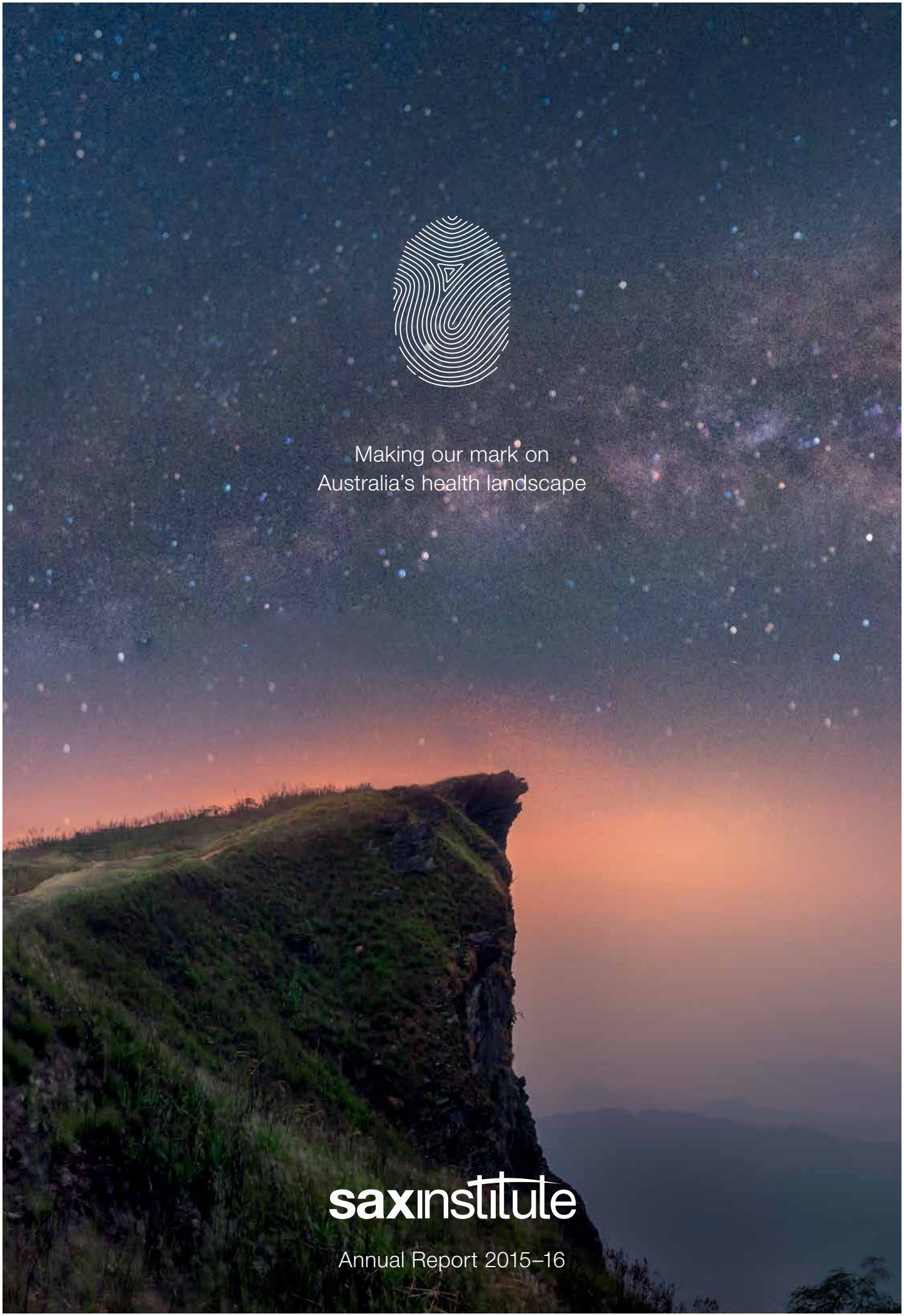
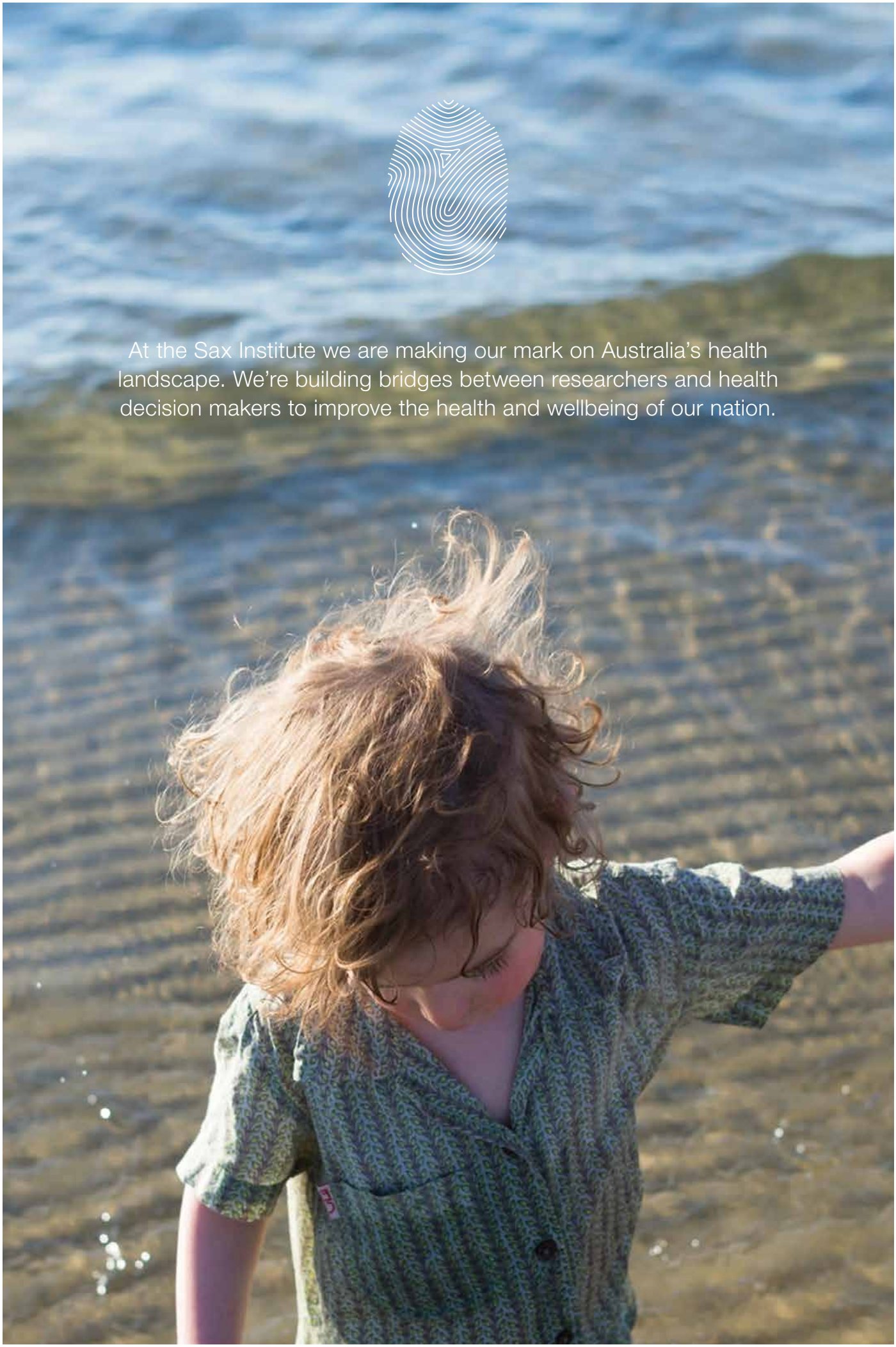


Making our mark on
Australia's health landscape

saxinstitute

Annual Report 2015–16



At the Sax Institute we are making our mark on Australia's health landscape. We're building bridges between researchers and health decision makers to improve the health and wellbeing of our nation.

CONTENTS

Highlights 2015–16

We held our inaugural **Research Action Awards** to celebrate research that has made a significant impact on health policy, programs or service delivery

We worked with **77 policy and program agencies** on diverse projects ranging from older people's use of the health system to liquor licensing policy

We can now point to more than **100 verified examples of our work** being used in policy, programs or service delivery over the past eight years

The number of researchers using our 45 and Up Study to conduct policy-relevant research **jumped to 650 and 28 policy agencies** have now used the Study to guide health system decisions

The number of data custodians using our Secure Unified Research Environment (SURE) **increased by 67%** and the number of research institutions involved **increased by 62%. More than 200 researchers** have now used SURE to carry out sensitive research securely and **60 linked data research projects** are currently underway

An evaluation of the Institute found that **100% of policy makers** surveyed believe we are useful in helping them use data and evidence from research, and in helping them work with researchers

The amount of research funding we have leveraged for NSW in the past five years hit **$71 million**

We strengthened our **international partnerships**, establishing staff exchanges and collaborations with Canada's McMaster University and AcademyHealth in the United States. We also attended the first Forum for Health Policy and Systems Learning, an initiative of the World Health Organization and the Alliance for Health Policy and Systems Research

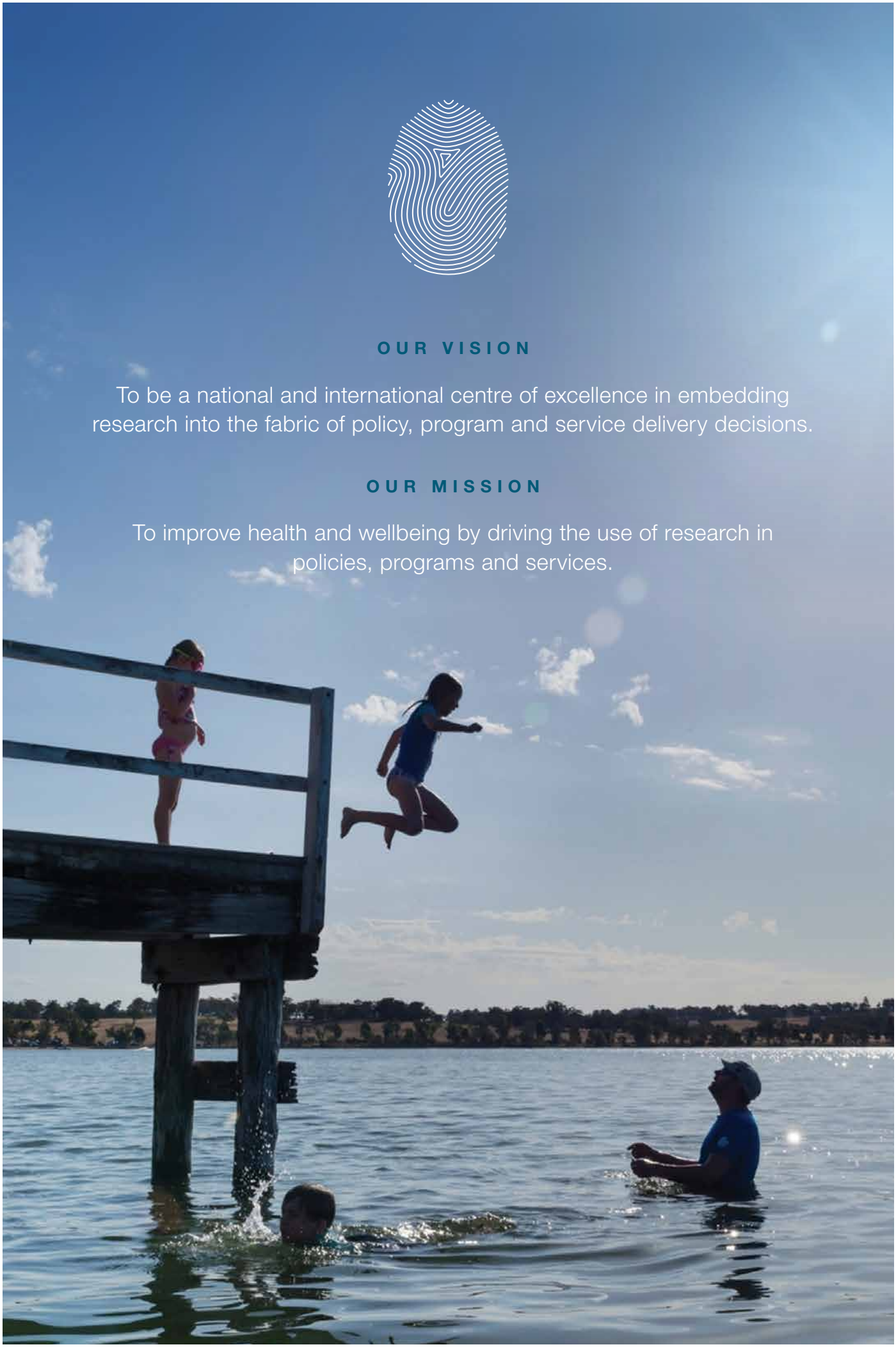
We launched **Research Checkup** – an innovative new service to help decision makers diagnose how they use evidence from research in their work

We launched **Evaluate** – a new program of work built around conducting independent, evidence-based evaluations and focused on exploring how **innovative ideas** can be adapted and applied

We welcomed our first member from **Western Australia** – the University of Western Australia's School of Population Health

We welcomed NSW Health Minister **The Hon. Jillian Skinner MP** to open two major events – our annual **45 and Up Study scientific meeting and the 2015 Research Translation Symposium,** which we held in conjunction with the National Health and Medical Research Council

We provided blood samples from 45 and Up Study participants to the NSW Government-funded Medical Genome Reference Bank based at the **Garvan Institute** to help drive cutting-edge **genetic research** into the causes of conditions like heart disease and cancer



OUR VISION

To be a national and international centre of excellence in embedding research into the fabric of policy, program and service delivery decisions.

OUR MISSION

To improve health and wellbeing by driving the use of research in policies, programs and services.

OUR VALUES

We have:

Impact
We are invested in helping our partners solve problems and find solutions

Integrity
We're genuinely committed to doing things well and doing things right.

We are:

In touch
We can forge partnerships and bring people together because our expertise in both research and decision making means we understand what they need

Innovative
Our leading research assets and our commitment to new ways of working lay the groundwork for ideas that break through and lead to change

Independent
We have strong connections to both the policy world and our research organisation members but we value our neutrality.

"No other organisations do what they do"

Stakeholder evaluation feedback

WHY WE'RE DIFFERENT

The Sax Institute is a unique organisation that helps decision makers find and make best use of research to solve real-world health and social problems.

We occupy a territory held by very few other organisations in the world, operating as independent, trusted brokers between research and policy, with a deep understanding of both fields.

We are recognised nationally and internationally for this work.

WHAT WE DO

We believe more research should have a real-world impact

The way we do business and the tools we have developed are designed with one goal in mind: to bridge the gap between research and decision making.

Bridging this gap will bring many benefits:

- Ensuring we research what matters most to our society
- Making the billions invested in health research work harder for communities by helping build better systems for health and social wellbeing
- Bringing the best minds together from the research and policy fields to meet Australia's most pressing challenges.

We are an Australian leader in connecting decision makers and researchers

With 46 research group and university members, we are a gateway to the best research expertise. But our independence allows us to connect decision makers with the right research, regardless of where it is located.

Our track record of working with government and non-government agencies means we understand and are responsive to policy and program needs. In working with more than 70 agencies across Australia, we draw on our internal policy credentials, including a governance board with strong public sector expertise.

We drive innovative thinking about collaborative ways to tackle wicked policy problems

Wicked policy problems are complex problems that resist solutions. We are adept at fast-tracking collaborations to tackle these problems. We also leverage our large-scale research assets to help remove long-standing barriers to using research for problem solving.

Message from the Chair

"The purpose of life is to contribute in some way to making things better"

Robert F. Kennedy

How much of what we already know informs what we do in practice? How much of the knowledge we create from research is wasted? And how often do we try new things without learning the lessons of others who have gone before us?

The answers to these questions are succinct: not enough; too much; and too often.

But the reasons behind them are far more complex.

There are many barriers to getting the best value from what is known from research. It can be difficult for decision makers to find and use research when they need it. Research often doesn't address the 'messy' policy questions that decision makers need to answer. And often, research and policy timeframes are not aligned.

Overcoming these barriers is at the core of the Sax Institute's work. It is a challenging and worthwhile space to operate in, and one that does indeed contribute to "making things better" – to borrow Robert F. Kennedy's words.

There were many examples of impact from our work in 2015–16. These include the growing use and value of our internationally recognised knowledge exchange services, the $71 million in research funding we have leveraged for NSW in the past five years, and the increase in timely, policy-relevant research made possible by our research assets, the 45 and Up Study and the Secure Unified Research Environment. The number of researchers who have used these research assets has now reached more than 850, and we have continued to expand our relationships with policy and program agencies across NSW and nationally, having worked with more than 70 agencies in the past year.

During the year, the Institute established an Evaluation Framework to gather information about our impact. Key stakeholder interviews and online surveys were conducted to evaluate our organisation, its products and services. The results strongly endorsed our approach.

All of the policy makers we surveyed said we were useful in helping them use data and evidence from research and in helping them work with researchers. And 87% of researchers we surveyed said we were useful in helping them work with policy, program or service delivery agencies.

Our stakeholders also agree that we are delivering on our mission: 94% of those surveyed said we were making a contribution to more evidence-informed policies, programs or services, and 92% said we were contributing to social, health or economic benefits.

There were many positive comments about our approach and our programs, including this one about CIPHER, our Centre for Informing Policy in Health with Evidence from Research:

"It changed how people thought about evidence, finding it, analysing it and applying it."

And this, about our overall value:

"[The Sax Institute] is a very valuable asset that needs to be future proofed. Wonderfully collegial, delightful to work with, you feel it is a genuine partnership ... the Board should be proud."

The Board is indeed proud that the Institute has continued to expand and succeed while remaining loyal to the values and the collegiate approach it has espoused from day one. Its focus on impact and staying in touch with the needs of its stakeholders, its commitment to innovation and its independence and integrity all contribute significantly to the esteem in which the organisation is held.

I would like to thank our Board of Directors, which continued to expertly guide the Institute in its endeavours during 2015–16. We were sorry to see Professor Rosalie Viney depart the Board during the year. We have greatly valued her contribution and wish her well. I would also like to note the longstanding contribution of Mr Cameron Johnstone, who this year departed our Audit and Risk Management Committee after six years of service, and who has been associated with the Institute since 2003. Our Company Secretary and Head of Corporate Services and Finance, Ms Marianne Karam, also left the Institute after 10 years. We are grateful for the dedicated service she gave to the Institute over that period and wish her the very best in her future endeavours.

The tireless commitment and limitless energy and creativity of our Chief Executive Officer Professor Sally Redman AO and her team of dedicated staff are at the heart of the many impressive achievements outlined in this report.

The past year has been a productive one that has positioned us for future growth and success. We have much to look forward to as we continue our efforts to support wiser decisions that will improve the health and social wellbeing of Australians.

Irene Moss AO
Chair

Board, governance & structure

OUR BOARD

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.

Professor Lesley Barclay AO 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 an Emeritus Professor, School of Medicine, The University of Sydney, regular assessor for the National Health and Medical Research Council and Australian Research Council and is a leader in the National Rural Health Alliance.

Professor Julie Byles is Director of the Research Centre for Generational Health and Ageing at the University of Newcastle and a founding investigator and Director of the Australian Longitudinal Study on Women's Health. She heads the International Longevity Centre – Australia, is Secretary to the International Association of Gerontology Asia/Oceania region, leads the WHO Collaborating Centre for International Longitudinal Studies of Gender Ageing and Health, and advises the WHO on ageing.

Dr Kerry Chant PSM is NSW Chief Health Officer and Deputy Secretary of the Population and Public Health Division, NSW Ministry of Health. The Division has accountabilities for a broad portfolio of issues, including tobacco control, reduction of risky drinking and obesity, the promotion of physical activity, end-of-life care, and organ donation. Dr Chant has a particular interest in the response to HIV, hepatitis C and hepatitis B and Aboriginal health.

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.

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.

Mr Michael Lambert is a former secretary of NSW Treasury and investment banker and has extensive experience as an independent company director. He has strong knowledge and experience of the public sector and the health sector.

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 United States 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 and in the interface between research, policy and practice. Previously, Professor Redman was the inaugural Director of the National Breast Cancer Centre.

Professor Peter Smith has held senior academic and clinical leadership positions in Sydney, Brisbane, Melbourne and Auckland. He is the former Dean of the Faculty of Medicine at UNSW Australia, is currently a Non-Executive Director of St Vincent's Health Australia, and chairs the St Vincent's Board Safety and Quality Committee. He is a consultant with IntegenX, California and the Association of Academic Health Centers International, Washington, DC.

Laureate 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, Foreign Guest Professor at the Karolinska Institute, Sweden, and editor of the *Medical Journal of Australia.*

Professor Rosalie Viney (until February 2016) 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.

GOVERNANCE AND STRUCTURE

Our objectives

We have five objectives that guide our work:

- To build and maintain sustainable research assets
- To drive research that contributes to policy
- To give decision makers ready access to research
- To lead international best practice in knowledge exchange
- To maintain and strengthen a sustainable and effective organisation.

Governance

Our Board is chaired by Dr Irene Moss AO, who is nationally recognised for her expertise in public sector governance, and includes other Directors with extensive experience in public sector governance and probity. This expertise is well suited to our need to work effectively across both the policy and research sectors.

Our Board also includes senior university and policy representatives who guide the Institute's ability to deliver on its mission. It operates according to the Board Charter (available at www.saxinstitute.org.au), is able to seek independent advice, observes a conflict of interest policy, and reports to the members in the form required by the Corporations Act 2001.

Board membership comprises between nine and 13 directors (including an independent chair), three directors elected by our research centre members, a nominee from 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).

Governance committees

The Board has two committees, the charters of which are available at www.saxinstitute.org.au.

The Audit and Risk Management Committee

The Audit and Risk Management Committee is chaired by Board Director Mr Michael Lambert and includes Board Directors Mr Chris Paxton and Dr George Jessup, and Mr Cameron Johnstone (until March 2016), Managing Partner at Weston Woodley & Robertson Chartered Accountants. 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

The Research Governance Committee is chaired by Board Director Professor Peter Smith and includes Board Chair Dr Irene Moss AO and Professor Judith Whitworth AC. 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 Professor Fiona Blyth, and the Designated Person for receiving complaints or allegations of misconduct and establishing any initial investigations is Mr Bob Wells. Ms Amanda Dominello is the Research Administration Officer. Our organisational policies on the responsible conduct of research are available at www.saxinstitute.org.au. Our Company Secretary is Mr Norman Pack.

The Clinical Excellence Commission's Dr Karen Luxford presents her perspective as a panellist at our HARC forum on accreditation

Professor Sally Green, from Cochrane Australia, addresses the Research Translation Symposium on her work as part of our CIPHER Centre of Research Excellence

Bureau of Health Information CEO Dr Jean-Frederic Levesque leads a HARC discussion on evaluating integrated care strategies

Our funding

The Institute is a company limited by guarantee. We receive funding from the NSW Ministry of Health through a funding and performance agreement. We also receive funding for our research assets, programs and services from a wide range of government, non-government, philanthropic and competitive research funding agencies. We could not carry out our work without funding from our key partners, who we gratefully acknowledge on pages 12 and 13.

Our members

During the year, we welcomed the School of Population Health, University of Western Australia, as our newest member. Our members continued to provide a breadth of expertise to our programs and services. Many researchers from our member organisations used our research assets and provided reviews and other services through our Knowledge Exchange division.

For our full list of members, see page 38.

"Wonderfully collegial, delightful to work with, you feel it is a genuine partnership"

Stakeholder evaluation feedback

Who we work with

The Institute is privileged to work with policy, program and service delivery agencies, health and medical societies, not-for-profits and research funders in many different capacities. In 2015–16 these organisations included:

The NSW Ministry of Health

- Office for Health and Medical Research

Population and Public Health Division

- Centre for Aboriginal Health
- Centre for Epidemiology and Evidence
- Centre for Population Health

Strategy and Resources Division

- Government Relations
- Mental Health and Drug and Alcohol Office

Governance, Workforce and Corporate Division

- Nursing and Midwifery Office
- Workforce, Planning and Development

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

- NSW Health Pathology
- Sydney Children's Hospitals Network
- NSW Office of Preventive Health

Local Health Districts:

- South Western Sydney
- Hunter New England
- Mid North Coast
- Central Coast
- Northern Sydney
- Nepean Blue Mountains
- Western Sydney
- South Eastern Sydney
- Sydney
- Western NSW

Other NSW Government agencies

- NSW Department of Family and Community Services
- NSW Department of Planning and Environment
- NSW Treasury
- NSW Department of Premier and Cabinet

National government bodies

- Australian Government Department of Defence
- Australian Government Department of Health
- Australian Government Department of Human Services
- Australian Government Department of Social Services
- Australian Government Department of Veterans' Affairs
- Australian Institute of Health and Welfare
- Cancer Australia
- National Collaborative Research Infrastructure Strategy through the Australian Government Department of Education
- National Health and Medical Research Council
- National Mental Health Commission
- Therapeutic Goods Administration

State and territory government bodies

- ACT Health
- Department of Health and Human Services, Tasmania
- Department of Health and Human Services, Victoria
- Queensland Health
- Northern Territory Government Department of Health
- SA Health
- WA Health

Other state and national bodies

- Australian and New Zealand Intensive Care Society
- Australian Commission on Safety and Quality in Health Care
- Aboriginal Health & Medical Research Council
- Australian Primary Health Care Research Institute
- Australian Red Cross Blood Service
- *beyondblue*
- Bupa Health Foundation
- Cancer Council NSW
- Cancer Council Victoria
- CanTeen
- Capital Markets Co-operative Research Centre
- Financial Markets Foundation for Children
- Healthdirect
- HCF and the HCF Research Foundation
- Intersect
- Mental Health Commission of NSW
- Movember Foundation
- National Breast Cancer Foundation
- National Health Performance Authority
- National Heart Foundation of Australia (National and NSW Division)
- NPS Medicinewise
- Population Health Research Network
- Prostate Cancer Foundation of Australia

Aboriginal community controlled health services

- Tharawal Aboriginal Corporation
- Awabakal Ltd
- Aboriginal Medical Service Western Sydney
- Riverina Medical and Dental Aboriginal Corporation

Impact: Chapter 1

Changing health systems, improving health

According to the World Health Organization, a health system "consists of all organisations, people and actions whose primary intent is to promote, restore or maintain health".[1]

"A health system is therefore more than the pyramid of publicly owned facilities that deliver personal health services," it says. "It includes, for example, a mother caring for a sick child at home; private providers; behaviour change programmes; vector-control campaigns; health insurance organisations; occupational health and safety legislation. It includes inter-sectoral action by health staff, for example, encouraging the ministry of education to promote female education, a well-known determinant of better health."

The Sax Institute's work not only recognises this web of interconnections, it is custom built for them. We understand that those who design and deliver health systems and programs have many competing considerations and work in complex, high-pressure, publicly visible environments.

To that end, we have developed purpose-built tools, ways of working and an integrated suite of programs designed to help decision makers access high-quality evidence quickly and cost effectively. By doing this, we are helping create the foundations for better health systems and, by extension, better health outcomes for Australians.

1. Everybody's business. Strengthening health systems to improve health outcomes: WHO's framework for action. WHO. 2007.

Changing health systems, improving health 2015–16

Knowledge exchange

Our integrated approach helps decision makers at each stage of policy, program and service development: horizon scanning and agenda setting; understanding health and service needs; designing and delivering programs, policies and services; and testing their impact. It also creates strong foundations by developing the capacity to use research, building the capacity to produce research that is policy-relevant, and creating and managing strong data resources.

Over 13 years, we have developed a detailed understanding of decision makers' needs and the way they use research in their work. And we have made a significant contribution to leading international thought in the knowledge exchange field. We have published numerous papers over the past decade, with two in Altmetric's top 5% in the past year.

Evidence Check: Timely access to the best available evidence helps policy and program agencies define their needs and design solutions. A flagship program is our internationally recognised Evidence Check, which is increasingly being used by agencies to access high-quality rapid reviews of existing evidence on specific policy questions. We know that our unique approach to using knowledge brokers significantly increases the usefulness of our reviews and that most are used by the agencies who commission them.

In 2015–16 we conducted our 210th Evidence Check Review and began new work with a range of agencies, including the Heart Foundation, NSW Department of Premier and Cabinet, NSW Treasury, NSW Department of Family and Community Services and ACT Health. The program has produced evidence reviews on a diverse range of issues, from using telephone coaching to change health behaviours, to patient experiences in Australian hospitals.

Research Checkup: During the year we also launched Research Checkup, an innovative new service that helps decision makers diagnose how they use evidence from research in their work. We know this service can make a real difference in building the capacity of policy and program agencies to use research because we have tested our approach through the Centre for Informing Policy in Health with Evidence from Research (CIPHER).

> "It changed how people thought about evidence, finding it, analysing it and applying it"
>
> **Stakeholder evaluation feedback**

This is the only service we know of in Australia that helps policy makers forensically examine their research use. Research Checkup measures the systems that policy and program agencies have in place to find and use research, the ways that their staff use research and how they incorporate research into their work. It then provides this information back to them, helping them evaluate their 'research health' and identifying what they might best do to support and encourage their staff to use evidence. In 2015–16, we partnered with three agencies on Research Checkup.

HARC: Effective exchange between researchers and policy agencies promotes better understanding of current research, identifies key research questions and identifies new issues on the horizon. The Hospital Alliance for Research Collaboration (HARC), which we run in partnership with the Agency for Clinical Innovation, Clinical Excellence Commission, Bureau of Health Information, Cancer Institute NSW and the NSW Office of Kids and Families, hosted a series of forums in 2015–16 featuring international experts. Leading health system experts from the UK, US and Canada shared their thoughts on hot-button issues such as patient-centred medical homes, the value of accreditation, and health systems performance, and our audiences discussed these issues in the local context.

92%

of stakeholders surveyed feel the Sax Institute is contributing to social, health or economic benefits

22

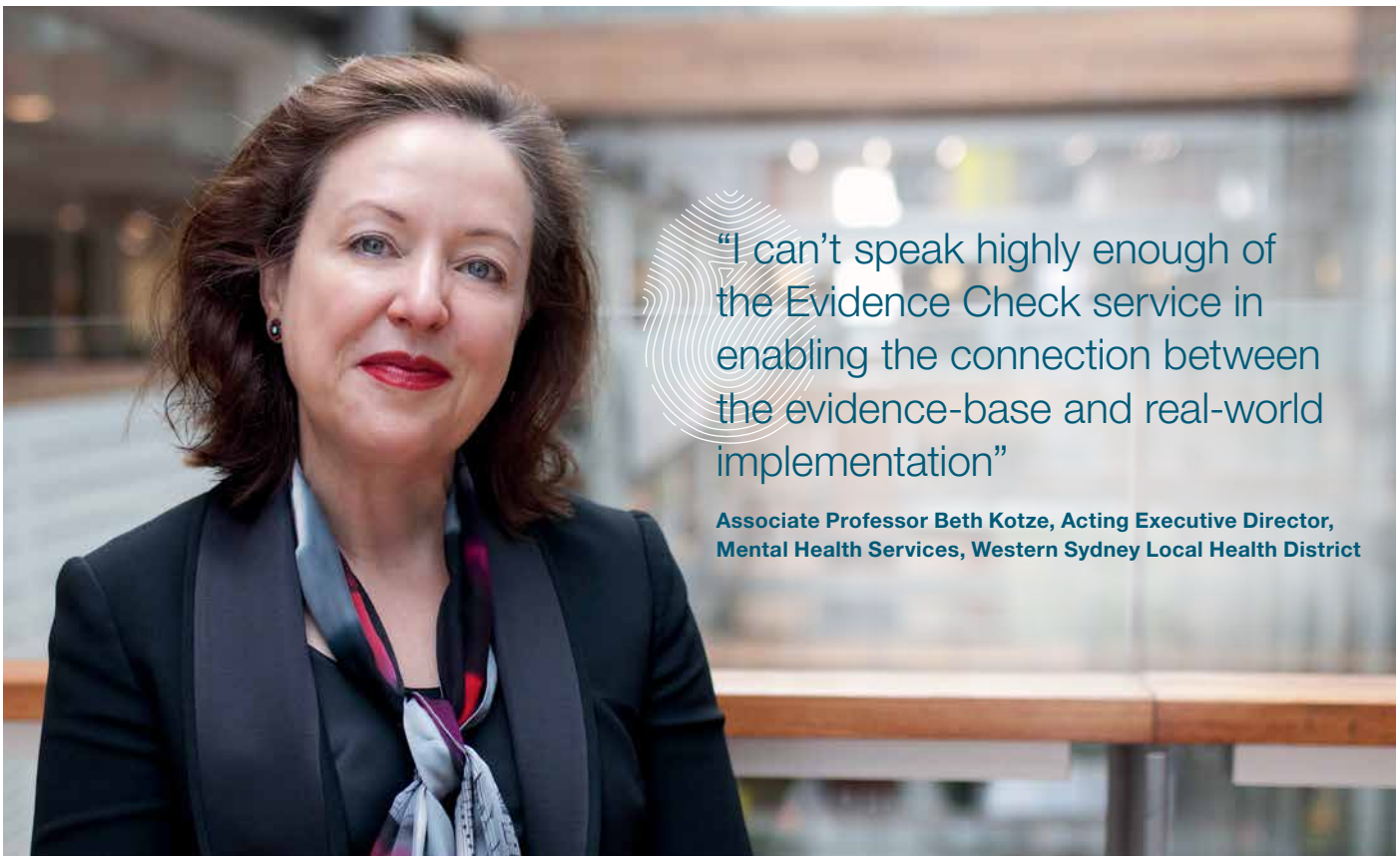
HARC scholarships have now been awarded to budding future healthcare leaders

Analysis for Policy

Health decision makers need to be able to find and use big data to inform their understanding of health needs and service and program impact. Our Analysis for Policy program helps policy makers make best use of valuable datasets such as the 45 and Up Study.

Many agencies are now using Analysis for Policy, including in 2015–16 the Therapeutic Goods Administration, the Central Coast Public Health Unit, Cancer Council NSW, the Agency for Clinical Innovation and the NSW Ministry of Health.

On page 19 we outline our contribution to the NSW Agency for Clinical Innovation's efforts to better integrate care for older patients with complex needs.



"I can't speak highly enough of the Evidence Check service in enabling the connection between the evidence-base and real-world implementation"

Associate Professor Beth Kotze, Acting Executive Director, Mental Health Services, Western Sydney Local Health District

Evaluate

The importance of understanding what works – and what doesn't – to improve healthcare outcomes is becoming an increasingly important priority for governments eager to invest wisely and ensure they deliver the best value care in a climate of fiscal constraint.

However, evaluating policies, programs and services can often be complex and may require not only information about whether an intervention works, but the circumstances under which it was successful (or unsuccessful) and how to scale up an innovation for greatest impact.

For some time, we have offered the Evaluation Make service, which provides independent advice on putting evaluations in place. In 2015–16 we strengthened our approach and launched Evaluate, which offers independent evaluations of policies, services and programs using a best-practice approach. During the year, we began new evaluation work with a number of agencies, including Cancer Australia, the Cancer Institute NSW, and the NSW Nursing and Midwifery Office.

Mr Martin Bowles PSM, Secretary, Department of Health, delivering a keynote speech at the 2015 Research Translation Symposium we held in conjunction with the NHMRC

Professor Mary Foley AM, then NSW Director General of Health, addressing our 2015 Research Action Awards

A story of impact:

Putting evidence at the centre of liquor licensing decisions

"We wanted to make it easy for local health districts to cite evidence … this Evidence Check review will have broad reach"

Dr Jo Mitchell, Centre for Population Health, NSW Ministry of Health

The question of how to deal with alcohol-related violence, particularly around licensed venues, is increasingly grabbing headlines and is a growing source of community debate and concern.

Over-consumption of alcohol causes – or contributes to – a wide range of harms: accidents, violence, crime, disease, family breakdown and broader social dysfunction to name a few.

As a result of the increased focus on these harms, NSW local health districts (LHDs) are being called on more often to help their communities make the right decisions about when to grant new liquor licence applications.

But they need good evidence to underpin their advice. And thanks to a major Evidence Check review brokered by the Institute, this evidence will soon be available for use in every LHD across the state.

"We wanted to make it easy for LHDs and others to cite evidence," says Dr Jo Mitchell, Executive Director of the Ministry of Health's Centre for Population Health, which commissioned the Institute to produce the review.

"This will be a tool for our workforce to manage through the process around reducing alcohol-related harm."

The Evidence Check review will form part of a new support module, which Dr Mitchell says will give LHDs guidance on how to respond to a liquor licence application for activities such as opening a new bar, changing a hotel's trading hours or introducing a new restaurant liquor licence in their area.

The review examined 191 studies published over the past decade, and found there was sufficient evidence to support restrictions on late trading hours for bars and pubs as a key approach to reducing late-night violence in Australia.

It also found strong Australian evidence that increased alcohol outlet density was associated with increased rates of assault and family violence. But there was little evidence evaluating the impact of restrictions on the number or density of alcohol outlets, or of the impact of restrictions on trading hours for packaged alcohol.

The Ministry plans to disseminate the review to a wide range of other agencies and groups involved in addressing alcohol-related harm.

"It will go to as many different groups as we can get it to – all the LHDs, drug and alcohol services, health promotion service, any of the collaborations working within this area, as well as the Community Drug Action Teams," Dr Mitchell says.

"This will have broad reach."

A story of impact:

Informing integrated care for older people

"We would not have been able to get the information provided by the 45 and Up Study in any other way"

Mr Glen Pang, ACI Aged Health Network Manager

It's easy to understand why health system silos aren't good for patient care, but much harder to develop linked up, integrated systems. For older people, especially those with conditions such as dementia or delirium, healthcare silos make navigating the system particularly challenging.

Improving the integration of care for older people with complex needs is a key focus for the NSW Agency for Clinical Innovation (ACI). While understanding how to better integrate care is a challenge, the ACI is addressing this in a number of ways, including making use of research data.

In Australia, we lack the integrated datasets that make it possible to understand the needs and health service use of older people with complex needs. The 45 and Up Study can answer questions about integrated care in chronic disease because it is able to connect information provided by patients with administrative information about their hospital and general practice use.

The Study's capacity to provide this integrated data has helped the ACI to better understand the types of services older patients use and how they use them.

"The 45 and Up Study has been important in helping us shape the development of our Building Partnerships Framework, which supports local health districts and other key local agencies to design and implement new integrated models of care for older people in a way that focuses on local decision making and community partnerships," says ACI Aged Health Network Manager Mr Glen Pang.

"We would not have been able to get the information provided by the Study in any other way. Its findings have highlighted that we really do need to focus on how we deliver integrated care in the community."

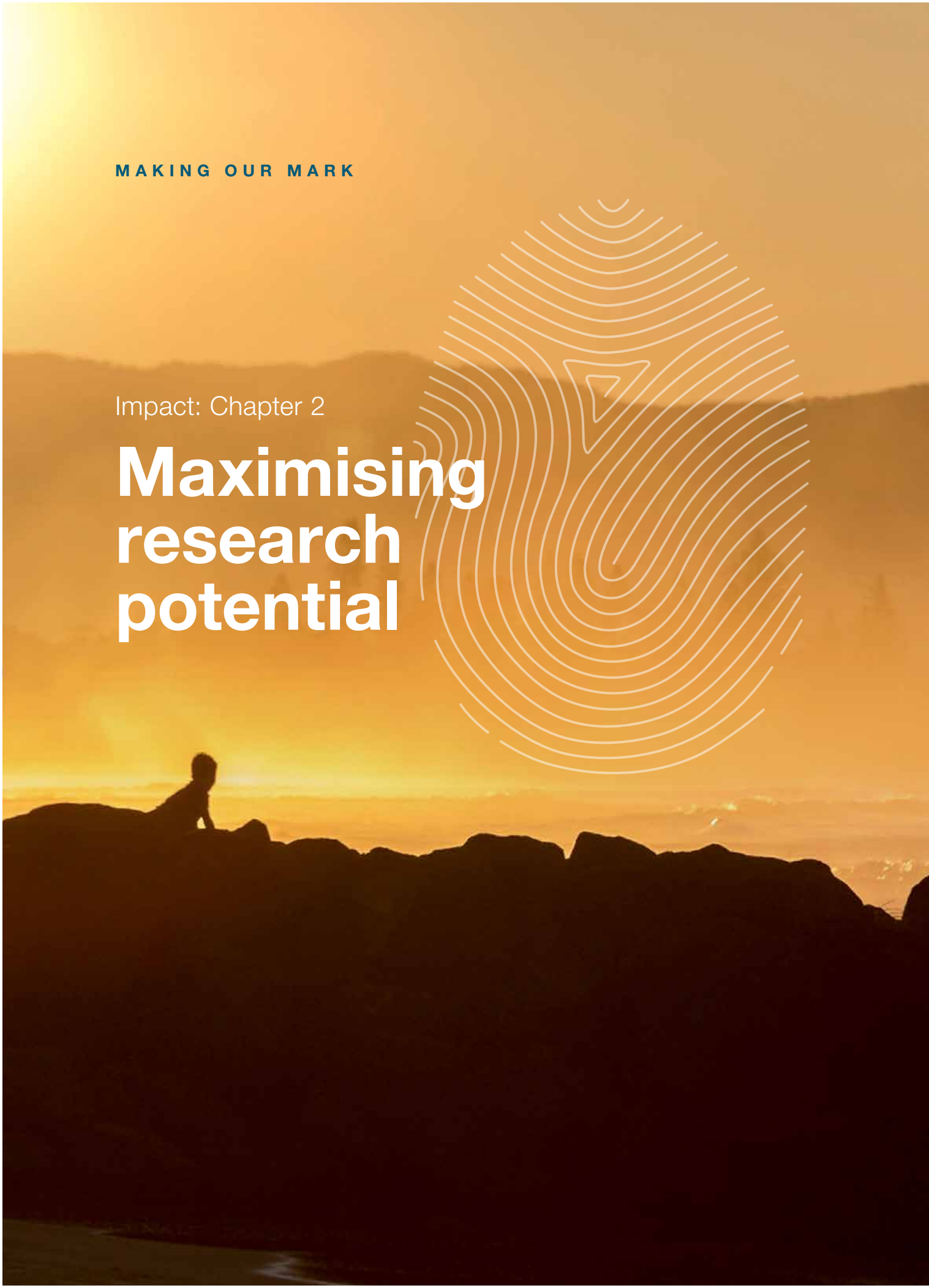
An analysis of the Study's data, conducted for the ACI through our Analysis for Policy program, has shown that older patients with complex needs have higher use of hospital services and specialist care than those without complex needs. But they don't show higher use of primary care.

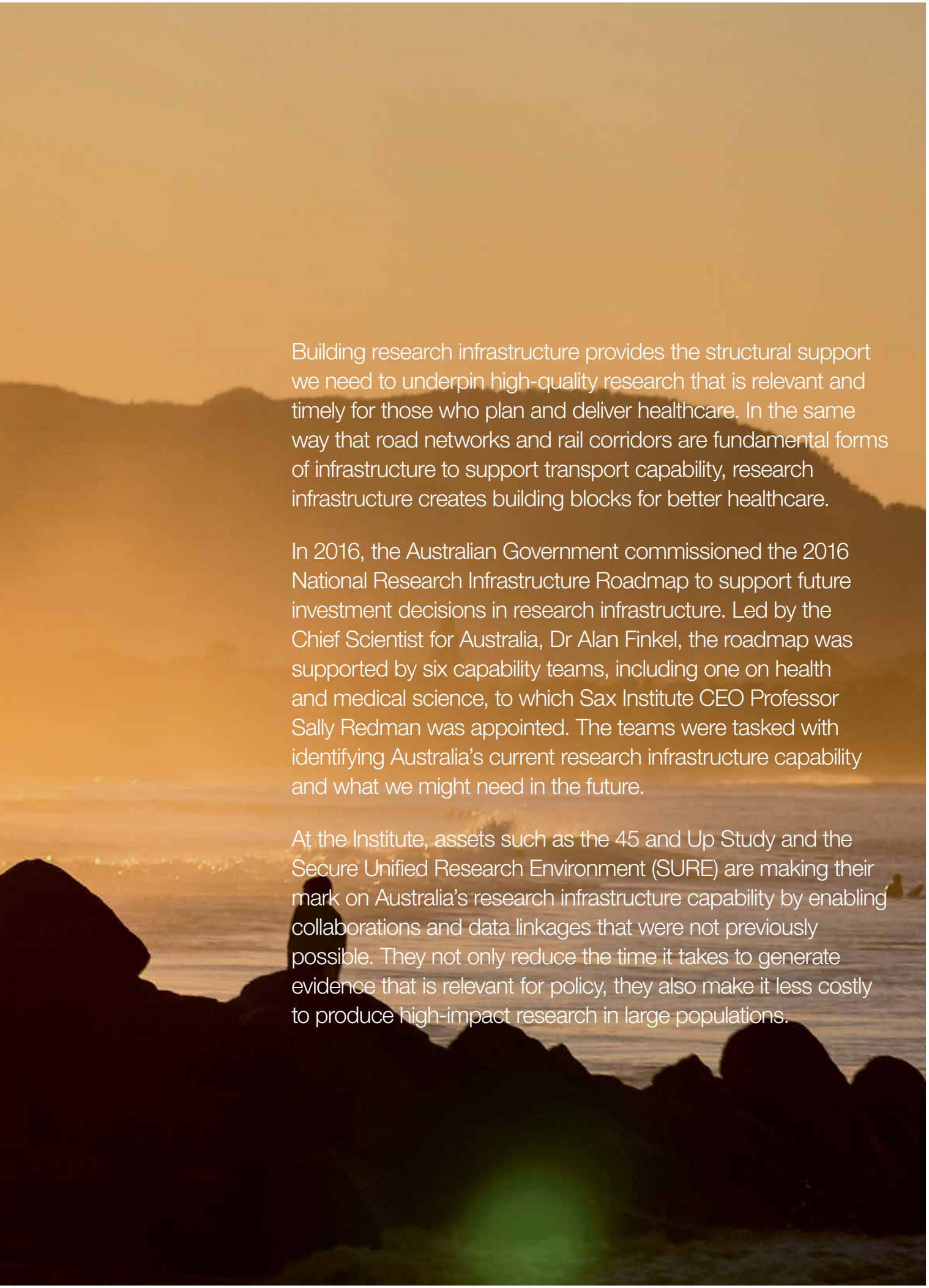
These findings highlighted the potential to better integrate care by strengthening the role of general practice and have demonstrated the key role played by specialist doctors in managing patients with complex disease.

"Effective healthcare for older people with complex health needs, their carers and families, requires a diverse range of healthcare professionals working together, and services must be co-ordinated through a shared plan with joint accountability," Mr Pang says.

Impact: Chapter 2

Maximising research potential





Building research infrastructure provides the structural support we need to underpin high-quality research that is relevant and timely for those who plan and deliver healthcare. In the same way that road networks and rail corridors are fundamental forms of infrastructure to support transport capability, research infrastructure creates building blocks for better healthcare.

In 2016, the Australian Government commissioned the 2016 National Research Infrastructure Roadmap to support future investment decisions in research infrastructure. Led by the Chief Scientist for Australia, Dr Alan Finkel, the roadmap was supported by six capability teams, including one on health and medical science, to which Sax Institute CEO Professor Sally Redman was appointed. The teams were tasked with identifying Australia's current research infrastructure capability and what we might need in the future.

At the Institute, assets such as the 45 and Up Study and the Secure Unified Research Environment (SURE) are making their mark on Australia's research infrastructure capability by enabling collaborations and data linkages that were not previously possible. They not only reduce the time it takes to generate evidence that is relevant for policy, they also make it less costly to produce high-impact research in large populations.

Maximising research potential in 2015–16

The 45 and Up Study

A recent paper published in *Australian Health Review* by researchers from the University of Melbourne[1] showed that NSW and Western Australia are "clear stand-out performers" in terms of linking administrative hospital data with other data – an activity that has significant potential to improve health policy in a cost effective way. It found a marked rise in research publications from NSW using linked administrative hospital data not matched by any other Australian state, and said this appeared to have been driven by both the 45 and Up Study and the NSW Perinatal Data Collection.

More than 650 researchers have now used data from the 45 and Up Study's 260,000 participants to investigate a wide range of pressing issues including the burden of chronic diseases such as diabetes, cardiovascular disease and cancer. There have been 191 publications from their work in peer reviewed scientific journals. And the value of grants awarded to researchers to carry out work using the Study's data has risen to $31 million.

The 45 and Up Study has proven its worth as a major national research tool that is also being used by health decision makers. The number of policy agencies using the Study has risen to 28 and they are using it to better understand how Australians are ageing, how they're using health services, how to prevent and manage ill health and disability, and how this can guide decisions about the health system.

The ongoing nature of the Study and its links to other health data such as Medicare and pharmaceutical records is making it easier for policy makers to better use information from individuals to improve the health of whole populations.

The 45 and Up Study is managed in conjunction with major partner Cancer Council NSW and partners: the National Heart Foundation of Australia (NSW Division); NSW Ministry of Health; NSW Government Family and Community Services – Ageing, Carers and the Disability Council NSW and the Australian Red Cross Blood Service.

Ms Kerry Doyle PSM, CEO of key 45 and Up Study partner the National Heart Foundation of Australia (NSW Division) joins colleagues at our popular event on big data potential

Professor Henry Brodaty AO, from UNSW's Centre for Healthy Brain Ageing, was among the leading researchers who participated in our 2015 45 and Up Study meeting

JUNE

An innovative data linkage project began to investigate linkages between 45 and Up Study participants' health and lifestyles with Australian Red Cross Blood Service data on its blood donors. This Australian-first research aims to determine if donating blood regularly has any positive or negative effects on people's health. It will look at the impact on diseases like cancer and cardiovascular disease, as well as people's use of health services and their life expectancy.

AUGUST

A study team of 20 specialists from institutions around Australia, including Sax institute CEO Professor Sally Redman, and led by UNSW Australia Scientia Professor Henry Brodaty (pictured above), was awarded a $6.5 million NHMRC grant to conduct a world-first trial into modifiable risk factors for dementia. The project will use data from 45 and Up Study participants to investigate whether an internet coaching tool can reduce the risk of developing the condition.

The trial will be the largest in the world to address modifiable risk factors for dementia in general and Alzheimer's disease in particular, including physical inactivity, cognitive inactivity, depression, overweight and obesity, diabetes, high blood pressure and smoking.

NOVEMBER

We embarked on a collaboration with the Garvan Institute of Medical Research, which will see blood samples from 2000 45 and Up Study participants used to form part of the NSW Government-funded Medical Genome Reference Bank – the largest of its kind in the world.

Genome sequencing of the blood samples in the Bank will mean researchers can identify what the genetic profiles of healthy older people look like, and use these as a "filter" to distinguish between normal genetic variation and variation caused by disease. This will be an unparalleled resource that will vastly improve our understanding of healthy ageing and catalyse genomics studies to help find the genetic basis of diseases such as heart disease, diabetes, cancer and developmental disorders.

1. Tew M, Dalziel KM, Petrie DJ, Clarke, PM. Growth of linked hospital data use in Australia: a systematic review. Aust. Health Review [Internet] 2016. doi: http://dx.doi.org/10.1071/AH16034

"Working with the Analysis for Policy program has been a great experience that has helped us to gain insights into key policy questions we're looking at – and those are insights I don't think we would have been able to gain any other way"

Ms Kelly Williams, Manager of Policy and Advocacy, Cancer Council NSW

Professor Chris Ham CBE, CEO, The Kings Fund, addresses the 2015 Research Translation Symposium

Sax Institute CEO Professor Sally Redman AO at the 2015 Research Translation Symposium

DECEMBER

Research using the 45 and Up Study was published to show that sleeping more than nine hours a night and sitting too much during the day could be a hazardous combination, particularly when added to a lack of exercise.

We publicised the findings, published in the journal *PLOS Medicine*, which showed that a person who sleeps too much, sits too much and isn't physically active enough is more than four times as likely to die early as a person without those unhealthy lifestyle habits. This attracted significant media interest, with more than 100 reports published in national and international media outlets such as the *Los Angeles Times*, the *Daily Mail,* ABC radio, *The Sydney Morning Herald* and Channel Nine News.

80%

of Evidence Check users and 100% of 45 and Up Study researchers surveyed said their expectations were met or exceeded

Nearly 700

researchers and policy makers have now used the 45 and Up Study in their work

The Secure Unified Research Environment (SURE)

When she launched SURE in 2012, NSW Chief Scientist and Engineer Professor Mary O'Kane described the facility as "a very innovative piece of kit".

SURE is a purpose-built solution to a particular concern hampering large-scale linked data research in Australia: privacy.

As a high-security technology solution, SURE enables researchers to work with sensitive human research data without having to store it in their own computing environments. It operates as a virtual desktop, allowing researchers to access and analyse data, which is stored securely and remotely for the duration of their research project.

It runs on strict security protocols and eliminates the need for data custodians to release their information directly to research groups or individual researchers. This addresses privacy concerns around using large-scale linked data and has opened many new possibilities for linked data research.

Funded under the Federal Government's National Collaborative Research Infrastructure Strategy, SURE is part of the Population Health Research Network (PHRN), an Australian Government initiative designed to support the use of linked health data in research. This will enhance Australia's ability to research, analyse and monitor health trends and needs.

205

researchers have now used SURE to access sensitive research datasets in a high-security environment

210

Evidence Check reviews have now been conducted

The recent Senate Select Committee on Health report *Big health data: Australia's big potential*, recognised that better linking previously isolated datasets could lead to a more efficient health system, more efficient use of the $100 billion per year we spend on health, and improved health service delivery. It also said Australia was squandering opportunities to improve the health of future generations by not harnessing the potential of the datasets it already holds, and wastes a significant amount of research funding due to long delays in granting researchers access to government-held data.

Australian data custodians are increasingly seeing the benefits of SURE to help address some of the barriers to making their information more available to researchers. Their use of our facility has increased by 67% since the previous year. Fifteen custodians, including the NSW, WA and ACT health departments, now rely on SURE to provide researchers with secure access to government data.

Sixty research projects are currently underway, with 205 researchers from 42 institutions using SURE to carry out sensitive research securely.

Read about how SURE is helping researchers overcome geographical barriers to research on page 26.

OCTOBER

The NSW Department of Family and Community Services (FACS) made its Pathways of Care Longitudinal Study available to researchers via SURE. Pathways of Care is the only longitudinal study tracking the wellbeing of children and young people in out-of-home care in Australia and is among the latest datasets to become available to researchers via SURE.

It is the first study of its kind to interview children, caregivers, teachers and caseworkers and link this information with administrative data from multiple government agencies including child protection, health, education and justice agencies, to track children's developmental trajectories over time and identify factors that improve wellbeing. FACS chose to use SURE because it needed to carefully manage access to the data by external researchers.

FEBRUARY, OCTOBER

The Australian and New Zealand Intensive Care Society's Centre for Outcome and Resource Evaluation (ANZICS CORE) and Monash University through its custodianship of the Australian and New Zealand Society of Cardiac and Thoracic Surgeons (ANZSCTS) National Database, joined with SURE to set up workspaces to allow researchers to access their data registries for linked data studies.

This means the data registries managed by these two major organisations and hosting more than 1.5 million de-identified patient records in the fields of intensive care and cardiac surgery will now be more easily accessible to researchers.

NOVEMBER, DECEMBER AND MAY

We hosted a series of seminars to help researchers, policy makers and health program leaders work with two of the country's biggest health datasets – the Medicare Benefits Schedule (MBS) and Pharmaceutical Benefits Schedule (PBS) – to inform future health service planning. The seminars, hosted in conjunction with the Medicine and Device Surveillance Centre of Research Excellence, attracted considerable interest and were aimed at giving insights into the multiple ways the two datasets could be used.

Annual highlight: Celebrating high-impact research

In 2015–16 we launched our inaugural Research Action Awards to celebrate public health research that supports policy decisions to make a real-world difference to people's health and wellbeing.

The Awards send a signal that there is more to developing good research than the traditional research career track, and acknowledge the significant work and difficulty involved in seizing opportunities to move research findings into the real world.

"The inaugural winning applications are outstanding examples of research that is making a critical contribution to health and health systems," says Sax Institute CEO Professor Sally Redman.

"Our winners not only undertook research about issues of immediate relevance to those who make health decisions, they also found elegant ways to have their findings acted upon."

The awards were judged by an international panel of experts in knowledge exchange, including Professor Nicholas Mays, Co-Editor of the *Journal of Health Services Research & Policy*. They were presented at a reception attended by members of the public health and health services research community and senior policy leaders including NSW Director General of Health Dr Mary Foley and NSW Chief Scientist and Engineer Professor Mary O'Kane.

"We know how hard it is to take good research and take that into policy and practice," Professor Mays says. "To seize opportunities to move findings into the real world is very difficult. It requires tenacity, diplomacy, humility and communication skills."

> "To seize opportunities to move findings into the real world is very difficult. It requires tenacity, diplomacy, humility and communication skills"
>
> **Professor Nick Mays, Co-Editor, *Journal of Health Services Research & Policy***

From left to right, winners Farah Magrabi, Santosh Khanal, Anne Cust and Julie Leask at our 2015 Research Action Awards

Our winners:

Associate Professor Anne Cust, University of Sydney

Associate Professor Cust led the first Australian population-based study to establish a link between sunbed use and melanoma, and showed that young people were particularly sensitive to the effects of sunbed UV radiation. She also produced modelling estimates for the Cancer Institute NSW that showed banning sunbeds would reduce the number of melanoma cases in NSW by 120 per year and about 26 per year in the 18–29 year age group. The research was pivotal in the NSW Government's introduction of a total ban on commercial sunbeds in late 2014. Bans have now been rolled out in other Australian states and overseas.

Associate Professor Julie Leask, University of Sydney

Associate Professor Leask has been researching the area of vaccine refusal and acceptance for nearly two decades and has found that strategies to improve vaccination rates should target fence-sitting parents rather than those whose opposition to vaccines is entrenched. Her work has led to an international collaboration to develop a Vaccine Communication Framework, which has been used by healthcare workers in vaccine communication in a number of countries.

Associate Professor Farah Magrabi, Macquarie University

Associate Professor Magrabi has sought to shed more light on the poorly understood area of patient safety risk posed by e-health systems. From her world-first analysis of IT safety incidents, she developed a new classification system for e-health risks which has become the de facto international standard for analysing IT safety incidents.

Dr Santosh Khanal, NSW Ministry of Health

Dr Khanal, from the Ministry's Office of Preventive Health, took an evidence-based approach to the policy question his organisation was facing: how to remove barriers to families attending the State Government obesity treatment program Go4Fun. His research found revising the program to be delivered weekly rather than twice weekly would not compromise health outcomes or attendance, leading to the program frequency being changed, and resulting in substantial cost efficiencies that allowed savings to be diverted to other health programs.

A story of impact:

Removing geographical roadblocks to research success

"SURE overcomes geographical boundaries for rural-based researchers"

Julie Depczynski, University of Sydney

Australia prides itself on having a rich farming culture, but our understanding of the health of people living on the land is something of a fallow field.

Studying farmers' health has long proved challenging for a variety of reasons. For researchers, particularly those in non-urban areas, these challenges have included restricted access to large linked datasets to help them unlock important population health questions.

For researcher Julie Depczynski from The University of Sydney's Australian Centre for Agricultural Health and Safety, distance is no longer a barrier to conducting linked data research. Being able to use our Secure Unified Research Environment (SURE) has meant she can conduct research into cancer in farming families that just would not have been possible for her before.

"Our Centre is based in Moree in north western NSW, seven hours from Sydney," she says.

"So there's no way we could have travelled back and forth to Sydney to access secure data. SURE overcomes those geographical boundaries for rural-based researchers. I wouldn't have been able to do this study if SURE wasn't available."

Ms Depczynski is investigating cancer in those who live on farms. Her work illustrates the value in making it easier for rural researchers to work in their own communities, where they can apply local insights and experience to their work.

She is also drawing on the 45 and Up Study, which has identified a valuable cohort of 20,000 men and women aged 45 and over, living on farms in NSW.

By linking that cohort to a variety of other datasets, such as Medicare data, mortality and cancer registry data, she has been able to compare cancer rates and screening in those who live on farms with the rural non-farming population, and people living in urban areas. She is also able to look at stages of presentation, deaths and their correlation with socio-economic and behavioural risk factors such as alcohol intake, smoking, exercise and diet.

The study findings could have important implications for future cancer prevention and screening programs for Australia's rural population, she says.

"It is really important that researchers in regional and rural areas are able to conduct high-quality work and both SURE and 45 and Up have been critically important in helping me to do that."

A story of impact:

Quantifying the cost of obesity

Among 45–79 year olds, overweight and obesity accounts for:

- One in eight hospital admissions (13% of admissions)
- One in every six days spent in hospital (18% of hospital days)
- One in every six dollars spent on hospitalisation (17% of hospital costs)

One of the barriers to decision makers making the best use of research knowledge is finding timely evidence that is directly applicable to key policy questions.

The 45 and Up Study was designed to dismantle some of these barriers, and is the source of an increasing body of research that is supporting policy and program decisions.

A case in point is work conducted by Dr Rosemary Korda and colleagues at the Australian National University quantifying the cost of obesity and overweight to Australia's hospital system.

Dr Korda and colleagues analysed both the hospital records and the self-reported information of more than 220,000 people aged 45 years and older participating in the Study. And they found that among those aged 45 to 79, one in every six days spent in Australian hospitals is related to overweight and obesity. Obesity also accounts for one in every $6 spent in hospitals, costing the nation nearly $4 billion a year in this age group alone.

They found that among those above normal weight, the chance of being admitted to hospital, the number of days spent in hospital and the cost to the health system rises with increasing body mass index.

This information has been particularly valuable to the ACT Government in its deliberations over how to tackle the growing challenge posed by overweight and obesity to the Territory's health system.

"What we really liked about this work was that it was quantifiable – to say that one in every $6 spent on hospitals nationally is attributable to overweight and obesity is a very sobering fact," says ACT Deputy Chief Health Officer Dr Andrew Pengilley.

"The work not only graphically showed the cost of obesity, it contradicted popular misconceptions about the ageing population," Dr Pengilley says.

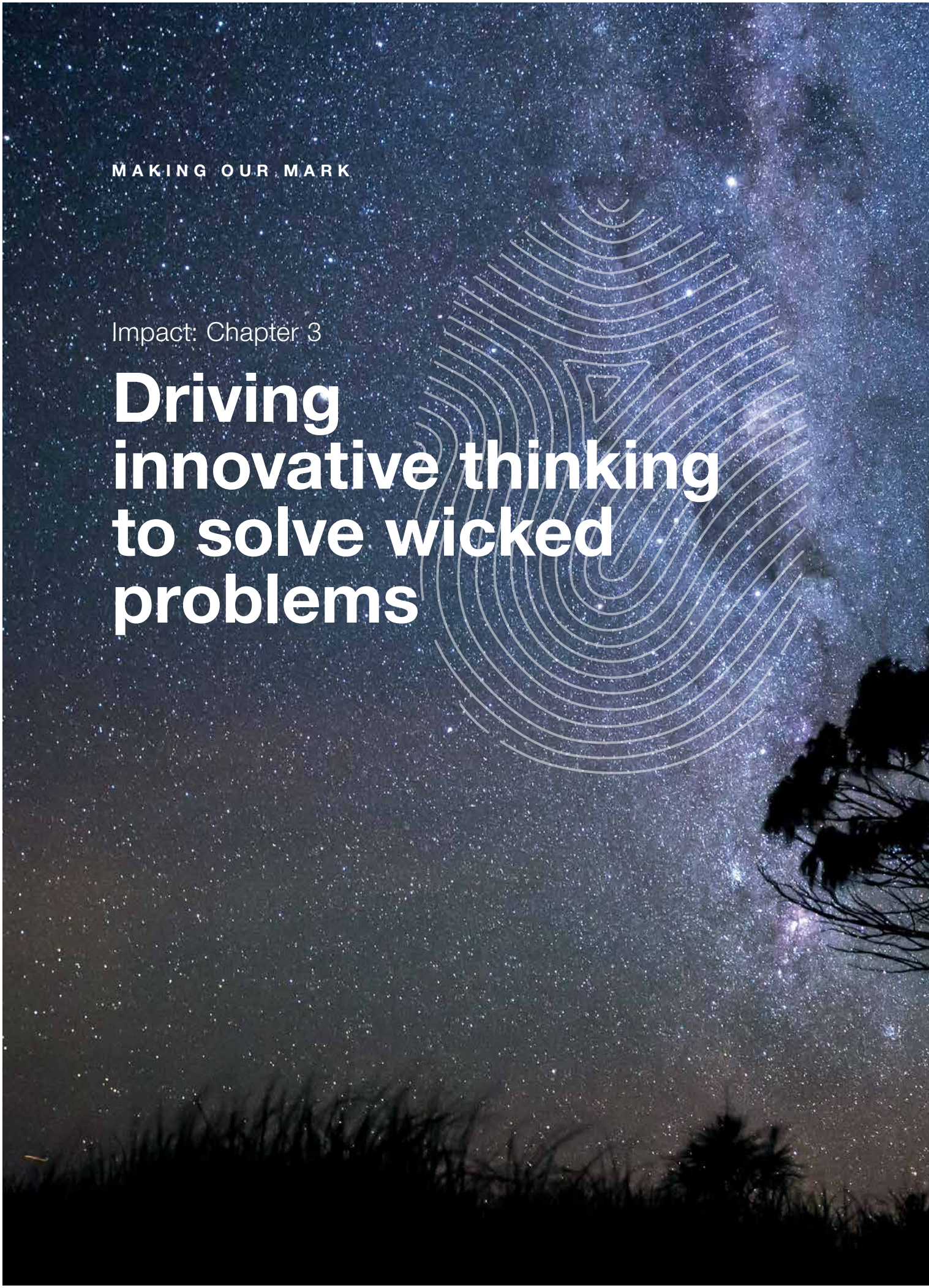
"Everybody talks about the impact of the ageing population but this showed clearly that obesity's cost to the system is significant in middle aged people – those in their 40s and 50s – we are not just talking about those in their 70s and 80s.

"We have used this information to provide advice on why it is important to deal with the issue of obesity. Often the evidence from research does not address the questions we need to address to prosecute an argument – but we use this research regularly to effectively argue the case for prevention in a range of areas."

Dr Korda says without the 45 and Up Study this piece of research would not have been possible.

"I can confidently say there is nothing in Australia that would come close to 45 and Up in terms of providing the data we would need to do a study of this type," she says.

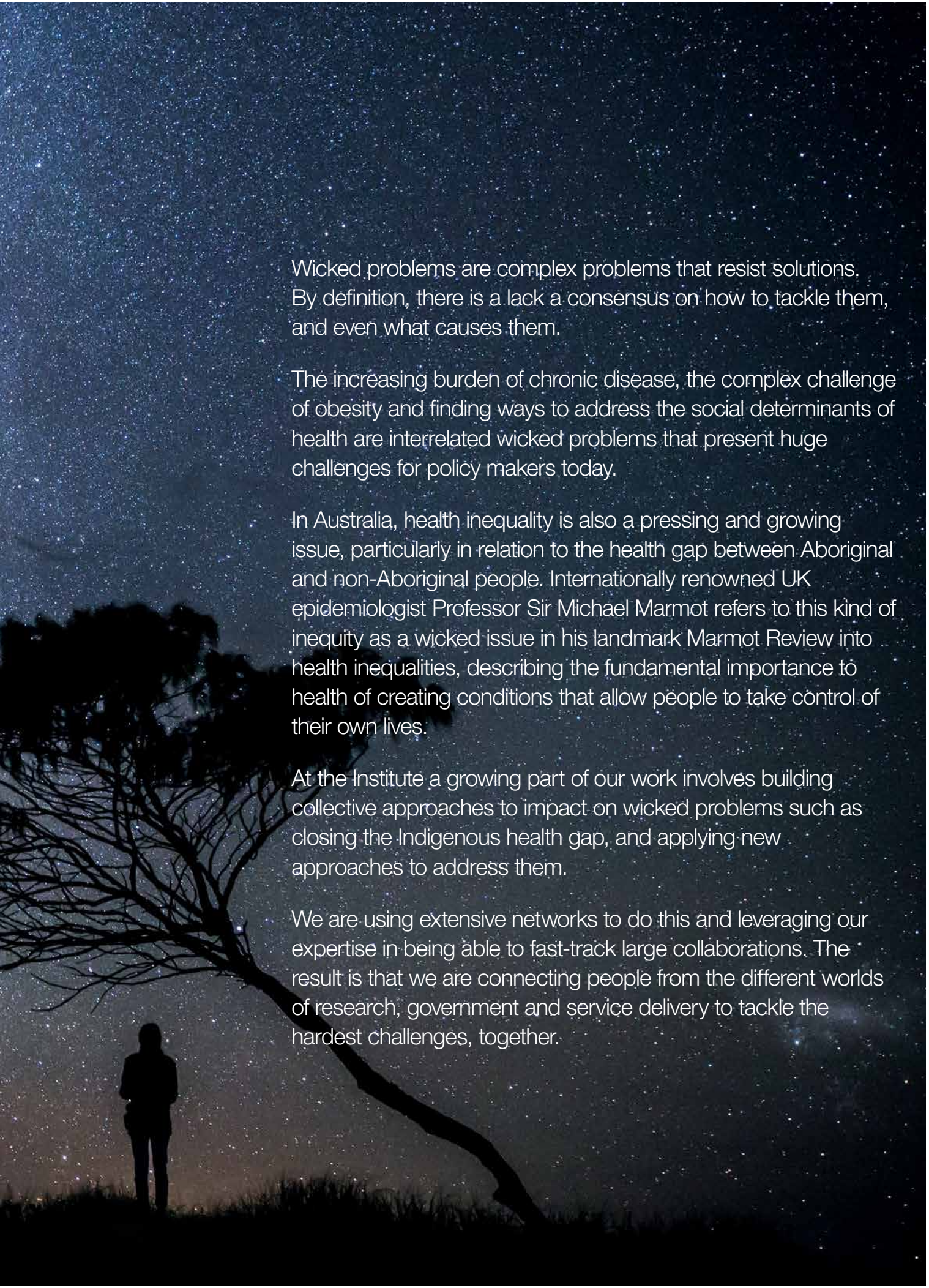
"You can look at hospital data but alone it does not tell you about BMI. But by linking hospital data with 45 and Up Study data you can look at BMI and other information on people's health status that you can adjust for so it gives you a particularly rich picture. The other major benefit is the very large number of people – you need these large numbers to get really good estimates about what is going on."



MAKING OUR MARK

Impact: Chapter 3

Driving innovative thinking to solve wicked problems



Wicked problems are complex problems that resist solutions. By definition, there is a lack a consensus on how to tackle them, and even what causes them.

The increasing burden of chronic disease, the complex challenge of obesity and finding ways to address the social determinants of health are interrelated wicked problems that present huge challenges for policy makers today.

In Australia, health inequality is also a pressing and growing issue, particularly in relation to the health gap between Aboriginal and non-Aboriginal people. Internationally renowned UK epidemiologist Professor Sir Michael Marmot refers to this kind of inequity as a wicked issue in his landmark Marmot Review into health inequalities, describing the fundamental importance to health of creating conditions that allow people to take control of their own lives.

At the Institute a growing part of our work involves building collective approaches to impact on wicked problems such as closing the Indigenous health gap, and applying new approaches to address them.

We are using extensive networks to do this and leveraging our expertise in being able to fast-track large collaborations. The result is that we are connecting people from the different worlds of research, government and service delivery to tackle the hardest challenges, together.

Approaching wicked problems in 2015–16

The Australian Prevention Partnership Centre

Preventing the complex problem of lifestyle-related chronic disease is the focus of our ambitious, five-year, $22.6 million collaboration, The Australian Prevention Partnership Centre. The Centre is testing new methods and tools to help policy makers and researchers better understand the large number of different factors that interact to create complex problems such as overweight and obesity. The aim is to apply new ways of looking at lifestyle-related chronic disease so that we can intervene more effectively to address the problem.

The Centre has a particular emphasis on bringing research creators and research users together to drive joint solutions to the chronic disease burden, which is now Australia's leading cause of death.

It is a collaboration of more than 150 individuals across 28 organisations from the university, government, non-government and private sectors. It is led by the Institute and funded by the National Health and Medical Research Council, Australian Government Department of Health, NSW Ministry of Health, ACT Health and the HCF Research Foundation.

In 2015–16, the Centre had 34 "live" projects under way, on issues such as whether financial incentives help people maintain a healthy weight, how the law might be used as a tool to prevent chronic disease, and what works in workplace health and wellbeing programs.

It also held 36 exchanges and events as part of its collaborative work, which were attended by more than 1350 researchers and health system practitioners.

And it advanced a new computer simulation modelling project that is showing promise as an analytic tool to guide policy decisions about the best investment of taxpayer-funded resources. Read more on page 31.

Read about how the Centre is pioneering community-led approaches to chronic disease on page 32.

87%

of researchers surveyed say we are useful in helping them work with policy, program or service delivery agencies

100%

of policy makers surveyed say we are useful in helping them use data and evidence form research, and in helping them work with researchers

SEARCH: the Study of Environment on Aboriginal Resilience and Child Health

Closing the gap in health outcomes and life expectancy that exists between Aboriginal and non-Aboriginal Australians is a critical health priority being addressed by SEARCH. This long-term platform for closing the gap is an active partnership between Aboriginal health services and researchers, in which health services set the research priorities and guide how data is collected, interpreted and used.

SEARCH aims to better understand the causes of health and disease among urban Aboriginal children and their families by tracking social and emotional wellbeing over time, and to use this information to drive real improvements in services and health outcomes for urban Aboriginal people. It is the largest ongoing study of urban Aboriginal children ever conducted, with 1600 NSW children and their families taking part.

The SEARCH partners are: the Aboriginal Health & Medical Research Council, the Sax Institute, a group of leading researchers across Australian universities, and four Aboriginal community controlled health services in Campbelltown, Mt Druitt, Newcastle and Wagga Wagga.

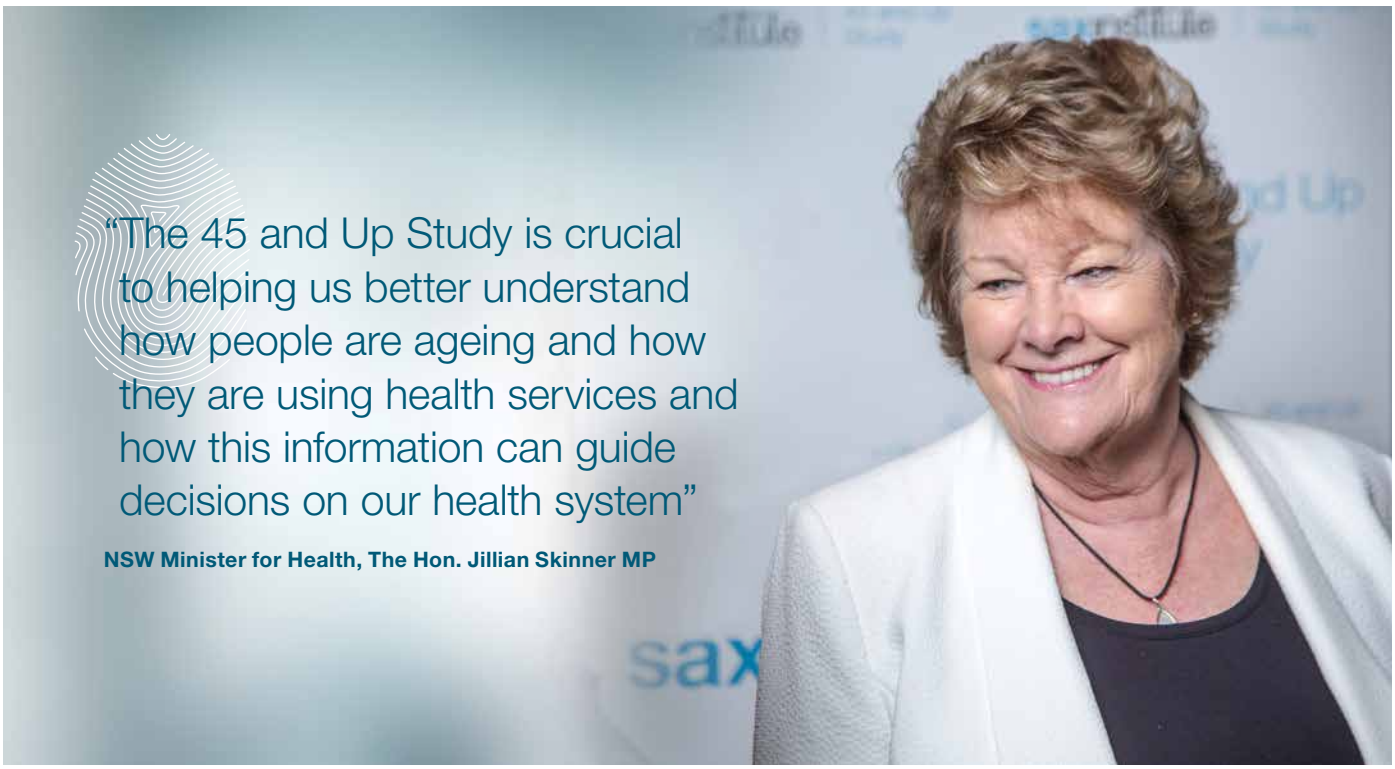
In 2015–16, the Study continued to identify children in need of speech and language interventions and ear nose and throat surgery. Through the HEALS program (Hearing EAr health and Language Services), funded by the NSW Ministry of Health, more than 800 services were provided to 128 children and an economic evaluation of the program was initiated to assess its cost-effectiveness and potential to benefit all Aboriginal children in NSW. To date, around 7000 services have been provided under this program.

A joint project between SEARCH and The Australian Prevention Partnership Centre on improving food security for Aboriginal communities also began during the year. Australian data show that one in five Aboriginal people report running out of food, and that the risk of obesity is higher in those who experience mild to moderate food insecurity.

The proposed project seeks to better understand the systemic factors contributing to food insecurity among Aboriginal communities. It will identify barriers, contributing factors and potential areas for whole-of-system interventions to tackle food security in two Aboriginal communities linked to Aboriginal community controlled health services participating in the SEARCH program.

During the year, we began to explore the pathways to mental health care for Aboriginal children, what builds their resilience and how to develop health services that can support this resilience. This is being guided by evidence from phase one of SEARCH published during the year that showed almost 30% of Aboriginal children were at high risk of significant social and emotional wellbeing issues and one in five parents or carers of Aboriginal children suffers from psychological distress.

Read more about how SEARCH is demonstrating impact on page 33.



7000

speech and language services and ear, nose and throat surgeries have been provided to Aboriginal children identified through SEARCH over the past three years

Mr Darryl Wright, CEO, Tharawal Aboriginal Corporation, discusses key issues at the annual SEARCH forum

Dr Jo-An Atkinson is leading our work on dynamic simulation modelling through The Australian Prevention Partnership Centre

Directly addressing the Premier's Priority on obesity

NSW Premier Mike Baird has nominated childhood overweight and obesity as one of 12 key priorities that need to be addressed in order to make NSW a better place to live and work.

In March, The Australian Prevention Partnership Centre established a partnership with the NSW Department of Premier and Cabinet and the Ministry of Health to apply a new way of thinking to this priority: computer simulation modelling. The Centre has already successfully applied these modelling methods to explore policy options for reducing alcohol-related harms in NSW and there is growing national interest in this work.

Dynamic simulation modelling is essentially a 'what if' decision support tool that can be used to test and forecast the impacts of a range of policies and programs in a low-cost, risk-free way – before they are implemented in the real world.

The model is developed by bringing together disparate sources of evidence, such as expert knowledge, evidence from the research literature, practice experience and data such as hospitalisations to produce a computer model of the problem. A range of possible interventions can then be fed into the model, which can show the likely impact of different combinations of interventions.

During 2015–16, researchers, policy makers and service providers participated in the first of three workshops to inform the Premier's target of a 5% reduction in childhood overweight and obesity within 10 years. Before the workshop, participants prioritised a number of potential interventions for childhood overweight and obesity. At the event, they used their collective expertise to map the interaction of factors that contribute to overweight and obesity in NSW. They also discussed where and how interventions act within the complex map.

Embedding stakeholder engagement and consensus building processes in the development of dynamic simulation models is a key feature of the Centre's approach, because it not only develops a more robust tool, it also achieves cross-disciplinary learning, communication and collective action.

A story of impact:

Navigating the complexity of chronic disease

"We can see how Prevention Tracker will soon help us work out where best to spend our limited resources"

Kate Garvey, Department of Health and Human Services Tasmania

The once-thriving orchard industry in Glenorchy, Tasmania has long been confined to the history books. But the city's tight-knit community is hoping that embracing fresh produce will once again play an important role – in its future as a healthier city.

With a population of 45,000 and high rates of obesity and chronic disease, Glenorchy is committed to engaging residents in healthy lifestyle activities to reduce these problems. But its leaders know that chronic disease has complex causes, so they are taking part in a new approach called Prevention Tracker, in an effort to navigate through this complexity.

Prevention Tracker, led by The Australian Prevention Partnership Centre, is a highly innovative approach that puts a new lens on the wicked problem of how to best direct scarce resources to prevent chronic disease. It works with local communities to better understand their prevention system; how the people, processes, activities, settings and structures in that community all connect to shape the existence of chronic disease. This enables communities to identify gaps and find the best opportunities to develop a stronger prevention system.

"We need to challenge the commonly held perception that healthy eating is an individual responsibility – that if people just made better choices, everything would be OK," says Leah Galvin, the Heart Foundation's Project Manager of Healthy Food Access Tasmania Project. "Clearly that's not the case. We need to address the complex causes of chronic disease, particularly the social determinants of healthy eating."

Many inter-related factors impact on chronic disease – access to fresh fruit and vegetables, the built environment, health services and public transport, to mention a few. These factors can work together, in opposition or be inter-dependent, and not understanding these relationships risks making prevention efforts ineffective, or making the problem worse.

Deputy Director of the Prevention Centre, Associate Professor Sonia Wutzke, says there is a lot of activity in local communities like Glenorchy aimed at improving chronic disease prevention, but there are few examples of significant and sustainable change. So, how can communities choose where to invest time and resources to achieve the biggest impact?

Prevention Tracker brings together community leaders from areas such as local government, local health districts, transport, education, infrastructure bodies and Primary Health Networks to identify the key underlying causes of chronic disease – both big and small – and to work together towards solutions.

"For each community, the problems will be different – it might be a lack of bicycle paths preventing people cycling or a lack of fresh water," Associate Professor Wutzke says.

Through Prevention Tracker, leaders in Glenorchy now know there are 55 activities aimed at improving the health of their population and understand how the 25 agencies involved in delivering these activities work together. They now have an 'atlas' of a number of indicators that show how the local area of Glenorchy supports a healthy lifestyle. These indicators include the density of greengrocers, supermarkets, alcohol outlets and fast food outlets, as well as access to GPs, hospitals, parks and green spaces.

Further, the leaders have collectively mapped the many and inter-connected drivers of overweight and obesity in their community, with themes of food access, safe and secure environments and cycles of disadvantage (including the role of poker machines) being identified. These insights are helping identify priority areas for investment.

"We have been grappling with how to get single programs to work together and share knowledge and learnings," says Kate Garvey, Manager Partnership Development at the Department of Health and Human Services Tasmania. "Prevention Tracker has helped us to establish connections that weren't there before. We can see how it will soon help us work out where best to spend our limited resources."

A story of impact:

Ensuring research yields real benefits for Aboriginal people

Five years ago, in her keynote address to a conference held by the Coalition for Research to Improve Aboriginal Health, Pat Anderson AO spoke of the difficult history of research in Aboriginal communities.

"Decades of research carried out by non-Aboriginal researchers, based in non-Aboriginal institutions, had left many of us deeply suspicious of the 'R' word," she said.

Research was something carried out 'on' us as Aboriginal people, not 'with' us and certainly not 'by' us. Worse still ... very little seemed to be translated into practice; the research projects came and went, but health service delivery and policy remained the same."

Ms Anderson, who is Chairperson of the Lowitja Institute, told the conference that the biggest and most important priority was to ensure that public policy is based on what we know works.

SEARCH – the Study of Environment on Aboriginal Resilience and Child Health – has attempted to grapple with this 'wicked problem' of developing and driving research that improves Aboriginal health. The long-term partnership between four Aboriginal community controlled health services, the Aboriginal Health & Medical Research Council and researchers, lies at the heart of SEARCH and together we have been able to understand the health needs of urban Aboriginal children and use this information to bring about policy and service changes.

A strong shared governance structure, ownership by the health services, Aboriginal research workers and a commitment to shared design, development and use of the data have been critical in addressing the challenges outlined by Pat Anderson and leading to positive change.

For example, SEARCH data showed there was much that could be done to improve nutrition in participating communities. Only about half of the children were breastfed and overweight and obesity was highly prevalent among children and caregivers. It also found half of their caregivers were smokers. This prompted Tharawal Aboriginal Corporation to design a program to empower women, particularly the Elders, to provide health leadership to children and young girls in their communities. It included discussions and workshops about breastfeeding, healthy eating, exercising and reducing smoking.

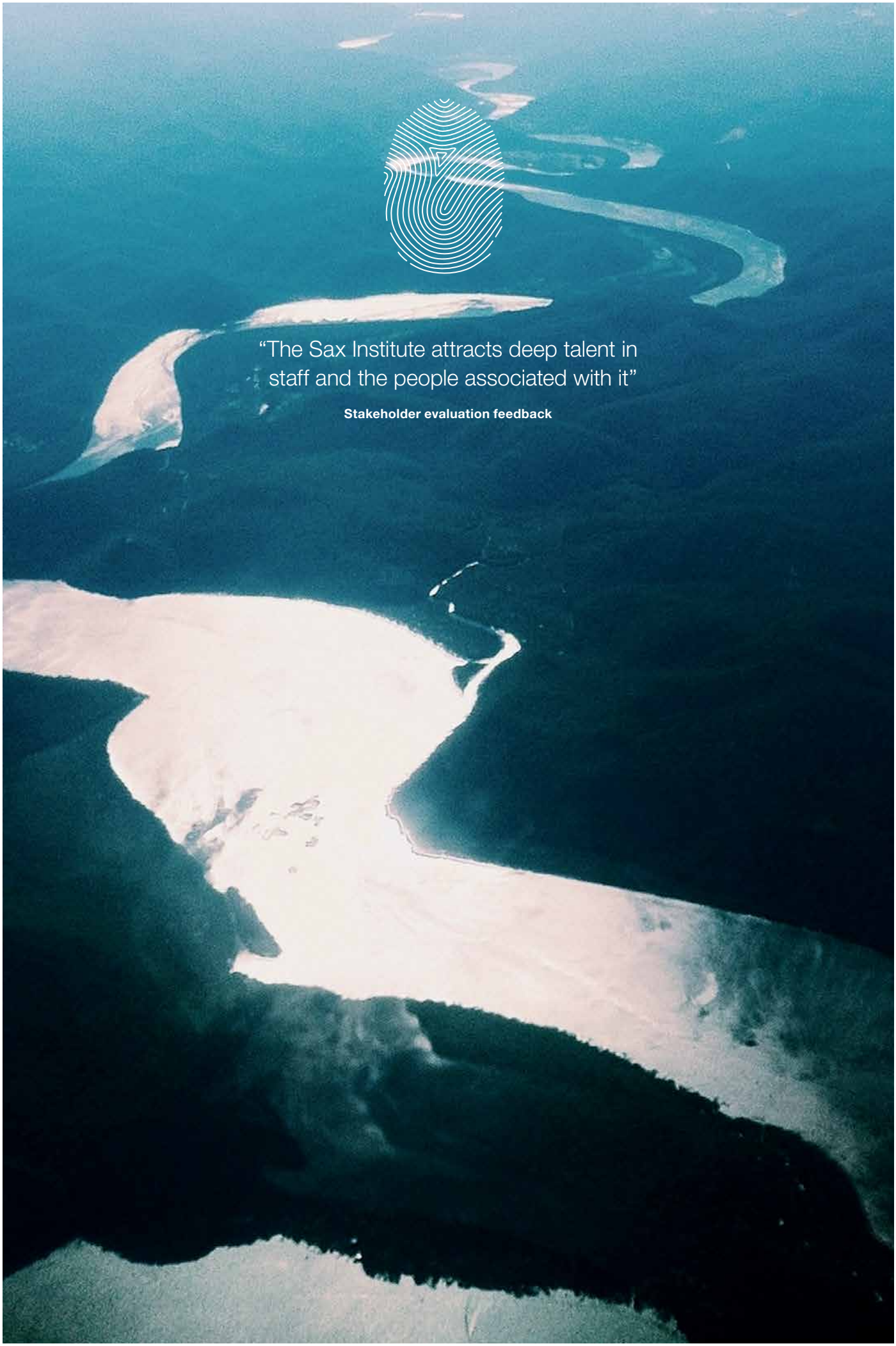
"Having the Elders here encourages the young ones to share their private business with them," says CEO Mr Darryl Wright. "They are more likely to talk about these issues with the older ladies. The Elders are like butterflies – they fly in and fly out, talk to us, create a family atmosphere – it's important."

Tharawal has used the SEARCH data on nutrition to drive other initiatives, such as creating a community kitchen and garden, with regular, subsidised fresh produce deliveries to as many as 150 families.

"The community garden is changing people's lifestyles. People are eating more fruit and vegetables and losing weight," Mr Wright says. "The data and research from SEARCH are so important – they have given us important information about the things we are concerned about and now we are doing something about it."

"The data and research from SEARCH are so important – they have given us important information about the things we are concerned about and now we are doing something about it"

Darryl Wright, CEO, Tharawal Aboriginal Corporation



"The Sax Institute attracts deep talent in staff and the people associated with it"

Stakeholder evaluation feedback

Operations and people

OUR DIVISIONS

The Sax Institute now employs 89 people and our growing staff works across four divisions:

The CEO Unit

The CEO Unit is led by CEO Professor Sally Redman, who is responsible to the Board for all aspects of the Institute's strategy and management. This unit works with the Institute's executive team (page 36) to lead the implementation of the corporate strategy, relationships, profile and business development.

Research Assets

Research Assets is responsible for enabling 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, the Implementation Research program and The Australian Prevention Partnership Centre.

Knowledge Exchange

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

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.

THE SENIOR TEAM

As at 30 June 2016

Executive

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

Professor Sally Redman AO, CEO

Professor Redman is a social scientist and public health researcher with extensive experience in public health research and in the interface between research, 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 and is Chair of the National Breast Cancer Foundation Research Advisory Committee.

Mr Robert 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, Head, Knowledge Exchange Division

Ms Rudge has been leading the work on knowledge exchange at the Sax Institute for four years. She has extensive experience in health policy and program management, having worked for five years in government roles such as with 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.

Mr Norman Pack, Chief Operating Officer

Mr Pack is an experienced business executive, with a successful career spanning a blend of senior finance and management roles across ASX-listed and private organisations. He has more than 20 years of board, committee and advisory experience across a range of sectors including construction and superannuation.

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.

Associate Professor Sonia Wutzke, Deputy Director, The Australian Prevention Partnership Centre

Associate Professor Wutzke has more than 20 years' experience in senior and executive management roles in academia, the not-for-profit sector and state government. Her research interests include systems approaches to improving health services and outcomes, operationalising knowledge from research and practice, the power of organisational networks for innovation and change, and evaluations for complex program designs.

Senior Staff

The Institute's senior staff members bring extensive expertise to the programs of the Institute

Professor Don Nutbeam, Senior Adviser and Editor in Chief, *Public Health Research & Practice*

Professor Nutbeam recently returned to Australia after a six-year term as Vice-Chancellor of the University of Southampton, UK. His career has spanned positions in universities, government, health services and an independent health research institute in Australia and the UK, and a period as Head of Public Health in the UK Department of Health during the Blair Government (2000–2003). His research interests include social and behavioural origins of health, development and evaluation of public health interventions, and health literacy.

Professor Emily Banks, Scientific Director, 45 and Up Study

Professor Banks is a medically trained epidemiologist with interest and expertise in large-scale cohort studies, pharmaco-epidemiology, 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.

Professor Fiona Blyth, 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.

Professor Andrew Wilson, Director, The Australian Prevention Partnership Centre

Professor Wilson is Co-Director of the Menzies Centre for Health Policy at The University of Sydney. In addition to his academic career, he has been Deputy Director General, Policy, Planning and Resourcing, Queensland Health, and Chief Health Officer, and Deputy Director General, Public Health, NSW Health. His research and teaching interests include all aspects of health policy but especially in the area of chronic disease.

Associate Professor Mary Haines, Senior Adviser

Associate Professor Haines has worked in senior positions across the government, academic, corporate and independent sectors on health research, evaluation and translational initiatives. Her research interests and expertise include implementation research, research translation, research capacity building and knowledge brokering.

Our members

Public health and health service 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 2016 there were 46 member organisations and nominees.

University members

- The University of Newcastle
- The University of Notre Dame Australia
- The University of Sydney
- University of New England
- University of Technology Sydney
- University of Wollongong
- UNSW Australia
- Western Sydney University

Ordinary members

- **Australian Research Centre in Complementary and Integrative Medicine**
  University of Technology Sydney
- **Cancer Council NSW**
- **Centre for Big Data Research in Health**
  UNSW Australia
- **Centre for Clinical Epidemiology and Biostatistics**
  The University of Newcastle
- **Centre for Health Economics Research and Evaluation**
  University of Technology Sydney
- **Centre for Health Informatics**
  Macquarie University
- **Centre for Health Research in Criminal Justice**
  Justice Health, UNSW Australia
- **Centre for Health Systems and Safety Research**
  Macquarie University
- **Centre for Healthcare Resilience and Implementation Science**
  Macquarie University
- **Centre for Primary Health Care and Equity**
  UNSW Australia
- **Clinical and Population Perinatal Health Research**
  The University of Sydney
- **College of Medicine, Biology & Environment**
  Australian National University
- **Dementia Collaborative Research Centres**
  UNSW Australia
- **Family Medicine Research Centre**
  The University of Sydney
- **Garvan Institute of Medical Research**
- **Health Services and Practice Research Strength**
  University of Technology Sydney

46

public health and health services research organisations and their universities are our members

94%

of stakeholders surveyed feel we are making a contribution to more evidence-informed policies, programs or services

"The Sax Institute is unique in enabling research across universities and issues"

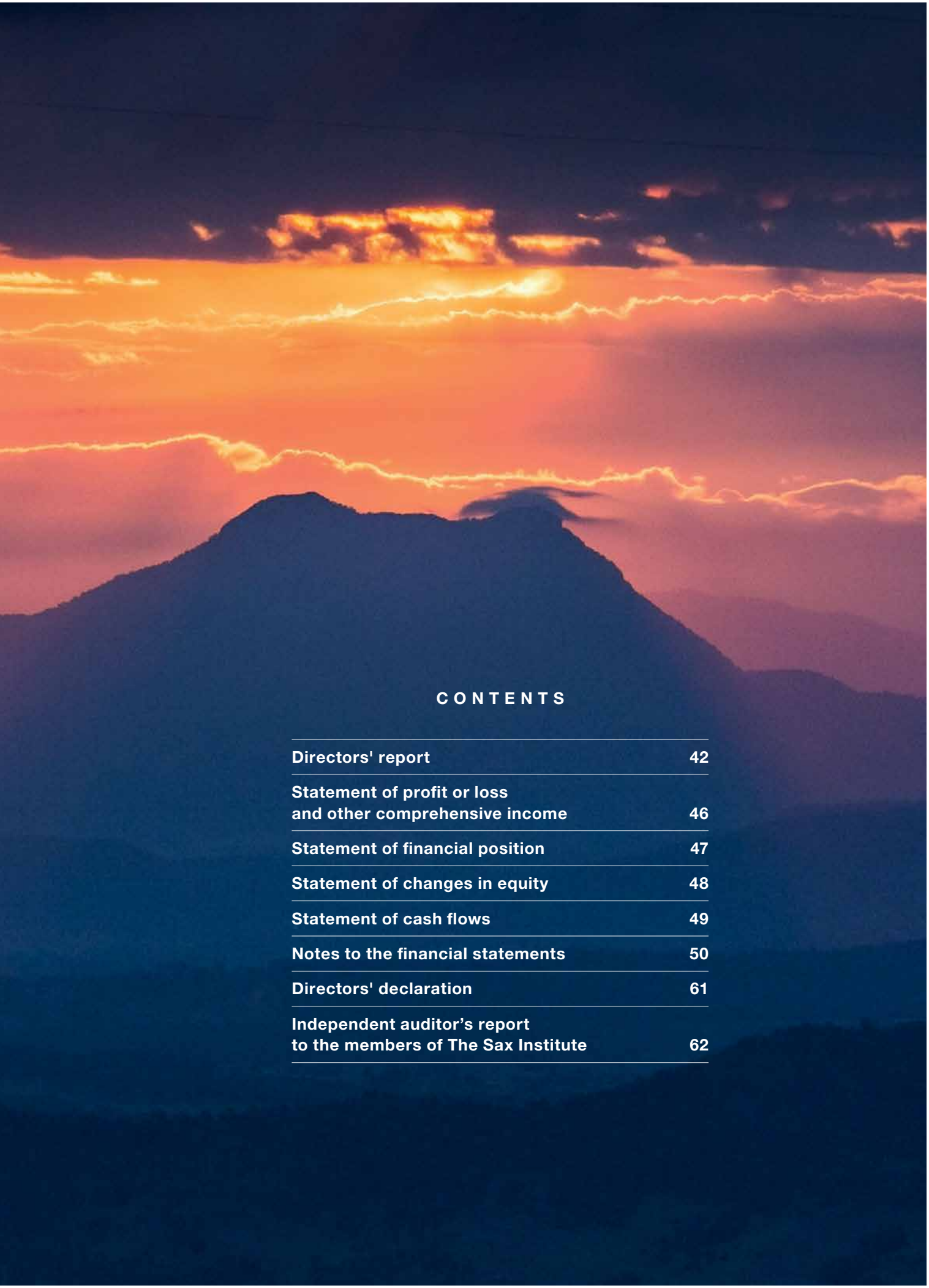
Stakeholder evaluation feedback

- **Hunter Medical Research Institute**
  The University of Newcastle
- **Menzies Centre for Health Policy**
  The University of Sydney and Australian National University
- **Menzies Health Institute Queensland**
  Griffith University
- **National Centre for Immunisation Research & Surveillance**
  The University of Sydney
- **National Centre in HIV Social Research**
  UNSW Australia
- **National Drug and Alcohol Research Centre**
  UNSW Australia
- **National Perinatal Epidemiology and Statistics Unit**
  UNSW Australia
- **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, UNSW Australia
- **Research Centre for Generational Health and Ageing**
  The University of Newcastle
- **School of Medicine and Public Health**
  The University of Newcastle
- **School of Population Health**
  University of Western Australia
- **School of Public Health**
  The University of Sydney
- **School of Public Health and Community Medicine**
  UNSW Australia
- **School of Public Health and Preventive Medicine**
  Monash University
- **Simpson Centre for Health Services Research**
  UNSW Australia
- **Social Policy Research Centre**
  UNSW Australia
- **Surgical Outcomes Research Centre**
  The University of Sydney
- **The George Institute for Global Health**
- **The Kirby Institute**
  UNSW Australia
- **University Centre for Rural Health – North Coast**
  The University of Sydney, Southern Cross University, Western Sydney University, University of Wollongong

Financial Statements

FOR THE YEAR ENDED 30 JUNE 2016

The Sax Institute
ABN 68 095 542 886



CONTENTS

Directors' report

30 June 2016
The Sax Institute

The Directors present their report, together with the financial statements, on the company for the year ended 30 June 2016.

Directors

The following persons were Directors of the company during the whole of the financial year and up to the date of this report, unless otherwise stated:

Dr Irene Moss

Mr Michael Lambert

Professor Peter Smith

Professor Lesley Margaret Barclay

Professor Julie Byles

Dr Kerry Chant

Professor Robert Cumming

Dr George Jessup

Mr Christopher Maitland Paxton

Professor Selina Redman

Professor Nicholas Joseph Talley

Professor Rosalie Clare Viney – Resigned 26 February 2016

Mission:

To improve health and wellbeing by driving the use of research in policies, programs and services.

Vision:

The Sax Institute will be the recognised national leader in establishing research evidence as the bedrock of health policy, programs and service delivery.

Objectives:

- 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

Strategy for achieving the objectives

To improve health and wellbeing by driving the use of research in policies, programs and services, the Institute will:

Increase the generation of research relevant to policy:

- Establish and maintain research assets
- Undertake research/analysis for or in partnership with policy agencies
- Support and stimulate others to undertake partnership research

Increase the ability of policy agencies to find and use research:

- Help decision makers access research findings and research expertise
- Help decision makers plan and undertake evaluations
- Help decision makers use research

Performance measures

The following measures are used within the Institute 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

30 June 2016
The Sax Institute

Information on Directors

Dr Irene Moss
Qualifications: Hon. LLD, BA, LLB, LLM
Honorary awards: AO
Experience and expertise: Formerly Commissioner, Independent Commission Against Corruption and NSW Ombudsman
Special responsibilities: Chair of the Board of Directors, Member of the Research Governance Committee

Mr Michael Lambert
Qualifications: BEc (Hons), MEc. MA (Phil)
Experience and expertise: Commercial and investment banking and government/public policy
Special responsibilities: Chair, Audit and Risk Management Committee

Professor Peter Smith
Qualifications: RFD, MD, FRACP, FRCPA, FAICD
Experience and expertise: Former Dean of Medicine, UNSW Australia and University of Auckland. Non-Executive Director, St Vincent's Health Australia
Special responsibilities: Chair, Research Governance Committee

Professor Lesley Margaret Barclay
Qualifications: PhD, FRCN, FCMA
Honorary awards: AO
Experience and expertise: Emeritus Professor, School of Medicine, The University of Sydney

Professor Julie Byles
Qualifications: PhD, Bachelor of Medicine
Experience and expertise: Director, Research Centre for Generational Health and Ageing, Faculty of Health and Medicine, the University of Newcastle

Dr Kerry Chant
Qualifications: MBBS, FAFPHM, MHA, MPH
Honorary awards: PSM
Experience and expertise: Chief Health Officer; Deputy Secretary, Population and Public Health, NSW Health

Professor Robert Cumming
Qualifications: MBBS, MPH, PhD
Experience and expertise: Professor of Epidemiology, Sydney School of Public Health, The University of Sydney

Dr George Jessup
Qualifications: MBBS, MBiomedEng, MBA
Experience and expertise: Director, Start-up Australia Ventures Pty Ltd; Director, Blue Jay Ventures Pty Ltd
Special responsibilities: Member, Audit and Risk Management Committee

Mr Christopher Maitland Paxton
Qualifications: BA (Hons) in Economics (UK), MBA (UK)
Experience and expertise: 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 and expertise: Chair, Australian Women's Longitudinal Study on Women's Health; Chair, Research Committee, National Heart Foundation; Member, Board of the National Breast Cancer Foundation (NBCF); Chair, Research Advisory Committee; Member, Strategic Research Committee, The Australian Red Cross Blood Service
Special responsibilities: Chief Executive Officer

Professor Nicholas Joseph Talley
Qualifications: Doctor of Medicine, UNSW Australia; Master of Medical Science (Clinical Epidemiologist), the University of Newcastle; PhD, The University of Sydney; MBBS, UNSW Australia
Experience and expertise: Pro Vice-Chancellor, Faculty of Health, The University of Newcastle; Professor of Medicine

Professor Rosalie Clare Viney
Qualifications: PhD, MEc, BEc
Experience and expertise: Professor of Health Economics, University of Technology Sydney; Director, Centre for Health Economics Research and Evaluation, University of Technology Sydney

Company secretary

The following person holds the position of Company Secretary: Mr Norman Pack (B.Comm; MBA; FCPA; GAICD). He has held a number of independent and executive board directorship roles, and has over 30 years of senior finance experience.

Meetings of Directors

The number of meetings of the company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2016, and the number of meetings attended by each Director were:

	Directors' meetings		Audit and Risk Management Committee		Research Governance Committee	
	Number attended	Eligible to attend	Number attended	Eligible to attend	Number attended	Eligible to attend
Dr Irene Moss	3	3	1	1	2	2
Mr Michael Lambert	3	3	4	4	-	-
Professor Lesley Margaret Barclay	3	3	-	-	-	-
Professor Robert Cumming	1	3	-	-	-	-
Dr George Jessup	3	3	4	4	-	-
Mr Christopher Maitland Paxton	2	3	4	4	-	-
Professor Selina Redman	3	3	4	4	-	-
Professor Julie Byles	3	3	-	-	-	-
Professor Peter Smith	1	3	-	-	2	2
Professor Nicholas Joseph Talley	1	3	-	-	-	-
Professor Rosalie Clare Viney	-	2	-	-	-	-
Dr Kerry Chant	1	3	-	-	-	-
Professor Judith Whitworth (non-Director)	-	-	-	-	1	2
Mr Cameron Johnstone (non-Director)[1]	-	-	3	3	-	-

1 Resigned 3 March 2016

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

Contributions on winding up

The Sax Institute is 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 current member and those who ceased to be a member in the year prior to the winding up is limited to $10, subject to the provisions of the Institute's constitution.

At 30 June 2016 the collective liability of members was $460 (2015: $450).

This report is made in accordance with a resolution of Directors.

On behalf of the Board of Directors

Dr Irene Moss
Chair of Board of Directors

8 September 2016

Statement of profit or loss and other comprehensive income

For the year ended 30 June 2016
The Sax Institute

	Note	2016 $	2015 $
Revenue	4	15,937,600	12,340,400
Other income	5	334,500	348,300
Expenses			
Project specific costs		(7,271,800)	(4,529,100)
Employee benefits expense		(7,529,800)	(6,706,300)
Depreciation and amortisation expense		(620,000)	(603,800)
Administration expenses		(768,500)	(644,200)
Other expenses		(14,700)	(14,100)
Surplus before income tax expense		67,300	191,200
Income tax expense	2	-	-
Surplus after income tax expense for the year attributable to members	17	67,300	191,200
Other comprehensive income for the year		-	-
Total comprehensive income for the year attributable to members		**67,300**	**191,200**

The above statement of profit and loss and other comprehensive income should be read in conjunction with the accompanying notes

Statement of financial position

As at 30 June 2016
The Sax Institute

	Note	2016 $	2015 $
Assets			
Current assets			
Cash and cash equivalents	6	7,795,000	7,189,400
Trade and other receivables	7	1,976,100	2,353,400
Available-for-sale financial assets	8	523,900	564,500
Other	9	1,080,800	309,100
Total current assets		11,375,800	10,416,400
Non-current assets			
Property, plant and equipment	10	1,010,200	1,556,000
Other	11	235,000	182,100
Total non-current assets		1,245,200	1,738,100
Total assets		12,621,000	12,154,500
Liabilities			
Current liabilities			
Trade and other payables	12	2,772,700	1,383,500
Employee benefits	13	505,400	396,600
Other	14	6,639,500	4,163,200
Total current liabilities		9,917,600	5,943,300
Non-current liabilities			
Employee benefits	15	81,400	99,500
Other	16	582,100	4,139,100
Total non-current liabilities		663,500	4,238,600
Total liabilities		10,581,100	10,181,900
Net assets		**2,039,900**	**1,972,600**
Equity			
Members' funds	17	2,039,900	1,972,600
Total equity		**2,039,900**	**1,972,600**

The above statement of financial position should be read in conjunction with the accompanying notes

Statement of changes in equity

For the year ended 30 June 2016
The Sax Institute

	Members' funds $	Total equity $
Balance at 1 July 2014	1,781,400	1,781,400
Surplus after income tax expense for the year	191,200	191,200
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	191,200	191,200
Balance at 30 June 2015	**1,972,600**	**1,972,600**

	Retained surplus $	Total equity $
Balance at 1 July 2015	1,972,600	1,972,600
Surplus after income tax expense for the year	67,300	67,300
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	67,300	67,300
Balance at 30 June 2016	**2,039,900**	**2,039,900**

The above statement of changes in equity should be read in conjunction with the accompanying notes

Statement of cash flows

For the year ended 30 June 2016
The Sax Institute

	Note	2016 $	2015 $
Cash flows from operating activities			
Receipts from grants		14,531,200	12,513,000
Payments to suppliers and employees		(14,158,500)	(11,726,900)
Donations received		60,000	50,000
Interest received		201,200	193,400
Net cash from operating activities		633,900	1,029,500
Cash flows from investing activities			
Proceeds from available-for-sale investments		1,662,000	2,588,400
Purchase of property, plant and equipment		(76,600)	(323,400)
Purchase of available-for-sale investments		(1,621,400)	(1,850,000)
Proceeds from disposal of property, plant and equipment		7,700	-
Net cash from/(used in) investing activities		(28,300)	415,000
Cash flows from financing activities			
Net cash from financing activities		-	-
Net increase in cash and cash equivalents		605,600	1,444,500
Cash and cash equivalents at the beginning of the financial year		7,189,400	5,744,900
Cash and cash equivalents at the end of the financial year	**6**	**7,795,000**	**7,189,400**

The above statement of cash flows should be read in conjunction with the accompanying notes

Notes to the financial statements

30 June 2016
The Sax Institute

Note 1. General information

The financial statements cover The Sax Institute as an individual entity. The financial statements are presented in Australian dollars, rounded to the nearest 100 dollars, which is The Sax Institute's functional and presentation currency.

The Sax Institute is a not-for-profit unlisted public company limited by guarantee.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 8 September 2016. The directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New, revised or amending Accounting Standards and Interpretations adopted

The company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been adopted early.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board ('AASB'), the Australian Charities and Not-for-profits Commission Act 2012, as appropriate for not-for profit oriented entities.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to the company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

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.

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 grantor, 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 grantor for the application of surplus funds.

Donations

Donations and bequests are recognised as revenue when received.

Stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours for each contract. Where the contract outcome cannot be reliably estimated, revenue is only recognised to the extent of the recoverable costs incurred to date.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax

As the company is a charitable institution in terms of subsection 50-5 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 days.

Other receivables are recognised at amortised cost, less any provision for impairment.

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. They are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on the purpose of the acquisition and subsequent reclassification to other categories is restricted.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the company has transferred substantially all the risks and rewards of ownership.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the asset is derecognised or impaired.

Impairment of financial assets

The company assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes significant financial difficulty of the issuer or obligor; a breach of contract such as default or delinquency in payments; the lender granting to a borrower concessions due to economic or legal reasons that the lender would not otherwise do; it becomes probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for the financial asset; or observable data indicating that there is a measurable decrease in estimated future cash flows.

The amount of the impairment allowance for loans and receivables carried at amortised cost is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. If there is a reversal of impairment, the reversal cannot exceed the amortised cost that would have been recognised had the impairment not been made and is reversed to profit or loss.

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 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 is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Depreciation for all property, plant and equipment excluding freehold land is calculated using a reducing balance method from the date that management determines the asset is available for use. The Depreciation rates used for each class of depreciable assets are shown below:

Furniture fixtures and fittings	5%-7.5%
Office equipment	10%-40%
Computer equipment	33.33%
Leasehold improvements	20%-25%

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements and plant and equipment under lease are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Notes to the financial statements

30 June 2016
The Sax Institute

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, and assumes that the transaction will take place either: in the principal market, or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Provision for impairment of receivables

The provision for impairment of receivables assessment requires a degree of estimation and judgement. The level of provision is assessed by taking into account the recent sales experience, the ageing of receivables, historical collection rates and specific knowledge of the individual debtor's financial position.

Estimation of useful lives of assets

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment of property, plant and equipment

The company assesses impairment of property, plant and equipment at each reporting date by evaluating conditions specific to the company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Employee benefits provision

As discussed in note 2, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Note 4. Revenue

	2016 $	2015 $
Grant revenue	15,937,600	12,340,400

Note 5. Other income

	2016 $	2015 $
TCorp distributions	9,400	20,600
Finance income	201,200	193,400
Donations	60,000	50,000
Other income	63,900	84,300
Other income	334,500	348,300

Note 6. Current assets - cash and cash equivalents

	2016 $	2015 $
Cash on hand	500	500
Cash at bank	1,612,100	626,100
Short-term bank deposits	6,182,400	6,562,800
	7,795,000	7,189,400

The short-term bank deposits have a maturity date ranging from 30 to 90 days. The interest earned on these deposits ranges from 2.60 to 3.10%.

Notes to the financial statements

30 June 2016
The Sax Institute

Note 7. Current assets - trade and other receivables

	2016 $	2015 $
Trade receivables	1,597,500	1,895,600
Prepayments	357,900	436,800
Deposits	1,700	1,700
Interest receivable	19,000	19,300
	1,976,100	2,353,400

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.

Note 8. Current assets - available-for-sale financial assets

	2016 $	2015 $
Available-for-sale financial assets	523,900	564,500

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.

Note 9. Current assets - other

	2016 $	2015 $
Other current assets	1,080,800	309,100

Note 10. Non-current assets - property, plant and equipment

	2016 $	2015 $
Leasehold improvements - at cost	554,500	533,000
Less: Accumulated depreciation	(213,200)	(103,300)
	341,300	429,700
Fixtures and fittings - at cost	219,500	219,500
Less: Accumulated depreciation	(89,000)	(44,700)
	130,500	174,800
Computer equipment - at cost	1,645,700	1,607,900
Less: Accumulated depreciation	(1,221,800)	(921,000)
	423,900	686,900
Office equipment - at cost	610,100	595,100
Less: Accumulated depreciation	(495,600)	(334,600)
	114,500	260,500
Capital works in progress	-	4,100
	1,010,200	1,556,000

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Leasehold improvements $	Furniture fixtures and fittings $	Computer equipment $	Office equipment $	Capital Works in progress $	Total $
Balance at 1 July 2015	429,700	174,800	686,900	260,500	4,100	1,556,000
Additions	21,500	-	40,100	15,000	-	76,600
Disposals	-	-	(2,400)	-	-	(2,400)
Transfers in/(out)	-	-	4,100	-	(4,100)	-
Depreciation expense	(109,900)	(44,300)	(304,800)	(161,000)	-	(620,000)
Balance at 30 June 2016	341,300	130,500	423,900	114,500	-	1,010,200

Notes to the financial statements

30 June 2016
The Sax Institute

Note 11. Non-current assets - other

	2016 $	2015 $
Rental bond	235,000	182,100

Note 12. Current liabilities - trade and other payables

	2016 $	2015 $
Trade payables	2,034,700	831,700
Payroll liabilities	174,100	138,500
GST payable	1,400	128,800
Other payables	562,500	284,500
	2,772,700	1,383,500

Note 13. Current liabilities - employee benefits

	2016 $	2015 $
Annual leave	393,100	345,000
Long service leave	108,300	46,400
Other employee benefits	4,000	5,200
	505,400	396,600

Note 14. Current liabilities - other

	2016 $	2015 $
Grants received in advance	6,639,500	4,163,200

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 grantor, 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 grantor. Where the grant revenue exceeds the cost of the economic value provided, the surplus funds are deferred and guidance is sought from the grantor for the application of surplus funds.

Note 15. Non-current liabilities - employee benefits

	2016 $	2015 $
Long service leave	81,400	99,500

Note 16. Non-current liabilities - other

	2016 $	2015 $
Grants received in advance	582,100	4,139,100

Disclosures relating to grants received in advance are set out in note 14.

Note 17. Equity - members' funds

	2016 $	2015 $
Retained surpluses at the beginning of the financial year	1,972,600	1,781,400
Surplus after income tax expense for the year	67,300	191,200
Retained surpluses at the end of the financial year	2,039,900	1,972,600

Note 18. Financial risk management

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

The Institute's financial instruments consist mainly of deposits within 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:

	2016 $	2015 $
Financial assets		
Cash and cash equivalents	7,795,000	7,189,400
Other assets and receivables	1,976,100	2,353,400
Available-for-sale financial assets	523,900	564,500
Total financial assets	10,295,000	10,107,300

	2016 $	2015 $
Financial liabilities		
Financial liabilities at amortised cost	-	-
Trade and other payables	2,772,700	1,383,500

Notes to the financial statements

30 June 2016
The Sax Institute

Note 18. Financial risk management *(cont)*

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

The Institute does not speculate in financial assets.

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

- Interest rate risk
- Credit risk
- Liquidity risk.

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

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

Risk management approach

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

The Institute has a Risk Management Framework Policy, a register of all identified risks setting out the risks, their significance and control mechanisms, and a Risk Tolerance Policy, setting out the acceptable risk levels. These policies were developed by management and endorsed by the Board. The risks are actively monitored and managed by management and any variation from risk tolerances or any new risk is reported to the Audit and Risk Management Committee of the Board and then to the Board, along with actions that management propose to undertake to address the risk involved.

The Risk Management Framework, Risk Register and Risk Tolerance Policy are reviewed each year at the time of the review of the strategic plan.

The Internal Audit Plan reviews over a three year cycle the key risk controls and reports to management and the Board on their effectiveness.

The Institute'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 2016.

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 2016, the Company has no interest-bearing debt.

Liquidity Risk

The Institute manages liquidity risk by monitoring forecasted cash flows and ensuring that adequate unutilised borrowing facilities are maintained. As at 30 June 2016, the Institute has an overdraft of $Nil (2015: $Nil).

Credit Risk

The maximum exposure to credit risk at balance date to recognised financial assets, excluding the value of any collateral or other security, 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 Institute does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the Institute.

Net fair values

Fair values are those amounts at which an asset could be exchanged, offset where applicable by 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.

Note 19. Members' guarantee

The Institute is incorporated under the Corporations Act 2001 and is a Company limited by guarantee. If the Institute is wound up, the constitution states that each member is required to contribute a maximum of $10 each towards meeting any outstanding obligations of the Institute. At 30 June 2016 the number of members was 46 (2015: 45).

Note 20. Key management personnel disclosures

Compensation

The aggregate compensation made to key management personnel of the company is set out below:

	2016 $	2015 $
Aggregate compensation	1,122,800	1,183,100

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. Directors do not receive any compensation for undertaking their role.

	2016 $	2015 $
Related party transactions		
Key management personnel		
Donation made to the Institute	60,000	50,000
Dr Fiona Blyth - services from related party	-	1,300
Total related party transactions	60,000	51,300

Note 21. Contingencies

As at 30 June 2016 the Institute has outstanding $600,000 (2015: $450,000) as a guarantee for an autopay facility and $230,218 (2015: $176,319) as a guarantee provided by the bank for the lease of office space.

Note 22. Commitments

	2016 $	2015 $
Lease commitments - operating		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	515,000	320,600
One to five years	1,133,600	12,800
	1,648,600	333,400

The property lease is a non-cancellable lease on a three (3) year term with rent payable monthly in advance. Contingent rental provisions within the lease agreement require that the minimum lease repayments 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.

Notes to the financial statements

30 June 2016
The Sax Institute

Note 23. Related party transactions

Key management personnel

Disclosures relating to key management personnel are set out in note 20.

Transactions with related parties

There were no transactions with related parties during the current and previous financial year.

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Note 24. Economic dependency

The Sax Institute is dependent on the NSW Ministry of Health (the 'Ministry') for a significant contribution to fund corporate costs. The Ministry provides funding on a cash basis. It is anticipated that adequate funding will be provided to enable the Institute to pay its debts when they fall due. Funding agreements are entered into for five year periods with the current agreement in effect from 1 July 2013 to 30 June 2018.

Note 25. Events after the reporting period

No matter or circumstance has arisen since 30 June 2016 that has significantly affected, or may significantly affect, the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Directors' declaration

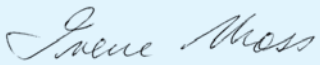
30 June 2016
The Sax Institute

In the Directors' opinion:

- the attached financial statements and notes comply with the Australian Accounting Standards - Reduced Disclosure Requirements, the Australian Charities and Not-for-profits Commission Act 2012 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2016 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

On behalf of the Board of Directors



Dr Irene Moss
Chair of Board of Directors

8 September 2016

Independent auditor's report to the members of The Sax Institute

William Buck

INDEPENDENT AUDITOR'S 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) on pages 6 to 21, which comprises the statement of financial position as at 30 June 2016, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the 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 Regime and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the directors determine is necessary to enable the preparation of a 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 have 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 entity'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 entity'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 *Australian Charities and Not-for-profits Commission Act 2012*.

CHARTERED ACCOUNTANTS
& ADVISORS

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William Buck

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SAX INTITUTE (CONT)

Auditor's Opinion
In our opinion the accompanying financial report of The Sax Institute on pages 6 to 21 is prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

a) giving a true and fair view of the Company's financial position as at 30 June 2016 and of its performance and cash flows for the year ended on that date; and
b) complying with Australian Accounting Standards – Reduced Disclosure Regime and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

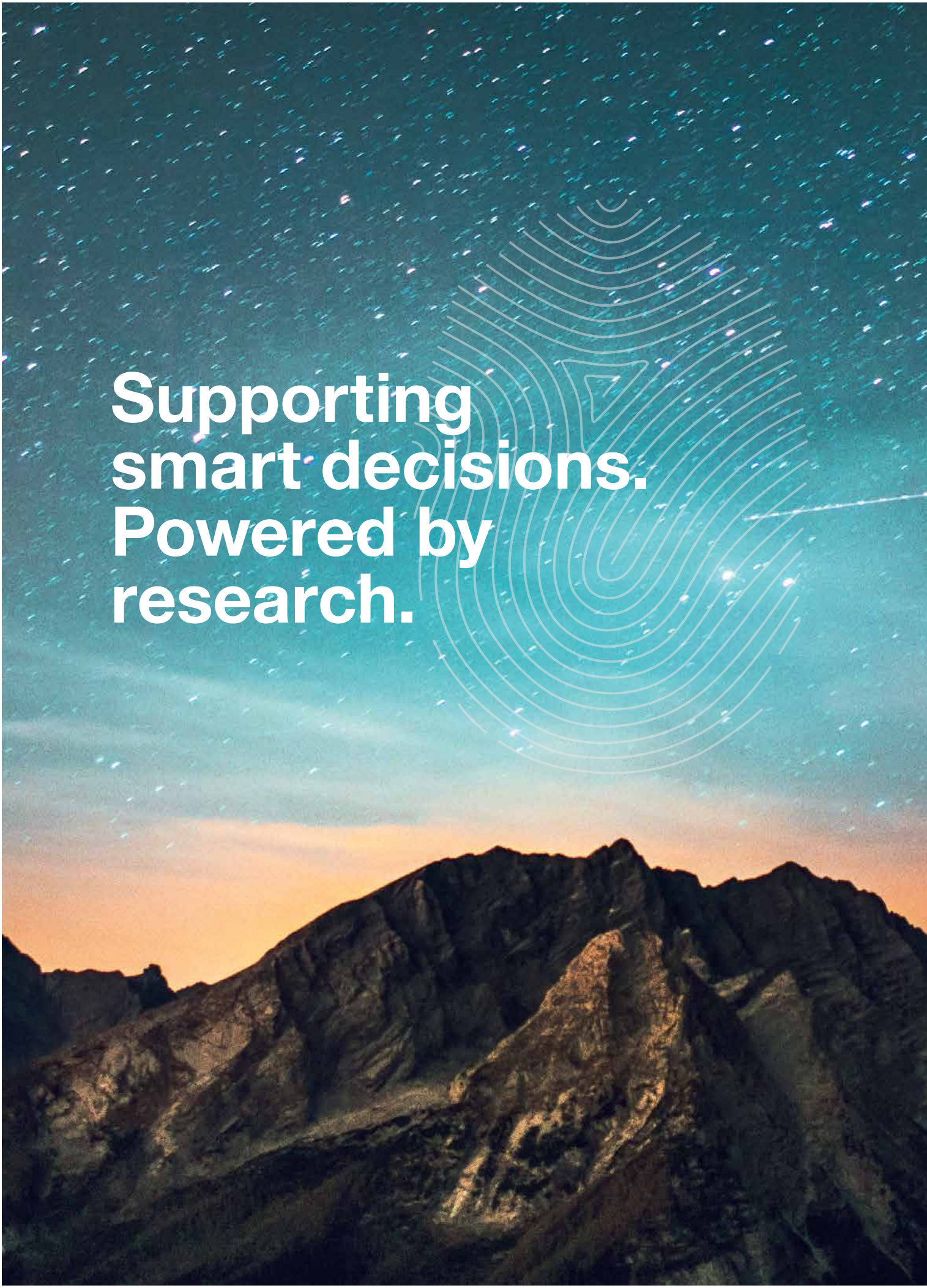
William Buck

William Buck
Chartered Accountants
ABN 16 021 300 521

Les Tutt

L.E. Tutt
Partner

Dated this 8th day of September, 2016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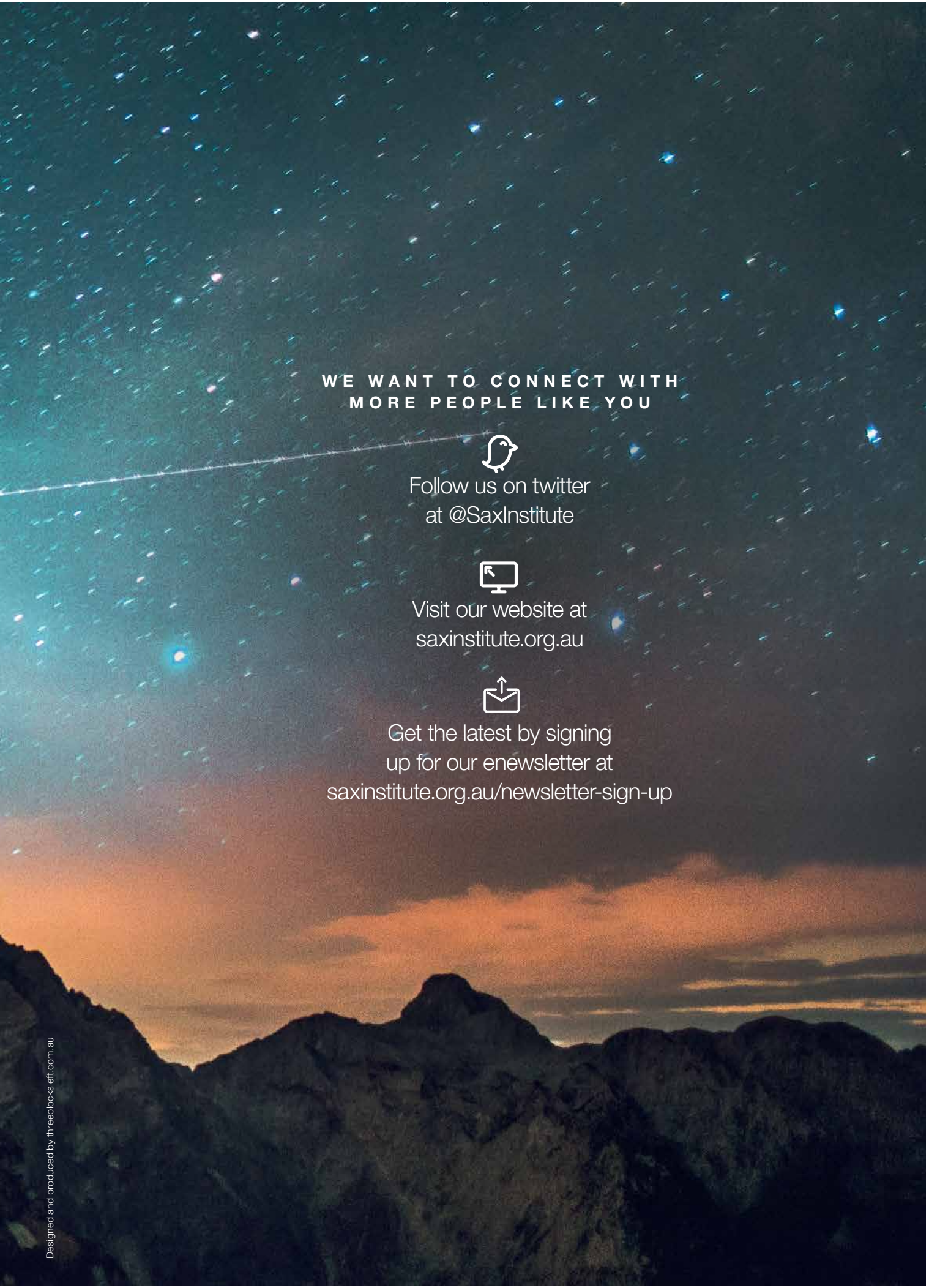

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