

Perth Eye Foundation Ltd Chair's Report

AGM 2021

It is my pleasure to welcome you to the second annual general meeting of the Perth Eye Foundation which is establishing itself as a charitable organisation operating as a company limited by guarantee. We are an independent self-funded, not-for-profit located in Western Australia, that is committed to a future where no one is suffering from a preventable eye disease.

A key strategic objective of the Board is financial sustainability and to have funding strategies that ensure the ongoing viability of the Foundation. I am pleased to advise that Perth Eye Foundation Ltd is reporting a surplus of \$16.1m. This is primarily as a result of trust donations from ESF (Australia) Pty Ltd of over \$15m and net unrealised gains in the value of our investments.

I am proud to highlight that through this transition from one entity (ESF) to another (PEF) the corpus of funds has not only been maintained but combined net assets has grown from \$15.7m last year to \$16.5m as of 30 June 2021, all the while continuing our charitable objectives.

The annual statutory financial reports presented to you are prepared compliant with the Australian Accounting Standards, ACNC and ASIC legislation and are subject to external independent audit.

Our Program Partner Advisory Panel (PPAP) went through its second annual cycle of communicating with and shoulder tapping third parties who could deliver projects and programs consistent with our vision before then reviewing and evaluating applications against the criteria set down for grant submissions and against the purpose and objects of the Foundation.

Our strategic approach is to work collaboratively with our program partners to deliver research, education, and training to advance the prevention and treatment of blinding eye diseases in areas of unmet need.

After risk assessment and ethical evaluation, the Advisory Panel made a number of recommendations to the Board and the successful program partner recipients this year were;

The Women & Newborn Health Service - King Edward Memorial Hospital

Recipient of The Helen Smith Award – This is our second year of funding this project of retinal screening of pregnant women with type 1 or type 2 diabetes to improve detection and treatment of eye disease during pregnancy and to try to and determine why diabetic eye disease tends to worsen during pregnancy.

University of WA Medical School

A grant to fund a research team led by Professor Tim Davis studying the longitudinal relationship between macrovascular disease and retinopathy in type 2 diabetes. The primary objectives of the study are to determine whether carotid disease is a predictor of new or worsening diabetic retinopathy in people with type 2 diabetes and secondly to determine whether carotid disease predicts a change in retinal vessel density assessed by optical coherence tomography angiography (OCTA).

Development of a White Paper

Our Program Partner Advisory Panel (PPAP) formed a view that in order to understand which areas of research and service delivery are most in need of funding from a foundation such as PEF, further research on unmet needs was required.

The Advisory Panel sought a proposal from suitably qualified ophthalmologists and researchers who could author a White Paper which will provide a strategic road map for future partnerships with PEF. Dr Joos Meyer was selected by the panel to research this White Paper. He is working from a framework developed by Nielsen de Souza on behalf of the advisory panel and being guided in his work by Dr Phil House and Neilsen. The objectives of the white paper are to provide an overview of the ophthalmic research, innovation and social impact activities in Western Australia, to make recommendations for funding in areas of unmet needs and to identify opportunities to improve research and service provision.

St John Ambulance - Jerusalem Eye Hospital

This grant is part of a long-standing commitment to cover the cost of employment for two nurses at the Hospital and to partially fund the outreach program at the hospital.

Lions Eye Institute – Outback Vision Van

The second year of funding an Aboriginal Health Worker for patient coordination and to provide support for patients accessing the Lion's Outback Vision Van. The role improves the cultural security for Aboriginal and Torres Strait Islander patients attending for surgery at Perth metropolitan hospitals, attending screening clinics at metropolitan Aboriginal Medical Services and attending appointments on the Lion's Outback Vision Van in the Goldfields Region of Western Australia.

Royal Australian College of Surgeons - East Timor Eye Program

Our long-standing commitment to The East Timor Eye Program (ETEP) which was established in 2000 has come to a successful completion. Initially the focus of the program was the provision of essential ophthalmic services in Timor-Leste's post-independence era. Over the years, the scope of the program expanded beyond service delivery and focused on training, capacity building and health systems strengthening support. The goal of the program was to reduce preventable blindness in Timor-Leste by helping build a sustainable, self-sufficient and effective eye health system for the Timorese people.

I am delighted to report that with our assistance over the years, the program has grown into a sustainable, autonomous eye health care system which has been handed over to the Government of Timor-Leste.

Ophthalmic Research Institute of Australia (ORIA)

Perth Eye Foundation provide ORIA with a research grant each year to enable ophthalmologists and vision scientists working in university departments to improve the diagnosis and treatment of eye diseases through clinical research. ORIA report the outcomes of all the research support and promote best practice ophthalmic medical care.

Royal Australia New Zealand College of Ophthalmologists (RANZCO)

The medical college is responsible for the training and professional development of ophthalmologists in Australia and New Zealand. RANZCO seek to reduce avoidable blindness through the education and improvement of local training institutions that will, in turn, improve the eye health workforce through increased knowledge and expertise. RANZCO work in collaboration with other stakeholders like PEF to ensure projects are sustainable and accessible to everyone. Perth Eye Foundation provide RANZCO with an annual grant to jointly further these objectives.

I would like to record my sincere thanks to the Program Partner Advisory Panel members for their hard work in evaluating these worthy recipients and putting them forward for recommendation to the Board. It would be remiss of me to not mention Anne Russell Browne for her role as Liaison Officer to our Advisory Panel. Anne's dedication, professionalism, tireless efforts and considerable experience in this space has greatly assisted the efforts of the Panel. Anne goes above and beyond the requirements of the role to ensure that the advisory panel functions smoothly and that our program partners are well supported throughout the process.

Funding and expenditure for all programs, including those overseas, is subject to performance obligations and supporting documentary evidence.

Last year I reported that we were in the process of developing a risk management framework (RMF) to provide us with a structured process to identify potential threats and to define a strategy for eliminating or minimising the impact of these risks.

I am pleased to inform you that this work is complete.

Risk management is a key component of our governance framework and recognises the potential for strategic, operational and project risks to impact on our strategic objectives. There will always be a level of uncertainty associated with delivering our objectives and programs.

The Risk Management Framework governs all activities at PEF and allows us to adopt a strategic, consistent and structured approach to risk management. It provides a process of identifying, recording, assessing and treating risks with mitigation plans that are regularly reviewed to effectively deal with the uncertainty that could affect our objectives.

We have completed a risk register for all identified risks with details of the implemented controls and allocated each individual risk an inherent risk rating. We have developed a risk treatment plan for each individual risk which further mitigates the risk once the plans are actioned. We are working hard to complete these tasks and making solid progress against an agreed action plan in order to achieve a residual or lower risk rating.

An important component of the Risk Management Framework is the Risk Appetite Statement, the Board has determined that PEF has **NO** risk appetite for any statutory or regulatory breach. PEF will not tolerate fraud, corruption or behaviour that puts the financial sustainability or reputation of the Foundation at risk. Based on its core values of integrity and trust PEF has an expectation that it operates in an ethical, accountable and responsible manner, this is considered non-negotiable. It is important that PEF maintains reputation, trust and credibility with all stakeholders.

From an operating loss perspective there is a **LOW** risk appetite for decision making that threatens our long term financial viability and sustainability and there is an expectation that budgets will be adhered to.

From an investment loss perspective there is **NO** risk appetite for risk in the Short Term Investment Pool and a **LOW** appetite for risk in the Medium Term Investment Pool, we have a **MODERATE** risk appetite in the Long Term Investment Pool as it is recognised that markets will rise and fall and for PEF to achieve a recurrent budget there needs to be exposure to all asset classes and global markets to provide the necessary and prudent diversification of the investment portfolio.

This risk has been mitigated to some extent by the creation of three separate investment pools with different asset allocations reflecting different investment time horizons and by the appointment of an independent investment consultant to provide us with advice.

From the perspective of the performance of our charitable objectives we have a **MODERATE** risk appetite as we accept that not all research will result in successful discoveries and not all programs and projects are guaranteed to deliver successful outcomes despite careful oversight.

Another issue I flagged last year was that the Board takes its governance responsibilities very seriously and had commissioned William Buck Consulting to conduct a review of the policies, procedures and processes relevant to its management of investment funds, insurance arrangements and management of grants to ensure that the controls in place at the Perth Eye Foundation are appropriate, adequate and aligned with industry best practice.

The audit was completed in May this year and the Board has reviewed the Report. It was very pleasing to note many positive findings detailed during the review and that the relatively minor recommendations and improvement opportunities have all been considered by the Board with the majority already actioned.

As part of our governance framework, we have built on our suite of policies with the development of a Code of Conduct. The Code of Conduct is designed to promote a standard of behaviour that is consistent with Perth Eye Foundation's values and applies to all Perth Eye Foundation members, Board members, Advisory Panel members and contractors.

I would like to acknowledge my fellow Directors for all their hard work again this year, it is both a privilege and a pleasure working with you. A very special thanks to Dr Ross Littlewood who resigned from the Board on the 21 February 2021, and a very special thank you to Liane Papaelias who is resigning from the Board on the 31 December 2021. You will both be sadly missed, and we acknowledge your outstanding commitment and contribution.

On a happier note, in September 2020 we welcomed Emma Chinnery, a commercial lawyer and partner at Jackson McDonald to the Board and in February 2021 we welcomed Dr Josephine Richards, an experienced cataract surgeon and general ophthalmologist to the Board. Both Emma and Jo have made a significant contribution to the Board, and we are lucky to have them.

The Perth Eye Foundation is well placed to deliver on our strategic plan and meet our charitable objectives. That brings me to the end of my report, and I look forward to serving the Foundation as we establish ourselves into the future. Thank you for your ongoing support.

Liam Roche

18 November 2021

EOFY 2016 \$11.8m

EOFY 2018 \$13.0m

EOFY 2020 \$15.7m

EOFY 2021 \$16.5m