



Stronger research  
wiser decisions  
healthier future





Improving wellbeing and quality of life is at the heart of the Sax Institute's programs.

We believe evidence from health research is fundamental to policy to improve the health of the community.

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## Chair's Report

Australia's political and health leaders recognise the importance of making wise decisions about health and health care that are informed by the best available evidence.

The Sax Institute addresses this challenge by providing health decision makers with high quality and timely evidence from research. In 2009/2010 the Institute's programs have made significant contributions to informing policy decisions. Our Evidence Check reviews have informed a wide range of policy programs, including the role of interactive media in reducing obesity in adolescents and the value of public reporting of health care performance. Our SEARCH program is providing important new information for national and state health planners regarding the hearing and speech development of urban Aboriginal children. Our 45 and Up Study has contributed important new knowledge in many areas, such as evidence regarding the connection between breastfeeding and diabetes, addressing the causes of early retirement due to ill health, and opportunities for prevention through Home and Community Care Services.

Policymakers clearly value these programs. In 2009/2010 the Institute worked with 14 different policy agencies at the state and national level. The continued demand for rapid research reviews conducted under our Evidence Check program demonstrates the practical utility of this work in providing an evidence base for new health policies and programs.

Increased research capacity is necessary to generate the new information required to meet emerging health policy challenges. I am particularly pleased that the Institute is managing the establishment of the Population Health Research Network NSW/ACT, a groundbreaking project, which has received state and national funding of over \$4 million to significantly increase the capacity to use administrative data sets for health research and planning. We have also seen a significant increase in the use of the 45 and Up Study, with the first research papers being published in peer reviewed journals and policy papers.

While we are seeing early signs of success of the Institute's programs, there is much more to be learned about how to increase the use of research evidence in decision-making. We were therefore delighted to be awarded a grant this year under the National Health and Medical Research Council's Centres of Research Excellence program to examine the impact of different strategies to increase the use of evidence in policy. The Institute has a growing national and international reputation in this area, so we were also pleased to host visits from two leaders in this field, Professor John Lavis of McMaster University and Professor Elliott Fisher of the Dartmouth Atlas Project, both of whom were able to meet with Australian researchers, policymakers and clinicians to share their expertise.

None of these achievements would have been possible without the continued support of NSW Health and our other major funding partners. I would also like to thank the Board members for their continued hard work and enthusiasm.

I would also like to acknowledge our member organisations and the Australian and international researchers who have enabled the realisation of the Sax Institute's vision that health research is fundamental to policy to improve the health of the community. I also wish to thank the policy agencies who have utilised our services and supported our endeavours and activities.

On behalf of the Board, I commend the dedication and leadership of the Chief Executive Officer, the management team and all the staff of the Institute. I look forward to the continued growth of the Sax Institute in working with researchers and policymakers to face the many challenges that confront our health system in the year ahead.



*Irene Moss*

Dr Irene Moss AO Chair

## Highlights

**Evidence Check:** enhancing evidence based policy. The Sax Institute conducted 18 rapid research reviews under its Evidence Check program for NSW and interstate policymakers. Sixty-seven reviews have now been completed and many have been used to inform policymaking.

**45 and Up Study:** evidence for healthy ageing. To date the Sax Institute has received 57 applications to use 45 and Up Study data. Thirty-nine projects were underway as at July 2010. A pilot project to collect blood samples from Study participants will inform plans to collect samples from all participants in the future. To date, projects using the 45 and Up Study have attracted over \$7.5 million in competitive research funds.

**SEARCH:** information for closing the gap. Twelve hundred children have been recruited to the Study of Aboriginal Resilience and Child Health (SEARCH) as at July 2010. SEARCH is Australia's first large scale, long term study of the health of urban Aboriginal children. Over 800 children have been seen by a SEARCH audiologist, and just under 400 have received speech and language development assessments. Emerging information from SEARCH is important to Aboriginal Community Controlled Health Services, NSW Health and the Commonwealth Department of Education, Employment and Workforce Relations.

**PHRN:** data linkage for health research. The Sax Institute is managing the significant investment by Commonwealth and State governments to develop health data linkage capabilities through the NSW/ACT node of the Public Health Research Network (PHRN). This will enable important health data to be more readily used for research and for informing policy decisions.

**CIPHER:** best practice in increasing the use of evidence. The Institute has been awarded a grant under the National Health and Medical Research Council's Centres of Research Excellence Scheme, to build a Centre for Informing Policy in Health with Evidence from Research (CIPHER). CIPHER will further our understanding of strategies for increasing the use of evidence in policy.



About us

Our vision

Evidence from health research is considered fundamental to policy to improve the health of the community.

Our mission

To improve health, health services and programs by increasing the use of research in policymaking.





## Our work

The Sax Institute has a unique and valuable role: to act as a bridge between health researchers and health policymakers in Australia.

We are an independent, not-for-profit organisation that receives core funding from NSW Health. We are supported by government, non-government, philanthropic and competitive research funding agencies. Our membership is 36 public health and health services research groups and their universities.

To maximise benefits from research, Australia's health decision makers need to be able to access relevant research findings quickly, and translate them into timely and appropriate policy and practice. The Sax Institute works with health leaders to utilise the most recent and reliable evidence from research in their decisions, to optimise health outcomes for all Australians.

## Our programs

The wellbeing and quality of life of all Australians are at the heart of our programs and research assets as we address some of the most important questions facing Australian health policymakers:

- How can we help people stay healthy and independent as they age?
- How can we improve the health of Aboriginal Australians and close the gap in life expectancy?
- How can we ensure our hospitals are safe and provide high quality care?
- How can we use limited health resources most efficiently?

Thanks to funding from NSW Health (2008–2013) and the generous support of our funders and partners, the Sax Institute continues to deliver valuable outcomes in key program areas:

- Strengthening evidence based policymaking
- Building research resources to address emerging issues
- Adding to global knowledge about how to bring research into policy and practice.

**Evidence for policy.** Through our Knowledge Transfer Program, the Sax Institute helps government and other policy agencies access research and analyse its importance, to enable wiser decisions about the design of health services and the use of health dollars.

**Assets for policy relevant research.** Our asset program has built strategic resources to strengthen the capacity for policy relevant research to be undertaken in NSW:

- The Sax Institute works in partnership with the Aboriginal Health and Medical Research Council of New South Wales in the Coalition for Research to Improve Aboriginal Health (CRIA). Forging partnerships between researchers and Aboriginal communities, CRIA helps train and support Aboriginal health researchers to find concrete solutions to improving the health and life expectancy of Aboriginal Australians.
- The 45 and Up Study enables timely, high quality research to answer questions about healthy, independent ageing.
- The Population Health Research Network NSW/ACT is developing Australia's health data linkage capabilities through the building of a data analysis laboratory, a secure data exchange and a data delivery system.

**Contributing to global knowledge.** We have contributed to national and international knowledge about how to increase the use of evidence in policy, and about best practice models for increasing the use of research by policymakers.

## Board of Directors Pictured right

**1. 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.

**2. Ms Kim Anderson** (until 14 December 2009) has extensive experience as an executive in publishing, online media and television, including with Harper Collins Interactive, New York; Southern Cross View; the Nine Network; and PBL. She is currently CEO and cofounder of The Reading Room, an online community for readers, a non-executive director of carsales.com.au and a Fellow of the Senate at the University of Sydney.

**3. Professor Bruce Armstrong AM** is an international leader in cancer research and in 2006 received the inaugural New South Wales Premier's Award for Outstanding Cancer Researcher of the Year. He has been Deputy Director of the International Agency for Research in Cancer, the Director of the Australian Institute for Health and Welfare and the Commissioner of Health for Western Australia.

**4. Professor Alan Cass** is Senior Director at The George Institute for International Health and Co-Director of the Poche Centre for Indigenous Health, The University of Sydney (until December 2009). He is an academic physician with a particular interest in clinical and health services research and is a recognised expert in collaborative research to improve Aboriginal health.

**5. Dr Kerry Chant** is a public health physician who is the current NSW Chief Health Officer and Deputy Director-General, Population Health, NSW Department of Health. She has extensive public health experience in NSW, having held a range of senior positions in NSW public health units since 1991. Dr Chant has a particular interest in bloodborne virus infections and Indigenous health.

**6. Associate Professor Marion Haas** is a Deputy Director of the Centre for Health Economics Research and Evaluation and Associate Professor of Health Services Research at the University of Technology, Sydney. She has a PhD in public health and over 15 years experience in health economics, health services and health policy research. Associate Professor Haas is Chair of the UTS Human Research Ethics Committee.

**7. Professor Michael Hensley** is the Dean of Medicine of the Joint Medical Program of The University of Newcastle and the University of New England; Head of the School of Medicine and Public Health at The University of Newcastle; and Head of the Department of Respiratory and Sleep Medicine at the John Hunter Hospital, Newcastle. He is Vice-President of Medical Deans, Australia and New Zealand. Professor Hensley has over 30 years' experience across medical education, medical research and clinical practice.

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

**9. Mr Christopher Paxton** is a founding Director of Crescendo Partners. He has over 15 years of experience working on corporate and business strategy, acquisitions and restructuring with leading companies in Australia, Europe, the USA and Asia. Previously he was a Vice President at AT Kearney.

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

**11. Professor Glenn Salkeld** is a health economist who is Head of School at the School of Public Health, The University of Sydney. He has been a member of a number of key Commonwealth committees, including the Pharmaceutical Benefits Advisory Committee and the National Bowel Cancer Screening Committee.

**12. Professor Peter Smith** is Dean of the Faculty of Medicine at The University of New South Wales. He has had a long career in paediatrics and haematology/oncology in Australia, and was previously Dean of the Faculty of Medical and Health Sciences at The University of Auckland.





Patron: [Her Excellency Ms Quentin Bryce AC](#),  
Governor-General of the Commonwealth of Australia

# Enhancing the use of research in policy

## Knowledge Transfer Program

Health services, policies and programs are being delivered in a rapidly changing environment. It is therefore more important than ever that knowledge generated by Australia's health researchers is made available to health policymakers in a timely manner, to inform important decisions about new health services and programs.

In this context, the Sax Institute continues to devise new and innovative ways to ensure knowledge from research is effectively transferred to policy agencies, so that:

- Policymakers can stay up to date with the latest health research and analysis
- Health policies and programs can be based on the most recent and relevant evidence from research
- Policymakers can effectively evaluate new policies and programs, to ensure they improve health and are cost effective.

Increased demand for our flagship knowledge transfer program, Evidence Check, resulted in the completion of 18 research reviews during the year. Evidence Check is a unique program which connects health policymakers to leading health researchers, and provides government and other policy agencies with rapid research reviews that are:

- Highly targeted to their questions
- Concise and comprehensive
- Rapidly available, to meet the needs of the policy cycle.

During the year the Sax Institute provided policymakers with access to research findings through the delivery of the quarterly PulsE eBulletin. This electronic publication provides a guide to recent high quality systematic reviews, enabling subscribers to find research more easily when they need it. The Sax Institute can provide agencies with a PulsE eBulletin tailored to their specific needs. This year, the Institute produced four tailored issues specifically focused on prevention and early intervention research for NSW Human Services policy agencies.

In December an editorial board of eminent health academics, commentators and policymakers was established to oversee the Sax Institute's new electronic publication, *Monthly Briefings*. The aim of this initiative is to provide senior policymakers with a succinct analysis of current research about emerging and important health policy issues. Topics will include the effectiveness of GP Super Clinics, best bets in preventing obesity, the use of mobile phone technology in patient self-management, and sleep health in Australia. The first *Monthly Briefing* will be published in the second half of 2010.



## CASE STUDY

### Public disclosure of health care performance

An international trend to publicly report health care performance is occurring in tandem with significant investments to improve the quality of health care delivery by governments, professional organisations and consumer groups. However, despite growing support for public reporting as a tool for the transparent evaluation of health services, evidence of its effectiveness has been lacking.

The Sax Institute commissioned an Evidence Check review, for the NSW Bureau of Health Information, about the impact of public disclosure of data on health care performance. The review examined the effect of public disclosure on consumer knowledge and choice; clinical quality and outcomes; and the effectiveness, efficiency and responsiveness of health care providers. It identified evidence to support:


- Public reporting can significantly stimulate quality improvement activity in hospitals
- The quality of care and clinical outcomes of hospitals after public reporting are more likely to improve, possibly due to greater quality improvement activity
- Consumers are able to utilise publicly reported information, whether it is sponsored by government or the private sector, to make informed choices about individual care providers and hospitals.

Conducted by Dr Jack Chen of the University of NSW, the review has added substantial new evidence to the debate about public reporting of performance data and identified important issues such as the key factors for success in public reporting, unintended consequences that can arise, and the importance of evidence based guidelines for public reporting.



The Sax Institute continues to devise new and innovative ways to ensure knowledge from research is effectively transferred to policy agencies.





## CASE STUDY

### Can interactive media reduce overweight and obesity in adolescents?

As global rates of adolescent obesity rise, almost a quarter of Australian adolescents are estimated to be overweight or obese and face increased risk of continuing this pattern into adulthood. The Sax Institute commissioned an Evidence Check rapid review for NSW Health to determine whether interactive electronic media are effective in delivering health promotion and weight reduction interventions. The amount of high quality data available was limited, but demonstrated that interactive media effected positive changes in adolescents' knowledge about obesity and reduced concerns about body weight and shape; and that the adolescents showed an increase in physical activity levels, a decrease in the number of skipped meals, reduced dietary fat intake and healthier food choices. This review made a series of recommendations that will inform the NSW Department of Health and Area Health Services' obesity prevention programs for adolescents 13–18 years. The review was undertaken by Kelly Kornman, Binh Nguyen, and Professor Louise Baur at The University of Sydney's Clinical School within The Children's Hospital at Westmead.

It is critical that knowledge generated by Australia's health researchers is made available to health policymakers in a timely manner.

### Major achievements in 2009/2010

**Answering policymakers' questions.** As part of the Evidence Check program, leading national and international health researchers completed 18 rapid research reviews for policy clients. These reviews covered a diverse range of issues, including: physical activity measures in children and effective injury prevention strategies in Aboriginal communities. Evidence Check reviews are published on the Sax Institute's website.

**Harnessing the best research expertise.** The Research Accessible Database for the Allocation of Reviews (RADAR) lists researchers who are interested in working with the Sax Institute and policy agencies to provide the best research to inform decision making. RADAR continued to expand during the year and now contains details of over 124 national and international researchers who have agreed to work with the Sax Institute and its client policy agencies.

**Designing effective research programs.** As part of the Federal Government's Close the Gap initiative, NSW Health commissioned the Sax Institute to assist it in designing a Demonstration Research Grants Scheme for the prevention of injury among Aboriginal Australians. The Sax Institute worked with researchers and policymakers to compile and analyse relevant evidence, and consulted with Aboriginal communities to build a program that will effectively target the unacceptably high rates of injury among Aboriginal Australians.

**Evaluating complex policies and programs.** Programs that target the management of chronic illnesses and complex health issues are becoming more sophisticated. As the expenditure on such programs increases, governments must be able to effectively evaluate outcomes, costs and improvements to our community's health. During the year the Sax Institute assisted NSW Health in determining ways to evaluate programs more effectively, and provided government agencies with practical assistance with evaluation strategies.

# Policy relevant research assets

## The 45 and Up Study

Over the next 15 to 20 years, the number of Australians over 65 years will increase by 50 per cent. By 2047 more than 25 per cent of our population will be over 65 years.

The Sax Institute's 45 and Up Study ('the Study') – the largest population based cohort study in the Southern Hemisphere – has recruited more than 265 000 NSW men and women aged 45 and over (about 10 per cent of the NSW population) to provide demographic, lifestyle and health information to help us understand what leads to healthy ageing, and how we can remain well and independent as we age. The Study allows researchers to undertake policy relevant research into these crucial issues in a timely, locally relevant and inexpensive way.

Over \$7.5 million in competitive research funding has been received for research using 45 and Up Study data. In 2006/2007 just over \$300 000 was awarded to projects using data from the Study. This increased to \$3 008 100 in 2009/2010.

The Study is managed by the Sax Institute in collaboration with its major partner, Cancer Council NSW, and with other partners: the National Heart Foundation of Australia (NSW Division); beyondblue: the national depression initiative; NSW Health; Ageing, Disability and Home Care, Department of Human Services, NSW; and UnitingCare Ageing. This year the Study was also supported by the Alma Hazel Eddy Trust (managed by Perpetual Limited) and the NSW Office for Science & Medical Research.

### Major achievements in 2009/2010

**Finding answers to health problems.** Data from the Study are being used in 39 projects being undertaken by a range of research groups. Sixteen of these projects commenced this year. Eleven papers have now been published using data from the Study, including eight during 2009/2010. With the consent of Study participants, seven sub studies (where participants are approached to take part in further research) are being conducted addressing issues as diverse as the causes of skin cancer, retirement transition, supportive community environments for older people and the management of diabetes.

**Attracting research dollars.** Researchers continue to receive funding for projects using the Study:

- An Australian Research Council Grant of \$565 000 – to investigate the long term impacts of employment, family building, housing and migration during Australia's post war era, and the health implications for project participants now and as they move into retirement (Professor Hal Kendig, The University of Sydney, et al.)
- A National Health and Medical Research Council Grant of \$504 750 – to validate the self reporting of diabetes and collect further information about the health status, treatment and management of people with diabetes and their related health care (Associate Professor Elizabeth Comino, The University of NSW, et al.)
- A National Health and Medical Research Council Grant of \$581 750 – to investigate the relationship between overweight, obesity and hospitalisation (Professor Emily Banks, The Australian National University, et al.)
- A grant, under the inaugural NSW Cardiovascular Research Network Research Development Scheme, of \$300 000 – to fund a program of work utilising data from the Study linked with data on health outcomes, to support advancements in understanding the diagnosis, treatment and management of cardiovascular disease (Professor John Chalmers, The George Institute for International Health, et al.).

**Linking health information.** The full Study cohort is now included in the Centre for Health Record Linkage (CheReL) master linkage key, enabling data collected by the Study to be linked confidentially with a wide range of routinely collected, health related data – including deaths, cancer notifications, hospital admissions and the use of health services. De-identified linked records help researchers gain a comprehensive picture of the health of the population, maximising research within a given budget and ensuring the best use of research dollars.


**Connecting genes, lifestyle and environment.** A pilot project funded by Cancer Council NSW collected, processed and stored detailed physical measures and blood samples from approximately 1000 Study participants. This pilot study will help in the planning for the collection of blood samples from many more participants. These samples will help researchers understand how genetic makeup, lifestyle and environment combine to contribute to healthy ageing.

**Brokering collaboration.** The 6th Annual 45 and Up Study Collaborators' Meeting brought together over 150 researchers and policymakers, to facilitate the best use of data from the Study.




**Policy relevant research.** The Sax Institute managed a program of projects funded by the MBF Foundation, to promote the early use of Study data as a resource for policy-relevant research:

- A descriptive analysis of the characteristics of Study participants who have taken out private health insurance
- An exploration of the association between physical inactivity (screen time) and obesity
- An investigation to examine the trajectories of service and medication of participants who have had hip or knee replacements – involving analysis of Medicare Benefits Schedule and Pharmaceutical Benefits Scheme data
- A descriptive analysis of the characteristics of Study participants who are long term users of opioid medications for chronic non cancer pain – using Pharmaceutical Benefits Scheme data
- A description of the mental health status of Study participants and the interrelationships between their mental health status, other chronic diseases and risk factors for chronic disease.



I joined the 45 and Up Study to help educate younger people; I have no problem [with my health information] being used as an example of what can happen to your body as you age.



Beryl Ingold AO MBE 45 and Up Study Participant

## CASE STUDY

### Maintaining independence in older age

The ability of older Australians to remain independent in their own homes is as important to individuals as it is to policymakers who are grappling with the issues that arise from an ageing population. The Housing and Independent Living (HAIL) project, funded by Ageing Disability and Home Care in NSW, and led by Professor Julie Byles of The University of Newcastle, has examined the environmental and built factors (design, structure etc) important for maintaining independence in older age. The homes and neighbourhoods of over 200 participants in the 45 and Up Study aged 75-79 were visited to determine if they were 'supportive' according to international measures. The Study found that although many people have made adjustments to their homes, an independent assessment showed that there was still much more that could be done to make their homes safer as they age. These and other findings from the Study will assist policymakers in designing strategies to support Australians in ageing independently at home.





### Breastfeeding and risk of diabetes

Diabetes is the seventh highest cause of death in Australia and the fastest growing chronic disease in our community. Findings from a sub study suggest breastfeeding leads to a long term reduction in diabetes risk. Data from 52 631 women in the 45 and Up Study revealed that while having children increases a woman's chance of developing type 2 diabetes, breastfeeding can reduce her risk to the same level as that of a woman who has never had children. The sub study compared women with similar weight and looked at the combined effect on type 2 diabetes of having had children and having breastfed. Women who had children and didn't breastfeed were at 50 per cent greater risk of diabetes than women who hadn't had children. Women who had children and breastfed for at least three months had no increased risk of diabetes (Liu B, Jorm L, Banks E. Parity, breastfeeding and the subsequent risk of maternal type-2 diabetes. *Diabetes Care* 2010; 33:1239-41).

### Screen time and obesity

Obesity and overweight are among the key health challenges worldwide. A sub study of over 90 000 Study participants suggests that current anti obesity campaigns based on increasing physical activity by promoting leisure time physical activity (30 minutes of exercise a day) will prevent obesity only if they also work to decrease sedentary time. The findings revealed that, in the Australian context, the more time you spend in front of a screen, either watching television or using a computer, the greater your risk of obesity – regardless of whether you are young, old, disabled, male, female, rich or poor. People who spend eight or more hours in front of a screen per day have double the risk of obesity compared with those who spend less than two hours of screen time a day. This finding was seen even among people engaging in high levels of leisure-time physical activity (Banks E, Jorm L, Rogers K, Clements M, Bauman A. Screen-time, obesity, ageing and disability: findings from 91 266 participants in the 45 and Up Study. *Public Health Nutrition* 2010 Apr 22:1-10).

### Prevention opportunities

A 45 and Up Study research project funded by the NSW Department of Human Services (Ageing Disability and Home Care) examined the characteristics of Study participants who receive Home and Community Care (HACC) services. The project found HACC clients have high rates of modifiable lifestyle risk factors and health conditions that are amenable to primary and secondary prevention, presenting the potential for implementing preventative health care programs in the HACC service setting. The HACC client population can be classified into distinct groups or 'clusters', based on patterns of use of specific HACC services. Clients in each of these clusters vary markedly in terms of their health and degree of functional limitation, and would likely benefit from different 'packages' of preventive interventions (Jorm L, Walter S, Lujic S, Byles J, Kendig H. Home and community care services: a major opportunity for preventive health care? *BMC Geriatrics* 2010, 10:26).




## Coalition for Research to Improve Aboriginal Health

Over the past 20 years there has been little change in the significant health differentials between Aboriginal and non-Aboriginal Australians. Life expectancy remains substantially less for Aboriginal people, who experience higher rates of infant mortality, diabetes, kidney and other diseases.


There is a general lack of research providing information about the kind of interventions that work to improve Aboriginal health. Accordingly, there is an urgent need to increase our knowledge about effective programs to deal with the most pressing issues, such as child health and chronic disease.

To provide the leadership necessary to help realise this vision the Sax Institute and the Aboriginal Health and Medical Research Council (AH&MRC) formed the Coalition for Research to Improve Aboriginal Health (CRIA). CRIA brings together Aboriginal communities – represented by Aboriginal Community Controlled Health Services (ACCHSs) – and health researchers to:

- Build partnerships between researchers and Aboriginal communities, to ensure high quality research in areas of most importance to Aboriginal Australians
- Develop capacity among researchers from Aboriginal backgrounds, who can better understand Aboriginal health issues and research the needs of Aboriginal people and their communities
- Establish research infrastructure to provide a strong basis for future Aboriginal research
- Provide a mechanism for research findings to be incorporated into the development and implementation of positive, forward thinking health policies and programs
- Establish and continue to build the Study of Environment on Aboriginal Resilience and Child Health (SEARCH), Australia's first longitudinal study of the health of urban Aboriginal Australians.



SEARCH to me is about giving my kids the resources they need to help them become the best they can be.



From a SEARCH participant

## Study of Environment on Aboriginal Resilience and Child Health

Little information exists about the health of urban Aboriginal children, even though more than half of Australia's Aboriginal population lives in cities or large regional centres. In the past five years only 11 per cent of Aboriginal health publications have focused on urban Aboriginal people; even fewer have focused on urban Aboriginal children. Most of these studies are small, address single health issues and do not include long term follow up.

As a result it is not possible to identify early opportunities for intervention that might have the potential to improve health, wellbeing, education and employment outcomes among Aboriginal children. Policies and programs that will be effective in improving Aboriginal health and reducing the health gap between Aboriginal and non-Aboriginal Australians will only be possible with more information.

SEARCH is the first large scale, longitudinal study of the health of urban Aboriginal children attending ACCHSs. Implemented under the auspices of CRIAH, SEARCH is partnered with four ACCHSs: Aboriginal Medical Service Western Sydney (Mt Druitt); Tharawal Aboriginal Corporation (Campbelltown); Riverina Medical & Dental Aboriginal Corporation (Wagga Wagga); and Awabakal Newcastle Aboriginal Co-Operative (Newcastle).

### Achievements in 2009/2010

- **Continued expansion of SEARCH.** More than 600 children have been recruited to SEARCH in the past 12 months, bringing the total number of children recruited to 1200 at July 2010. Over 800 children have been seen by a SEARCH audiologist, and just under 400 have received speech and language development assessments.
- **Feeding back to communities.** SEARCH is committed to engaging with and feeding back to local communities. Draft feedback summary reports have been provided to participating ACCHSs as part of this commitment.
- **Research outcomes.** To date, 11 papers using data from SEARCH have been accepted for publication – including six in the past year. A further two papers have been submitted, and more are under way.
- **Research dollars.** Two additional NHMRC project grants and a grant from beyondblue: the national depression initiative have been received for work associated with SEARCH. An application has been submitted to NHMRC for funds to continue and expand SEARCH over the next five years.

### CASE STUDY

#### Acquiring unique data

The causes of health and illness in urban Aboriginal children are the focus of the Study of Environment on Aboriginal Resilience and Child Health (SEARCH), which is gathering unique information from 1200 children to help researchers identify interventions that will improve their health. As part of a trial of an intervention designed to increase the likelihood that children with ear disease will receive best practice care, more than 800 children have been seen by a SEARCH audiologist and just under 400 children have received speech and language development assessment by speech therapists. SEARCH sub studies are exploring:

- Mental health and resilience
- Cardiovascular and metabolic disease (assessments of obesity, diet and exercise)
- A trial of a program designed to improve the health of young people experiencing mental health problems
- A broad range of exposures that consider health alongside a child's characteristics, interaction with family and the environment, and broader community and ecological factors.



SEARCH participant receives a blood pressure test as part of the study

## Improving health and hospital services

Demand for hospital and other health services is increasing as our population ages and more people live with chronic disease. Prompt and appropriate action is critical to ensure our health system can cope with the demands of the future. To help meet this challenge, the Sax Institute is involved in two important initiatives:

- The **Population Health Research Network (PHRN)** is an Australian Government initiative established as part of the National Collaborative Research Infrastructure Strategy. The PHRN embodies a group of collaborators who are working together to develop Australia's health data linkage capabilities. The Sax Institute is managing the NSW/ACT component of the PHRN. Funds of \$4.3 million have been allocated from the Commonwealth and State governments to the PHRN NSW/ACT to build a data analysis laboratory, a secure data exchange and a data delivery system. These will build capability to use linked data for research in NSW and nationally to help us understand the way that hospital and other care is provided and interacts with other services.
- The **Hospital Alliance for Research Collaboration (HARC)** helps Australia's health leaders access and generate research findings about health care, and engages some of the best international health thinkers in discussion about new research findings and their relevance to Australia. HARC is a collaborative network of more than 7000 clinicians, managers, researchers and policymakers from across NSW. It was established by the Sax Institute in partnership with the Clinical Excellence Commission and the Agency for Clinical Innovation (encompassing the former Greater Metropolitan Clinical Taskforce).



The Sax Institute is committed to finding ways to use evidence from research more effectively to develop health policy.



## Major achievements in 2009/2010

- **Linking health data for research.** During 2009/2010 substantial planning and development work was completed and tenders advertised to build a data analysis laboratory and secure data exchange for the PHRN. Biostatistical trainees funded by the PHRN NSW/ACT completed placements at the Kolling Institute of Medical Research and the National Centre in HIV Epidemiology & Clinical Research, and contributed to the design of data analysis tools that will be made widely available to researchers.
- **Evaluating clinical networks.** The Sax Institute and the Agency for Clinical Innovation (ACI) in collaboration with the Universities of Sydney, Newcastle, and Melbourne, The Australian Catholic University and The University of California, Los Angeles were awarded a National Health and Medical Research Council (NHMRC) Partnership grant to support a three-year research program – the Determinants of Effective Clinical Networks Study. The 20 clinical ACI networks are being studied to identify success factors, and the data will be used to establish clinical networks that improve the quality of care. Two preliminary studies have been completed.
- **Building capacity through expertise.** The Sax Institute hosted a visit by world renowned health researcher, physician and leading US health care reform commentator, Professor Elliott Fisher – Principal Investigator of the Dartmouth Atlas Project, which documents variations in how health care is delivered in the United States. Professor Fisher has been instrumental in shaping features of US health care reform. During his visit to Australia he gave the keynote presentation at a HARC Forum and met with senior executives of the Clinical Excellence Commission, the ACI, the Bureau of Health Information and the Australian Commission on Safety and Quality in Health Care to discuss the use of policy relevant research in the US and Australia.
- **Using global knowledge.** International experts delivered a series of lectures, workshops and training courses to health services researchers and NSW Health employees. This initiative of the Outcomes, Services and Policy for the Reproductive and Early Years (OSPREY) research program – a partnership between the Sax Institute, the University of Western Sydney and the University of Western Australia – aimed to build capacity to use linked data in research to improve health services for mothers, babies and children.
- **Bringing together clinicians and researchers.** The 6th HARC Forum 'Building health literacy – the evidence base to improve care for people with low health literacy' was attended by over 230 senior policymakers, managers, clinicians and researchers. Forum Chair Dr Norman Swan of ABC Radio and guest speaker Professor Don Nutbeam from the University of Southampton engaged speakers and delegates in a thought provoking discussion about current policy and research initiatives to apply evidence and improve care for the 45 per cent of Australians with poor health literacy.
- **Communicating knowledge.** Published quarterly to over 7000 health service managers, clinicians, policymakers and researchers, the HARC eBulletin provides an accessible round-up of the latest research findings, reports and international trends relating to current or potential future issues facing the Australian health system. The readership includes more than 1200 Chief Executive Officers and senior policymakers from federal and state health agencies, leading hospital clinicians and professorial level researchers.



In Australia and worldwide, recognition is growing of the need to bring evidence to bear in policymaking.

# Building best practice in knowledge transfer

## Strategies to enable the best use of research

In Australia and worldwide, recognition is growing of the need to bring evidence to bear in policymaking – as demonstrated by the Productivity Commission's 2009 roundtable on 'Strengthening Evidence based Policy in the Australian Federation'. However, despite increasing enthusiasm and support for evidence informed policy, very little is known about practical models and techniques that are effective in achieving this aim.

The Sax Institute undertook a comprehensive review of strategies that could be implemented to increase the use of evidence in policymaking. The review, for NSW Health, found that few studies set out to evaluate the extent to which strategies increased the use of research evidence. It is therefore critical that further work is undertaken to examine how evidence from research can be used more effectively to develop health policy. The Sax Institute is committed to contributing significantly to this global body of knowledge.



- 1 Dr Martin Van Der Weyden, Editor, *Medical Journal of Australia*
- 2 Dr Hunter Watt, Chief Executive Officer, NSW Agency for Clinical Innovation
- 3 Dr Richard Mathews, Deputy Director-General Strategic Development, NSW Department of Health
- 4 Professor Clifford Hughes, Chief Executive Officer, Clinical Excellence Commission
- 5 Professor Chris Baggoley, Chief Executive Officer, Australian Commission on Safety and Quality in Health Care
6. Professor Sally Redman, Chief Executive Officer, Sax Institute

Professor Elliot Fisher, health researcher, physician and leading US health care reform commentator



### Major achievements in 2009/2010

**Increasing evidence in policy.** The Institute led a successful grant application (under the NHMRC's Centres of Research Excellence Scheme) to enable the establishment of a Centre for Informing Policy in Health with Evidence from Research (CIPHER). CIPHER will build knowledge about what works to increase the use of evidence in policy. It will work with a 'laboratory' of 11 policy agencies to test the impact of strategies to improve the use of evidence in policy. It will provide, for the first time, rigorous empirical evidence of what does and doesn't work in this area, and will generate new methods and measures for evaluating the impact of these strategies. The program has three themes:

- building methods for evaluating strategies to increase the use of evidence in policy
- testing the impact of an integrated best practice intervention at four sites
- developing and testing new interventions for the future.

**Practical knowledge exchange.** The Sax Institute hosted a masterclass for senior policymakers and researchers on a practical knowledge exchange model, developed and presented by Professor John Lavis. Professor Lavis holds the Canada Research Chair in Knowledge Transfer and Exchange at McMaster University, where he is an Associate Professor in both the Department of Clinical Epidemiology and Biostatistics and the Department of Political Science.

**Supporting research integration.** The Sax Institute began a major project to identify opportunities to increase the integration of evaluation research in the implementation of policies and programs. A discussion paper developed for NSW Health considers ways to increase the frequency and quality of such research, and has extensively reviewed and analysed Australian and international models for achieving this aim.

**International learning.** Professor Louisa Jorm of the Sax Institute presented a plenary address 'Increasing the impact of health services research in policy' at the working conference 'Health Services Research in Europe: Where research and policy meet', held this year in The Hague, the Netherlands.

# Members and committees

## Members

Public health and health service research groups and universities with relevant research programs can apply for membership of the Sax Institute.

Organisations that are accepted nominate an individual to be the member of the Sax Institute.

In 2009/2010 the Sax Institute had 36 member organisations and nominees, and two associate members.

### Research members

#### Australian Centre for Health Promotion

The University of Sydney

#### Centre for Clinical Epidemiology and Biostatistics

The University of Newcastle

#### Centre for Clinical Governance Research in Health

The University of New South Wales

#### Centre for Health Economics Research and Evaluation

University of Technology, Sydney

#### Centre for Health Service Research

The University of Sydney

#### Centre for Health Research in Criminal Justice

Justice Health, NSW Health

#### Centre for Perinatal Health Services Research

The University of Sydney

#### Centre for Population Mental Health Research

The University of New South Wales

#### Centre for Primary Health Care and Equity

The University of New South Wales

#### Dementia Collaborative Research Centre

#### Family Medicine Research Centre

The University of Sydney

#### The George Institute for International Health

The University of Sydney

#### Health Behaviour Sciences Research Collaborative

The University of Newcastle

#### Health Services and Practice Research Centre

University of Technology, Sydney

#### The Menzies Centre for Health Policy

The University of Sydney and The Australian National University

#### National Centre for Immunisation Research & Surveillance

The University of Sydney

#### National Centre in HIV Epidemiology and Clinical Research

The University of New South Wales

#### National Centre in HIV Social Research

The University of New South Wales

#### National Drug and Alcohol Research Centre

The University of New South Wales

#### NSW Centre for Overweight and Obesity

The University of Sydney

#### Northern Rivers University Department of Rural Health

#### 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

#### 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

#### Cancer Council NSW

### 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

### Associate Members

National Perinatal Statistics Unit

The University of New South Wales

Centre for Health Services Research

The University of Sydney

## Committees

### The 45 and Up Study Strategic Advisory Committee\*

- Professor Judith Whitworth (Chair), Chair WHO Global Advisory Committee on Health Research
- Professor Bruce Armstrong, Professor of Public Health and Medical Foundation Fellow, School of Public Health, the University of Sydney
- Professor Julie Byles, Director, Research Centre for Gender, Health and Ageing, University of Newcastle
- Professor Mark Harris, Executive Director, Centre for Primary Health Care and Equity, The University of New South Wales
- Professor Louisa Jorm, Principal Scientist, the Sax Institute and Foundation Professor of Population Health, School of Medicine, the University of Western Sydney
- Mr Chris Paxton, Crescendo Partners
- Dr Andrew Penman, Chief Executive Officer, Cancer Council NSW
- Professor Sally Redman, Chief Executive Officer, the Sax Institute
- Ms Philippa Smith, Chair Food Standards Australia /New Zealand and Director, First State Super.
- Adjunct Associate Professor Sarah Thackway, Director, Centre for Epidemiology & Research, NSW Health

\* (Formerly the 45 and Up Study Management Committee)

### The 45 and Up Study Access Committee

- Emeritus Professor Richard Heller (Chair), Faculty of Health, The University of Newcastle (Australia) and Coordinator, Peoples-uni
- Professor Dallas English, Director, Centre for Molecular, Environmental, Genetic & Analytic (MEGA) Epidemiology, Melbourne School of Population Health, The University of Melbourne
- Professor Annette Dobson, Professor of Biostatistics, School of Population Health, University of Queensland
- Dr Garry Pearce, Staff Specialist, Rehabilitation Medicine and Director Staff Health, Chair, Human Research Ethics Committee, Concord Repatriation General Hospital

### Coalition for Research to Improve Aboriginal Health Steering Committee

- Mr Frank Vincent (Chair), Chief Executive Officer, Aboriginal Medical Service Western Sydney
- Professor Bruce Armstrong, Professor of Public Health and Medical Foundation Fellow, School of Public Health, The University of Sydney
- Ms Sandra Bailey, Chief Executive Officer, Aboriginal Health & Medical Research Council of New South Wales
- Professor Alan Cass, Senior Director at The George Institute for International Health and Co-Director of the Poche Centre for Indigenous Health, The University of Sydney (until December 2009)
- Ms Elizabeth Harris, Director, Centre for Health Equity Training Research and Evaluation, The University of New South Wales
- Dr Jenny Hunt, Public Health Medical Officer, Aboriginal Health & Medical Research Council of New South Wales (joined March 2009)
- Mr Darryl Wright, Chief Executive Officer, Tharawal Aboriginal Corporation (joined March 2009)
- Professor Sally Redman, Chief Executive Officer, the Sax Institute
- Mr Peter Fernando, Project Officer, Coalition for Research to Improve Aboriginal Health, the Sax Institute

### Monthly Briefings Editorial Board

- Professor Garry Jennings, Director and Chief Executive Officer of Baker IDI Heart and Diabetes Institute
- Professor John Lynch, Professor of Public Health Epidemiology in the Sansom Institute in the Division of Health Sciences at the University of South Australia, Professor of Social Epidemiology, School of Community Medicine at the University of Bristol (UK), and NHMRC Australia Fellow
- Professor Nick Mays, Head of Health Services Research and Policy and Professor of Health Policy, London School of Hygiene & Tropical Medicine, University of London
- Professor Don Nutbeam, Vice Chancellor of the University of Southampton
- Professor Terry Nolan, Foundation Head of the Melbourne School of Population Health and Associate Dean of the Faculty of Medicine, Dentistry and Health Sciences at The University of Melbourne
- Professor Robyn Norton, Principal Director at the George Institute for Global Health, and Professor of Public Health, School of Public Health and Associate Dean (Global Health), Sydney Medical School at the University of Sydney
- Dr Norman Swan, Journalist, ABC Radio National
- Professor Andrew Wilson, Executive Dean of the Faculty of Health at the Queensland University of Technology
- Professor Sally Redman (Chair), Chief Executive Officer of the Sax Institute

Other Sax Institute committees can be found on our website [www.saxinstitute.org.au](http://www.saxinstitute.org.au)



# Financial report

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## Directors' Report 30 June 2010

Your directors present this report on the company for the financial year ended 30 June 2010.

### Directors

The names of the directors in office at any time during, or since the end of the year are:

Irene Moss

Kim Anderson (resigned 14 December 2009)

Peter Smith

Bruce Konrad Armstrong

Sally Redman

Michael John Hensley

Christopher Maitland Paxton

Glenn Philip Salkeld

Michael Lambert

Alan Cass

Marion Ruth Haas

Kerry Chant

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

The following person held the position of company secretary at the end of the financial year:

Marianne Mioduszewski (nee Karam) Bachelor of Business (Accounting), FCIS, FCPA, MAICD. Ms Mioduszewski has 20 years of experience as Company Secretary and was appointed in this capacity for the Sax Institute on 24 August 2005.

### Activities

The principal activities of the Sax Institute during the financial year were to:

- Implement strategies with government to increase the use of research evidence in health policy
- Develop and undertake research in public health and health services
- Develop new research assets that enable internationally leading research
- Contribute to international understanding about how to increase the use of evidence in research.

### Objectives

The company's short term objectives are to:

- Lead research about Aboriginal health, ageing and health services that are relevant to policymakers
- Increase the number of policy agencies using the Institute's services to increase the use of evidence in policy
- Increase the range of services offered to policy agencies
- Encourage the use of the 45 and Up Study and other assets by researchers and policy agencies
- Strengthen research expertise in NSW to develop and deliver policy and practice research, and related programs.

The company's long term objective is to improve health and health services in Australia by enabling wiser decisions. Specifically, the Sax Institute will:

- Develop additional research assets that help researchers provide relevant research evidence for policy
- Lead research that makes a significant contribution to major policy decisions
- Assist policy agencies to use evidence from research using innovative, world class approaches
- Be a national and international leader in understanding how to ensure the use of evidence in policy.

Other long term objectives of the company are to:

- Build excellent policy and practice focused research,
- Increase the impact of this research on health policy, programs and services,
- Achieve better health outcomes.

## Strategies

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

*Developing and maintaining partnerships.* The Institute develops and maintains partnerships with a range of health policy and health service delivery agencies to do policy-relevant research and increase its effective use. Specifically, we will work with our partners to: (a) identify where information is required for decision making, (b) develop and trial methods for identifying and agreeing research priorities, (c) initiate research programs to address those priorities, and (d) find ways to provide better information for decision making in priority areas.

*Building research assets.* The Institute is developing new research assets in NSW to support health decision making and enable internationally leading research. These include systems and processes, cohorts, registers, skill banks and other resources that can be used by policymakers, service providers and researchers across the state.

*Developing collaborative research programs.* The Institute builds collaborative research programs that address the priorities of our partner agencies and engage researchers across NSW.

*Strengthening researcher expertise.* We strengthen research expertise in NSW to develop and deliver these and related programs. Working in partnership with our Members, we will identify opportunities to build greater research capacity in NSW. Excellent policy and practice focused research is critically dependent on expert and well-supported researchers.



## Information on Directors

### Dr Irene Moss

Chairperson

#### Qualifications

AO, Hon. LLD, BA, LLB, LLM

#### Experience

Formerly Commissioner, Independent Commission Against Corruption and NSW Ombudsman

### Kim Anderson

until 14 December 2009

#### Qualifications

Grad Dip Library & Info Sc (UTS), BA (The University of Sydney)

#### Experience

CEO, The Reading Room

### Professor Peter Smith

#### Qualifications

RFD, MD, FRACP, FRCPA, FAICD

#### Experience

Dean of Medicine, The University of New South Wales

#### Special Responsibilities

Member Audit and Risk Management Committee

### Professor Bruce Konrad Armstrong

#### Qualifications

AM, FAA, B Med Sc (Hons), MBBS (Hons), D Phil (Oxon), FRACP, FAFPHM

#### Experience

Professor of Public Health, The University of Sydney. Member 45 and Up Study Management Committee, The 45 and Up Study Scientific Advisory Committee and Coalition for Research to Improve Aboriginal Health (CRIA) Steering Group

### Professor Sally Redman

Chief Executive Officer

#### Qualifications

BA (Psych), BA (Hons) (Psych), PhD

#### Experience

Chair, The 45 and Up Study Management Committee; Co Chair, Hospital Alliance for Research Collaboration Steering Committee; Member, The 45 and Up Study Community and Ethical Oversight Committee

### Professor Michael John Hensley

#### Qualifications

MBBS, PhD, FRACP, FAFPHM

#### Experience

Dean of Medicine, Faculty of Health, University of Newcastle

### Mr Christopher Maitland Paxton

#### Qualifications

BA (Hons) in Economics (UK), MBA (UK)

#### Experience

Director Crescendo Partners

#### Special Responsibilities

Member Audit and Risk Management Committee

### Professor Glenn Philip Salkeld

#### Qualifications

BBus, Grad Dip Health Economics, MPH, PhD

#### Experience

Head and Associate Dean, School of Public Health, The University of Sydney

### Mr Michael Lambert

#### Qualifications

BEC, MEd

#### Experience

Consultant Royal Bank of Scotland and non-executive director of Energy Australia, JTL Trustee Corporation, Boardroom Partners and SJFS Ltd. Formerly Secretary of NSW Treasury

#### Special responsibilities

Chairperson Audit and Risk Management Committee

### Professor Alan Cass

#### Qualifications

BA, MBBS, Grad Dip Clinical Epidemiology, FRACP, PhD

#### Experience

Senior Director, the George Institute for Global Health; Member, Study of Environment on Aboriginal Resilience and Child Health Steering Committee; member, Coalition for Research to Improve Aboriginal Health (CRIA) Steering Group

### Associate Professor

### Marion Ruth Haas

#### Qualifications

BPhy (Qld), MPH, PhD

#### Experience

Associate Professor of Health Services Research, Deputy Director of the Centre for Health Economic Research and Evaluation, The University of Technology, Sydney

### Dr Kerry Chant

#### Qualifications

MBBS, FAFPHM, MHA, MPH

#### Experience

Deputy Director-General, Population Health, NSW Department of Health and NSW Chief Health Officer

## Meetings of Directors

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

	Board of Directors' Meetings		Audit & Risk Management Committee Meetings	
	Eligible to attend	Number attended	Eligible to attend	Number attended
Irene Moss	4	4	1	1
Kim Anderson	2	1	-	-
Peter Smith	4	1	4	1
Bruce Konrad Armstrong	4	3	-	-
Sally Redman	4	4	4	4
Michael John Hensley	4	3	-	-
Christopher Maitland Paxton	4	4	4	4
Glenn Philip Salkeld	4	3	-	-
Michael Lambert	4	4	4	4
Alan Cass	4	3	-	-
Marion Ruth Haas	4	3	-	-
Kerry Chant	4	2	-	-
Cameron Johnstone	-	-	4	3

## Member's Guarantee

The company is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the company is wound up, the Constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the company. At 30 June 2010 the number of members is 37 (2009:37).

## Auditor's Independence Declaration

A copy of the Auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out at page 30.

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



Dr Irene Moss  
Director

Dated in Sydney, this 16th day of September 2010

# Auditor's Independence Declaration under Section 307C of the Corporations Act 2001



The Galleries Victoria, Podium Level 1  
500 George Street, SYDNEY NSW 2000  
PO Box Q285, QVB Post Office, SYDNEY NSW 1230  
[www.economosgroup.com.au](http://www.economosgroup.com.au)

## The Sax Institute

ABN 68 095 542 886

### Auditor's Independence Declaration Under S 307C Of The Corporations Act 2001

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2010 there have been:

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

### ECON AUDIT AND ASSURANCE SERVICES PTY LTD

A handwritten signature in black ink, appearing to read 'G Venardos', written over the printed name and title.

**GEORGE VENARDOS**  
Director

Dated in Sydney, this 16<sup>th</sup> day of September 2010

Economos Pty Ltd  
Chartered Accountants  
ABN 17 083 440 332  
t: 61 2 9266 2200 f: 61 2 9261 2271  
[www.economos.com.au](http://www.economos.com.au)

Incorporating:

Econ Financial Services Pty Ltd  
ABN 67 095 934 033  
AFSL 293876  
t: 61 2 9266 2266 f: 61 2 9261 2271  
[www.econfs.com.au](http://www.econfs.com.au)

Our liability is limited by a scheme approved under professional standards legislation, except where we are a financial services licensee.

## Discussion and Analysis of the Financial Statements

### Information on the Sax Institute Concise Financial Report

The concise financial report is an extract from the full financial report for the year ended 30 June 2010. The financial statements and disclosures in the concise financial report have been derived from the 2010 Financial Statement of the Sax Institute. A copy of the full financial report and Auditors' report will be sent to any member, free of charge, upon request.

The discussion and analysis is provided to assist members in understanding the concise financial statement. The discussion and analysis is based on the Sax Institute's financial statement, and the information contained in the concise financial statement has been derived from the full 2010 Financial Statement of the Sax Institute.

### Statement of Comprehensive Income

The operating results for the year of \$792,106 represented an increase of \$1,023,236 compared with the previous financial year. A large proportion of the surplus is attributed to the funding received for the Population Health Research Network, National Collaborative Research Infrastructure Strategy (NCRIS) which is the management of the NSW/ACT component of a national data linkage project. This project aims to provide computing and human infrastructure for the management and analysis of health datasets. Total grant revenues increased since the funding for the project has been received during the year, while the related work did not commence in full due to amendments made on the funding agreement. Research projects such as The 45 and Up Study and the Study of Early Aboriginal Resilience in Child Health have been continued from the previous years and are currently in their fifth year.

There are many new projects that have been initiated during the year using data from the 45 and Up Study. These include the Social, Economic and Environmental Factors associated with ageing (SEEF) project, the Housing and Independent Living (HAIL) project and the Depression and Cognitive Function E-Couch project. These and other related 45 and Up Study projects also contributed to the increase in revenue.

New staff members have been employed to assist in implementing the new and existing projects during the year. As a result, operating expenses of the company grew by \$168,612.

### Statement of Financial Position

Significant increase in total assets represents deposits in Adelaide Bank for \$1,013,808 and \$2,000,000 which were classified under cash and cash equivalents and short-term investments respectively. Investment in T-Corp also increased as a result of additional investments made during the year.

Total liabilities increased to \$4,512,457 or 127% compared to prior year. Majority of the increase is attributed to the receipt of funds for the NCRIS, for which related project work was not fully carried out at year end.

The change in equity represents results of operations for the year being a surplus of \$792,106.

### Statement of Changes in Equity

As noted above, the change in equity represents results of operations for the year being a surplus of \$792,106.

### Statement of Cash Flows

There has been a net increase in cash flows from operating activities brought about by the increased level of grants during the year. As noted in the Statement of Cash Flows, cash payments to suppliers and employees remained on the same level as the prior year as increases in employment expenses were offset by decreases in the cost of funding. Increase in investing activities of \$1,302,912 reflects additional investments made to T-Corp and Adelaide Bank as well as the acquisition of property, plant and equipment during the year.



## Statement of Comprehensive Income For the Year Ended 30 June 2010

	Note	2010 \$	2009 \$
Funding revenue	2	5,939,971	4,737,416
T-Corp distributions		120,901	131,606
Project specific costs*		(933,867)	(1,524,035)
Employee benefits expense		(3,309,366)	(2,736,553)
Depreciation, amortisation and impairments		(57,501)	(39,727)
Administration costs		(517,745)	(371,782)
Other expenses		(450,287)	(428,057)
<b>Surplus / (Deficit) for the year</b>		<b>792,106</b>	<b>(231,132)</b>

### Other comprehensive income

Net gain on revaluation of non-current assets	-	-
Net (loss)/gain on revaluation of financial assets	-	-
<b>Other comprehensive income for the year</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>	<b>792,106</b>	<b>(231,132)</b>
Surplus / (Deficit) attributable to members of the entity	<b>792,106</b>	<b>(231,132)</b>
<b>Total comprehensive income attributable to members of the entity</b>	<b>792,106</b>	<b>(231,132)</b>

\* These are direct external expenses incurred in delivery of programs.

## Statement of Financial Position For the Year Ended 30 June 2010

	2010 \$	2009 \$
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	1,149,318	291,770
Trade and other receivables	288,922	459,628
Short-term investments	2,000,000	-
Financial assets	3,753,426	3,276,663
Other assets	59,752	-
<b>Total current assets</b>	<b>7,251,418</b>	<b>4,028,061</b>
<b>Non-current assets</b>		
Plant and equipment	145,439	55,713
Other non-current assets	90,601	84,089
<b>Total non-current assets</b>	<b>236,040</b>	<b>139,802</b>
<b>TOTAL ASSETS</b>	<b>7,487,458</b>	<b>4,167,863</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Trade and other payables	4,342,435	1,847,129
Financial liabilities (short term)	-	192
Short term provisions	132,246	110,482
<b>Total current liabilities</b>	<b>4,474,681</b>	<b>1,957,803</b>
<b>Non-current liabilities</b>		
Other long-term provisions	37,794	27,183
<b>Total non-current liabilities</b>	<b>37,794</b>	<b>27,183</b>
<b>TOTAL LIABILITIES</b>	<b>4,512,475</b>	<b>1,984,986</b>
<b>NET ASSETS</b>	<b>2,974,983</b>	<b>2,182,877</b>
<b>EQUITY</b>		
Retained earnings	2,974,983	2,182,877
<b>TOTAL EQUITY</b>	<b>2,974,983</b>	<b>2,182,877</b>

## Statement of Changes in Equity For the Year Ended 30 June 2010

2010	Retained Earnings \$	Total \$
Balance at 1 July 2009	2,182,877	2,182,877
Surplus attributable to members	792,106	792,106
<b>Balance at 30 June 2010</b>	<b>2,974,983</b>	<b>2,974,983</b>

2009	Retained Earnings \$	Total \$
Balance at 1 July 2008	2,414,009	2,414,009
Deficit attributable to members	(231,132)	(231,132)
<b>Balance at 30 June 2009</b>	<b>2,182,877</b>	<b>2,182,877</b>

## Statement of Cash Flows For the Year Ended 30 June 2010

	2010 \$	2009 \$
<b>Cash flow from operating activities:</b>		
Grants and donations received	8,210,640	5,179,752
Payments to suppliers and employees	(4,960,893)	(4,944,998)
Interest received	101,720	14,987
<b>Net cash generated from operating activities</b>	<b>3,351,467</b>	<b>249,741</b>

<b>Cash flow from investing activities</b>		
Payments for other short-term investments	(2,000,000)	-
Payments for available-for-sale assets	(7,219,000)	(4,573,385)
Proceeds from available-for-sale assets	6,872,500	3,411,000
Acquisition of property, plant and equipment	(147,227)	(28,430)
<b>Net cash used in investing activities</b>	<b>(2,493,727)</b>	<b>(1,190,815)</b>

<b>Cash flow from investing activities</b>		
Repayment of finance lease commitments	-	-
Increase in finance lease commitments	-	-
<b>Net cash used in investing activities</b>	<b>-</b>	<b>-</b>

<b>Net increase / (decrease) in cash held</b>	<b>857,740</b>	<b>(941,074)</b>
Cash and cash equivalents at beginning of the financial year	291,578	1,232,652
<b>Cash and cash equivalents at end of the financial year</b>	<b>1,149,318</b>	<b>291,578</b>

## Notes to the Concise Financial Statements For the Year Ended 30 June 2010

### **NOTE 1: Summary of Significant Accounting Policies**

#### **Basis of Preparation of the Concise Financial Statements**

The concise financial statement is an extract from the full financial statement for the year ended 30 June 2010. The concise financial statement has been prepared in accordance with Accounting Standard AASB 1039: Concise Financial Reports, and the *Corporations Act 2001*.

The financial statements, specific disclosures and other information included in the concise financial statement are derived from, and are consistent with, the full financial statement of the Sax Institute. The concise financial statement cannot be expected to provide as detailed an understanding of the financial performance, financial position and financing and investing activities of the Sax Institute as the full financial statement. A copy of the full financial statement and auditor's report will be sent to any member, free of charge, upon request.

The financial statement of the Sax Institute complies with all Australian equivalents to the International Financial Reporting Standards (AIFRS) in their entirety. The presentation currency in this concise financial statement is Australian dollars.

The Sax Institute has applied for relief available to it under ASIC Class Order 98/100 and accordingly amounts in this concise financial statement have been rounded to the nearest dollar.

#### **Accounting Policies**

##### **(a) Adoption of New and Revised Accounting Standards**

During the current year, the company adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory.

The adoption of these standards has impacted the recognition, measurement and disclosure of certain transactions. The following is an explanation of the impact the adoption of these standards and interpretations has had on the financial statements of the Sax Institute.

##### **AASB 101: Presentation of Financial Statements**

In August 2007, the Australian Accounting Standards Board revised AASB 101 and as a result, there have been changes to the presentation and disclosure of certain information within the financial statements. Below is an overview of the key changes and the impact on the company's financial statements.

##### *Disclosure impact*

**Terminology changes.** The revised version of AASB 101 contains a number of terminology changes, including the amendment of the names of the primary financial statements.

**Reporting changes in equity.** The revised AASB 101 requires all changes in equity arising from transactions with owners, in their capacity as owners, to be presented separately from non-owner changes in equity. Owner changes in equity are to be presented in the statement of changes in equity, with non-owners changes in equity presented in the statement of comprehensive income. The previous version of AASB 101 required that owner changes in equity and other comprehensive income be presented in the statement of changes in equity.



Statement of comprehensive income. The revised version AASB 101 requires all income and expenses to be presented in either one statement, the statement of comprehensive income, or two statements, a separate income statement and a statement of comprehensive income. The previous version of AASB 101 required only the presentation of a single income statement.

The company's financial statements now contain a statement of comprehensive income.

Other comprehensive income. The revised version of AASB 101 introduces the concept of 'other comprehensive income' which is comprised of income and expenses that are not recognised in profit or loss as required by other Australian Accounting Standards. Items for other comprehensive income are to be disclosed in the statement of comprehensive income. Entities are required to disclose the income tax relating to each component of other comprehensive income. The previous version of AASB 101 did not contain an equivalent concept.

### **AASB 1053: Application of Tiers of Australian Accounting Standards**

#### **AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirement**

On 28 June 2010, Corporate Reporting Framework was introduced by the Federal Government with the aim of reducing financial reporting requirements for Australian companies. These reforms also change what is required in financial reports lodged with Australian Securities and Investments Commission (ASIC) for the financial year ending 30 June 2010 and following financial years. These new requirements were implemented through the issue of the above standards. The key changes around financial reporting affecting the company are:

- introducing a three-tiered reporting framework that will reduce the reporting requirements for certain companies limited by guarantee, which typically have a not-for-profit purpose
- improving disclosure of non-financial information in the directors' report of companies limited by guarantee
- replacing the requirement for parent entity financial statements with reduced disclosure
- introducing a new statement of compliance with International Financial Reporting Standards in the directors' declaration
- making new provisions for changing year-end dates.

Other changes to the regulatory framework include, but are not limited to:

- replacing the profits test for paying dividends with a new test based on net assets,
- clarifying the circumstances in which a company can cancel its share capital

In response to the above requirements, the financial statements now contain a streamlined directors' report while directors' declaration contains a new compliance statement with International Financial Reporting Standards (IFRS) as adopted in Australia.

#### NOTE 2: Revenue and Other Income

Operating revenue	2010 \$	2009 \$
Funding revenue	5,656,341	4,433,815
Donations	50,060	150,000
Conferences and training	17,863	23,545
Sitting fees	1,602	22,652
Consultancy fees	42,335	66,502
Other revenue	70,050	25,915
Interest received	101,720	14,987
<b>Total Revenue</b>	<b>5,939,971</b>	<b>4,737,416</b>

#### NOTE 3: Dividends

The company's constitution prohibits the payment of a dividend.

#### NOTE 4: Segment Reporting

The company's activities are to foster and conduct health research throughout New South Wales, Australia.

#### NOTE 5: Economic Dependence

The NSW Department of Health (the 'Department') provides the majority of the funding to the company. As all funding is provided on a cash basis annually, it is anticipated that adequate funding will be provided to enable the company to pay its debts as and when they fall due. A funding agreement for \$1,841,400 per annum was signed on 1 July 2008 and is in effect until 30 June 2013.

At the date of this report, the Board of Directors has no reason to believe that the Department will not continue to support the Sax Institute.

#### NOTE 6: Events After the Reporting Period

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

## Directors' Declaration

The Directors of the company declare that the concise financial statement of the Sax Institute for the financial year ended 30 June 2010, as set out on pages 31 to 34:

- (a) complies with Accounting Standard AASB 1039: Concise Financial Reports; and
- (b) is an extract from the full financial statement for the year ended 30 June 2010 and has been derived from and is consistent with the full financial statement of the Sax Institute.

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



Dr. Irene Moss  
Director

Dated in Sydney, this 16th day of September 2010



The Galeries Victoria, Podium Level 1  
500 George Street, SYDNEY NSW 2000  
PO Box Q285, QVB Post Office, SYDNEY NSW 1230  
[www.economosgroup.com.au](http://www.economosgroup.com.au)

## The Sax Institute

ABN 68 095 542 886

### Independent Auditor's Report to the members of the Sax Institute

#### Report on the concise financial statement

The accompanying concise financial statement of the Sax Institute comprises the statement of financial position as at 30 June 2010, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and related notes, derived from the audited financial statement of the Sax Institute for the year ended 30 June 2010, as well as the discussion and analysis. The concise financial statement does not contain all the disclosures required by Australian Accounting Standards.

#### Directors' responsibility for the concise financial statement

The directors are responsible for the preparation and presentation of the concise financial statement in accordance with Accounting Standard AASB 1039: Concise Financial Reports (including Australian Accounting Interpretations), statutory and other requirements. This responsibility includes establishing and maintaining internal control relevant to the preparation of the concise financial statement; selecting and applying the appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### Auditor's responsibility

Our responsibility is to express an opinion on the concise financial statement based on our audit procedures. We have conducted an independent audit, in accordance with Australian Auditing Standards, of the financial statement of the Sax Institute for the year ended 30 June 2010. Our audit report on the financial statement for the year was signed on 16 September 2010 and was not subject to any modification. Australian Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial statement for the year is free from material misstatement.

Our procedures in respect of the concise financial statement included testing that the information in the concise financial statement is derived from, and is consistent with, the financial statement for the year, and examination on a test basis, of evidence supporting the amounts, discussion and analysis, and other disclosures which were not directly derived from the financial statement for the year. These procedures have been undertaken to form an opinion whether, in all material respects, the concise financial statement complies with Accounting Standard AASB 1039: Concise Financial Reports and whether the discussion and analysis complies with the requirements laid down in AASB 1039.

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

#### Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of the Sax Institute on 12 August 2010, would be in the same terms if provided to the directors as at the date of this auditor's report.

Economos Pty Ltd  
Chartered Accountants  
ABN 17 053 440 332

t: 61 2 9266 2200 f: 61 2 9261 2271

[www.economos.com.au](http://www.economos.com.au)

Incorporating:

Econ Financial Services Pty Ltd  
ABN 67 095 934 053  
AFSL 293676

t: 61 2 9266 2266 f: 61 2 9261 2271

[www.econfs.com.au](http://www.econfs.com.au)

Our liability is limited by a scheme approved under professional standards legislation, except where we are a financial services licensee.





The Galleries Victoria, Podium Level 1  
500 George Street, SYDNEY NSW 2000  
PO Box Q285, QVB Post Office, SYDNEY NSW 1230  
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## The Sax Institute

ABN 68 095 542 886

Independent Auditor's Report to the members of the Sax Institute

### Auditor's Opinion

In our opinion, the concise financial statement including the discussion and analysis of the Sax Institute for the year ended 30 June 2010 complies with Accounting Standard AASB 1039: Concise Financial Reports.

ECON AUDIT AND ASSURANCE SERVICES PTY LTD

A handwritten signature in black ink, appearing to read 'G Venardos', written over the printed name.

GEORGE VENARDOS  
Director

Dated in Sydney, this 16<sup>th</sup> day of September 2010

Economos Pty Ltd  
Chartered Accountants  
ABN 17 053 440 332

t: 61 2 9266 2200 f: 61 2 9261 2271

[www.economos.com.au](http://www.economos.com.au)

incorporating:

Econ Financial Services Pty Ltd  
ABN 67 095 934 033  
AFSL 293876

t: 61 2 9266 2266 f: 61 2 9261 2271

[www.econfs.com.au](http://www.econfs.com.au)

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saxinstitute

