau of Health Information. More than 40 policy and program agencies across NSW and beyond are using our services.

# 04

## Lead international best practice in knowledge exchange

Knowledge exchange is an emerging field, and it's one where we lead the way. We are testing new approaches to the most effective ways of using research to devise policy and deliver programs and services. By presenting our findings and experience nationally and internationally, we are contributing to the broader understanding and knowledge of this area. At the core of this work are innovative strategies we've developed through the Centre for Informing Policy in Health with Evidence from Research (CIPHER), which is a National Health and Medical Research Council (NHMRC) Centre of Research Excellence.

# 05

## Maintain and strengthen a sustainable and effective organisation

As an organisation that has grown rapidly in the past decade, we understand the importance of working sustainably and effectively. With our values of excellence, innovation, transparency, accountability and being evidence-based to guide us, we are constantly striving to improve the way we work internally as a team and externally with our many partners and collaborators. We have a strong commitment to best practice in financial management, governance and risk management. We are an NHMRC Administering Institution and are currently seeking ISO 27001 accreditation as a secure data service organisation.

# Message from the Chair

Twelve years ago, the Sax Institute was formed as an ambitious idea by a small group of leading health policy makers and researchers.

Their vision was twofold: to build an organisation that would strengthen the ties between research, policy and practice; and to build the state's capacity to carry out leading-edge public health and health services research. Their end goal was to improve the health of, and services for, the people of NSW.

There is now widespread recognition that research can make a significant contribution to better health decisions. In practice, this is not always easy to achieve and it requires forces to drive it. In reflecting on the achievements of 2013–14, it is evident that the Institute is one of these driving forces in NSW and is leading thinking about how to make research work to improve health nationally and internationally.

A commitment to finding new and better ways for health decision makers and researchers to work more effectively together has been at the heart of our approach. An example of this is the progress we have seen on The Australian Prevention Partnership Centre, established a year ago to tackle the health question of our age: how do we work together to address the looming burden of chronic disease?

The Centre is a major collaboration of more than 20 organisations and is funded by the National Health and Medical Research Council, the Australian Government Department of Health, NSW Ministry of Health, ACT Health and the HCF Research Foundation.

I have been particularly pleased this year to see growing use of the 45 and Up Study, strengthened by our Analysis for Policy program designed to help decision makers use its data. The Study is now being used to inform thinking on a wide range of important issues.

Our work also boosts researchers' capacity to build a national knowledge base that can underpin good decision making. For example, this year saw a rapid increase in the use of the Secure Unified Research Environment (SURE), a high-speed computing environment that allows researchers to securely access large sets of data relevant to policy making.

Our work in strengthening research capacity in NSW is also evident in the \$72 million in research funding we have leveraged for the State in the past five years.

As a result, there are now many real-world examples of how we have had an impact on the health of Australians. One of these is SEARCH (the Study of Environment on Aboriginal Resilience and Child Health), a research partnership between the Institute, the Aboriginal Health and Medical Research Council, four Aboriginal community controlled health services, and leading researchers and their universities. In 2013–14, SEARCH findings guided the delivery of ear and speech services to more than 350 children.

All of this great work would not be possible without our funding partners, members and collaborators, whose support and expertise are so very much appreciated. I would particularly like to thank the NSW Ministry of Health, whose funding is central to our work.

Our Board of Directors continues to provide wise counsel and strategic expertise. Thank you to Professor Glenn Salkeld, who departed the Board during the year, and to whom I am grateful for his long-standing contribution. Welcome to our two new directors, Dr George Jessup and Professor Robert Cumming. Their work has already benefited the Institute immeasurably and I know will continue to do so.

The drive and talent of our Chief Executive Officer, Professor Sally Redman AO, and her team of dedicated staff have propelled the Institute to the strong position it is in today. Its focus on bringing people together and its pioneering approach have earned it a pivotal place in Australian healthcare planning and research.

This, as well as the energy, enthusiasm and continued innovation I see at the Institute, will secure its legacy as an organisation that has helped to shape Australia's health for the better.



**Dr Irene Moss AO, Chair**

# Highlights 2013–14

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## Stronger relationships with policy agencies

- Many new users of our knowledge exchange services, including organisations such as NSW Kids and Families and the Nursing and Midwifery Office in the NSW Ministry of Health.
  - Eighteen policy agencies use or plan to use the 45 and Up Study. Analysis for Policy program works on exciting projects with agencies such as the NSW Office for Ageing and Agency for Clinical Innovation.
  - HARC awards a record number of scholarships and hosts one of its most successful forums featuring Professor Sir Bruce Keogh of England's National Health Service. The Bureau of Health Information becomes HARC's newest funding partner.
  - The Australian Prevention Partnership Centre – a major collaboration of more than 20 organisations – pioneers new ways of establishing research programs in partnership with policy agencies.
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## Greater use and value of our research assets

- Fourfold increase in number of researchers using the SURE facility and number of research projects doubles. Approval granted for Commonwealth linked data to be accessible via SURE.
  - Number of researchers who have used the 45 and Up Study reaches 530. More than 100 research papers published in national and international journals. Follow-up data now available on more than half the 260,000 participants recruited to the Study.
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## An impact on health services, policy and programs

- SEARCH – Australia's largest long-term study of urban Aboriginal child health – helps identify more than 350 children to receive more than 2100 speech therapy sessions and 90 operations.
  - More than 20 reviews commissioned via Evidence Check program, guiding important policy areas such as hospital safety and quality, preventive dental health education, and tobacco retailing.
-

# Board of Directors



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**Dr Irene Moss AO (Chair)** is nationally recognised for her expertise in public sector governance. She was Australia's first Federal Race Discrimination Commissioner, and has been the NSW Ombudsman and the Commissioner, Independent Commission Against Corruption.

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**Professor Lesley Barclay AO** is the Director of the University Centre for Rural Health North Coast, The University of Sydney. She is a researcher who has worked in regional, national and international development in primary healthcare, maternal infant/child health and capacity building in health worker education systems. She is a regular assessor for the National Health and Medical Research Council and Australian Research Council and is a leader in the National Rural Health Alliance.

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**Professor Robert Cumming** is Deputy Head, School of Public Health, The University of Sydney, where he is Professor of Epidemiology and Geriatric Medicine. He has more than 25 years of research and teaching experience and is recognised internationally for his work on prevention of falls among older people.

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**Dr Rohan Hammett** is Deputy Director-General, Strategy and Resources, NSW Ministry of Health. He was formerly National Manager of the Therapeutic Goods Administration and served as its Principal Medical Adviser. Dr Hammett has also performed senior clinical and management roles in the NSW health system.

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**Dr Devon Indig** is a Senior Research Fellow at The University of Sydney as part of The Australian Prevention Partnership Centre. She is a former Head of Research, Centre for Health Research in Criminal Justice, and has extensive experience in epidemiology, research and policy development. Dr Indig is the NSW Branch President of the Public Health Association of Australia.

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**Dr George Jessup** is a founder and Director of Start-up Australia Ventures, an institutional grade technology investment fund with top quartile returns over a period of more than 10 years. He has broad experience in commercialising technologies within start-up companies and large multinationals.

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**Mr Michael Lambert** is a consultant with CIMB Group and has extensive experience in strategy, corporate advisory and mergers and acquisitions. He also has extensive experience in, and knowledge of, the health sector and sits on commercial and not-for-profit organisation boards. He is a former Secretary of NSW Treasury.



**Mr Christopher Paxton** is a Partner in the Strategy Consulting team at PwC. He has more than 15 years' experience working on corporate and business strategy, acquisitions and restructuring with leading companies in Australia, Europe, the US and Asia. Previously he was Managing Director of Crescendo Partners and a Vice President at A.T. Kearney.



**Professor Sally Redman AO (ex officio)** is Chief Executive Officer of the Sax Institute. She has extensive experience in public health research, particularly the evaluation of programs designed to improve health and healthcare. Previously Professor Redman was the inaugural Director of the National Breast Cancer Centre.



**Professor Peter Smith** is Dean of the Faculty of Medicine at The University of New South Wales. He has held senior academic and clinical leadership positions in Brisbane, Melbourne and Auckland. He is currently a Director of St Vincent's Health Australia and chairs the St Vincent's Board Safety and Quality Committee. He is also a Director of the Garvan Institute for Medical Research, Neuroscience Research Australia and the Ingham Institute for Applied Medical Research.



**Professor Nicholas Talley** is Professor of Medicine, Faculty of Health and Medicine, at The University of Newcastle, President of the Royal Australasian College of Physicians, and a Senior Staff Specialist at the John Hunter Hospital, Newcastle. He is an Adjunct Professor and Consultant at the Mayo Clinic, US, an Adjunct Professor at The University of North Carolina, US, and Foreign Guest Professor at the Karolinska Institute, Sweden.



**Professor Rosalie Viney** is the Director of the Centre for Health Economics Research and Evaluation (CHERE) at the University of Technology, Sydney. She has extensive experience in health policy analysis, including health financing, health services utilisation and health technology assessment.

CHAPTER  
**01**

OUR  
ORGANISATION



**70**  
SAX INSTITUTE  
STAFF MEMBERS



**1.** Dr Irene Moss, Chair of the Sax Institute Board. **2.** Board Director Professor Lesley Barclay. **3.** CEO Professor Sally Redman. **4.** Deputy CEO Mr Bob Wells. **5.** Senior Knowledge Adviser, Associate Professor Fiona Blyth. **6.** Professor Bruce Armstrong, Senior Adviser, 45 and Up Study and Analysis for Policy program.



# Delivering on our mission

The Sax Institute's governance and unique organisational structure underpin our capacity to deliver on our mission: improving health and wellbeing by driving the use of research in policies, programs and services.

Our membership, drawn from 42 public health and health services research groups and their universities, enables us to draw on a powerful public health network with world-leading research expertise.

**42** RESEARCH GROUPS AND THEIR UNIVERSITIES ARE OUR MEMBERS

At the same time, our independence from any one research group or university allows us to take a broad view of research strengths and opportunities and to ensure health decision makers have access to the best expertise, regardless of where it is located.

This structure is critical to our ability to work seamlessly across the research and policy communities and create pathways and connections so that research can be put to work.

The Institute is a not-for-profit organisation, with a Board of Directors comprised of leaders from public administration, the for-profit sector, health delivery and research. It provides exceptional skills to guide the organisation and oversight of our best-practice approaches.

## Governance

The Institute is a company limited by guarantee. It receives funding from the NSW Ministry of Health through a funding and performance agreement. It also receives funds for its assets, programs and services from a wide range of government, non-government, philanthropic and competitive research funding agencies.

### The Board

The Board is chaired by Dr Irene Moss AO and includes university, research, public administration and business leaders (page 6).

As outlined in the Institute's constitution, the Board has a membership of between nine and 13 directors including an independent chair; three directors elected by research centre members; a nominee from each of the Universities of Newcastle, New South Wales and Sydney; four directors with other expertise; a representative appointed by the NSW Minister for Health; and the Institute CEO (ex officio).

It operates according to the Board Charter and reports to the members of the company in the form required by the *Corporations Act 2001*. It is able to seek independent advice and a Board conflict of interest policy is in place. The Board Charter is available at [www.saxinstitute.org.au](http://www.saxinstitute.org.au). Our Company Secretary is Ms Marianne Karam.

Board Director Dr Rohan Hammett,  
NSW Ministry of Health



1. Analysis for Policy Program Manager, Mr Mark Bartlett. 2. Ms Jo Khoo, Acting Director, Corporate Services, with Digital Communications Manager Ms Frances Gilham.



**Governance committees**

The Board has two committees, the charters of which are available at [www.saxinstitute.org.au](http://www.saxinstitute.org.au).

**The Audit and Risk Management Committee** is chaired by Mr Michael Lambert and includes Mr Chris Paxton and Mr Cameron Johnstone, an experienced adviser who is Managing Partner at Weston Woodley & Robertson Chartered Accountants and Chair of the Chartered Accountants Australia and New Zealand NSW State Council. The Committee provides oversight of the management and internal control framework necessary to manage the Institute’s business. It seeks to improve the objectivity and quality of financial information and provides oversight of the internal and external audit program. It is also responsible for ensuring the Institute has appropriate risk identification and management practices in place and assists the Board in complying with all legislative and other obligations.

**The Research Governance Committee** is chaired by Professor Peter Smith and includes Dr Irene Moss AO and Professor Mike Calford, Provost of the University of Tasmania and former CEO, Illawarra Health and Medical Research Institute (resigned from committee June 2014). The Committee ensures that the Institute adopts and follows best practice in research governance and integrity and complies with relevant national guidelines in relation to research integrity.

It also handles any allegations that research is inconsistent with national guidelines or has not been conducted responsibly and in a manner that is effective, fair and ethical. Our Research Integrity Adviser is Associate Professor Fiona Blyth, and the Designated Person for receiving complaints or allegations of misconduct and establishing any initial investigations is Mr Bob Wells. Ms Jo Khoo is the Research Administration Officer. Our organisational policies on the responsible conduct of research are available at [www.saxinstitute.org.au](http://www.saxinstitute.org.au).

**Organisational structure**

The CEO is responsible to the Board for all aspects of the Institute’s strategy and management. She leads the implementation of the corporate strategy, relationships, profile and business development. The Institute’s Deputy CEO and executive group make up the leadership team and the organisation now employs 70 people.

The Institute has three Divisions:

**Research Assets** is responsible for generating and facilitating research for use in policy and programs through the 45 and Up Study, SEARCH (Study of Environment on Aboriginal Resilience and Child Health), SURE (the Secure Unified Research Environment), the Analysis for Policy program and the Implementation Research program. The newly established Australian Prevention Partnership Centre also operates within this Division.

**Knowledge Exchange** is responsible for connecting health decision makers with research through knowledge exchange and brokerage programs, such as Evidence Check, and our partnerships such as the Hospital Alliance for Research Collaboration (HARC). This Division also develops and tests new approaches to knowledge exchange. It does this through initiatives such as the Centre for Informing Policy in Health with Evidence from Research (CIPHER), which is a National Health and Medical Research Centre (NHMRC) Centre of Research Excellence.

**Corporate Services and Finance** ensures the effective management of the Institute and is responsible for all aspects of human resources, IT, compliance, risk management and finance.

# People

## The senior team

The executive team is responsible for steering the Institute in the direction set by the Board and includes:

### Professor Sally Redman PhD AO, CEO

Professor Redman is a social scientist and public health researcher with extensive experience in fostering the use of research in policy and practice. She previously led the National Breast Cancer Centre and has led the Sax Institute since its inception. She chairs the National Heart Foundation of Australia Research Committee.

### Mr Bob Wells, Deputy CEO, Head Research Assets

Mr Wells is a highly experienced policy maker and research manager. He was previously First Assistant Secretary in the Federal Department of Health and Ageing, where he led many programs including the NHMRC, Commonwealth and state funding agreements and health workforce programs. He has also led the Australian Primary Health Care Research Institute and the Menzies Centre for Health Policy at the Australian National University.

### Ms Sian Rudge, Director, Knowledge Exchange Division

Ms Rudge has been leading the work on knowledge exchange at the Sax Institute for three years. She has extensive experience in health policy and program management, having worked for five years in government roles such as the Centre for Aboriginal Health, NSW Ministry of Health. She has also practised as a clinician and has more than 20 years' experience as a physiotherapist.

## STAFF IN FOCUS



MARIANNE  
KARAM

As Head of Corporate Services and Finance, Marianne Karam has carriage of the Institute's financial management and operations. She draws on her widespread experience as a company secretary and senior finance and operational leader in the role.

"I believe the modern finance mandate is to act as a strategic partner to the business with a forward-thinking finance and corporate services team," she says.

"The Corporate Services and Finance team plays a key role in ensuring we continue to meet our objectives and stay accountable and transparent at all levels to our funding partners especially the NSW Ministry of Health."

Marianne's special interest lies in corporate governance and she has been the Institute's company secretary since her appointment in 2005. She says the organisation's commitment to best-practice governance is due in no small part to its talented Audit and Risk Management Committee, which brings a wealth of experience and perspective.

"What attracted me to the Institute and has kept me here for the past nine years is the unique niche organisation that we have," she says.

"We constantly strive to move forward and bring together a diversity of talent and perspective to a distinct part of the health sector. We have the best of both worlds by being a not-for-profit with a social perspective as well as bringing strong business acumen at the Board level and around the executive table."

In recognition of Marianne's skills and expertise in the sector, she was appointed to the Governance Institute of Australia's Not for Profit Reform Working Group, which is reviewing reform of the sector to ensure the regulatory compliance burden is appropriate.



1

**Ms Marianne Karam, Head, Corporate Services and Finance**

Ms Karam has more than 30 years’ experience in finance and operations including business planning and strategy, financial management and corporate governance. She has worked for many leading national and international companies in senior executive roles and is a member of the Governance Institute of Australia’s Not-For-Profit Reform Working Group.

**Ms Kellie Bisset, Communications Director**

Ms Bisset has wide experience in communications, including more than 20 years as a writer and editor. She has worked as a daily newspaper journalist and has edited both of Australia’s weekly publications for doctors, where she was responsible for publication content, strategic direction and staff management. She has also held a senior communications role at the NSW Bureau of Health Information.



2

1. Board Director Dr George Jessup, of Start-up Australia Ventures.  
2. 45 and Up Study Scientific Director Professor Emily Banks.

**Senior advisers**

The Institute’s senior advisers bring extensive expertise to the programs of the Institute.

**Professor Bruce Armstrong PhD AM, Senior Adviser, 45 and Up Study and Analysis for Policy program**

Professor Armstrong is an international leader in cancer research and Chair of the NSW Bureau of Health Information. His previous roles include Director of the Australian Institute of Health and Welfare, Deputy Director of the International Agency for Research on Cancer, Commissioner of Health for Western Australia and Professor of Public Health at The University of Sydney.

**Professor Emily Banks PhD, Scientific Director, 45 and Up Study**

Professor Banks is a medically trained epidemiologist with interest and expertise in large-scale cohort studies, pharmacoepidemiology, women’s health, Aboriginal health and healthy ageing. She is also Head of Chronic Disease Epidemiology at the National Centre for Epidemiology & Population Health and Chair of the Advisory Committee on the Safety of Medicines, which provides advice to the Australian Government Therapeutic Goods Administration.

**Associate Professor Bette Liu PhD, Senior Science Adviser**

Associate Professor Liu is a medically trained epidemiologist with interests in infections and reproductive health, data linkage studies and innovative large-scale data collection methods. She has a DPhil from the University of Oxford, where she developed her interests in large-scale prospective studies. She has worked on developing novel aspects of two large prospective studies in the UK, the Million Women Study and the UK Biobank.

**Associate Professor Fiona Blyth PhD, Senior Knowledge Adviser**

Associate Professor Blyth has extensive experience in knowledge brokerage with state and federal government departments and a wide range of non-government organisations. She is also involved in training and mentoring new knowledge brokers. She is a public health physician and medical epidemiologist, with academic appointments at The University of Sydney’s Faculty of Medicine and Keele University in the UK.

## Members

The Sax Institute has 42 members who are the nominees of public health and health services research groups and their universities. Our members elect three Directors to the Board and provide a breadth of expertise to our programs and services. Many members use our research assets and provide reviews and other services to health decision makers through our brokerage services. They also provide invaluable contributions to our exchange programs with policy agencies.

**In 2013–14 we welcomed three new members:**

The University of Notre Dame Australia, the Garvan Institute, and the Psychiatry Research and Teaching Unit in The University of New South Wales School of Psychiatry.

Our membership is listed on page 31.



## Partners

During 2013–14, the Sax Institute worked with more than 40 policy and other agencies providing data, reviews and other services. A list of these agencies is provided on page 32. We would like to thank everyone we work with; our many partners and collaborators and those who use our services.

We are particularly grateful for funding from the NSW Ministry of Health, which underpins all of the work outlined in this annual report, and we thank Irene and Allan Moss for their support. We would also like to thank those organisations that provide funding for our key programs:

**The 45 and Up Study:** Cancer Council NSW; the National Heart Foundation of Australia (NSW Division); NSW Ministry of Health; Ageing, Disability and Home Care, Department of Family and Community Services; *beyondblue*; the Australian Red Cross Blood Service; and UnitingCare Ageing.

**SURE:** Australian Government Department of Education.

**SEARCH:** NHMRC; *beyondblue*; NSW Ministry of Health; Australian Primary Health Care Research Institute; and Sydney Children's Hospitals Network.

**The Australian Prevention Partnership Centre:** NHMRC; Australian Government Department of Health; NSW Ministry of Health; ACT Health; and the HCF Research Foundation.

**HARC:** Agency for Clinical Innovation; Clinical Excellence Commission; Bureau of Health Information.

**Implementation Research program:** NHMRC; Agency for Clinical Innovation; Prostate Cancer Foundation of Australia.

**CIPHER:** NHMRC



**1.** NSW Chief Health Officer Dr Kerry Chant. **2.** Bureau of Health Information CEO Dr Jean-Frederic Levesque.

CHAPTER  
**02**

DECISION  
MAKERS



**40**  
POLICY AND  
PROGRAM  
AGENCIES USING  
OUR SERVICES



**1.** Dr Suellen Allen and Ms Anne Cumming from the Australian Commission on Safety and Quality in Health Care. **2.** Clinical Excellence Commission CEO Professor Cliff Hughes. **3.** Agency for Clinical Innovation CEO Dr Nigel Lyons. **4.** New South Wales Mental Health Commissioner Mr John Feneley.

# Behind better health decisions

The distinctive contribution we make to helping health decision makers find and use research evidence and research expertise in their work is unparalleled in Australia. Our Analysis for Policy program, for example, offers a customised service to help them use our 45 and Up Study research data and is designed to provide rapid answers to their questions.

In this way, the program is ensuring that the rich information within the 45 and Up Study can be put to best use and is an accessible resource for decision making (page 17).

**153** EVIDENCE CHECKS COMMISSIONED SINCE LAUNCH

Our Evidence Check program assists health decision makers in finding reviews of research to inform policy and program development, with more than 150 rapid reviews commissioned since its inception (page 18). Our more recently introduced Evaluation Make service helps agencies design evaluations of policies and programs. More than 20 of these have been commissioned, with seven requested in 2013–14.

In 2013–14 we worked with more than 40 policy and program agencies, many of which are spread across the NSW health system – from the Centre for Population Health to the Cancer Institute NSW and the Justice Health & Forensic Mental Health Network. We also worked further afield, with national groups such as the Australian Red Cross Blood Service, and other jurisdictions such as ACT Health.

As a cutting-edge organisation, we are innovating to develop new and better ways of supporting research use in health decision making.

An example of this is CIPHER (the Centre for Informing Policy in Health with Evidence from Research), a National Health and Medical Research Council (NHMRC) Centre of Research Excellence designed to test the best ways to help agencies build their capacity to find, appraise and use research.

Through CIPHER, we are working closely with six agencies in NSW to better understand how they currently use research evidence, and to test the value of a range of different strategies to increase this use. Our work is one of only a handful of projects internationally that are addressing this area.

We are also testing new approaches to chronic disease prevention within The Australian Prevention Partnership Centre, one of two funded by the NHMRC under its Partnership Centre scheme in 2013. The Centre is managed by the Institute and funded by the NHMRC, Australian Government Department of Health, NSW Ministry of Health, ACT Health, and the HCF Research Foundation.

It is a collaboration of more than 20 organisations from the university, government, non-government and private sectors with a strong interest in the prevention of chronic disease.

Its intent is to foster partnerships between researchers and research users that will produce and use research to build an Australian chronic disease prevention system. This is a new way of doing business.

The Centre will deliver its work across a five-year time frame. It will generate new research findings, provide consensus statements and syntheses of current findings and, through its partners, find the best ways to ensure that these change practice. In doing this it will lead international thinking about best practice in knowledge exchange.

This large collaboration extends across Australia and, as well as managing the program, the Sax Institute has a special responsibility for the synthesis work. The synthesis team has already completed an ‘activity scan’ of existing major policies, programs and reviews in the areas of nutrition, physical activity, smoking and alcohol. And it has embarked on a major project to develop new tools and methods for synthesising valuable information on prevention over and above the published evidence. In time, this will help establish better ways of using evidence to inform decisions. For more on the Centre’s innovative work, see page 16.

# Clearing the table – a new approach to healthy eating

## Focus: The Australian Prevention Partnership Centre

Making healthy food choices the easy choices for everyone – regardless of their income – is the aim of an ambitious new project being conducted by The Australian Prevention Partnership Centre.

But rather than simply focusing on what individuals can do, this project is examining how to build an equitable and healthy food system, and how the many system factors (such as whether healthy food is available) contribute to Australia’s growing diet-related health issues of obesity, diabetes and heart disease.

Led by Professor Sharon Friel, Professor of Health Equity at the Australian National University, the project will look at policies that support healthy and equitable eating, around food production, food labelling, retailing, price and marketing. It will also examine factors outside the food system, such as whether the minimum wage supports the real cost of healthy eating, and whether public transport enables people to buy healthy and affordable food.

**20** ORGANISATIONS COLLABORATING ON THE PREVENTION PARTNERSHIP CENTRE



Director of The Australian Prevention Partnership Centre Professor Andrew Wilson.

“Once we’ve identified the current state of play in relation to food policy, we will identify what it ideally should look like by analysing evidence and policies in Australia and internationally,” Professor Friel says.

This will give health decision makers the real-time evidence they need to assess whether their healthy eating programs are effective. It involves the research team working as an equal partner with two government agencies in particular. ACT Health and the NSW Ministry of Health are already taking a systems approach to this issue through existing healthy eating strategies and will share their expertise and experiences with the researchers.

“Important learnings from this project will help inform future work in the ACT to improve our efforts and to generate a greater change”

Joanne Greenfield, Director of the ACT Government’s Health Improvement Branch

Joanne Greenfield, Director of the ACT Government’s Health Improvement Branch, says the project will help the ACT understand how its whole-of-government Healthy Weight Initiative is changing the Territory’s food system and whether it is increasing healthy food and drink choices for all Canberrans.

“Important learnings from this project will help inform future work in the ACT to improve our efforts and to generate a greater change,” she says.

And according to Megan Cobcroft, Principal Policy Analyst – Food Policy at the NSW Ministry of Health, the project will help the NSW Government understand the interconnecting factors in the food system and test the likely effectiveness of proposed actions in the five-year NSW Healthy Eating and Active Living Strategy.

“The food project could also identify ways to change these actions so they are more likely to improve population health in an equitable way,” she says.



1. Professor John McCallum, NHMRC.  
2. Ms Ophelia Cowell, NSW Treasury.



## Shining a light on how older people use healthcare

### Focus: Analysis for Policy program

How can we ensure older people with complex needs move seamlessly through the many different parts of our healthcare system?

This is a big question the Agency for Clinical Innovation (ACI) is currently tackling, and it has enlisted the Institute's Analysis for Policy (A4P) program to help it find some of the answers.

The ACI, through its Aged Health Network, is developing a framework to ensure older patients with complex health needs receive integrated care. The framework nominates important milestones in their healthcare journey and identifies key principles for designing a system that will best support integrated care.

As part of this work, the ACI has sought to better understand what type of services older patients use and how often they use them. And it is hoping to find some of these answers through innovative use of the 45 and Up Study, which has the capacity to link people's hospital use information with their experiences in primary care.

"The link between primary and acute care has been a missing chunk of the puzzle in terms of data," says ACI Health Economics & Evaluation Manager Liz Hay.

"The 45 and Up Study is really the only source of Commonwealth data we can use in a timely manner. But it is not just a matter of getting the data; we really need to analyse it."

This is where A4P comes in. The A4P team will analyse how this group of patients has used primary care before and after a hospitalisation, and there is potential for the exercise to be repeated after the ACI's framework has been implemented to see what impact it has had.

"This is an exciting and challenging piece of work. And the aim is that it will improve our understanding of the way people move through the health system so that we can improve patient care"

Liz Hay, ACI Health Economics & Evaluation Manager

"This is an exciting and challenging piece of work," Ms Hay says. "And the aim is that it will improve our understanding of the way people move through the health system so that we can improve patient care."

# The right answers at the right time

## Focus: Evidence Check

Since our internationally recognised Evidence Check service was launched in 2006, it has commissioned 153 reviews, and 20 were commissioned in 2013–14. The service, a key plank of our Knowledge Exchange Division, opens the door for policy and program agencies to commission high-quality rapid reviews of existing evidence to guide their work.

Our network of experienced researchers conduct the reviews and our knowledge brokers work closely with agencies to clarify their policy issues and translate these into researchable questions. We outline below some examples of how Evidence Check is making a real difference to how health services are delivered.



Knowledge exchange expert, Professor John Lavis, from Canada's McMaster University addressed a Sax Institute event for health leaders on using evidence in policy in 2014.

## Improving hospital care for patients with cognitive impairment

Older people who are admitted to hospital often experience cognitive impairment – where they find it difficult to remember, concentrate, and make decisions. This can range in severity, and the two most common conditions associated with cognitive impairment are dementia and delirium. But according to the Australian Commission on Safety and Quality in Health Care, cognitive impairment is under-recognised in Australian hospitals, and this has important safety and quality implications for care.

Experiencing dementia or delirium in hospital increases the risk of falls and other adverse outcomes, which can lead to longer hospital stays and an increased chance of a person needing to leave their own home and enter residential care. To address this, the Commission embarked on a project to improve the way hospitals recognise and care for patients with cognitive impairment. This included developing resources for health service managers, clinicians and the public to guide best-practice treatment for patients, and gaining a broader understanding of the problem.

It approached the Institute to conduct an Evidence Check review, which examined the evidence of quality and safety issues regarding the hospital experience of people with cognitive impairment. It also looked at the key components of an ideal patient journey for a person with dementia or delirium.

“For us, the benefit was to have the evidence in a short turnaround time so we could progress the project,” says Cognitive Impairment Project Manager Anne Cumming (pictured, p14).

“The brokerage service involved in finding the researcher took a step out of the process for us and we were able to tap into the Sax Institute’s network of research contacts. This was an important priority for us and this was a good process.”

The review is the primary source of evidence for the resources that were developed and is named as a resource itself for clinicians and managers who need to access further research in the course of their work.

It was authored by Dr Catherine Travers, Professor Len Gray, Dr Melinda Martin-Khan and Dr Ruth Hubbard from the University of Queensland’s Centre for Research in Geriatric Medicine.

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“We were able to tap into the Sax Institute's network of research contacts”

Anne Cumming, Australian Commission on Safety and Quality in Health Care

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# STAFF IN FOCUS



SIAN  
RUDGE

Sian Rudge brings many years of experience in NSW Health to her role as Director of the Knowledge Exchange Division. She has special expertise in

Aboriginal health policy and offers a clinician's perspective from her background in physiotherapy.

In leading the Knowledge Exchange team, Sian has a strong focus on ensuring the needs of agencies are met.

"I enjoy helping people whose core business is really important in delivering health outcomes," she says. "We think carefully about how we can help them achieve what they need to achieve by using evidence well. It was the focus on using evidence effectively that attracted me to work at the Institute."

In the three years Sian has been leading the Knowledge Exchange team, she has established a national reputation for her thoughtful and innovative approach. She has played a key role in the CIPHER program, which is testing new ways of helping agencies to build their capacity in using evidence from research, and is often invited to speak about the Institute's knowledge exchange work.

"It's important to find better ways to target our work to meet the needs of organisations," she says.

"I appreciate the opportunity to develop strong relationships with agencies so I can better understand their priorities and how they work."

## Reducing the need for cancer patients to use emergency department care

Although cancer care is provided by outpatient services and within the community, complications from cancer and its treatment can result in many people regularly using hospital emergency department services – and this demand is increasing.

The Cancer Institute NSW sought to investigate this issue and, as a first step, commissioned the Sax Institute to review the evidence around what interventions might be effective in reducing the need for cancer patients to seek emergency department treatment.

Our Evidence Check review identified the factors associated with avoidable use of emergency departments and applied this evidence to NSW. This informed a project the Cancer Institute NSW developed in collaboration with the Bureau of Health Information to determine which patients attended emergency departments and how they were managed.

The results of this work will be published in 2014 and will help identify opportunities in NSW for enhancing treatment pathways and management in emergency departments, as well as alternative models of care.

"We did have anecdotal evidence and clinical experience but no documented evidence to guide us," says Megan Varlow, Primary and Community Care Program Coordinator at the Cancer Institute NSW.

"The evidence suggested that high numbers of people with certain cancers presented for diagnosis via ED overseas and this is one of the questions that we are investigating in the NSW context."

The review was authored by Professor Kate White and Ms Jessica Roydhouse from The University of Sydney, Dr Libba O'Riordan from the Children's Hospital Westmead, and Associate Professor Tim Wand from Royal Prince Alfred Hospital.

CHAPTER  
**03**

RESEARCHERS



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1. Dr Gisselle Gallego and Associate Professor Federico Giroi, University of Western Sydney. 2. Professor Julie Byles, University of Newcastle. 3. Dr Kathy Chapman, Dr Libby Topp and Associate Professor David Smith from Cancer Council NSW. 4. Mr Richard Walton from the Cancer Institute NSW and Dr Judy Simpson from The University of Sydney.



4

**20M**

IN GRANTS FOR  
RESEARCH USING  
THE 45 AND UP STUDY

# Behind high-impact research

The Institute helps researchers deliver high-quality research with policy impact. We do this by building and maintaining research assets that enable them to answer questions that were simply not possible to answer in the past. These assets support researchers to address key health issues, to be more competitive when seeking funding, and to publish in high-quality journals.

Making the data from our research assets readily available means more rapid answers are possible, and this boosts researchers' capacity to have an impact on decision making and ultimately improve our population's health.

**534** RESEARCHERS  
HAVE USED  
THE 45 AND  
UP STUDY

One of our major research assets, the 45 and Up Study, has been used by more than 530 researchers who have been awarded more than \$20 million in research grants to carry out their work. These researchers have also published more than 100 papers in peer reviewed national and international journals.

In 2013–14, the Study celebrated its 10th anniversary, a milestone that highlighted the degree to which it has become integral to the Australian research landscape (see story page 22).

The Study is gathering a wide range of ongoing health information from more than a quarter of a million people, and sparing many researchers and their institutions the time and expense of reinventing the wheel by having to recruit their own participants into each new study they conduct. And because it enables the health information people give us to be linked with their hospital, Medicare and pharmaceutical records, it offers researchers a chance to unlock many more pieces of the healthcare puzzle.

SURE – the Secure Unified Research Environment – means researchers can more easily and securely use linked health information, such as that available through the 45 and Up Study, regardless of where they are located. This high-powered, remote-access data research laboratory allows them to work on collaborative research projects with colleagues anywhere in Australia or internationally. Its high level of security means they can use it to access important national datasets such as Medicare, which would otherwise be unavailable to them, and its cutting-edge analytic tools mean they can analyse large amounts of data more quickly and efficiently.

Researchers are increasingly recognising the value of SURE, with 140 using it in 2013–14. This is a fourfold increase on the previous year. The number of projects carried out within the facility has doubled and the SURE team has conducted a series of live demonstrations to showcase its benefits across the country. See page 25 for more about SURE.

We connect researchers with decision makers in other ways. Our Evidence Check rapid reviews, for example, are conducted by members of our extensive RADAR researcher database (Researcher Accessible Database for the Allocation of Reviews) and are a vehicle for researchers to work directly with policy and program agencies.

The Hospital Alliance for Research Collaboration (HARC) – a partnership between the Institute, the Agency for Clinical Innovation, the Clinical Excellence Commission and the Bureau of Health Information – seeks to highlight research relevant to the hospital sector. Its regular forums bring researchers and policy makers together to discuss the challenges and opportunities for using evidence to deliver better hospital care.

A new avenue for researchers to connect with the policy sector has been in development during 2013–14. *Public Health Research & Practice* is a quarterly, peer reviewed online-only journal that will publish innovative, high-quality papers to inform public health policy and practice. Its focus on novel programs, policies, data and perspectives from the practice of public health will set it apart as an important vehicle for researchers and policy makers to interact over evidence.

Through our existing programs we have already connected more than 730 researchers with policy makers and strengthened research capacity in NSW by leveraging \$72 million in research funding for the State in the past five years.

## Unlocking new possibilities for research

### Focus: the 45 and Up Study

It is now 10 years since the 45 and Up Study was launched and with each year it becomes increasingly powerful in aiding researchers' understanding of what drives health as we age.

Our first follow-up of the men and women participating in the Study is well advanced, with more than half of the participants already resurveyed. In 2013–14 alone we resurveyed more than 86,000 people. This large-scale, long-term resource provides researchers with a capacity to examine the causes of health and ill health that is unprecedented in Australia.

The Study is particularly valuable to researchers because it can link together health information to paint a fuller picture of how people are ageing and how they are using services. For example, NSW has data on use of hospitals, but if this can be linked to the information people tell us about themselves, and information from Medicare about how often they visited the GP and what prescriptions they had filled, we can learn so much more than we might from using isolated, individual sets of data.



1. NHMRC CEO Professor Warwick Anderson.  
2. Professor Simon Chapman, The University of Sydney.

113 PUBLICATIONS ARISING FROM THE STUDY



### Enriching the data for better research

Enriching the Study's data will increase its value to researchers and in 2013–14 we took significant steps to do this.

We began to develop a web-based version of the Study questionnaire, which we hope will create many new possibilities for researchers who will in future be able to ask more timely questions and find answers faster. Questions on physical activity and diet, for example, often need to be asked repeatedly over the course of a year to gain meaningful information – something that is expensive and difficult if you can only communicate with more than 260,000 people by post.

We also began to link the latest information we have collected to participants' postcodes. This geocoding of the data will tell us important information, such as what impact proximity to health services, green spaces or healthy/unhealthy food outlets has on people's health.

A new collaboration led by the George Institute for Global Health is investigating linking participants' information with private pathology data so researchers

can know not only what tests people have had, but what the results were. Currently in a pilot phase, this venture, if successful, will mean pathology data can be put to better use to improve healthcare.

In 2013–14, we also began offering the Study's partners and other policy and program agencies the opportunity to add specific, policy-relevant questions to the 45 and Up Study follow-up questionnaire. This took to a new level the Study's potential as a tool to guide health decision making and it represents a new opportunity for researchers to use these data to address questions of immediate interest to policy agencies.

The Institute manages the Study in collaboration with our major partner Cancer Council NSW and partners: the National Heart Foundation of Australia (NSW Division); NSW Ministry of Health; Ageing, Disability and Home Care, Department of Family and Community Services; *beyondblue*; the Australian Red Cross Blood Service; and UnitingCare Ageing.

## STAFF IN FOCUS



ASSOCIATE PROFESSOR  
BETTE LIU

As a medically trained epidemiologist with interests in large-scale data collection methods, Sax Institute Senior Science Adviser Bette Liu has a researcher's perspective on the 45 and Up Study that is enhancing its value as a researcher resource.

Having joined the Institute just 18 months ago, Bette has already put her considerable experience with two

large prospective UK studies, the Million Women Study and the UK Biobank, to work. She is devising ideas and strategies to benefit the more than 500 researchers who have used or are using the Study.

"Having used the 45 and Up data as a researcher does give you a good perspective," she says. "I am exploring how we can improve the way we collect data, expand the types of data that can be used for research, and the way we interact with the research community. I am also working together with the Analysis for Policy team on best-practice epidemiological analysis that will help policy and program agencies use the Study to best effect."

During the year, Bette was honoured with one of the nation's top prizes for excellence in health and medical research. She was one of 20 recipients of the National Health and Medical Research Council (NHMRC) Research Excellence Awards, which are presented to the top-ranked applicants across the NHMRC's funding schemes.

Bette, who is also an Associate Professor at The University of New South Wales, continues to use the 45 and Up Study in her own policy-relevant research work investigating infectious diseases in our ageing population – information that could be used to inform what we might do with vaccine strategies for older adults.

## Using the 45 and Up Study to examine primary care

Associate Professor Elizabeth Comino and her colleagues at the Centre for Primary Health Care and Equity at The University of New South Wales have taken advantage of the 45 and Up Study's information about general practice use to shed light on how some of the services offered in primary care are impacting on people's long-term health.

"The 45 and Up Study is a fantastic opportunity for researchers to access the community-dwelling NSW population"

Associate Professor Elizabeth Comino,  
Senior Research Leader at the Centre for  
Primary Health Care and Equity, University  
of New South Wales

Associate Professor Comino describes the Study as a "fantastic opportunity". It is central to the UNSW team's work in that it links general practice data with other information about hospitalisation and self-reported health. There is no other data source that could be used to answer the questions addressed in this project.

The research team has analysed linked information from 20,000 people with diabetes who are participating in the Study and compared hospital admissions for those who had a record of claim for recognised processes of diabetes care and those who did not. An example of such processes might be an annual cycle of care – a series of steps for managing patients with diabetes for which general practitioners can claim an additional Medicare fee.

They found that for those 45 and Up Study participants for whom there was a record of receiving the cycle of care, there was a 30% drop in hospitalisation in the following year.

"This is really showing the role of primary care and its potential to prevent hospitalisations," Associate Professor Comino says.



1. Associate Professor Elizabeth Comino from UNSW.
2. Professor John Chalmers, the George Institute.

# Securing the future of linked health research

## Focus: SURE – the Secure Unified Research Environment

More than half of Australian women with breast cancer stop their hormone treatment within five years, despite strong evidence they should take medication for much longer to minimise their risk of the cancer returning.

Such levels of medication adherence are “alarmingly low”, according to Dr Anna Kemp, Assistant Professor in the Centre for Health Services Research at The University of Western Australia.

“I think SURE is securing the future of linked health research in this country. It has been the beacon and shown the way forward. It is an absolute game changer”

Dr Anna Kemp, Assistant Professor, Centre for Health Services Research, University of Western Australia

She and fellow researchers from the Universities of South Australia, Sydney and Notre Dame have revealed the true extent of this problem in a large-scale linked data research project. Using our SURE facility, they analysed the de-identified hospital, medication and Medicare records of more than 1500 women with newly diagnosed breast cancer participating in the 45 and Up Study.

They were able to see when women were diagnosed, when they had surgery, which hormone medication they were taking, when they had their scripts filled, if they had breaks between script refills, if they were taking other medications to cope with side effects, and if their cancer had recurred. All of this was possible without having to bother a single woman at such a stressful and painful time in her life.

Dr Kemp and her colleagues discovered that women were more likely to stop therapy if they experienced side effects such as hot flushes – and less likely to stop if they had undergone chemotherapy or mastectomy – suggesting a woman’s perception of her own risk might influence her decision to stop medication. They hope their research will provide valuable information to doctors and help pave the way for further work to better understand women’s motivations in stopping treatment, which, in turn, will drive strategies to ensure they receive the best available care.

Completing this work would not have been possible without SURE, a high-powered technology solution developed by the Institute to enable researchers to securely access, store and rapidly analyse linked population health data.

Before SURE was developed, this project required Dr Kemp to relocate from Perth to spend a year working from the Sax Institute in Sydney – the only secure place she could access the Medicare data she required. After SURE’s launch in 2012, Dr Kemp was able to complete her analysis from WA.

“What this means is that really important health records can now be securely accessed by researchers from all over the country, and this provides more opportunities and scope for people working in regional universities to carry out great work,” she says.

“I think SURE is securing the future of linked health research in this country. It has been the beacon and shown the way forward. It is an absolute game changer.

“There is growing research interest in Commonwealth data and accessing it through SURE is such a workable model – it is by far the most researcher-friendly of all the possible solutions that have been proposed for accessing these highly sensitive and valuable datasets.”



UWS Research Fellow Michael Falster is one of the 140 researchers using SURE.

**140** RESEARCHERS USING THE SURE FACILITY

CHAPTER

04

COMMUNITY



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1. SEARCH participant Amaya-Lee Morgan, 3.  
2. 45 and Up participant Mrs Julie Plant. 3. 45 and Up participant Mr Saul Moss. 4. HEALS participant Marla Rai Lett, 2.

# Behind a healthier community

Improving community wellbeing drives all of the Institute's programs because our work is ultimately designed to help the people who use health services and who trust their care will be delivered in the most efficient and effective way possible.

While there are many ways in which we do this, there are several examples where proximal and significant gains were made in 2013–14.

## Better health for Aboriginal children

One of these is SEARCH – the Study of Environment on Aboriginal Resilience and Child Health – Australia's largest long-term study of the health of urban Aboriginal children.

SEARCH is a research partnership between the Institute, the Aboriginal Health and Medical Research Council, many leading researchers and their universities, and four Aboriginal community controlled health services: Tharawal Aboriginal Corporation; Aboriginal Medical Service Western Sydney; Awabakal Newcastle Aboriginal Co-operative; and Riverina Medical and Dental Aboriginal Corporation.

Its point of difference is that it pools the expertise of Aboriginal health leaders and research experts. And because the Aboriginal community is driving the Study's research priorities, there is real potential for the results to make a significant impact on community health.

Phase 1 of the Study revealed important new information about hearing and speech development, weight, exercise and social and emotional wellbeing. It found high numbers of participating children suffer from middle ear disease and delayed speech skills.

The Aboriginal community controlled health services are using these data to tailor their care. Riverina Medical and Dental Aboriginal Corporation (RivMed), for example, has used SEARCH data on speech assessments to deliver extra speech pathology services to many of its families.

"It is important to collect these data so that there is a case for focusing on where funding should go," RivMed Medical Director Dr Jennifer Bell says.

Phase 2 of SEARCH – following up the participating children and their families – saw significant progress during the year. Follow-up began at the participating Aboriginal community controlled health services, and to date information from 150 children and parents/caregivers has been collected, and audiology and speech pathology assessments are underway.

At the same time, discussions with the health services about how the SEARCH data can be used to support sustained improvement in Aboriginal health and healthcare are ongoing. Qualitative work is also underway to establish their needs and priorities in further building skills and capacity to undertake research.

During the year, the SEARCH results were used to help deliver an \$800,000 NSW Ministry of Health funding package of services to 350 children (see story page 28).

## Tracking our ageing community

The large number of participants in, and ongoing nature of, the 45 and Up Study is increasingly yielding information that is being used to benefit community health.

"Having that trust relationship, supporting the families... That's where the Aboriginal medical services really come into their own"

Ms Aleathia Thompson, Riverina Medical and Dental Aboriginal Corporation

Our follow-up of the more than 260,000 people recruited to the Study is well advanced. The follow-up data, for example, are already telling us that 3% of people in the Study have seen an improvement in their overall health, but 8% say it has worsened. We discovered that 6% of people have become a regular carer since first being surveyed and about 6% are long-term carers.



## Removing barriers to care

### Focus: SEARCH

Ear nose and throat surgeon Associate Professor Kelvin Kong (pictured, left) has “a thousand and one stories” of the huge impact surgery can have on the lives of Aboriginal families whose children have middle ear disease.

“You can’t put a dollar value on the impact on these kids and their parents from having their ears fixed”

Associate Professor Kelvin Kong, ENT surgeon

“These kids can’t hear in school and can’t properly participate in society. They don’t sleep well, they have to take time off, they can misbehave, and their parents have to juggle time off work because they’re always sick.

“You can’t put a dollar value on the impact on these kids and their parents from having their ears fixed.”

One in 10 participants changed their marital status, with 3% of those who were married at entry to the Study now being widowed and less than 2% divorced or separated. And 12% report a reduction and 23% an increase in their annual household income. More than half of the participants reporting a household income of less than \$20,000 per annum at entry to the Study remained in this bracket.

As we collect this type of ongoing information from participants, we are able to link this to their hospital, Medicare and pharmaceutical records. This allows researchers to ‘join the dots’ and creates many possibilities to investigate important health questions and to paint a fuller picture of who is ageing well, who is not, and the reasons why.

Participants regularly tell us that their motivations for taking part in the Study are about ‘giving back’ and helping researchers uncover information that will benefit all Australians (see story page 30). Following the same group of people over time allows us to see how people’s lives are changing and whether existing health services are meeting their needs.

Aboriginal families face greater hurdles than other Australians when accessing health services; financial hardship, racism, lack of transport and lack of culturally appropriate health services to name just a few.

SEARCH (page 27) has shown that urban Aboriginal children experience high levels of hearing loss and speech and language delays. And in 2013-14, data from the Study were able to help identify more than 350 children in need of ear, nose and throat surgery or speech pathology services.

In 2014, the NSW Ministry of Health provided \$800,000 in funding to the Sydney Children’s Hospitals Network, which worked with the Aboriginal community controlled health services participating in SEARCH to deliver more than 2100 speech therapy sessions and 90 operations.

This partnership project, called HEALS (Hearing EAR health & Language Services), was able to swing rapidly into action partly because many of the children in need were already identified. It was also possible because the participating Aboriginal community controlled health services used their strong community relationships to help patients into care and work collaboratively with local surgeons and speech pathologists to get the work done.

This was the second year running that funding has been made available for the HEALS project, and those involved believe it has long-term potential as a model for targeted care that delivers real benefits to Aboriginal communities.

Sustainability is critical, says Associate Professor Kong, a Newcastle, NSW surgeon who works closely with the Awabakal Newcastle Aboriginal Co-operative to mobilise services in his area and help overcome some of the barriers to surgery that Aboriginal people face.

# 1672

ABORIGINAL CHILDREN AND THEIR FAMILIES ARE PARTICIPATING IN SEARCH

# STAFF IN FOCUS



**SIMONE  
SHERRIFF**

As a Project Officer for SEARCH, Simone Sherriff works across different areas of the Study, and it's this breadth that makes her job rewarding.

"One of my roles involves community engagement through working with the Aboriginal medical services

He says looking at how projects like this could be planned for and applied in a more long-term fashion would mean even greater community engagement and value for the investment. And the ability for Aboriginal patients to experience hospital care alongside members of their community was a good start.

"The psychology of having an operation in a hospital has a huge impact on these kids," he says.

"For them to be able to talk to each other, demystify the process and decrease the fear increased their confidence to ask questions and be involved in their care. Their parents had less anxiety and there was more trust. This made their perioperative management so much better.

"As a doctor and as an Aboriginal person it was an emotional thing to see. It had a huge spin-off effect and it was about so much more than getting the waiting list down – it opens the way to a model to allow the community to engage with hospital services."

For the Riverina Medical and Dental Aboriginal Corporation, the HEALS program has also had the added benefit of reminding the families using their service of SEARCH and the benefits in continuing to participate.

and I also work on the data," she says. "It is nice to see both sides; you can see the data and the numbers, but when you go out to the medical services you see it all coming together with real people and get feedback about real things that have come out of the Study."

Simone was born and raised in Wagga Wagga (Wiradjuri country) and is a Wotjobaluk woman. Before joining the Institute she worked at the Riverina Medical and Dental Aboriginal Corporation as an Aboriginal Research Officer conducting field work for SEARCH, and as an Aboriginal Drug and Alcohol Worker.

She says her understanding of SEARCH from the perspective of an Aboriginal Medical Service has informed her work at the Institute, and the fact that the Study is a true partnership makes it gratifying to work on.

"This is not about collecting numbers that Aboriginal communities can't use; it is about collecting the data to provide the services the communities need – it is their research," she says.

Simone has just completed a Graduate Diploma in Indigenous Health Promotion, is completing her Masters of Public Health and has long-term plans for a PhD.

"I have had participating families coming in and wanting to take part in the next phase of SEARCH," says Aleathia Thompson, the Corporation's SEARCH Research Officer and HEALS Project Officer.

"The parents tell me they have seen huge improvements in their kids. There are kids who are now speaking clearly and some are able to be understood for the first time. This affects the whole family unit. It is so much bigger than delivering a technical service – the bigger picture is that it is giving a huge, huge hand up to these kids."

Ms Thompson says the important role Aboriginal community controlled health services play in their communities really shone through during the HEALS project.

"Having that trust relationship, supporting the families in getting their kids to appointments, offering pre- and post-operative consultations to follow up and maintaining that continuity in a culturally appropriate way – that's where Aboriginal medical services really come into their own."

# An active contribution

## Focus: the 45 and Up Study

Living an active life is a non-negotiable proposition for 74-year-old Julie Plant, whose attitude towards ageing is overwhelmingly positive.

“Young people don’t realise that when you age, you still feel like the same person you were years ago,” she says. “Age is just a state of mind. Often I hear people who are older say they feel like they are invisible – but I think it is up to you if you are invisible. If you lead an active life and keep busy, you don’t sit around thinking about every little ache and pain.”

As one of the participants in the Sax Institute’s 45 and Up Study, Mrs Plant has agreed to provide us with her health and lifestyle information so we can develop a moving picture of how the nation is ageing, what services people use and what might be needed to improve their care.

She was one of 86,000 people we resurveyed in the past year as part of the Study’s first five-year follow-up. And she continues to take part because of its potential for community benefit.

“It makes me feel like I am part of something bigger,” she says.

“The research is looking at a lot of different areas and it is important that people my age can contribute to your work. It allows us to give something but also get something back in the form of the information you are finding out.”

Mrs Plant is one of the 21% of Study participants who report they have been diagnosed with cancer at some point in their lives. Nearly a decade ago, she learnt she had breast cancer and just a year later was diagnosed with bowel cancer.

“That brings you up to a bit of a halt. But we have been lucky enough to come through the other side. It was scary and it was hard. That is why doing research like this is important – especially to me, having had cancer.”

Mrs Plant and her husband, Bill, are enjoying life in a retirement village on the Central Coast – though retirement seems a misnomer for the active lives they lead. Between her role as convenor of the village social committee, his as editor of the monthly magazine, and their active involvement in the lives of their five children and nine grandchildren, the Plants aren’t exactly sitting still. And they are surrounded by many other examples of active ageing in their community.

“The children need to make a time to see me – I need the answering machine,” she says. “I still have plenty of living to do.”

# 260,000

MEN AND WOMEN IN NSW  
WERE RECRUITED TO  
THE 45 AND UP STUDY



45 and Up participant Mrs Julie Plant takes dog Kyan for a stroll.

“It is important people my age can contribute to your work... It makes me feel like I am part of something bigger”

Mrs Julie Plant, 45 and Up Study participant

# Our members

Public health and health services research groups, and universities with relevant research programs, can apply for Sax Institute membership.

Once accepted, organisations nominate an individual to be the member of the Institute. At 30 June 2014 there were 42 member organisations and nominees.

## University Members

The University of New South Wales  
 University of New England  
 The University of Newcastle  
 The University of Sydney  
 University of Technology, Sydney  
 University of Western Sydney  
 University of Wollongong  
 The University of Notre Dame Australia

## Ordinary Members

### Australian Research Centre in Complementary and Integrative Medicine

University of Technology, Sydney

### Cancer Council NSW

### Centre for Clinical Epidemiology and Biostatistics

The University of Newcastle

### Centre for Clinical Governance Research

The University of New South Wales

### Centre for Health Economics Research and Evaluation

University of Technology, Sydney

### Centre for Health Informatics

The University of New South Wales

### Centre for Health Research in Criminal Justice

Justice Health,  
 The University of New South Wales

### Centre for Primary Health Care and Equity

The University of New South Wales

### Clinical and Population Perinatal Health Research

The University of Sydney

### College of Medicine, Biology & Environment

Australian National University

### Dementia Collaborative Research Centre

The University of New South Wales

### Family Medicine Research Centre

The University of Sydney

### The George Institute for Global Health

The University of Sydney

### Garvan Institute

The University of New South Wales

### Griffith Health Institute

Griffith University

### Health Services and Practice Research Strength

University of Technology, Sydney

### Hunter Medical Research Institute

The University of Newcastle

### Menzies Centre for Health Policy

The University of Sydney and the Australian National University

### National Centre for Immunisation Research & Surveillance

The University of Sydney

### National Centre in HIV Social Research

The University of New South Wales

### National Drug and Alcohol Research Centre

The University of New South Wales

### National Perinatal Epidemiology and Statistics Unit

The University of New South Wales

### Prevention Research Collaboration

The University of Sydney

### Priority Research Centre for Health Behaviour

The University of Newcastle

### Psychiatry Research and Teaching Unit, School of Psychiatry

The University of New South Wales

### Research Centre for Gender, Health and Ageing

The University of Newcastle

### School of Medicine and Public Health

The University of Newcastle

### Sydney School of Public Health

The University of Sydney

### School of Public Health and Community Medicine

The University of New South Wales

### Simpson Centre for Health Services Research

The University of New South Wales

### Social Policy Research Centre

The University of New South Wales

### Surgical Outcomes Research Centre

The University of Sydney

### The Kirby Institute

The University of New South Wales

### University Centre for Rural Health – North Coast

The University of Sydney,  
 Southern Cross University,  
 University of Western Sydney,  
 University of Wollongong

# Working with agencies

The Institute is privileged to work with policy and program agencies in many different capacities such as providing services, working as research co-investigators, and on collaborative and funding partnerships. In 2013–14 these agencies included:

## The NSW Ministry of Health

### Population and Public Health Division

Centre for Aboriginal Health  
Centre for Epidemiology and Evidence  
Centre for Oral Health Strategy  
Centre for Population Health

### Strategy and Resources Division

Integrated Care branch

### System Purchasing and Performance Division

Mental Health and Drug and Alcohol Office

### Governance, Workforce and Corporate Division

Nursing and Midwifery Office  
Workforce, Planning and Development Branch

## The NSW Health Pillars

Agency for Clinical Innovation  
Bureau of Health Information  
Cancer Institute NSW  
Clinical Excellence Commission  
Health Education and Training Institute  
NSW Kids and Families

## Other NSW Health agencies

Health Protection NSW  
Justice Health & Forensic Mental Health Network  
Sydney Children's Hospitals Network  
Local Health Districts:  
South Western Sydney; Hunter New England; Mid North Coast; Central Coast; Northern Sydney; Nepean Blue Mountains; Western Sydney; South Eastern Sydney

## Other NSW Government agencies

NSW Department of Education and Communities  
NSW Department of Family and Community Services (Ageing, Disability and Home Care)  
NSW Department of Family and Community Services (Analysis & Research)  
NSW Department of Planning and Environment  
NSW Department of Premier and Cabinet

NSW Office for Ageing  
NSW Treasury

## Other jurisdictions

ACT Health  
Department of Health, Victoria

## Other state and national bodies

ACON  
Australian and New Zealand Intensive Care Society  
Australian Commission on Safety and Quality in Health Care  
Australian Government Department of Education  
Australian Government Department of Health  
Australian Government Department of Human Services  
Australian Government Department of Infrastructure and Regional Development  
Australian Government Department of Veterans' Affairs  
Australian Institute of Health and Welfare  
Australian Red Cross Blood Service  
*beyondblue*  
Bupa  
Cancer Australia  
Cancer Council Australia  
Cancer Council NSW  
Healthdirect  
HCF and the HCF Research Foundation  
Intersect  
National Centre for Immunisation Research and Surveillance  
National Heart Foundation of Australia (National and NSW Division)  
National Mental Health Commission  
NPS Medicinewise  
Mental Health Commission of New South Wales  
Movember Foundation  
Prostate Cancer Foundation of Australia  
UnitingCare Ageing  
We have also appreciated working with the Aboriginal Health and Medical Research Council and the following four Aboriginal community controlled health services:  
Tharawal Aboriginal Corporation  
Aboriginal Medical Service Western Sydney  
Awabakal Newcastle Aboriginal Co-operative  
Riverina Medical and Dental Aboriginal Corporation

# Financial Statements

For the Year Ended 30 June 2014

The Sax Institute  
ABN 68 095 542 886

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# Directors' Report

30 June 2014

The Sax Institute  
ABN 68 095 542 886

The Directors present their report on The Sax Institute for the financial year ended 30 June 2014.

## 1. General information

### Information on Directors

The names of each person who has been a Director during the year and to the date of this report are:

#### Dr Irene Moss

Qualifications	Hon. LLD, BA, LLB, LLM
Honorary Awards	AO
Experience	Formerly Commissioner, Independent Commission Against Corruption, and NSW Ombudsman
Special responsibilities	Chair, Board of Directors Member, Research Governance Committee

#### Mr Michael Lambert

Qualifications	BEC (Hons), MEd
Experience	Consultant, CIMB Group
Special responsibilities	Chair, Audit and Risk Management Committee

#### Professor Peter Smith

Qualifications	RFD, MD, FRACP, FRCPA, FAICD
Experience	Dean of Medicine, The University of New South Wales
Special responsibilities	Chair, Research Governance Committee

#### Professor Lesley Margaret Barclay

Qualifications	PhD, FRCN, FCMA
Honorary Awards	AO
Experience	Professor and Director, University Centre for Rural Health North Coast, School of Public Health, The University of Sydney

#### Professor Robert Cumming

Qualifications	MBBS, MPH, PhD
Experience	Professor of Epidemiology, Sydney School of Public Health, The University of Sydney
Date of appointment	28 November 2013

#### Dr Rohan Hammett

Qualifications	MBBS, FRACP
Experience	Deputy Director-General, Strategy and Resources, NSW Ministry of Health

#### Dr Devon Indig

Qualifications	PhD, MPH, BSc
Experience	Senior Research Fellow, Sydney School of Public Health, The University of Sydney

#### Dr George Jessup

Qualifications	MB, BS, MBIomedEng, MBA
Special responsibilities	Member, Audit and Risk Management Committee (appointed 7 August 2014)
Experience	Director, Start-up Australia Ventures Pty Ltd Director, Blue Jay Ventures Pty Ltd
Date of appointment	17 December 2013

# Directors' Report

30 June 2014

The Sax Institute  
ABN 68 095 542 886

## Mr Christopher Maitland Paxton

Qualifications	BA (Hons) in Economics (UK), MBA (UK)
Experience	Partner, PwC PricewaterhouseCoopers Australia
Special responsibilities	Member, Audit and Risk Management Committee

## Professor Selina Redman

Qualifications	BA (Psych), BA (Hons) (Psych), PhD
Honorary Awards	AO
Experience	Chair: Australian Women's Longitudinal Study on Women's Health Advisory Committee; Heart Foundation Research Committee; World Health Organisation Collaborating Centre for Nursing, Midwifery and Health Development Advisory Board Director, Intersect Australia Ltd
Special responsibilities	Chief Executive Officer

## Professor Glenn Philip Salkeld

Qualifications	B.Bus, Grad Dip Health Economics, MPH, PhD
Experience	Head and Associate Dean, School of Public Health, The University of Sydney
Date of resignation	26 September 2013 – Relinquished

## Professor Nicholas Joseph Talley

Qualifications	Doctor of Medicine, The University of New South Wales; Master of Medical Science (Clinical Epidemiologist), The University of Newcastle; PhD, The University of Sydney; MBBS, The University of New South Wales
Experience	Pro Vice-Chancellor, Faculty of Health, The University of Newcastle, and Professor of Medicine

## Professor Rosalie Clare Viney

Qualifications	PhD, MEd, BEc
Experience	Professor of Health Economics, University of Technology, Sydney; Director, Centre for Health Economics Research and Evaluation, University of Technology, Sydney

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

## Company Secretary

The following person held the position of Company Secretary at the end of the financial year:

Ms Marianne Mioduszewski (née Karam) (Bachelor of Business (Accounting), FCIS, FCPA, FAICD) has been the Company Secretary since 23 November 2005. She has 23 years of experience as a Company Secretary.

# Directors' Report

30 June 2014

The Sax Institute

ABN 68 095 542 886

## 1. General information continued

### Principal activities

The principal activity of The Sax Institute during the financial year was to increase the use of research in policy making and generate new research for policy.

No significant changes in the nature of the Company's activity occurred during the financial year.

### Mission

The Institute's mission is to improve health and wellbeing by driving the use of research in policies, programs and services.

### Short and long-term objectives

The Company's short and long-term objectives are to:

- Build and maintain sustainable research assets
- Drive research that contributes to policy
- Give decision makers ready access to research
- Lead international best practice in knowledge exchange
- Maintain a sustainable and effective organisation.

### Strategies for achieving the objectives

To achieve these objectives, the Company has adopted the following strategies:

- *Provides services to policy agencies* – The Institute provides a range of services to policy agencies, including assisting them with undertaking reviews of evidence, establishing evaluations of their programs, understanding how research can assist in their work, and establishing research programs to inform their work.
- *Develops policy-relevant research* – The Institute identifies priority issues for policy agencies, and facilitates and leads research programs that address these priorities.
- *Encourages use of our research assets* – The Institute is establishing long-term sustainable funding for its research assets: the 45 and Up Study; the Study of Environment on Aboriginal Resilience and Child Health (SEARCH); and the Secure Unified Research Environment (SURE). It is adding value to the assets and creating an environment to encourage researchers and policy and program agencies to use them through programs such as Analysis for Policy.
- *Strengthens researcher and policy agency expertise* – The Institute builds health research expertise through training programs, mentoring and facilitation of funding applications for early career researchers. It also works to build the capacity of policy agencies to find and use research through whole-of-agency capacity building programs.
- *Tests new approaches to knowledge exchange* – The Institute is continuing the conceptual development of new approaches to knowledge exchange, leading dialogue about the best approaches to knowledge exchange nationally and internationally, and expanding and improving our Knowledge Exchange program. An example of how the Institute facilitates new and better ways for researchers and policy makers to work together is the establishment of The Australian Prevention Partnership Centre.

# Directors' Report

30 June 2014

The Sax Institute  
ABN 68 095 542 886

## Performance measures

The following measures are used within the Company to monitor performance:

- Number of brokered reviews completed
- Number of collaborative research projects commenced using the Institute's services
- Number of early career research posts established
- Examples of research using the Institute's services making a significant contribution to policy development
- Number of meetings, seminars or workshops to facilitate exchange between researchers, policy makers and practitioners
- At least \$30 million of additional competitive population health or health services research funds allocated to NSW as a result of the Institute's services
- Number of policy relevant deliverables (e.g. policy briefing, policy relevant reports) produced using the Institute's services
- Number of papers using the Institute's services published in peer reviewed journals.

## Members' guarantee

The Sax Institute is a company limited by guarantee. In the event of, and for the purpose of, winding up of the Company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up is limited to \$10 for members that are corporations and \$10 for all other members, subject to the provisions of the Company's constitution.

At 30 June 2014 the collective liability of members was \$410 (2013: \$390).

# Directors' Report

30 June 2014

The Sax Institute  
ABN 68 095 542 886

## Meetings of Board of Directors and Board subcommittees

During the financial year, 4 meetings of Directors (excluding Board subcommittees) were held. Attendances by each Director during the year were as follows:

	Directors' meetings		Audit and Risk Management Committee		Research Governance Committee	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Dr Irene Moss	4	4	1	1	2	2
Mr Michael Lambert	4	4	4	4		
Professor Peter Smith	4				2	2
Professor Lesley Margaret Barclay	4	2				
Professor Robert Cumming	3	3				
Dr Rohan Hammett	4	3				
Dr Devon Indig	4	4				
Dr George Jessup	2	2				
Mr Christopher Maitland Paxton	4	4	4	4		
Professor Selina Redman	4	4	4	4	2	2
Professor Glenn Philip Salkeld						
Professor Nicholas Joseph Talley	4	2				
Professor Rosalie Clare Viney	4	2				
Professor Mike Calford (non-Director)					2	1
Mr Cameron Johnstone (non-Director)			4	4		

## Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2014, has been received and can be found on page 39.

Signed in accordance with a resolution of the Board of Directors:



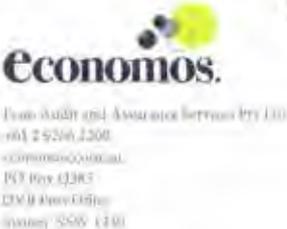
**Dr Irene Moss**

Chair of Board of Directors

Dated in Sydney, this 9th day of October 2014

# Auditor's Independence Declaration under Section 307C of the *Corporations Act 2001* To the Directors of The Sax Institute

The Sax Institute  
 ABN 68 095 542 886



**Economos.**  
 Econ Audit and Assurance Services Pty Ltd  
 PO Box 2208  
 Sydney NSW 1585  
 Australia

**The Sax Institute**  
 ABN 68 095 542 886

**Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 To the Directors of The Sax Institute**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2014, there have been:

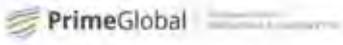
- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Econ Audit and Assurance Services Pty Ltd  
 Chartered Accountants



George Venardos  
 Director

Dated in Sydney, this 9<sup>th</sup> day of October 2014.



One jointly authored by our firm prepared under professional business & accounting



# Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2014

The Sax Institute

ABN 68 095 542 886

	Note	2014 \$	2013 \$
Revenue	2	8,818,194	7,197,089
Other income	2	77,287	27,547
Project specific costs		(821,859)	(974,368)
Employee benefits expense		(5,974,583)	(4,534,746)
Depreciation and amortisation expense		(377,414)	(473,986)
Administration expenses		(862,247)	(651,988)
Other expenses	3	(1,178,055)	(924,367)
<b>Loss for the year</b>		<b>(318,677)</b>	<b>(334,819)</b>
<b>Other comprehensive income for the year, net of tax</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income (loss) for the year</b>		<b>(318,677)</b>	<b>(334,819)</b>

# Statement of Financial Position

As At 30 June 2014  
The Sax Institute  
ABN 68 095 542 886

ASSETS	Note	2014 \$	2013 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4	5,745,009	2,746,678
Trade and other receivables	5	2,420,033	3,732,140
Short-term investments	6	–	500,000
Other financial assets	7	1,302,968	696,426
Other assets	8	372,101	223,430
<b>TOTAL CURRENT ASSETS</b>		<b>9,840,111</b>	<b>7,898,674</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	9	1,829,045	515,552
<b>TOTAL NON-CURRENT ASSETS</b>		<b>1,829,045</b>	<b>515,552</b>
<b>TOTAL ASSETS</b>		<b>11,669,156</b>	<b>8,414,226</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	10	997,563	822,451
Employee benefits	11	349,035	278,336
Other liabilities	12	8,215,737	4,960,414
<b>TOTAL CURRENT LIABILITIES</b>		<b>9,562,335</b>	<b>6,061,201</b>
<b>NON-CURRENT LIABILITIES</b>			
Employee benefits	11	69,370	52,965
Other liabilities	12	256,068	200,000
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>325,438</b>	<b>252,965</b>
<b>TOTAL LIABILITIES</b>		<b>9,887,773</b>	<b>6,314,166</b>
<b>NET ASSETS</b>		<b>1,781,383</b>	<b>2,100,060</b>
<b>EQUITY</b>			
Members' funds		1,781,383	2,100,060
<b>TOTAL EQUITY</b>		<b>1,781,383</b>	<b>2,100,060</b>

# Statement of Changes in Equity

For the Year Ended 30 June 2014

The Sax Institute  
ABN 68 095 542 886

<b>2014</b>	<b>Members' funds \$</b>	<b>Total \$</b>
<b>Balance at 1 July 2013</b>	<b>2,100,060</b>	<b>2,100,060</b>
Profit (loss) attributable to Members of the entity	<b>(318,677)</b>	<b>(318,677)</b>
<b>Balance at 30 June 2014</b>	<b>1,781,383</b>	<b>1,781,383</b>

<b>2013</b>	<b>Members' funds \$</b>	<b>Total \$</b>
<b>Balance at 1 July 2012</b>	2,434,879	2,434,879
Profit (loss) attributable to Members of the entity	(334,819)	(334,819)
<b>Balance at 30 June 2013</b>	2,100,060	2,100,060

# Statement of Cash Flows

For the Year Ended 30 June 2014

The Sax Institute  
ABN 68 095 542 886

	Note	2014 \$	2013 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from grants		13,327,502	7,920,342
Payments to suppliers and employees		(8,698,750)	(7,310,495)
Donations received		50,000	50,000
Interest received		122,401	103,056
Net cash provided by (used in) operating activities	19	4,801,153	762,903
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Proceeds from sale of available-for-sale investments		9,025,000	4,108,328
Proceeds from short-term investments		500,000	–
Purchase of property, plant and equipment		(1,696,280)	(167,920)
Purchase of available-for-sale investments		(9,631,542)	(4,113,697)
Purchase of short-term investments		–	(500,000)
Net cash used by investing activities		(1,802,822)	(673,289)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Net increase (decrease) in cash and cash equivalents held		2,998,331	89,614
Cash and cash equivalents at beginning of year		2,746,678	2,657,064
Cash and cash equivalents at end of financial year	4	5,745,009	2,746,678

# Notes to the Financial Statements

For the Year Ended 30 June 2014

The Sax Institute  
ABN 68 095 542 886

The Financial Statements are for The Sax Institute as a not-for-profit individual legal entity.

The functional and presentation currency of The Sax Institute is Australian dollars.

## 1 Summary of Significant Accounting Policies

### (a) Basis of preparation

The Financial Statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Act 2001*.

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The Financial Statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

### (b) Comparative amounts

Comparatives are consistent with prior years, unless otherwise stated.

### (c) Income tax

No provision for income tax has been raised as the Company is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

### (d) Leases

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

### (e) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the entity, and specific criteria relating to the type of revenue as noted below have been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

All revenue is stated net of the amount of goods and services tax (GST).

#### Grant revenue

Grant revenue is recognised in the statement of profit or loss and other comprehensive income when the entity obtains control of the grant, it is probable that the economic benefits gained from the grant will flow to the entity, and the amount of the grant can be measured reliably.

If conditions are attached to the grant that must be satisfied before it is eligible to receive the contribution, the recognition of the grant will be deferred until those conditions are met.

# Notes to the Financial Statements

For the Year Ended 30 June 2014

The Sax Institute  
ABN 68 095 542 886

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt. In instances where the grant revenue exceeds the cost of the economic value provided, the surplus funds are deferred and guidance is sought from the contributor for the application of the surplus funds.

## **Donations**

Donations and bequests are recognised as revenue when received.

## **(f) Goods and Services Tax (GST)**

Revenue, expenses and assets are recognised net of the amount of Goods and Services Tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows in the statement of cash flows are included on a gross basis, and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

## **(g) Property, plant and equipment**

Classes of property, plant and equipment are measured using the cost or revaluation model as specified below.

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs, and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

### **Plant and equipment**

Plant and equipment are measured using the cost model.

Plant and equipment that have been contributed at no cost, or for nominal cost, are valued and recognised at the fair value of the asset at the date it is acquired.

### **Depreciation**

The depreciable amount of all property, plant and equipment, except for freehold land, is depreciated on a straight-line method from the date that management determines the asset is available for use.

# Notes to the Financial Statements

For the Year Ended 30 June 2014

The Sax Institute

ABN 68 095 542 886

## 1 Summary of Significant Accounting Policies continued

### (g) Property, plant and equipment continued

#### Depreciation continued

Assets held under a finance lease and leasehold improvements are depreciated over the shorter of the term of the lease and the assets' useful life.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Furniture, fixtures and fittings	5%–7.5%
Office equipment	10%–40%
Computer equipment	33.33%
Improvements	2.5%–20%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

### (h) Financial instruments

#### Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. For financial assets, this is the equivalent to the date the Company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

#### Classification and subsequent measurement

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method, or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

- the amount at which the financial asset or financial liability is measured at initial recognition
- less principal repayments
- plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the *effective interest method* and
- less any reduction for impairment.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

# Notes to the Financial Statements

For the Year Ended 30 June 2014

The Sax Institute  
ABN 68 095 542 886

The classification of financial instruments depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and at the end of each reporting period for held-to-maturity assets.

The Company does not designate any interest as being subject to the requirements of accounting standards specifically applicable to financial instruments.

**(i) Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting year.

**(ii) Held-to-maturity investments**

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are included in non-current assets, except for those which are expected to be realised within 12 months after the end of the reporting period, which will be classified as current assets.

If, during the period, the Company sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire held-to-maturity investments category would be tainted and reclassified as available-for-sale.

**(iii) Available-for-sale financial assets**

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to be sold within 12 months after the end of the reporting period.

**(iv) Financial liabilities**

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Fees payable on the establishment of loan facilities are recognised as transaction costs of the loan.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

# Notes to the Financial Statements

For the Year Ended 30 June 2014

The Sax Institute

ABN 68 095 542 886

## 1 Summary of Significant Accounting Policies continued

### (h) Financial instruments continued

#### (v) *Impairment of financial assets*

At the end of the reporting period the Company assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

#### (i) Financial assets at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance account; all other impairment losses on financial assets at amortised cost are taken directly to the asset.

#### (ii) Available-for-sale financial assets

A significant or prolonged decline in value of an available-for-sale asset below its cost is objective evidence of impairment; in this case, the cumulative loss that has been recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Any subsequent increase in the value of the asset is taken directly to other comprehensive income.

### (i) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

### (j) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled.

The Company reviewed the annual leave liability to determine the level of annual leave which is expected to be paid more than 12 months after the end of the reporting period. While this has been considered to be a long term employee benefit for the purpose of measuring the leave under AASB 119, the effect of discounting was not considered to be material and therefore has not been performed.

Employee benefits are presented as current liabilities in the statement of financial position if the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, regardless of the classification of the liability for measurement purposes under AASB 119.

# Notes to the Financial Statements

For the Year Ended 30 June 2014

The Sax Institute  
ABN 68 095 542 886

## (k) Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

## (l) Critical accounting estimates and judgements

The Directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements; however, as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

### Key estimates – impairment

The Directors assess impairment at each reporting date by evaluating conditions specific to the Institute that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates. There is no impairment for the year ended 30 June 2014.

### Key judgements – provision for impairment of receivables

The value of the provision for impairment of receivables is estimated by considering the ageing of receivables, communication with the debtors and prior history.

## (m) Adoption of new and revised accounting standards

During the current year, the following standards became mandatory and have been adopted retrospectively by the Company:

- AASB 13 *Fair Value Measurement*
- AASB 119 *Employee Benefits*
- AASB 2012-2 *Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities*.

The accounting policies have been updated to reflect changes in the recognition and measurement of assets, liabilities, income and expenses. The impact of adoption of these standards is discussed below.

AASB 13 *Fair Value Measurement* does not change what and when assets or liabilities are recorded at fair value. It provides guidance on how to measure assets and liabilities at fair value, including the concept of highest and best use for non financial assets. AASB 13 has not changed the fair value measurement basis for any assets or liabilities held at fair value; however, additional disclosures on the methodology and fair value hierarchy have been included in the financial statements.

AASB 119 *Employee Benefits* changes the basis for determining the income or expense relating to defined benefit plans and introduces revised definitions for short-term employee benefits and termination benefits.

The Company reviewed the annual leave liability to determine the level of annual leave which is expected to be paid more than 12 months after the end of the reporting period. While this has been considered to be a long-term employee benefit for the purpose of measuring the leave under AASB 119, the effect of discounting was not considered to be material and therefore has not been performed.

# Notes to the Financial Statements

For the Year Ended 30 June 2014

The Sax Institute

ABN 68 095 542 886

## 2 Revenue and other Income

Finance income includes all interest related income other than that arising from financial assets at fair value through profit or loss. The following amounts have been included in the finance income line in the statement of profit or loss and other comprehensive income for the reporting periods presented:

	2014 \$	2013 \$
Finance income		
– held-to-maturity investments	122,401	103,056
Other revenue		
– grant revenue	8,553,593	6,847,247
– donations	50,000	50,000
– debt recovered	–	93,000
– other revenue	92,200	103,786
<b>Total revenue</b>	<b>8,818,194</b>	<b>7,197,089</b>

	2014 \$	2013 \$
Other income		
<b>TCorp distributions</b>	<b>77,287</b>	<b>27,547</b>

## 3 Results for the Year

### (a) Included in other expenses are the following

	2014 \$	2013 \$
Loss on disposal of fixed assets	3,610	796
Rental expense on operating leases		
Minimum lease payments	355,792	342,108

# Notes to the Financial Statements

For the Year Ended 30 June 2014

The Sax Institute  
ABN 68 095 542 886

## 4 Cash and cash equivalents

	2014 \$	2013 \$
Cash on hand	700	700
Cash at bank	507,010	425,978
Short-term bank deposits	5,237,299	2,320,000
<b>Total cash and cash equivalents</b>	<b>5,745,009</b>	<b>2,746,678</b>

The short-term bank deposits have a maturity date ranging from 30 to 90 days. The interest earned on these deposits ranges from 3.15 to 3.35 per cent.

## 5 Trade and other receivables

	2014 \$	2013 \$
<b>CURRENT</b>		
Trade receivables	2,318,174	3,611,115
Prepayments	83,432	103,525
Deposits	1,730	230
Interest receivable	16,697	17,270
<b>Total current trade and other receivables</b>	<b>2,420,033</b>	<b>3,732,140</b>

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

## 6 Short-term investments

	2014 \$	2013 \$
Short-term bank deposit	-	500,000

Short-term investments represent a deposit with Commonwealth Bank of Australia with an effective interest rate of 3.79%; this deposit has a maturity date of 180 days.

# Notes to the Financial Statements

For the Year Ended 30 June 2014

The Sax Institute

ABN 68 095 542 886

## 7 Other financial assets

	2014 \$	2013 \$
<b>CURRENT</b>		
Available-for-sale financial assets	1,302,968	696,426

Available-for-sale financial assets comprise of investments in various TCorp funds. There are no fixed returns or fixed maturity dates attached to these investments.

## 8 Other assets

		2014 \$	2013 \$
<b>CURRENT</b>			
Other current assets	(a)	372,101	223,430

### (a) Other current assets comprise:

	2014 \$	2013 \$
Rental bond	372,006	195,686
Other	95	944
Website development phase	-	26,800
<b>Total</b>	<b>372,101</b>	<b>223,430</b>

# Notes to the Financial Statements

For the Year Ended 30 June 2014

The Sax Institute  
ABN 68 095 542 886

## 9 Property, plant and equipment

	2014 \$	2013 \$
<b>PLANT AND EQUIPMENT</b>		
Capital works in progress		
At cost	1,303,299	–
<b>Furniture, fixtures and fittings</b>		
At cost	3,827	1,013
Accumulated depreciation	(1,406)	(1,013)
Total furniture, fixtures and fittings	2,421	–
<b>Office equipment</b>		
At cost	534,344	216,490
Accumulated depreciation	(178,554)	(151,905)
Total office equipment	355,790	64,585
<b>Computer equipment</b>		
At cost	789,712	794,716
Accumulated depreciation	(622,177)	(347,067)
Total computer equipment	167,535	447,649
<b>Leasehold improvements</b>		
At cost	–	325,667
Accumulated amortisation	–	(322,349)
Total leasehold improvements	–	3,318
Total plant and equipment	1,829,045	515,552
<b>Total property, plant and equipment</b>	<b>1,829,045</b>	<b>515,552</b>

# Notes to the Financial Statements

For the Year Ended 30 June 2014

The Sax Institute

ABN 68 095 542 886

## (a) Movements in carrying amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Capital works in progress \$	Furniture, fixtures and fittings \$	Office equipment \$	Computer equipment \$
<b>Year ended 30 June 2014</b>				
Balance at the beginning of the year	–	–	64,585	447,650
Additions	1,303,299	4,505	378,726	9,750
Disposals – written-down value	–	(1,516)	(1,886)	–
Depreciation expense	–	(568)	(85,635)	(289,865)
<b>Balance at the end of the year</b>	<b>1,303,299</b>	<b>2,421</b>	<b>355,790</b>	<b>167,535</b>

	Improvements \$	Total \$
<b>Year ended 30 June 2014</b>		
Balance at the beginning of the year	3,318	515,553
Additions	–	1,696,280
Disposals – written-down value	(1,972)	(5,374)
Depreciation expense	(1,346)	(377,414)
<b>Balance at the end of the year</b>	<b>–</b>	<b>1,829,045</b>

## 10 Trade and other payables

	2014 \$	2013 \$
<b>CURRENT</b>		
Trade payables	703,773	303,874
GST payable	101,168	304,119
Payroll liabilities	126,543	82,254
Sundry payables and accrued expenses	66,079	132,204
<b>Total trade and other payables</b>	<b>997,563</b>	<b>822,451</b>

# Notes to the Financial Statements

For the Year Ended 30 June 2014

The Sax Institute  
ABN 68 095 542 886

## 11 Employee benefits

	2014 \$	2013 \$
<b>Current liabilities</b>		
Annual leave	308,247	243,317
Long-service leave	40,788	35,019
<b>Total current employee benefits</b>	<b>349,035</b>	<b>278,336</b>
<b>Non-current liabilities</b>		
Long-service leave	69,370	52,965

### (a) Movement in employee benefits

	2014 \$	2013 \$
Beginning of the year	331,301	272,014
Current year provision	346,330	269,000
Utilised	(259,226)	(209,713)
<b>End of year</b>	<b>418,405</b>	<b>331,301</b>

## 12 Other liabilities

		2014 \$	2013 \$
<b>CURRENT</b>			
Grants received in advance	(a)	8,215,737	4,960,414
<b>NON-CURRENT</b>			
Grants received in advance	(a)	256,068	200,000

### (a) Grants received in advance

If conditions are attached to the grant that must be satisfied before it is eligible to receive the contribution, the recognition of the grant will be deferred until those conditions are met.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt. Where grant revenue is received for the undertaking of a project or task, it is recognised as income equal to the expenditure incurred on the project or task. In instances where the grant revenue exceeds the cost of the economic value provided, the surplus funds are deferred and guidance is sought from the contributor for the application of the surplus funds.

# Notes to the Financial Statements

For the Year Ended 30 June 2014

The Sax Institute

ABN 68 095 542 886

## 13 Leasing commitments

### Operating leases

	2014 \$	2013 \$
Minimum lease payments under non-cancellable operating leases:		
– not later than one year	320,580	355,792
– between one year and five years	333,403	–
<b>Total</b>	<b>653,983</b>	<b>355,792</b>

The property lease is a non-cancellable lease on a two (2) year term with rent payable monthly in advance. Contingent rental provisions within the lease agreement require that the minimum lease payments shall be increased by 4% per annum. The contingent liabilities are for lease commitments beyond balance date and hence are not reflected in current year financials. The amounts disclosed are rentals for the current office site.

## 14 Financial risks management

The main risks The Sax Institute is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk.

The Company's financial instruments consist mainly of deposits with banks, short-term investments, and accounts receivable and payable.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	2014 \$	2013 \$
<b>Financial assets</b>		
Cash and cash equivalents	5,745,009	2,746,678
Other assets and receivables	2,690,180	3,806,801
Available-for-sale financial assets:		
– at fair value		
– TCorp funds	1,302,968	696,426
Total available-for-sale financial assets	1,302,968	696,426
<b>Total financial assets</b>	<b>9,738,157</b>	<b>7,249,905</b>
<b>Financial liabilities</b>		
Financial liabilities at amortised cost		
– trade and other payables	896,395	518,332
<b>Total financial liabilities</b>	<b>896,395</b>	<b>518,332</b>

# Notes to the Financial Statements

For the Year Ended 30 June 2014

The Sax Institute  
ABN 68 095 542 886

The Company's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets.

The Company does not speculate in financial assets.

The most significant financial risks to which the Company is exposed are described below:

Specific risks

- Interest rate risk
- Credit risk
- Liquidity risk.

The principal categories of financial instrument used by the Company are:

- Trade receivables
- Cash at bank and short-term deposits
- Trade and other payables.

## **Objectives, policies and processes**

Risk management is carried out by the Board of Directors with recommendations from the Audit and Risk Management Committee. The Financial Controller has primary responsibility for the development of relevant policies and procedures to mitigate the risk exposure of the Company. These policies and procedures are then recommended by the Audit and Risk Management Committee and tabled at the Board meeting for their approval.

Recommendations by the Audit and Risk Management Committee are presented at Board meetings regarding the implementation of these policies and any risk exposure which the Committee believes the Board should be aware of.

Specific information regarding the mitigation of each financial risk to which the Company is exposed is provided below.

The Company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, and leases. The main purpose of non-derivative financial instruments is to raise finance for group operations. The Sax Institute does not have any derivative financial instruments at 30 June 2014.

### *Interest rate risk*

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at reporting date, whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments.

The Sax Institute has an investment with TCorp, which is a low-risk, at-call account and is guaranteed by the Government. At 30 June 2014, the Company has no interest-bearing debt.

### *Liquidity risk*

The Company manages liquidity risk by monitoring forecasted cash flows and ensuring that adequate unutilised borrowing facilities are maintained. As at 30 June 2014, the Company has an overdraft of \$Nil (2013: \$Nil).

# Notes to the Financial Statements

For the Year Ended 30 June 2014

The Sax Institute

ABN 68 095 542 886

## 14 Financial risks management continued

### *Credit risk*

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements.

The Company does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the Company.

### Net fair values

Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

### Fair value estimation

Fair values derived may be based on information that is estimated or subject to judgement, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgement and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

## 15 Members' guarantee

The Company is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee.

If the Company is wound up, the constitution states that each Member is required to contribute a maximum of \$10 each towards meeting any outstandings and obligations of the Company. At 30 June 2014 the number of Members was 41 (2013:39).

## 16 Key management personnel disclosures

The total remuneration paid to key management personnel of the Company is \$1,164,286 (2013:\$759,510).

The Directors act in an honorary capacity and do not receive compensation for their services.

## 17 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2014 (30 June 2013:None).

# Notes to the Financial Statements

For the Year Ended 30 June 2014

The Sax Institute  
ABN 68 095 542 886

## 18 Related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

### (a) Transactions with related parties

The following transactions occurred with related parties:

	2014 \$	2013 \$	Balance outstanding	
			Owed by the Company 2014	Owed by the Company 2013
Key management personnel				
Donation made to the Company	50,000	50,000		
Mr C Maitland – consulting services	–	50,621	–	28,621
Dr Fiona Blyth – services from related company	–	5,362	–	–

## 19 Cash flow information

### (a) Reconciliation of cash

	2014 \$	2013 \$
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:		
Cash and cash equivalents	5,745,009	2,746,678

# Notes to the Financial Statements

For the Year Ended 30 June 2014

The Sax Institute

ABN 68 095 542 886

## 19 Cash flow information continued

### (b) Reconciliation of result for the year to cash flows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2014 \$	2013 \$
Profit (loss) for the year	(318,677)	(334,819)
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
– depreciation	377,414	473,985
– net (gain) loss on disposal of property, plant and equipment	3,610	796
– unrealised (gains)/losses on fair value through profit and loss financial assets	1,766	(1,589)
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
– (increase)/decrease in trade and other receivables	1,312,103	(1,999,622)
– (increase)/decrease in other assets	(148,671)	1,292
– increase/(decrease) in trade and other payables	175,113	2,563,573
– increase in other liabilities	3,311,391	–
– increase/(decrease) in employee benefits	87,104	59,287
<b>Cash flow from operations</b>	<b>4,801,153</b>	<b>762,903</b>

## 20 Events occurring after the reporting date

The financial report was authorised for issue on 11 September 2014 by the Board of Directors.

No matters or circumstances have arisen since the end of the financial year which have significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

## 21 Economic dependence

The Sax Institute is dependent on the NSW Ministry of Health (the 'Ministry') for the majority of its revenue to fund corporate costs. The Ministry provides the majority of the funding to the Institute. All the funding is provided on a cash basis quarterly. It is anticipated that adequate funding will be provided to enable the Company to pay its debts when they fall due. Funding agreements for approximately \$1.8 million per annum have been signed and will be in effect from 1 July 2013 to 30 June 2018.

# Directors' Declaration

The Sax Institute  
ABN 68 095 542 886

The Directors of the Company declare that:

1. The Financial Statements and notes, as set out on pages 40 to 60, are in accordance with the *Corporations Act 2001* and:
  - a. comply with Accounting Standards – Reduced Disclosure Requirements; and
  - b. give a true and fair view of the financial position as at 30 June 2014 and of the performance for the year ended on that date of the Company.
2. In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



**Dr Irene Moss**

Chair of Board of Directors

Dated in Sydney, this 9th day of October 2014

# Independent Audit Report to the Members of The Sax Institute

The Sax Institute  
ABN 68 095 542 886



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**The Sax Institute**  
ABN 68 095 542 886

## Independent Audit Report to the members of The Sax Institute

### Report on the Financial Report

We have audited the accompanying financial report of The Sax Institute (the Company), which comprises the statement of financial position as at 30 June 2014, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Directors' declaration.

### Directors' Responsibility for the Financial Report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the Corporations Act 2001, and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

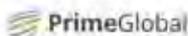
Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements, and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the Directors of The Sax Institute, would be in the same terms if given to the Directors as at the time of this auditor's report.



# Independent Audit Report to the Members of The Sax Institute

The Sax Institute  
ABN 68 095 542 886



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**The Sax Institute**  
ABN 68 095 542 886

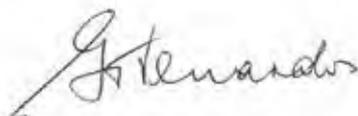
## Independent Audit Report to the members of The Sax Institute

### Opinion

In our opinion the financial report of The Sax Institute is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Company's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

Econ Audit and Assurance Services Pty Ltd  
Chartered Accountants



George Venardos  
Director

Sydney

Dated in Sydney, this 9<sup>th</sup> day of October 2014

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# The Sax Institute

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