

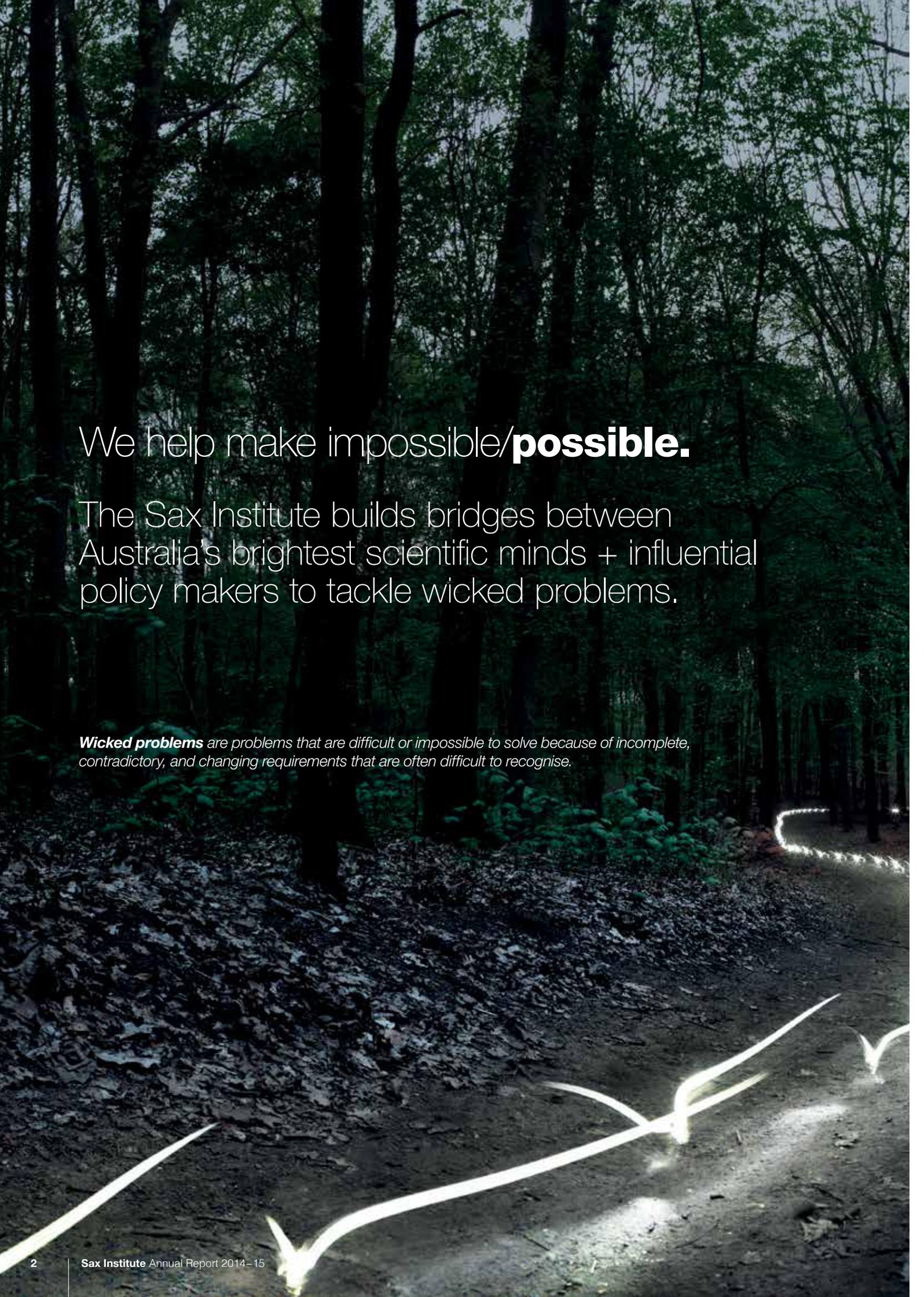
ANNUAL REPORT 2014-15



Impossible

Bringing Innovative thinkers together
to make the impossible possible

saxinstitute

A dark forest at night. A path is illuminated by a string of small lights that curve into the distance. In the foreground, a bright, glowing trail resembling a bird in flight or a comet streaks across the path. The trees are tall and thin, with some light filtering through the canopy.

We help make impossible/**possible.**

The Sax Institute builds bridges between Australia's brightest scientific minds + influential policy makers to tackle wicked problems.

***Wicked problems** are problems that are difficult or impossible to solve because of incomplete, contradictory, and changing requirements that are often difficult to recognise.*



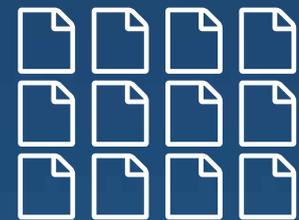
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70

We worked with 70 policy and program agencies on diverse projects from health protection to targeting integrated care



Our Hospital Alliance for Research Collaboration, which aims to improve health and hospital services through research, gained two new partners: NSW Kids and Families and Cancer Institute NSW



We completed a trial using our world-first measures to assess how policy and program agencies use research, and have already described some of our findings in 10 scientific papers

Highlights 14/15



Five new members joined us, bringing our total membership to 45 research groups and universities across four states and territories



We launched our first annual members' event, with a focus on public health communication and announced our inaugural Research Action Awards



For the third year running, the SEARCH Study helped identify more than 200 Aboriginal children to receive speech therapy sessions and ear, nose and throat surgery. To date more than 8500 services have been provided



More than 70 grants worth \$29 million have now been awarded to researchers to carry out work using the 45 and Up Study



We launched *Public Health Research & Practice*, an online-only, open access, peer reviewed and Medline-listed journal



580 researchers and 27 policy agencies have now used our 45 and Up Study in their work and more than 170 papers have been published on big health challenges from smoking and obesity to diabetes and preventable hospitalisations

Use of our Secure Unified Research Environment (SURE) increased by more than 100%. More than 130 researchers from 26 institutions have now used SURE to carry out sensitive research securely and 38 linked data research projects are currently under way



We increased the funds we have leveraged for research in NSW over the past five years to nearly \$80 million

3x

The number of agencies commissioning projects through our Analysis for Policy program more than trebled and the program continued to expand its reach



Work commissioned from our Knowledge Exchange Division by policy and program agencies jumped by 56%



We moved to new and larger premises on the UTS campus in Jones St, Ultimo to accommodate our growing staff numbers

Message from the Chair



The 2014–15 year saw some exciting new developments at the Sax Institute and a considerable strengthening of our programs, assets and partnerships. This report outlines our key achievements and also explores how we are working with governments and other agencies to tackle wicked problems in healthcare.

Wicked problems are those that resist solutions. They can't be addressed by any one organisation or group and there is often considerable disagreement on both their underlying causes and how to confront them. Examples include the continuing challenge of removing barriers to using research in policy making, acknowledging health as being bigger than the healthcare system, and tapping the potential of Australia's huge stores of big data in order to benefit our health and wellbeing.

Some of the highlights of the year include the success of our Analysis for Policy program, which helps policy and program agencies capitalise on our 45 and Up Study research resource to answer big questions such as how to better integrate care across the health system. During the year, the number of agencies participating in this program trebled.

“Wicked problems are those that resist solutions. They can't be addressed by any one organisation or group...”

The CIPHER Centre of Research Excellence (Page 15) has also achieved an important milestone this year. After developing the world's first set of measures to assess how policy and program agencies use research, it has tested their value through an intervention trial called SPIRIT, and published a series of papers that have added significant value to the existing body of knowledge on what works to increase the use of research.

Enhanced use of our research assets is another achievement of note: 580 researchers are now using the 45 and Up Study in their work and more than 130 researchers are using our Secure Unified Research Environment (SURE), to conduct linked health research. This has strengthened the capacity of the research workforce to conduct work that is critical to Australia's ability to address future challenges.

In the past five years alone we have leveraged nearly \$80 million in research funding for NSW and this year we have seen an increase in the number, variety and strength of relationships we have built with policy and program agencies across NSW and further afield. We are now working with more than 70 agencies on issues that traverse the domains of health and social wellbeing.

Our Board of Directors has continued to offer valuable expertise and guidance during the past year and we were fortunate to have NSW Chief Health Officer Dr Kerry Chant PSM rejoin the Board in June 2015. Dr Chant's deep understanding and appreciation of public policy and health will be of great value to us.

I am also pleased to welcome Professor Julie Byles, whose significant contribution to research on ageing is just one of the many skills she brings to her role as a Director. Thank you to Dr Devon Indig, who departed the board during the year, and whose considerable public health and research expertise was an asset to us.

Chief Executive Officer Professor Sally Redman AO and her team of dedicated staff have shown during the year what commitment, energy and creativity can accomplish. I thank them for their continued willingness to live out the Institute's values of excellence, innovation and professionalism.

As I reflect on our achievements, I am reminded of how far the Institute has come. There are many challenges ahead. But our strength, leadership and ability to innovate will cement our pivotal role in helping to address major policy issues in order to improve the health and wellbeing of Australians.

Dr Irene Moss AO, Chair

CHAPTER 1

Our organisation

Our organisation

Our approach

The Sax Institute is helping build a different kind of future for Australia.

This is a future where Australia gets the absolute most out of the billions of dollars it invests in health research, and where research jumps out of the scientific literature and into the real world to make measurable improvements to our health systems and healthcare.

It's a future where the things we research are guided by the challenges we face as a society. And it's one where those who make the decisions work together with researchers in thinking innovatively about solutions to these challenges.

Our organisation is transformative because it's powered by a deep understanding of both the policy and research environments and is led and staffed by people who look at health and social challenges through a new lens.

What we do

We are a leader and an innovator. We instigate and drive major collaborative projects that engage both researchers and policy makers to tackle wicked problems in new ways, together. Wicked policy problems are complex problems that resist solutions. We offer a way forward, using our expertise to connect the people needed at the table if solutions to these problems are to be found.

We are a home of shared research resources. We manage large-scale, long-term cohort studies that empower researchers across Australia and internationally to conduct research that is directly relevant to decision makers – and do it in a policy-friendly time frame. In this way, we are creating foundations that support our partners to build better health systems and unlocking the potential of research to have a real-world impact.

We are a broker of knowledge and an expert in connecting decision makers and researchers. We provide decision makers in search of solutions with the tools to get the most from research, and we work with researchers to understand how they can engage with policy and program staff and understand their needs.

National Health Performance Authority CEO Dr Diane Watson joins a HARC forum panel discussion.



Our mission, values and objectives

The Institute's mission is to improve health and wellbeing by driving the use of research in policies, programs and services. We espouse the values of excellence, innovation, transparency and accountability, professionalism and being evidence-based.

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; and to maintain and strengthen a sustainable and effective organisation.

How we're structured

We are member-based, and our membership comprises 45 public health and health services research organisations and their universities.

We are therefore a valuable gateway to the best research minds. Our membership structure creates a dynamic connection with researchers that allows us to understand their skills and their needs.

At the same time, the fact that we are independent of any one university or research group allows us to connect decision makers leading policy and programs with the best expertise, regardless of where it's located.

Our in-house knowledge of the policy environment and our strong working relationships with 70 agencies across different levels of government and the NGO sector ensure we know the right questions to ask and are tapped into what policy makers and program managers need.

Importantly, we're also a not-for-profit, public good organisation.

Our 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).

Audit and Risk Management Committee members
Mr Cameron Johnstone and Board Director Mr Michael Lambert



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.

Member activity in 2014–15

We welcomed five new member organisations during 2014–15:

- The Centre for Big Data in Health at The University of New South Wales
- The School of Public Health and Preventive Medicine at Monash University
- The Centre for Health Informatics at Macquarie University
- The Centre for Healthcare Resilience and Implementation Science at Macquarie University
- The Centre for Health Systems and Safety Research at Macquarie University.

During the year, 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.

In November, we hosted a popular member event on public health communication featuring leading health journalists Dr Norman Swan and Ms Amy Corderoy, and Professor Simon Chapman from the University of Sydney.

Getting your message heard: A louder voice for public health was designed to help our members and associates address the challenges of achieving an effective public health voice in today's media landscape.

Dr Swan, producer and presenter of ABC Radio National's *The Health Report*, highlighted the importance of using human stories to engage people with research, *Sydney Morning Herald* Health Editor Amy Corderoy outlined the competing priorities and challenges being faced in modern newsrooms, and Professor Chapman discussed the potential of social media to disseminate public health messages.

During 2014–15 we also established our inaugural Research Action Awards, designed to recognise researchers whose work has made a significant impact on health policy, programs or service delivery. We look forward to this event becoming an annual research highlight for our member organisations.

For our full membership list, turn to page 36.

Who we work with

We are privileged to work with a large number of organisations in many different capacities such as providing services, working as research co-investigators and on collaborative and funding partnerships. We particularly acknowledge the NSW Ministry of Health, whose funding is central to our work. An outline of the organisations we worked with in 2014–15 is provided on pages 12 and 13.

Respected broadcaster Dr Norman Swan addressed our members in 2014–15



Board of Directors



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



Professor Julie Byles

is Director of the Research Centre for Gender, 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.



Mr Michael Lambert

is a former secretary of NSW Treasury and investment banker as well as having 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 US and Asia. Previously he was Managing Director of Crescendo Partners and a Vice President at A.T. Kearney.



Professor Sally Redman AO (ex officio)

is Chief Executive Officer of the Sax Institute. She has extensive experience in public health research and in the interface between research, policy and practice. Previously Professor Redman was the inaugural Director of the National Breast Cancer Centre.



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.



Professor Peter Smith

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



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, and Foreign Guest Professor at the Karolinska Institute, Sweden.



Professor Rosalie Viney

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

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 2014–15 these organisations included:

The NSW Ministry of Health

Population and Public Health Division

Centre for Aboriginal Health

Centre for Epidemiology and Evidence

Centre for Population Health

Strategy and Resources Division

Integrated Care

Government Relations

System Purchasing and Performance Division

Mental Health and Drug and Alcohol Office

Governance, Workforce and Corporate Division

Nursing and Midwifery Office

Workforce, Planning and Development

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

Justice Health & Forensic Mental Health Network

NSW Health Pathology

The Sydney Children's Hospitals Network

Health Protection NSW

Local Health Districts:

South Western Sydney

Hunter New England

Mid North Coast

Central Coast

Northern Sydney

Nepean Blue Mountains

Western Sydney

South Eastern Sydney

National government bodies

Australian Government
Department of Education and Training

Australian Government
Department of Health

Australian Government
Department of Human Services

Australian Government
Department of Veterans' Affairs

Other NSW Government agencies

NSW Department of Education and Communities

NSW Department of Family and Community Services (Participation and Inclusion)

NSW Department of Planning and Environment

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 Institute of Health and Welfare

Australian Primary Health
Care Research Institute

Australian Red Cross Blood Service

Beyondblue

Bupa

Cancer Australia

Cancer Council NSW

Cancer Council Victoria

CanTeen

Capital Markets Cooperative
Research Centre

Healthdirect

HCF and the HCF Research Foundation

Intersect Australia

Mental Health Commission of NSW

Motor Accidents Authority of NSW

Movember Foundation

National Breast Cancer Foundation

National Health and
Medical Research Council

National Health Performance Authority

National Heart Foundation of Australia
(National and NSW Division)

National Mental Health Commission

NPS Medicinewise

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



CHAPTER 2

Challenge: Removing barriers to using research

The evidence-policy gap is a term often used to describe the difference between what the research tells us and what happens in practice. It exists for a number of reasons, including the fact that those who design and deliver policies and programs have multiple considerations. They work in complex organisations and deal with complex problems in a highly visible environment. They must also rely on knowledge and information that won't be found in research literature.

But we do know that there is rich potential for research to contribute more in guiding the development of better systems and services in healthcare and beyond. It can teach us so much about how our systems are working and it can guide us on what interventions might be effective and how we can better design and deliver services and care. There are barriers to using research however, and it's these barriers that we are working to break down.

Some barriers and roadblocks

It can be difficult for agencies to find research when they need it and they may not have the skills or systems to assist in identifying, appraising and using research evidence.

Existing research doesn't always address the complex and messy policy questions that those at the frontline need to answer – and the time needed to conduct new research might not align with policy time frames. This means chances are missed to use the best available evidence in designing policies and programs and to assess their impact once they've been rolled out.

Governments and other agencies are increasingly interested in evaluating the effectiveness of their policies and programs. But these are likely to be challenging projects, with little opportunity for randomised trials, and there may be a lack of relevant effectiveness measures.

Dismantling barriers

We are tackling these barriers in multiple ways because we realise that complex issues need sophisticated solutions.

We build capacity to use research

Over the past three years, we have been working with six agencies to help them build their capacity to use research. We assess their needs and build skills and systems to increase capacity in the areas they feel are important. Examples include conducting tailored skills training in areas such as appraising evidence and how to access research. We have tested these strategies through a stepped wedge trial called SPIRIT – and the results will be available shortly.

As part of this work, we have developed the world's first suite of measures to assess how policy and program agencies use research. The measures assess how agencies engage with research and use it in their work, what tools and systems are in place to help staff use research, and whether research has been used in developing recent policies and programs. Feedback from policy agencies indicates these measures are useful. The Cancer Institute NSW for example, said it had appreciated the opportunity to be involved with testing new ways of measuring research use.

"This was a fantastic process in that it allowed us to measure ourselves and reflect on how we do our business," Planning and Evaluation Coordinator of the NSW Cancer Plan, Dr Cynthia Lean said.

These measures have been developed as part of CIPHER, the Centre for Informing Policy in Health with Evidence from Research.

CIPHER is a National Health and Medical Research Council (NHMRC) Centre of Research Excellence and a collaboration between the Institute, The University of New South Wales, the Australasian Cochrane Centre, Monash University, the University of Newcastle, Australian National University, the University of South Australia and the University of St Andrews in the UK.

We are working to build capacity in other ways. SEARCH – the Study of Environment on Aboriginal Resilience and Child Health – is following 1672 children from 643 families and is the largest long-term study of the health of urban Aboriginal children.

SEARCH is a research partnership between the Institute, the Aboriginal Health and Medical Research Council, leading researchers and their universities and four Aboriginal community controlled health services: Tharawal Aboriginal Corporation; Awabakal Ltd; Riverina Medical and Dental Aboriginal Corporation and Aboriginal Medical Service Western Sydney. By partnering in SEARCH, these services are building their capacity to use research to benefit their communities, and the Study is also supporting the work of a growing number of Aboriginal researchers. Read more about SEARCH on pages 19 and 23.

2014–15 highlights

- We completed the SPIRIT trial to test which strategies work best to increase decision makers' use of research and 11 scientific papers have been published to date.
- More than 10 Aboriginal people are now employed in SEARCH study and training programs and are undertaking additional regular skills development sessions including training in research methods, public speaking, individual interviewing and presentation design.

We make it easier to access and use research

Through our Knowledge Exchange division we offer rapid reviews of research literature that are tailored to particular policy questions and we help agencies prepare for rigorous evaluations of existing or new policies and programs. Our network of researchers is a resource that decision makers use in different ways – from short consultations to more structured discussions about particular research issues they're facing. These knowledge exchange services regularly make direct contributions to short- and long-term policy and program development.

2014–15 highlights

- We worked with 70 policy and program agencies right across NSW and further afield and covering domains such as health, treasury and education.
- Work commissioned from our Knowledge Exchange division by policy and program agencies jumped by 56% during the year and included 30 Evidence Check reviews and 12 evaluation and other services.

We provide platforms for sharing knowledge

Sharing research is a key component of our work. One way we do this is by bringing researchers and health decision makers together to discuss issues of common interest through the Hospital Alliance for Research Collaboration (HARC). HARC is a partnership between the Institute, the Agency for Clinical Innovation, the Clinical Excellence Commission, the Bureau of Health Information, NSW Kids and Families and the Cancer Institute NSW and it's designed to drive new thinking about current and emerging challenges in healthcare and to improve health and hospital services through research. Our regular HARC forums give researchers and policy makers the opportunity to hear from leading thinkers and connect with each other.

Our publications arm is also a vehicle for research dissemination. Managed by our communications team, our publications function supports a monthly HARC e-Bulletin summarising the latest national and international research of relevance to the hospital sector, a website resource for health decision makers called Web CIPHER, and a quarterly open-access journal, *Public Health Research & Practice*.

2014–15 highlights

- NSW Kids and Families and the Cancer Institute NSW joined our HARC collaboration to use knowledge from research for better hospital services and healthcare.
- We launched *Public Health Research & Practice*, an open-access, peer reviewed, online-only journal with a focus on innovations, data and perspectives from policy and practice.

We engineer policy-relevant research

We are tackling the need to increase the amount of policy-relevant research in two major ways. We house and manage large-scale, long-term cohort studies that researchers use to conduct work that speaks to important policy questions. These research assets also reduce the time it takes to generate evidence, and make it possible for researchers to catch the policy train before it leaves the station.

Our 45 and Up Study of 260,000 Australians is the largest ongoing study of healthy ageing in the Southern Hemisphere and to date has been used by more than 580 researchers. In providing us with ongoing information about their healthcare and allowing us to link this to their hospital, Medicare and pharmaceutical records, the Study's quarter of a million participants have made it possible for us to create a research asset of national significance that is becoming increasingly valuable to policy. Read more about the 45 and Up Study on pages 23 and 24 and in Chapter 4.

We recognise that creating research resources is just the first step. So we developed our Analysis for Policy program to help policy and program agencies devise relevant research questions and work with them to access and analyse data from the 45 and Up Study to answer these questions.

2014–15 highlights

- Researchers using the 45 and Up Study increased to 580 and more than 170 scientific papers have now been published in peer reviewed national and international journals on diverse issues from diabetes and obesity to the link between hospitalisations and primary care.
- The number of agencies commissioning projects through our Analysis for Policy program more than trebled. The program also expanded its reach, increasing interest from NSW Local Health Districts.

National Mental Health Commission CEO Mr David Butt



Grappling with alcohol-related harm

What if you could press a button and know how raising alcohol taxes, changing advertising laws and improving access to drug and alcohol services might work together to reduce alcohol-related emergency department presentations?

A new project being run through The Australian Prevention Partnership Centre (page 22) is exploring exactly that scenario by taking an innovative approach using computer simulation modelling.

Simulation modelling – the process of creating computer models that are simplified representations of the real world – has been successfully used in engineering, ecology, defence and business since the 1950s. The Prevention Centre, working in collaboration with the NSW Ministry of Health, is trialling new ways to use such modelling. Once complete, it aims to give policy makers a valuable analytic tool to guide their decisions about the best investment to reduce alcohol-related harm in the community.

A complex problem

Alcohol-related harm is a complex problem with many inter-related causes but currently, it's unclear how these factors interact to produce patterns of drinking behaviour. There is a broad range of options available to intervene in the problem and these are backed to varying degrees by research evidence. There are also political considerations and competing community views about what solutions may be most effective.

What simulation modelling does is bring together disparate sources of evidence – such as expert knowledge, what the research literature says, practice experience and data such as emergency department presentations or motor vehicle accidents, to produce a computer model of a complex problem. This can then be used to test – in a low-cost, risk-free way – the likely impact over time of different policy options before they are implemented in the real world.

It can answer important questions such as which risk factors for alcohol use are most important? Where in the course of people's lives should we target interventions? And what combination of interventions works best, is most equitable and is cost effective?

“This approach we are taking is really an innovative way of applying knowledge from research in a real-world context and maximising its potential.”

DR JO-AN ATKINSON
Prevention Centre Research Fellow

How do you build the model?

“The project's point of difference is that the model is not being built by clever people behind closed doors,” says project lead and Prevention Centre Research Fellow Dr Jo-An Atkinson.

“Only in the past one to two years has the software become accessible enough to allow non-modellers to participate in the building of sophisticated hybrid models in a transparent way. We are taking advantage of these advances by bringing together a diverse group of key stakeholders in research, practice and policy to map the key risk factors and likely causal pathways for harmful alcohol use. By doing this we're not only drawing on a wide range of expertise, we're including valuable context and building consensus around what are likely to be the best solutions that will give us the best chance of success.”

After mapping the risk factors, the group has used evidence, data and their collective expertise to outline how these risk factors influence people's behaviour. Different policy interventions will then be overlaid onto the existing map and the computer modelling software quantifies the entire thing in a way that is easily digestible by non-modellers who aren't required to interpret endless lines of computer code.

What role does research play?

Dr Atkinson says existing research evidence is integral to how the simulation model is being structured and the model will help us get the most out of the vast amounts of research and data that already exist. It is also using research in a new way, synthesising it with expert and local knowledge, and routinely collected data to amplify its power.

“Research is vital but what we have seen is that research evidence alone is not enough to answer the range of questions policy makers have when trying to develop responses to complex health sector problems,” she says.

“The process of developing these simulation models highlights where more research and data is most needed to make the models even more robust. Importantly, this approach we are taking is really an innovative way of applying knowledge from research in a real-world context and maximising its potential.”

An evidence foundation for better prisoner health

In the prison system, life is a “young man’s game”. Basic routines involve physical labour and regular activity such as climbing stairs and into and out of bunk beds. But as the prison population continues to age rapidly, diminishing physical ability and age-related illness is increasingly becoming a challenge for the system.

“Age-related illnesses such as dementia are pretty difficult in a correctional environment,” says Brendan Christie, Senior Policy and Evaluation Officer with the Research and Evaluation Service at the Justice Health & Forensic Mental Health Network (JH&FMHN).

“And people with long custodial histories age faster than the rest of the population, so, by the time they reach 50, their health is likely to be poorer. Having older people in custody for longer is going to require rethinking how we deliver models of care.”

JH&FMHN is considering its strategic approach to this issue and in 2014–15 we had the opportunity to work with the organisation as it considered strengthening its use of research to help address this and other priorities.

The Network is a participant in our SPIRIT trial (page 15) and was offered a program of capacity building activities and resources to help staff use best evidence more effectively. Mr Christie says that participation in SPIRIT gave the organisation a head start in terms of identifying how to strengthen its use of research and it guided thinking on options for strategically addressing the ageing prison population.

Geraldine Baillet, Executive Director, Strategic Development & Performance at JH&FMHN, says the experience opened opportunities to work more closely with researchers.

“I believe taking part in SPIRIT has deepened awareness of what research can do within our organisation in improving prisoner health while strengthening our relationship with the Sax Institute,” she says.

“The SPIRIT journey was an important commitment by JH&FMHN over a two-year period to make better use of research in our everyday activities. The workshops and other sessions organised as part of the trial were a great opportunity for clinicians and policy managers to interact with expert researchers in areas that were relevant to their roles.”

Another example of our partnership with JH&FMHN this year was around the issue of cultural competency.

“The issue of Aboriginal people being over-represented in the prison population is a big one – 24% of the adult prison population and 60% of the kids in custody are Aboriginal – so this is a high priority for our organisation,” Mr Christie says.

JH&FMHN already has an evidence-based, high-quality staff cultural awareness training program called Respecting the Difference but it wanted to examine what else it could do to embed cultural competency throughout the organisation.

We were able to assist by providing a recent review commissioned through our Evidence Check service, which Mr Christie’s team used to identify and present options to the JH&FMHN Executive to further develop cultural competency.

“I believe taking part in SPIRIT has deepened awareness of what research can do within our organisation in improving prisoner health.”

MS GERALDINE BAILLET
Justice Health &
Forensic Mental Health Network

Using research to improve urban Aboriginal child health

The large gap in life expectancy and overall health between Aboriginal and non-Aboriginal Australians is well known. What is less known is that 60% of this health gap is experienced by Aboriginal people living in urban and large regional areas.

Reducing this gap will require better information and better strategies for using research to inform policy and service delivery.

Unlike remote communities, Aboriginal people in urban areas do not live in discrete communities with well established structures for communication. This makes understanding health needs of Aboriginal people living in urban areas more difficult and has resulted in a dearth of data – for example, a review in the *Medical Journal of Australia* showed that only 11% of peer reviewed papers about Aboriginal health included information about the health of urban Aboriginal people.

SEARCH – the Study of Environment on Aboriginal Resilience and Child Health – was established to provide much-needed information about the health of urban Aboriginal children. It addresses the problem of data collection in urban Aboriginal people through its partnership between the Institute, the Aboriginal Health & Medical Research Council, leading researchers and their universities and Aboriginal community controlled health services. The health services are critical in determining the priorities, creating links with the families and ensuring the data are acted upon.

In 2014–15, data from the Study’s first phase became more readily available and are being used by the health services and more broadly.

“SEARCH has given us really powerful data,” says Raylene Gordon, CEO of Awabakal Ltd.

“As a result of the Study data we have redesigned the whole model of care in our mums and bubs program. We have moved from a midwife-led model to one where GPs and Aboriginal health workers are working together to focus on the main health issues highlighted amongst the kids – overweight and obesity, ear health and asthma.”

“SEARCH has given us really powerful data ... as a result we have redesigned the whole model of care in our mums and bubs program.”

MS RAYLENE GORDON
CEO, Awabakal Ltd

Ms Gordon says SEARCH has enabled Awabakal staff to talk to the community in a meaningful way about what problems the data had identified and what needs to be done to address them. The “hard facts” emerging from the data are also being used to start ongoing relationships with local schools and the Department of Education in an effort to give teachers a better understanding of the environments and health issues affecting their Aboriginal students.

“Without that data we would not have had the movement we’ve had around these issues,” Ms Gordon says.

“I think the reason SEARCH has been so successful is that the model it uses makes sense. The people working with the families to collect the data are local and so they trust that the data are not going to be used in a way that is detrimental to them. I have seen a lot of research programs where someone external comes in and you don’t necessarily get to the truth because there is not that level of trust there.”

University of Sydney Professor Jonathan Craig, one of the SEARCH chief investigators, agrees that a key to the Study’s value is that it has recognised the importance of dedicating resources to ensuring the research data are used.

SEARCH has been able to identify children in need of speech and language interventions and ear, nose and throat surgery and in 2014–15 more than 200 Aboriginal children participating in the Study were able to receive speech therapy sessions and ENT surgery. To date more than 8500 services have been provided.

Nevaeh, aged 5, sits with mum Kirra Briggs as her brothers Malakhi and Latrelle play with cousin Nash in the background.



A new direction in public health research

Sharing knowledge through disseminating research is one of several key strategies we use to put decision makers in touch with evidence, and in 2014–15 we launched a significant new title – *Public Health Research & Practice* (PHRP).

PHRP is an open access, peer reviewed, online-only, quarterly scientific journal, and represents a new face for the *NSW Public Health Bulletin*, published by the NSW Ministry of Health for nearly a quarter of a century. The new journal, which remains supported by the Ministry, aims to build on the Bulletin's strengths and take it into its next phase, with a strengthened focus on supporting knowledge-driven policies and the provision of best practice public health programs in NSW and across Australia.

"We want the journal to support public health practitioners in finding and using the best available evidence in a timely way," Communications Director Ms Kellie Bisset says.

"We also want to create an outlet for researchers to publish high-quality, policy-relevant research. And we're actively seeking original research that has used a co-creation approach – where researchers work together with policy makers and practitioners – particularly in evaluating innovative policies and programs. We hope this will start a larger conversation around using research to better understand the impact of health decisions, and learn what works best in what circumstances."

Since launching the new journal website in November 2014 we have published four issues, with a focus on systems approaches to chronic disease prevention, communicating public health messages, new developments in tobacco control, and making the most of routinely collected data.

During the year we attracted a growing subscriber base to our quarterly journal alerts, a growing following on Twitter, and we secured the journal's continued listing in MEDLINE – the US National Library of Medicine's premier bibliographic database – which will ensure its contents are accessible to a wide international audience. A number of other organisations also agreed to index the journal, including the TROVE repository operated by the National Library of Australia.

A key strength of *Public Health Research & Practice* is its expert editorial board, led by Sax Institute CEO Professor Sally Redman, and made up of leading subject matter experts whose expertise has already helped us shape some powerful content and laid the foundation for a strong series of issues over the coming months.

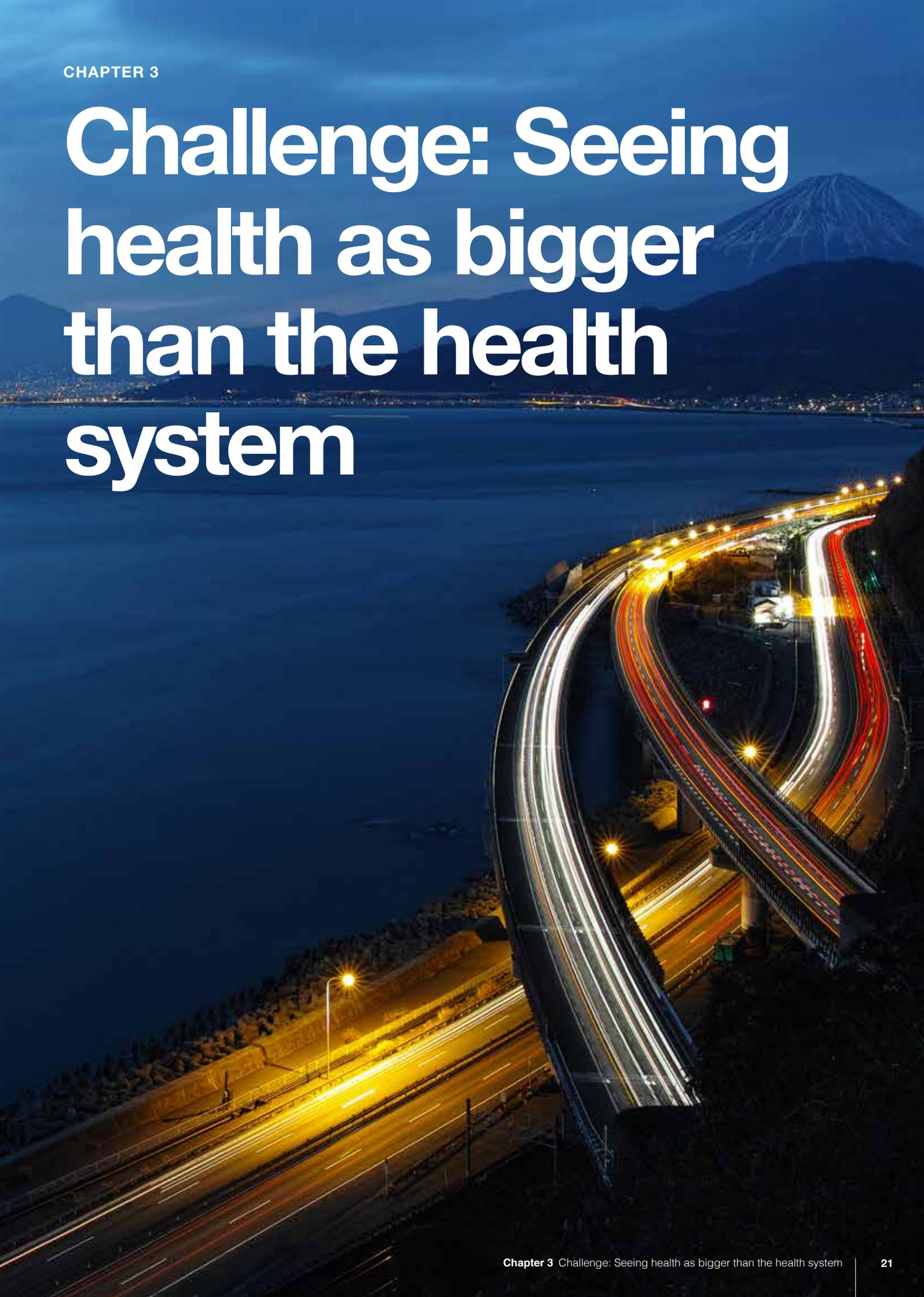
Professor Simon Chapman's paper on public health advocacy was the most read paper of 2014–15

"We hope this will start a larger conversation around using research to better understand the impact of health decisions."

KELLIE BISSET
Sax Institute Communications Director



Challenge: Seeing health as bigger than the health system



In recent years, it has become increasingly recognised that many of the factors affecting health and wellbeing are social, cultural, economic and environmental. This means we need to look outside the healthcare system if we want to address the drivers of health and ill-health.

Income levels, job security, community connectedness and access to healthy food, transport, green space and education are just some of the social determinants of our health.

Many countries are adopting a 'health in all policies' approach to decision making and the World Health Organization is actively advancing the social determinants of health agenda, with a particular focus on reducing health inequalities. But the task of taking a wholistic approach to address the drivers of ill-health remains complex and difficult.

Some barriers and roadblocks

Coordinating and connecting multiple policy domains and organisations around the health agenda is a big challenge for governments. And the problems that need addressing are not currently owned by any one group.

There are few established ways of working across sectors and this new approach requires those in healthcare to establish new relationships with new professional groups and industries.

Some people still confine health to an issue of personal responsibility and there are political challenges around the narrative of what determines good health.

Dismantling the barriers

Joining the dots between health and other systems is a central theme for many of our programs and collaborations. We outline some examples on the following pages.

The Australian Prevention Partnership Centre: a new way of doing business

Lifestyle-related chronic disease is a major challenge for Australia and other countries, not least because it is influenced by a tangled web of interconnected factors, policy areas and organisations.

Through The Australian Prevention Partnership Centre we are taking a new approach to this problem with systems thinking – which attempts to find solutions by tackling multiple parts of a problem at once.

The Centre's strength lies in recognising that both researchers and research users have an equal stake in finding answers to this issue, and must work together to build a prevention system to reduce the chronic disease burden.

It is a collaboration of more than 20 organisations from the university, government, non-government and private sectors. It is managed by the Institute and funded by the National Health and Medical Research Council (NHMRC), Australian Government Department of Health, NSW Ministry of Health, ACT Health, and the HCF Research Foundation. We also lead the Centre's

Synthesis Capacity, which is developing and applying ways to summarise and communicate evidence around prevention for policy makers and practitioners.

The Centre has already embarked upon 21 research projects covering a wide range of areas, from price barriers and healthy eating to reducing smoking rates in Aboriginal communities.

2014–15 highlights

- The prototype of a dynamic model to simulate the result of investing in interventions to reduce alcohol-related harm was developed in partnership with NSW Ministry of Health.
- More than 360 researchers and health system practitioners have so far participated in training or exchange events hosted by the Centre nationally.

Dr Rosemary Korda, ANU, with Sax Institute Deputy CEO Mr Bob Wells





SEARCH: a partnership towards better health for Aboriginal children

A critical element of SEARCH – the Study of Environment on Aboriginal Resilience and Child Health – is its foundational premise that health is about so much more than tests, medications or doctor visits.

This ongoing study of 1672 urban Aboriginal children and their families is a partnership with four Aboriginal Community Controlled Health Services (see pages 15 and 19) and is gathering information on areas that are top priorities for the Aboriginal communities involved. It is therefore looking not only at physical health, food and physical activity but also at speech and language development, emotional wellbeing, and the children’s local environment – and how all of these things intersect.

Some work already done has highlighted the impact of housing problems on the families participating in the Study. There is also evidence emerging to show that Aboriginal children whose carers are not psychologically distressed have significantly greater odds of good social and emotional wellbeing than those with distressed carers. Yet psychological distress is common among the carers in the study, suggesting that addressing the mental health of parents and carers will be pivotal to closing the gap in health outcomes for Aboriginal children.

2014–15 highlights

- Research into the safety, quality of and access to green space in urban Aboriginal communities was completed and submitted for publication. This will have implications for community conversations around tackling levels of overweight and obesity.
- A series of research papers was prepared and submitted, which further advance the evidence base on the link between Aboriginal child health and housing and caring environments.

The 45 and Up Study: taking the pulse of the nation

By following 260,000 Australians over time, our 45 and Up Study is painting a moving picture of the nation’s health and how we are ageing. Participants in the Study – one in every 10 men and women aged over 45 in NSW – are being asked ongoing questions about the medications they take, their family history of disease, their level of physical activity and their diet. But the Study recognises that health is affected by many other factors, so it’s also asking participants to provide information on their income, work status, retirement patterns, community participation, use of public transport and whether they are caring for someone else.

In addition, 60,000 Study participants have taken part in the SEEF project, which has gathered further information on the social, economic and environmental factors that impact on healthy ageing. This data is being used by researchers to investigate areas such as the relationship between antidepressant medication use and obesity and socio-economic factors influencing people’s access to primary healthcare. A paper published in the journal *BMC Family Practice*, for example, found that despite being at higher risk of chronic disease, disadvantaged patients appear to be less likely to receive preventive care in general practice than those in higher socioeconomic groups.

The Institute manages the Study in collaboration with major partner Cancer Council NSW and partners: the National Heart Foundation of Australia (NSW Division); NSW Ministry of Health; Ageing, Disability and Home Care, Department of Family and Community Services; beyondblue; and the Australian Red Cross Blood Service. Read more about how the 45 and Up Study is connecting health with the bigger picture on pages 24 and 29.

2014–15 highlights

- More researchers used the 45 and Up Study to explore environmental, social and economic issues and their impact on health. Research projects included workforce participation and the physical environment (see story page 24), and the relationship between local crime rates and psychological distress.
- Upgrades to the way that geographic data is coded in the 45 and Up and Study will open up new possibilities for researchers to explore environmental factors such as distance from green space or fast food outlets.

L to R Professor Dianne Finegood, Professor Alan Shiell, Professor Penny Hawe, Professor Alan Cass, Associate Professor Sarah Thackway



Mapping connections between environment and health

What’s the connection between how “walkable” your suburb is and your chance of becoming obese? If you live close to parks and other green space are you more likely to walk for exercise? And what’s the link between living in areas with heavy air pollution and the risk of developing lung cancer?

The 45 and Up Study is being used by researchers to investigate these questions in an effort to better understand how our neighbourhood impacts our health.

“It is well known that there are various social determinants of health, but it is relatively early days for research around health and environment compared to a lot of clinical research,” says Professor Bin Jalaludin, Conjoint Professor in the School of Public Health and Community Medicine at The University of New South Wales and Director of Epidemiology in the Healthy People and Places Unit at South Western Sydney Local Health District.

Professor Jalaludin is working with colleagues from a number of universities to explore how different aspects of the environment can affect health. They have already used the Study to help develop a walkability map of metropolitan Sydney and are now studying how this relates to health outcomes.

“We are also just beginning to investigate links between how far the 45 and Up Study participants live from the nearest park and whether there is any association with physical activity and mental health. And we are looking at the connection between air pollution and deaths, cancers and hospitalisations.”

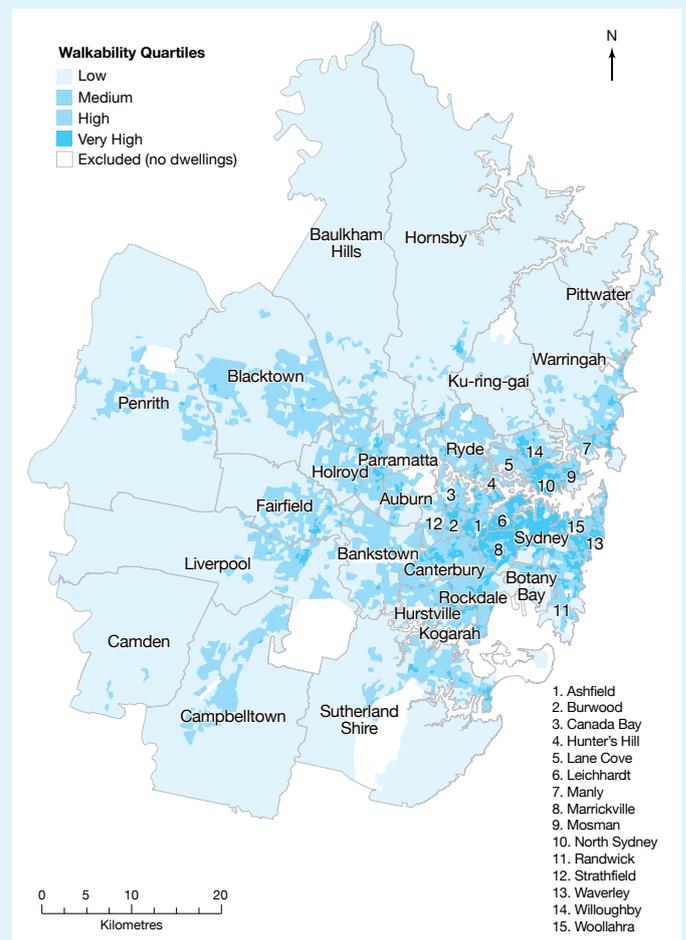
In the past, air pollution levels averaged over local government areas or some other large geographical unit would have been used in air pollution information health studies. However, now that Professor Jalaludin and his colleagues can access geocoded data from the 45 and Up Study, they can assess in much finer detail the air pollution levels where people actually live and use that information in their health studies.

“If we had to start a cohort study like this from scratch we would not be at the stage of our research we are at now.”

PROFESSOR BIN JALALUDIN
University of New South Wales

“There are other longitudinal studies that have address level information but getting access to these data is often very difficult,” Professor Jalaludin says.

“The whole purpose of the 45 and Up Study is to be a resource for researchers, who can access it as long as they have the appropriate ethics clearances and maintain subject confidentiality and data security. If we had to start a cohort study like this from scratch we would not be at the stage of our research we are at now. It would have cost millions to set up and it is very difficult to get millions of dollars to do such a survey. That’s why what the Sax Institute has done is such a great thing.”



Source: International Journal of Health Geographics.

How liveable are our cities?

“A legacy to the nation” is how Professor Billie Giles-Corti describes a major national research project on liveable cities being conducted through The Australian Prevention Partnership Centre.

The National Liveability Study will allow us to measure for the first time how “liveable” Australian cities are in terms of the impact they have on our health. It will develop Australia’s first set of national “health liveability indicators” and the results will be an important tool for federal, state and local governments, developers, public health planners and other groups working to create healthy neighbourhoods.

Professor Giles-Corti, from the University of Melbourne, is leading the study team, which also includes researchers from institutions across Victoria, NSW, WA, ACT and Queensland.

“By developing a standardised set of indicators that can be used across the country, we will be able to measure which environments work best for our health – and which don’t,” she says.

“And we’ll also be able to use them to measure differences within and between cities, and the progress being made towards improvements.”

While there are existing measures used across the globe of how liveable cities are, no-one has yet measured liveability from a health perspective.

Evidence already shows that making neighbourhoods more liveable benefits health and wellbeing. A liveable neighbourhood is one that is “walkable”, has access to public transport, public open space, local amenities, and social and community facilities and services.

The National Liveability Study has buy-in from state and federal governments and non-government organisations, which have representatives contributing to a national advisory group. State-based technical working groups in the ACT, Victoria, NSW, Queensland and WA will provide advice during the two-year project.

“We will be able to measure which environments work best for our health – and which don’t.”

PROFESSOR BILLIE GILES-CORTI
University of Melbourne

The research team is using spatial data and Geographic Information Systems (GIS) to examine five domains of liveability:

- Alcohol – access to licensed and off-licence premises
- Food – access to local food outlets such as grocery stores, supermarkets and takeaway outlets
- Public open space – access to parks, open spaces and vegetation
- Transport – access to public transport and private vehicles, and household travel patterns
- Walkability – access to street connectivity, land-use mix and residential density.

The team has reviewed relevant spatial urban planning policies of Australian states and territories for each domain. These are being compared against health data, and a set of indicators is being created.

Partnership Centre Director Professor Andrew Wilson says the data can be used to help explain why health outcomes might vary in different locations.

“If we are going to make a change we need this information to help align politics, policy and practice to create a healthy, liveable space for all Australians,” he says.



Challenge: Tapping big data's potential for health and beyond



Australia is a rich source of big health data. Its cohort studies, registries and routinely collected data – and the ability to create linkages between them – have the potential to support ground-breaking research that will give us insights into how to improve the delivery of health services.

Policy makers and service providers are becoming increasingly interested in analysing these data, and not just in health. In 2014, the National Commission of Audit noted the value of big data on a broader scale.

“There is untapped potential to use anonymised data and new data analytic techniques to improve the efficiency and effectiveness of government,” it said. “The Commission recommends that the Government, recognising the need to safeguard privacy concerns, rapidly improve the use of data in policy development, service delivery and fraud reduction.”

Currently however, Australia’s big data sets are underused for research.

Barriers and roadblocks

Privacy concerns are a major barrier to undertaking big data research. Most data breaches are inadvertent and largely take place during data transmission – either through unintended disclosure or the loss/theft of portable devices such as laptop computers and memory sticks. US figures suggest that over 98% of data privacy breaches occur in this way, and internationally, many custodians of data have experienced serious outcomes from breaches including legal action and public alarm. The consequences for research have also been severe. In British Columbia for example, access to routinely collected data was shut down for two years following a data breach.

Those who manage large cohort studies often don’t establish them with the intention of making them accessible for use by researchers or policy agencies. And custodians of routinely collected data don’t always have a shared view on the value of making their data more broadly available.

“SURE is what has made my research possible – without it I would not have been able to continue my work.”

DR ANNA KEMP-CASEY
University of Western Australia

Getting the most from big data also requires a wider interpretation of how we currently fund many research projects, moving beyond competitive research grant funding and towards partnerships between governments, industry and researchers.

Dismantling the barriers

We are making a significant contribution to realising the potential of Australia’s big data stores through three of our programs: SURE, the 45 and Up Study and Analysis for Policy.

SURE: a game changer for linked health research

SURE – the Secure Unified Research Environment – is a high-security technology solution that enables researchers to work with sensitive human research data without having to store it in their own computing environments.

It directly addresses the issue of privacy concerns around large-scale linked data and has opened up a whole new set of possibilities for carrying out linked data research in Australia since its launch in 2012. Interest from researchers and data custodians has grown exponentially and there are now nine data custodians using SURE to make their information more broadly available for research. These include the Australian Institute of Health and Welfare, which now requires researchers to use SURE in order to access linked Commonwealth data such as Medicare and Pharmaceutical Benefits Scheme data.



SURE operates as a virtual desktop, allowing researchers to access and analyse data, but stores it securely and remotely for the duration of their project. It runs on strict ethics and security protocols, and eliminates the need for data custodians to release their information to research groups or individual researchers.

SURE also allows research groups to collaborate on data projects, regardless of where they are located. Researchers in multiple states and territories as well as Scotland and the Netherlands have already benefited from its ability to cross borders, and its high level of security means they can access important national datasets that would otherwise be unavailable to them.

Although SURE was developed for use with health data, it has the potential to be used for many additional kinds of sensitive personal data including education, financial and social security information. Read more about how SURE is being used on page 30.

2014–15 highlights

- More than 130 researchers from 26 institutions across the Government and NGO sectors as well as universities and industry have now used SURE – an increase of more than 100% in the past financial year.
- There are now 38 projects under way using the SURE facility. This has doubled since the previous year.

Professor Louisa Jorm, former Sax Institute Principal Scientist and now Director of the Centre for Big Data Research in Health at UNSW, led the team that developed SURE.



The 45 and Up Study: faster, higher quality answers from big data

Unlike most cohort studies, the 45 and Up Study has been designed specifically as a big data resource to support a wide range of research.

It is sparing many researchers the time and expense of reinventing the wheel by having to recruit their own participants into each new study they conduct (see Case in point page 29). This increases their capacity to devise innovative research programs and analyse and report on their results.

And because of its large scale – more than 260,000 men and women in NSW – its collaborative model, basis in the general population, and use of linked health data, it provides a powerful combination for big-picture population health research.

It also means less of a burden on participants because their data can be used across multiple projects, and the return on their initial time investment is high. Data from participants in research studies are not always used to the full – although that's not widely acknowledged.

In developing our Analysis for Policy program we have opened a new window to big data for policy and program agencies. Through this program, we are helping agencies use the 45 and Up Study to understand policy issues such as how health is changing over time, which people have improving or deteriorating health and the causes of these changes. The Study is shedding light on who is using services, whether care is in accord with recommendations and whether population programs are making a difference. This information is informing decisions about services and programs in NSW and further afield.

2014–15 highlights

- Twenty seven policy agencies have now used 45 and Up data in their work
- More than 70 grants worth \$29 million have now been awarded to researchers to carry out work using the 45 and Up Study.

Big numbers on smoking have big policy implications

When she began investigating smoking and mortality through the large-scale data resource of the 45 and Up Study, Professor Emily Banks got a few quizzical looks.

“People said: Why would you research that? We know smoking’s bad for you – it says it on the packet,” she says.

“But we had no reliable evidence on what effect Australia’s epidemic of smoking was having on death rates in this country and the only way you can look at death rates on this scale is having a large cohort study.”

What she and her fellow researchers found created headlines in Australia and internationally: up to 1.8 million of our 2.7 million smokers – or two in every three – will die from their habit if they continue to smoke.

“We knew smoking was bad – we had previously been working on predictions that half of smokers would die from their habit – but what we found was far worse than that,” says Professor Banks, an ANU researcher and Scientific Director of the 45 and Up Study.

“Even 10 cigarettes a day will double your risk of dying prematurely.”

Professor Banks and her colleagues conducted a four-year analysis of health outcomes from more than 200,000 of the participants in the 45 and Up Study. Their research was supported by the National Heart Foundation in collaboration with major 45 and Up Study partner Cancer Council NSW.

“If you added all of the cohort studies in Australia together, you still wouldn’t have one as big as 45 and Up – and because the participants in the Study allow researchers to link their information to death and hospital records, we were able to understand their health outcomes with great precision. Action to improve health needs reliable evidence and it just wouldn’t have been possible to get results this reliable without using 45 and Up.”

The research was published in *BMC Medicine* in February 2015 and received widespread coverage in hundreds of media outlets.

“It is early days in terms of exactly what impact this will have but there is a lot of policy hunger out there for this sort of information and a lot of people working in tobacco control have told me that they are going to be able to use these results in many different ways.”

One person who is using the results on a daily basis is radiation oncologist Dr Bronwyn King who, as well as her clinical work, is the Founder and CEO of Tobacco Free Portfolios, a not-for-profit working collaboratively with financial institutions to encourage tobacco-free investment.

“It’s brilliant to be able to back up my work with such robust research – those statistics have profound impact,” Dr King says.

“Disseminating Professor Banks’ findings amongst leaders in health, politics and finance helps the entire community strengthen its resolve to accelerate comprehensive and innovative tobacco control.”

“If you added all of the cohort studies in Australia together, you still wouldn’t have one as big as 45 and Up.”

PROFESSOR EMILY BANKS
Scientific Director, 45 and Up Study



Data linkage project prompts rethink on preventable hospitalisations

“Potentially preventable” admissions to hospital are those that might be avoided if patients had easier, effective and faster access to good primary care.

They are monitored and used right across the world as an indicator of how well health systems are performing and as a measure of the quality and affordability of primary care.

The trouble is, most of the research on potentially preventable hospitalisations (PPH) has come out of the US, and new Australian research using the 45 and Up Study and the Secure Unified Research Environment (SURE) is showing that despite our reliance on PPH as an indicator, this is not necessarily relevant to our healthcare system.

“We found that PPH were not a good indicator of access to GP services,” says Research Fellow Michael Falster, whose paper on the subject was published in the journal *Medical Care* in May.

“Rather, it seems that people’s individual social and health factors, rather than their access to primary care, is the main driver of why these hospitalisations vary across geographic areas. Improving access to GPs has a big impact on PPH in the US but in Australia it does not. That says more about the way the health system works in the US, where access to primary care is more limited than it is here.”

Mr Falster says this study has done a key thing that no other study on PPH has yet been able to do – adjusted for people’s health and socioeconomic status. By having access to this data in the 45 and Up Study and being able to link it to hospitalisations, he and his fellow researchers were able to use more sophisticated statistical modelling techniques to reach their conclusions.

Mr Falster is part of a team at the Centre for Big Data Research in Health, a Sax Institute member organisation based at The University of New South Wales. The team, led by Centre

Director Professor Louisa Jorm, is conducting a range of work on PPH funded by the NHMRC and in partnership with the Australian Commission on Safety and Quality in Health Care, the Agency for Clinical Innovation and the Bureau of Health Information. They have several more research papers under way on a range of issues including health spending at the end of life.

Their work, which has turned thinking about PPH on its head, has significant implications for health policy, given that PPH is currently used to guide how health resources are allocated.

“Some policy makers have indicated they have already considered moving away from PPH, because they don’t agree it is a good performance indicator but finally we are now getting the data to back that up,” Mr Falster says. “It is a good example of forming an evidence base.”

The team’s work on PPH also involves a collaboration with the University of Aberdeen, which has a special expertise in health economics. By housing this research work in the SURE facility, the team has been able to work on the data in Scotland as part of that collaboration.

“SURE has also allowed me to complete my work much, much faster,” Mr Falster says. “A standard computer would be unable to handle the number of data points I have been using for data visualisation and what used to take days now shrinks to hours. It has also streamlined the structure of our research to make it much more efficient.”



“What used to take days now shrinks to hours. SURE has also streamlined the structure of our research to make it much more efficient.”

RESEARCH FELLOW MICHAEL FALSTER
University of New South Wales

One person, one team, one system: the essence of integrated care

“One person, supported by people acting as one team, from organisations behaving as one system” is how Sir John Oldham, chair of the UK Independent Commission on Whole-Person Care, describes integrated patient care.

The potential benefits of streamlining healthcare in this way have caught the attention of governments around the world and in NSW, integrated care is one of three strategic directions in the State's Health Plan: Towards 2021.

In 2014 the government committed \$120 million over four years to implement innovative local integrated care models across the State. And as one of three demonstrator sites involved in the NSW Integrated Care Strategy, Central Coast Local Health District has chosen to focus its energies on streamlined care for patients with high needs, such as vulnerable aged people and those with chronic or complex conditions.

“We are trying to identify people in the community who may have underlying complex health and social issues. Then we can develop ways to help them and integrate the network of services before their health deteriorates,” says Dr Peter Lewis, Director of the Central Coast Public Health Unit.

“This is a 10-year vision. To start, it means we need to find ways to predict people in the community who are more likely to be admitted to hospital in the next 12 months. The way the health system is funded by both state and federal governments in Australia means we don't always have a ready ability to link different sets of data compared with some other countries but the 45 and Up Study can link the hospital and Medicare parts of the picture.”

Dr Lewis says the Study has already been used to identify some key factors that might indicate increased risk of hospitalisation, such as number of chronic conditions and number of GP visits in the previous 12 months. He and his team are working with the Institute's Analysis for Policy program, which helps agencies use the 45 and Up Study data to answer their policy and program questions. Because the 260,000 participants in the study have answered questions such as whether they live alone and what type of support networks they have, the data can provide a much fuller picture of people's health and social care journeys when it is linked with other information such as hospital and general practice use.

“The Study is a wonderful resource we can use to start looking at these important issues,” Dr Lewis says.

“Over the next year we plan to use the Study to inform how we select and find patients in the community before they are admitted to hospital. There are 14,000 people from the Central Coast participating in the Study but the analyses we are doing in the first instance are on the entire Study population because we need all of that information to get the best possible results. In time though, after we introduce strategies to integrate care, we will be able to measure service use in our own area.”

“The Study is a wonderful resource we can use to start looking at these important issues.”

DR PETER LEWIS
Central Coast Local Health District



CHAPTER 5

Operations and people

Our divisions

The Sax Institute now employs 78 people. In 2014 we moved premises to accommodate our growing staff who work across four divisions:

The CEO Unit

The CEO Unit is led by the CEO 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 34) to lead the implementation of the corporate strategy, relationships, profile and business development.

Research Assets

Research Assets is responsible for generating 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.

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, 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 Jo Khoo 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 Ms Marianne Karam.

The senior team

Executive

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



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, Director, 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.



Ms Marianne Karam, Head, Corporate Services and Finance

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



Ms Kellie Bisset, Communications Director

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



Dr Akiko Ono, Partnership Development Director

Dr Ono is an experienced research strategist specialising in forging partnerships and developing effective research investment models. She has assisted designing of research strategy for many government and non-government organisations. She was formerly National Director of Research at the Heart Foundation.

Senior staff

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



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

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



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

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



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

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



**Associate Professor Fiona Blyth,
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 Director of the Australian 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 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.



Associate Professor Mary Haines, Director, Implementation Research Group

Associate Professor Haines has worked in senior positions across the government, academic, corporate and independent sectors on health research, evaluation and translational initiatives. She is Director of Strategic Research Investment at the Cancer Institute NSW.

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 2015 there were 45 member organisations and nominees.

University members

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

Centre for Health Informatics
Macquarie University

Centre for Health Research in Criminal Justice
Justice Health, The University of New South Wales

Centre for Primary Health Care and Equity
The University of New South Wales

Centre for Healthcare Resilience and Implementation Science
Macquarie University

Centre for Health Systems and Safety Research
Macquarie University

Clinical and Population Perinatal Health Research
The University of Sydney

College of Medicine, Biology & Environment
Australian National University

Dementia Collaborative Research Centres
The University of New South Wales

Family Medicine Research Centre
The University of Sydney

The George Institute for Global Health
The University of Sydney

Garvan Institute of Medical Research
The University of New South Wales

Ordinary members

**Australian Research Centre in
Complementary and Integrative Medicine**
University of Technology Sydney

Cancer Council NSW

Centre for Big Data in Health
The University of New South Wales

Centre for Clinical Epidemiology and Biostatistics
The University of Newcastle

Centre for Health Economics Research and Evaluation
University of Technology Sydney

Menzies Health Institute Queensland
Griffith University

Health Behaviour Research Group
The University of Newcastle

Health Services and Practice Research Strength
University of Technology Sydney

Hunter Medical Research Institute
The University of Newcastle

Menzies Centre for Health Policy
The University of Sydney and Australian National University

National Centre in HIV Social Research
The University of New South Wales

National Centre for Immunisation Research & Surveillance
The University of Sydney

National Drug and Alcohol Research Centre
The University of New South Wales

National Perinatal Epidemiology and Statistics Unit
The University of New South Wales

Prevention Research Collaboration
The University of Sydney

Psychiatry Research and Teaching Unit
School of Psychiatry, The University of New South Wales

Research Centre for Gender, Health and Ageing
The University of Newcastle

School of Medicine and Public Health
The University of Newcastle

School of Public Health
The University of Sydney

School of Public Health and Community Medicine
The University of New South Wales

School of Public Health and Preventive Medicine
Monash University

Simpson Centre for Health Services Research
The University of New South Wales

Social Policy Research Centre
The University of New South Wales

Surgical Outcomes Research Centre
The University of Sydney

The Kirby Institute
The University of New South Wales

University Centre for Rural Health – North Coast
The University of Sydney, Southern Cross University,
Western Sydney University, University of Wollongong



Financial Statements

FOR THE YEAR ENDED 30 JUNE 2015

THE SAX INSTITUTE

ABN 68 095 542 886

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Directors' report

30 June 2015
The Sax Institute

The Directors present their report, together with the financial statements, on The Sax Institute for the year ended 30 June 2015.

Directors

The following persons were directors of the Institute during the whole 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 Robert Cumming

Dr Rohan Hammet – Resigned 30 January 2015

Dr Devon Indig – Relinquished 27 November 2014

Dr George Jessup

Mr Christopher Maitland Paxton

Professor Selina Redman

Professor Nicholas Joseph Talley

Professor Rosalie Clare Viney

Professor Julie Byles – Appointed 27 November 2014

Dr Kerry Chant – Appointed 23 June 2015

Objectives

Mission:

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

Short and long-term 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

Directors' report

30 June 2015
The Sax Institute

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

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, Board of Directors Member, Research Governance Committee

Mr Michael Lambert

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

Professor Peter Smith

Qualifications	RFD, MD, FRACP, FRCPA, FAICD
Experience and expertise	Former Dean of Medicine, University of New South Wales 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	Professor and Director, University Centre for Rural Health North Coast, School of Public Health, The University of Sydney

Professor Robert Cumming

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

Dr Kerry Chant

Qualifications	MBBS, FAFPHM, MHA, MPH
Honorary Awards	PSM
Experience and expertise	Chief Health Officer and Deputy Secretary, Population and Public Health, NSW Health

Directors' report

30 June 2015
The Sax Institute

Dr George Jessup

Qualifications MB, BS, 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 Advisory Committee.
Chair, Research Committee, National Heart Foundation;
Member, Board of the National Breast Cancer Foundation (NBCF) and 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, The University of New South Wales;
Master of Medical Science (Clinical Epidemiologist), The University of Newcastle;
PhD, The University of Sydney; MBBS, The University of New South Wales
Experience and expertise: Pro Vice-Chancellor, Faculty of Health, The University of Newcastle, and 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

Professor Julie Byles

Qualifications: PhD, Bachelor of Medicine
Experience and expertise: Director, Research Centre for Gender, Health and Ageing, Faculty of Health and Medicine,
The University of Newcastle

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

Company Secretary

The following person held the position of Company Secretary at the end of the financial year: Ms Marianne Mioduszewski (nee Karam) (Bachelor of Business (Accounting), FCIS, FCPA, FAICD) has been the Company Secretary since 23 November 2005. She has 24 years' experience as a Company Secretary.

Directors' report

30 June 2015
The Sax Institute

Meetings of Directors

The number of meetings of the Institute's Board of Directors ('the Board') and of each Board Committee held* during the year ended 30 June 2015, 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	4	1	1	2	2
Mr Michael Lambert	4	4	4	4	–	–
Professor Peter Smith	2	4	–	–	2	2
Professor Lesley Margaret Barclay	3	4	–	–	–	–
Professor Robert Cumming	3	4	–	–	–	–
Dr Rohan Hammett	2	2	–	–	–	–
Dr Devon Indig	1	1	–	–	–	–
Dr George Jessup	4	4	4	4	–	–
Mr Christopher Maitland Paxton	4	4	3	4	–	–
Professor Selina Redman	4	4	4	4	–	–
Professor Nicholas Joseph Talley	1	4	–	–	–	–
Professor Rosalie Clare Viney	1	4	–	–	–	–
Professor Julie Byles	2	2	–	–	–	–
Professor Judith Whitworth (non-Director)	–	–	–	–	1	1
Mr Cameron Johnstone (non-Director)	–	–	3	4	–	–

*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 member and any person or association who ceased to be a member in the year prior to the winding up is limited to \$10 for members that are corporations and \$10 for all other members, subject to the provisions of the Institute's constitution.

At 30 June 2015 the collective liability of members was \$450 (2014: \$410).

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

On behalf of the Directors.



Dr Irene Moss
Chair of Board of Directors

Dated in Sydney, this 24th day of September 2015

Statement of profit or loss and other comprehensive income

For the year ended 30 June 2015
The Sax Institute

	Note	2015 \$	2014 \$
Revenue	4	12,340,446	8,475,858
Other income	5	348,338	342,226
Expenses			
Project specific costs		(4,529,089)	(1,898,327)
Employee benefits expense		(6,706,254)	(5,906,864)
Depreciation and amortisation expense		(603,834)	(377,414)
Administration expenses		(644,165)	(913,611)
Other expenses		(14,240)	(40,545)
Surplus/(deficit)		191,202	(318,677)
Other comprehensive income for the year		-	-
Total comprehensive income for the year attributable to the members of The Sax Institute		191,202	(318,677)

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 2015
The Sax Institute

ASSETS	Note	2015 \$	2014 \$
CURRENT ASSETS			
Cash and cash equivalents	6	7,189,439	5,745,009
Trade and other receivables	7	2,353,421	2,420,033
Available-for-sale financial assets	8	564,525	1,302,968
Other	9	309,149	372,101
TOTAL CURRENT ASSETS		10,416,534	9,840,111
NON-CURRENT ASSETS			
Property, plant and equipment	10	1,556,081	1,829,045
Other	11	182,138	–
TOTAL NON-CURRENT ASSETS		1,738,219	1,829,045
TOTAL ASSETS		12,154,753	11,669,156
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	1,383,883	997,563
Employee benefits	13	396,493	349,035
Other	14	4,163,178	8,215,737
TOTAL CURRENT LIABILITIES		5,943,554	9,562,335
NON-CURRENT LIABILITIES			
Employee benefits	15	99,522	69,370
Other	16	4,139,092	256,068
TOTAL NON-CURRENT LIABILITIES		4,238,614	325,438
TOTAL LIABILITIES		10,182,168	9,887,773
NET ASSETS		1,972,585	1,781,383
EQUITY			
Members' funds	17	1,972,585	1,781,383
TOTAL EQUITY		1,972,585	1,781,383

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 2015
The Sax Institute

	Members' funds \$	Total equity \$
Balance at 1 July 2013	2,100,060	2,100,060
Deficit for the year	(318,677)	(318,677)
Other comprehensive income for the year	–	–
Total comprehensive income for the year	(318,677)	(318,677)
Balance at 30 June 2014	1,781,383	1,781,383

	Members' funds \$	Total equity \$
Balance at 1 July 2014	1,781,383	1,781,383
Surplus for the year	191,202	191,202
Other comprehensive income for the year	–	–
Total comprehensive income for the year	191,202	191,202
Balance at 30 June 2015	1,972,585	1,972,585

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 2015
The Sax Institute

	Note	2015 \$	2014 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from grants		12,512,906	13,327,502
Payments to suppliers and employees		(11,726,942)	(8,698,750)
Donations received		50,000	50,000
Interest received		193,406	122,401
Net cash from operating activities		1,029,370	4,801,153
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of available-for-sale investments		2,588,443	9,025,000
Proceeds from short-term investments		–	500,000
Purchase of property, plant and equipment		(323,383)	(1,696,280)
Purchase of available-for-sale investments		(1,850,000)	(9,631,542)
Net cash from/(used in) investing activities		415,060	(1,802,822)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net cash from financing activities		–	–
Net increase in cash and cash equivalents		1,444,430	2,998,331
Cash and cash equivalents at the beginning of the financial year		5,745,009	2,746,678
Cash and cash equivalents at the end of the financial year	6	7,189,439	5,745,009

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

Notes to the financial statements

30 June 2015
The Sax Institute

1 General information

The financial statements cover The Sax Institute as an individual entity. The financial statements are presented in Australian 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 24 September 2015.

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 Institute 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.

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') and the Australian Charities and Not-for-profits Commission (ACNC) 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 Institute'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.

Comparative amounts

Comparatives are consistent with prior years, unless otherwise stated.

Leases

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

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

Grant Revenue

Grant revenue is recognised in the statement of profit or loss and other comprehensive income when the entity obtains control of the grant, it is probable that the economic benefits gained from the grant will flow to the entity, and the amount of the grant can be measured reliably. If conditions are attached to the grant that must be satisfied before it is eligible to receive the contribution, the recognition of the grant will be deferred until those conditions are met. When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt. In instances where the grant revenue exceeds the cost of the economic value provided, the surplus funds are deferred and guidance is sought from the contributor for the application of surplus funds.

Notes to the financial statements

30 June 2015
The Sax Institute

Donations

Donations and bequests are recognised as revenue when received.

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 Institute 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.

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 Institute 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.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets, principally equity securities, that are either designated as available-for-sale or not classified as any other category. After initial recognition, fair value movements are recognised in other comprehensive income through the available-for-sale reserve in equity. Cumulative gain or loss previously reported in the available-for-sale reserve is recognised in profit or loss when the asset is derecognised or impaired.

Held-to-maturity investments

Held-to-maturity investments includes non-derivative financial assets with fixed or determinable payments and fixed maturities where the company has the positive intention and ability to hold the financial asset to maturity. This category excludes financial assets that are held for an undefined period. Held-to-maturity investments are carried at amortised cost using the effective interest rate method adjusted for any principal repayments. Gains and losses are recognised in profit or loss when the asset is derecognised or impaired.

Notes to the financial statements

30 June 2015
The Sax Institute

2 Significant accounting policies (continued)

Impairment of financial assets

The Institute 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.

Available-for-sale financial assets are considered impaired when there has been a significant or prolonged decline in value below initial cost. Subsequent increments in value are recognised in other comprehensive income through the available-for-sale reserve.

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:

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

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 Institute. 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 Institute 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.

Notes to the financial statements

30 June 2015
The Sax Institute

Employee benefits

Short-term employee benefits

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

Other long-term employee benefits

The liability for annual leave and long service leave that is 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.

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.

Estimation of useful lives of assets

The Institute 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.

Notes to the financial statements

30 June 2015
The Sax Institute

3 Critical accounting judgements, estimates and assumptions (continued)

Impairment of property, plant and equipment

The Institute assesses impairment of property, plant and equipment at each reporting date by evaluating conditions specific to the Institute 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.

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 debtors financial position.

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.

4 Revenue

	2015 \$	2014 \$
Grant revenue	12,340,446	8,475,858

5 Other income

	2015 \$	2014 \$
TCorp distributions	20,636	77,288
Finance income	193,406	122,400
Donations	50,000	50,338
Other income	84,296	92,200
Other income	348,338	342,226

6 Current assets – cash and cash equivalents

	2015 \$	2014 \$
Cash on hand	500	700
Cash at bank	626,162	507,010
Short-term bank deposits	6,562,777	5,237,299
	7,189,439	5,745,009

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 per cent to 3.40 per cent.

Notes to the financial statements

30 June 2015
The Sax Institute

7 Current assets – trade and other receivables

	2015 \$	2014 \$
Trade receivables	1,895,626	2,318,174
Prepayments	436,807	83,432
Deposits	1,700	1,730
Interest receivable	19,288	16,697
	2,353,421	2,420,033

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.

8 Current assets – available-for-sale financial assets

	2015 \$	2014 \$
Available-for-sale financial assets	564,525	1,302,968

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.

9 Current assets – other

	2015 \$	2014 \$
Rental bond	-	372,005
Other current assets	309,149	96
	309,149	372,101

Notes to the financial statements

30 June 2015
The Sax Institute

10 Non-current assets – property, plant and equipment

	2015 \$	2014 \$
Leasehold improvements – at cost	532,973	–
Less: Accumulated depreciation	(103,278)	–
	429,695	–
Fixtures and fittings – at cost	219,508	3,827
Less: Accumulated depreciation	(44,738)	(1,406)
	174,770	2,421
Computer equipment – at cost	1,608,018	789,711
Less: Accumulated depreciation	(921,010)	(622,176)
	687,008	167,535
Office equipment – at cost	595,060	534,344
Less: Accumulated depreciation	(334,571)	(178,554)
	260,489	355,790
Capital works in progress	4,119	1,303,299
	1,556,081	1,829,045

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 2014	–	2,421	167,535	355,790	1,303,299	1,829,045
Additions	119,533	2,539	140,595	60,716	–	323,383
Depreciation	(103,278)	(43,332)	(297,839)	(156,017)	–	(600,466)
Transfers in/(out)	413,440	213,142	676,717	–	(1,299,180)	4,119
Balance at 30 June 2015	429,695	174,770	687,008	260,489	4,119	1,556,081

Notes to the financial statements

30 June 2015
The Sax Institute

11 Non-current assets – other

	2015 \$	2014 \$
Rental bond	182,138	–

12 Current liabilities – trade and other payables

	2015 \$	2014 \$
Trade payables	832,181	703,773
Payroll liabilities	138,473	126,543
GST payable	128,804	101,168
Other payables	284,425	66,079
	1,383,883	997,563

13 Current liabilities – employee benefits

	2015 \$	2014 \$
Annual leave	344,951	308,247
Long service leave	46,375	40,788
Other employee benefits	5,167	–
	396,493	349,035

14 Current liabilities – other

	2015 \$	2014 \$
Grants received in advance	4,163,178	8,215,737

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

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

15 Non-current liabilities – employee benefits

	2015 \$	2014 \$
Long service leave	99,522	69,370

Notes to the financial statements

30 June 2015
The Sax Institute

16 Non-current liabilities – other

	2015 \$	2014 \$
Grants received in advance	4,139,092	256,068

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

17 Equity – members' funds

	2015 \$	2014 \$
Members' funds at the beginning of the financial year	1,781,383	2,100,060
Surplus/(deficit) for the year	191,202	(318,677)
Members' funds at the end of the financial year	1,972,585	1,781,383

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:

	2015 \$	2014 \$
Financial Assets		
Cash and cash equivalents	7,189,439	5,745,009
Other assets and receivables	2,077,764	2,690,179
Available-for-sale financial assets	564,525	1,302,968
Total financial assets	9,831,728	9,738,156

	2015 \$	2014 \$
Financial liabilities		
Financial liabilities at amortised cost	–	–
Trade and other payables	1,255,079	896,395

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.

Notes to the financial statements

30 June 2015
The Sax Institute

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

Specific risks

- 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.

Objectives, policies and processes:

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

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

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

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 2015.

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 2015, 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 2015, the Institute has an overdraft of \$Nil (2014: \$Nil).

Credit Risk

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

The 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, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair value estimation

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

Notes to the financial statements

30 June 2015
The Sax Institute

19 Members' guarantee

The Institute is incorporated under the ACNC Act 2012 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 outstandings and obligations of the Institute. At 30 June 2015 the number of members was 45 (2014: 41).

20 Key management personnel disclosures

Compensation

The total remuneration paid to key management personnel of the Institute is \$1,183,067 (2014: \$1,164,286). The Directors act in an honorary capacity and do not receive compensation for their services.

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

	2015 \$	2014 \$
Related party transactions		
Key management personnel		
Donation made to the Institute	50,000	50,000
Dr Fiona Blyth – services from related company	1,250	–
	51,250	50,000

21 Contingencies

As at 30 June 2015 the Institute has outstanding \$450,000 (2014 \$Nil) as a guarantee for an autopay facility and \$176,319 (2014 \$Nil) as a guarantee provided by the bank for the lease of the office.

22 Commitments

	2015 \$	2014 \$
Lease commitments – operating		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	320,580	320,580
One to five years	12,823	333,403
	333,403	653,983

The property lease is a non-cancellable lease on a two (2) year term with rent payable monthly in advance. Contingent rental provisions within the lease agreement require that the minimum lease payments shall be increased by 4 per cent 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 2015
The Sax Institute

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.

24 Economic dependency

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

25 Events after the reporting period

No matter or circumstance has arisen since 30 June 2015 that has significantly affected, or may significantly affect the Institute's operations, the results of those operations, or the Institute's state of affairs in future financial years.

Directors' declaration

30 June 2015
The Sax Institute

In the Directors' opinion:

- the attached Financial Statements and notes comply with the Australian Charities and Not-for-profit Commission Act 2012, the Australian Accounting Standards – Reduced Disclosure Requirements and other mandatory professional reporting requirements;
- the attached Financial Statements and notes give a true and fair view of the Institute's financial position as at 30 June 2015 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Institute will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors.

On behalf of the Directors.



Dr Irene Moss
Chair of Board of Directors

Dated in Sydney, this 24th day of September 2015

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

The Sax Institute



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 22, which comprises the statement of financial position as at 30 June 2015, 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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Independent auditor's report to the members of The Sax Institute

The Sax Institute



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 22 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 2015 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.

Matters Relating to the Electronic Presentation of the Audited Financial Report

This auditor's report relates to the financial report of The Sax Institute for the year ended 30 June 2015 included on The Sax Institute's web site. The Sax Institute's directors are responsible for the integrity of the Sax Institute's web site. We have not been engaged to report on the integrity of the Sax Institute's web site. The auditor's report refers only to the financial report. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.

A handwritten signature in black ink that reads "William Buck".

William Buck
Chartered Accountants
ABN 16 021 300 521

A handwritten signature in black ink that reads "L.E. Tutt".

L.E. Tutt
Partner

Dated this 24th day of September, 2015

The Sax Institute

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