



INDEPENDENT AUDITOR'S REPORT

Bureau of Health Information

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of Bureau of Health Information (the Bureau), which comprise the statement of financial position as at 30 June 2015, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows and service group statements for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information of the Bureau and the consolidated entity. The consolidated entity comprises the Bureau and the entities it controlled at the year's end or from time to time during the financial year.

Opinion

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Bureau and the consolidated entity as at 30 June 2015, and of their financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 45E of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015.

My opinion should be read in conjunction with the rest of this report.

Emphasis of Matter

Without modification to the opinion expressed above, I draw attention to the basis of presenting adjusted budget information detailed in Note 2(s). The note states that AASB 1055 'Budgetary Reporting' is not applicable to the Bureau. It also states that, unlike the requirement in AASB 1055 'Budgetary Reporting' to present original budget information, the Bureau's financial statements present adjusted budget information.

The Board's Responsibility for the Financial Statements

The Board is responsible for preparing financial statements that give a true and fair view in accordance with Australian Accounting Standards and the PF&A Act, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

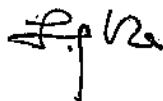
My opinion does *not* provide assurance:

- about the future viability of the Bureau or the consolidated entity
- that they carried out their activities effectively, efficiently and economically
- about the effectiveness of the internal control
- about the assumptions used in formulating the budget figures disclosed in the financial statements
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about other information that may have been hyperlinked to/from the financial statements.

Independence

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards and relevant ethical pronouncements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies, but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by the possibility of losing clients or income.



Weini Liao
Director, Financial Audit Services

25 September 2015
SYDNEY

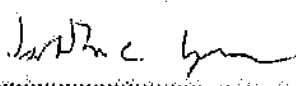
**Bureau of Health Information
Certification of the Financial Statements
for the year ended 30 June 2015**

I state, pursuant to section 45F of the *Public Finance and Audit Act 1983*:

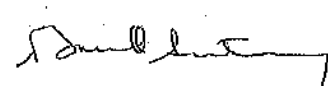
- 1) The financial statements of the Bureau of Health Information for the year ended 30 June 2015 have been prepared in accordance with:
 - a) Australian Accounting Standards (which include Australian Accounting Interpretations)
 - b) the requirements of the Public Finance and Audit Act 1983, the Public Finance and Audit Regulations 2015 and the Treasurer's Directions;
 - c) the Financial Reporting Code for NSW General Government Sector Entities.
- 2) The financial statements exhibit a true and fair view of the financial position and the financial performance of the Bureau of Health Information; and
- 3) There are no circumstances which would render any particulars in the financial statements to be misleading or inaccurate.



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Robert Lagaida
Chief Finance officer
25th September 2015



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Dr Jean-Frederic Levesque
Chief Executive
25th September 2015



.....
Professor Bruce Armstrong AM
Chair BHI
25th September 2015

Bureau of Health Information
Statement of Financial Position as at 30 June 2015

PARENT			CONSOLIDATION			
Actual	Adjusted Budget Unaudited	Actual	Notes	Actual	Adjusted Budget Unaudited	Actual
2015 \$000	2015 \$000	2014 \$000		2015 \$000	2015 \$000	2014 \$000
ASSETS						
Current Assets						
566	132	132		566	132	132
222	301	301	14	222	301	301
<u>788</u>	<u>433</u>	<u>433</u>	15	<u>788</u>	<u>433</u>	<u>433</u>
Total Current Assets						
Non-Current Assets						
Property, Plant & Equipment						
49	(58)	52		49	(58)	52
430	595	595	16	430	595	595
<u>479</u>	<u>537</u>	<u>647</u>	16	<u>479</u>	<u>537</u>	<u>647</u>
<u>479</u>	<u>537</u>	<u>647</u>		<u>479</u>	<u>537</u>	<u>647</u>
<u>1,267</u>	<u>970</u>	<u>1,080</u>		<u>1,267</u>	<u>970</u>	<u>1,080</u>
Total Assets						
LIABILITIES						
Current Liabilities						
230	664	664		230	664	664
383	322	316	17	383	322	316
<u>613</u>	<u>986</u>	<u>980</u>	18	<u>613</u>	<u>986</u>	<u>980</u>
Total Current Liabilities						
Non-Current Liabilities						
93	5	3		93	5	3
---	86	86	18	---	86	86
<u>93</u>	<u>91</u>	<u>89</u>	19	<u>93</u>	<u>91</u>	<u>89</u>
<u>706</u>	<u>1,077</u>	<u>1,069</u>		<u>706</u>	<u>1,077</u>	<u>1,069</u>
<u>561</u>	<u>(107)</u>	<u>11</u>		<u>561</u>	<u>(107)</u>	<u>11</u>
Total Liabilities						
Net Assets						
EQUITY						
561	(107)	11		561	(107)	11
<u>561</u>	<u>(107)</u>	<u>11</u>		<u>561</u>	<u>(107)</u>	<u>11</u>
Total Equity						

The accompanying notes form part of these financial statements.

Bureau of Health Information
Statement of Changes in Equity for the year ended 30 June 2015

PARENT AND CONSOLIDATION	Notes	Accumulated Funds \$000	Total \$000
Balance at 1 July 2014		11	11
Total Equity at 1 July 2014		<u>11</u>	<u>11</u>
Net Result for the year		550	550
Total Comprehensive Income for the year		<u>550</u>	<u>550</u>
Balance at 30 June 2015		<u><u>561</u></u>	<u><u>561</u></u>
Balance at 1 July 2013		(314)	(314)
Total Equity at 1 July 2013		<u>(314)</u>	<u>(314)</u>
Net Result for the year		325	325
Total Comprehensive Income for the year		<u>325</u>	<u>325</u>
Balance at 30 June 2014		<u><u>11</u></u>	<u><u>11</u></u>

The accompanying notes form part of these financial statements.

Bureau of Health Information
Statement of Cash Flows for the year ended 30 June 2015

PARENT			CONSOLIDATION		
Actual	Adjusted Budget Unaudited	Actual	Actual	Adjusted Budget Unaudited	Actual
2015	2015	2014	Notes	2015	2014
\$000	\$000	\$000		\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES					
Payments					
				(3,628)	(4,151)
				(78)	(28)
(79)	(28)	(21)		(4,338)	(3,774)
(7,066)	(8,148)	(7,058)			
(8,042)	(8,174)	(7,079)		(8,042)	(7,079)
Receipts					
7,831	7,831	7,198		7,831	7,198
				—	21
108	—	(56)		106	(65)
19	4	43		19	43
207	8	81		207	81
331	331	255		331	255
8,494	8,174	7,533		8,494	7,533
NET CASH FLOWS FROM OPERATING ACTIVITIES					
452	—	454	21	452	454
CASH FLOWS FROM INVESTING ACTIVITIES					
11	—	—		11	—
(26)	—	(587)		(26)	(587)
(16)	—	(587)		(16)	(587)
NET INCREASE / (DECREASE) IN CASH					
434	—	(113)		434	(113)
132	132	245	14	132	245
566	132	132	14	566	132

The accompanying notes form part of these financial statements.

Bureau of Health Information
Service Group Statements
for the year ended 30 June 2015

	Service Group 1.1 - Primary And Community Based Services		Service Group 1.2 - Aboriginal Health Services		Service Group 1.3 - Outpatient Services		Service Group 2.1 - Emergency Services		Service Group 2.2 - Inpatient Hospital Services		Service Group 3.1 - Mental Health Services		Service Group 4.1 - Rehabilitation And Extended Care Services		Service Group 5.4 - Population Health Services		Service Group 6.1 - Teaching And Research		Net Attributable		Total
	2015 \$000	2014 \$000	2015 \$000	2014 \$000	2015 \$000	2014 \$000	2015 \$000	2014 \$000	2015 \$000	2014 \$000	2015 \$000	2014 \$000	2015 \$000	2014 \$000	2015 \$000	2014 \$000	2015 \$000	2016 \$000	2014 \$000	2016 \$000	
Expenses excluding losses																					
Operating Expenses	229		29		647		395		1,522		395		339		162		107				3,806
Employee Related	214		27		601		359		1,416		358		315		150		99				3,555
Other Operating Expenses	3				17		10		48		9		10		1		2				30
Depreciation and Amortisation	23		2		2		1		3		10		13		7		9				70
Grants and Subsidies																					20
Finance Costs																					3
Total Expenses excluding losses	489		58		1,267		758		2,968		782		677		320		280				7,101
Revenue																					7,518
NSW Ministry of Health Recurrent Allocations**																					7,518
Acceptance by the Crown Entity																					7,518
of Employee Benefits and Other Liabilities	2				17		9		51		6		9		1		1				7,891
Investment Revenue							2		10		1		2								95
Grants and Contributions	5				38		19		110		13		19		2		1				19
Total Revenue	7				55		30		171		20		30		3		2				205
Gain / (Loss) on Disposal	(2)				(19)		(7)		(44)		(5)		(8)		(3)						(83)
Net Result	(484)		(58)		(1,224)		(733)		(2,862)		(747)		(655)		(318)		(218)				(500)
Total Comprehensive Income	(484)		(58)		(1,224)		(733)		(2,862)		(747)		(655)		(318)		(218)				(500)

* The name and purpose of each service group is summarised in Note 13

** Allocations are made on an entity basis and not to individual Service Groups. Consequently, allocations must be included in "Net Attributable" column.

Bureau of Health Information
Service Group Statements (Continued)
For the year ended 30 June 2015

	Service Group 1.1 - Primary And Community Based Services		Service Group 1.2 - Aboriginal Health Services		Service Group 1.3 - Outpatient Services		Service Group 2.1 - Emergency Services		Service Group 2.2 - Inpatient Hospital Services		Service Group 3.1 - Mental Health Services		Service Group 4.1 - Rehabilitation And Extended Care Services		Service Group 6.1 - Population Health Services		Service Group 6.1 - Teaching And Research		Not Attributable		Total		
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000
ASSETS																							
Current Assets																							
Cash and Cash Equivalents	35	4	95	—	—	—	57	—	225	—	57	—	51	—	24	—	17	132	—	—	566	132	
Receivables	5	—	41	—	—	—	20	—	119	—	16	—	20	—	2	—	1	301	—	—	222	301	
Total Current Assets	40	4	136	—	—	—	77	—	344	—	73	—	71	—	26	—	18	433	—	—	788	433	
Non-Current Assets																							
Property, Plant and Equipment	1	—	9	—	—	—	5	—	24	—	4	—	5	—	—	—	1	52	—	—	49	52	
- Plant and Equipment	12	—	73	—	—	—	44	—	205	—	33	—	42	—	4	—	5	595	—	—	430	595	
- Leasehold Improvements	13	—	82	—	—	—	49	—	235	—	43	—	67	—	4	—	10	647	—	—	479	647	
Total Non-Current Assets	59	—	218	—	—	—	128	—	574	—	114	—	118	—	30	—	20	1,080	—	—	1,267	1,080	
TOTAL ASSETS																							
LIABILITIES																							
Current Liabilities																							
Payables	14	—	39	—	—	—	23	—	92	—	23	—	20	—	10	—	6	694	—	—	230	664	
Provisions	23	—	65	—	—	—	38	—	159	—	39	—	54	—	15	—	11	316	—	—	388	316	
Total Current Liabilities	37	—	104	—	—	—	62	—	246	—	62	—	74	—	25	—	17	960	—	—	613	980	
Non-Current Liabilities																							
Provisions	6	—	16	—	—	—	9	—	37	—	8	—	8	—	4	—	3	—	—	—	95	3	
Total Non-Current Liabilities	6	—	16	—	—	—	9	—	37	—	9	—	8	—	4	—	3	—	—	—	95	3	
TOTAL LIABILITIES	43	—	120	—	—	—	71	—	282	—	71	—	82	—	29	—	20	1,060	—	—	708	1,083	
NET ASSETS	10	(1)	98	—	—	—	56	—	292	—	43	—	66	—	—	—	8	11	—	—	561	11	

* The name and purpose of each service group is summarised in Note 13

Bureau of Health Information
Notes to and forming part of the Financial Statements
for the year ended 30 June 2015

1. The Reporting Entity

The Bureau of Health Information (the Bureau) was established under the provisions of the Health Services Act 1997 with effect from 1 September 2009.

* The parent entity, comprises all the operating activities of the Bureau.

Functions of the Bureau include:

- To prepare and publish regular reports on the performance of the NSW public health system, including the appropriateness, accessibility, effectiveness, efficiency, equity and sustainability of the system.
- Provide an annual report to the Minister and Parliament on the performance of the NSW public health system and benchmarking the performance of NSW with comparable systems.
- To report quarterly on the performance of NSW public hospitals.
- To establish and maintain a website providing information and analysis on the performance of the NSW public health system; including tools for data analysis.
- To develop reports and tools to enable analysis of the performance of health services, clinical units and clinical teams across the NSW public health system.
- To advise the NSW Ministry of Health on the quality of existing data sets and the development of enhanced information analysis and reporting to support performance reporting to clinicians, the community and Parliament.
- To undertake and/or commission research to support the performance by the Bureau of its functions.
- To liaise with other bodies and organisations undertaking reporting on the performance of the health systems in Australia.
- To provide advice to the Minister for Health and the Secretary of the Ministry of Health on issues arising out of its function.

* The Bureau of Health Information Special Purpose Service Entity which was established as a Division of the Bureau on 1 September 2009 in accordance with the Health Services Act 1997. This Division provides personnel services to enable the Bureau to exercise its functions.

As a consequence the values in the annual financial statements presented herein consist of the parent entity and the consolidated entity which comprises the parent and special purpose service entity. In the process of preparing the consolidated financial statements consisting of the controlling and controlled entities, all inter-entity transactions and balances have been eliminated, and like transactions and other events are accounted for using uniform accounting policies.

The reporting entity is a NSW Government entity which is consolidated as part of the NSW Ministry of Health and NSW Total State Sector Accounts. The Bureau is a not-for-profit entity (as profit is not its principal objective).

These consolidated financial statements for the year ended 30 June 2015 have been authorised for issue by the Chief Executive and Chair of the Board on 25 September 2015.

2. Summary of Significant Accounting Policies

Basis of Preparation

The Bureau's financial statements are general purpose financial statements which have been prepared on an accrual basis and in accordance with applicable Australian Accounting Standards (which include Australian Accounting Interpretations), the requirements of the Health Services Act 1997 and its regulations (including observation of the Accounts and Audit Determination for Public Health Organisations), the Public Finance and Audit Act 1983 and Public Finance and Audit Regulation 2015, and the Treasurers' Directions. The financial statements comply with the Financial Reporting Code for NSW General Government Sector Entities. Further information on the budget figures can be found at Note 2(s).

The financial statements of the Bureau have been prepared on a going concern basis.

The Secretary of Health, the Chair of Bureau of Health Information Board and the Chief Executive, have agreed to service and funding levels for the forward financial year. The service agreement sets out the level of financial resources for public health services under the Bureau's control and the source of these funds. By agreement, the service agreement requires local management to control its financial liquidity and in particular meet benchmarks for the payment of creditors. Where the Bureau fails to meet service agreement performance standards, the Ministry of Health as the state manager can take action in accordance with annual performance framework requirements, including financial support and increased management interaction by the Ministry.

Other mitigating circumstances why the going concern is appropriate include:

- * Allocated funds, combined with other revenues earned, are applied to pay debts as and when they become due and payable.
- * The Bureau has the capacity to review timing of subsidy cashflows to ensure that they can pay debts as and when they become due and payable.

Judgements, key assumptions and estimations management has made are disclosed in the relevant notes to the financial statements.

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency.

Comparative Information

Except when an Australian Accounting Standard permits or requires otherwise, comparative information is disclosed in respect of the previous period for all amounts reported in the financial statements. The comparative period is a twelve month period.

Statement of Compliance

The financial statements and notes comply with Australian Accounting Standards which include Australian Accounting Interpretations.

Significant accounting policies used in the preparation of these financial statements are as follows:

a) Employee Benefits and Other Provisions

i) Salaries & Wages, Annual Leave, Sick Leave and On-Costs

Salaries and wages (including non-monetary benefits) and paid sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the service are recognised and measured at the undiscounted amounts of the benefits.

Annual leave is not expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. As such, it is required to be measured at present value in accordance with AASB 119 Employee Benefits (although short-cut methods are permitted).

Actuarial advice obtained by Treasury has confirmed that the use of a nominal approach plus the annual leave on annual leave liability can be used to approximate the present value of the annual leave liability. On-costs of 15.3% are applied to the value of leave payable at 30 June 2015 (comparable on-costs for 30 June 2014 were 15.1%). The Bureau has assessed the actuarial advice based on the Bureau's circumstances and has determined that the effect of discounting is immaterial to annual leave.

Unused non-vesting sick leave does not give rise to a liability as it is not considered probable that sick leave taken in the future will be greater than the benefits accrued in the future.

ii) Long Service Leave and Superannuation

The Bureau's liability for Long Service Leave and defined benefit superannuation (State Authorities Superannuation Scheme and State Superannuation Scheme) are assumed by the Crown Entity.

The Bureau accounts for the liability as having been extinguished resulting in the amount assumed being shown as part of the non-monetary revenue item described as 'Acceptance by the Crown Entity of employee benefits'.

Long Service Leave is measured at present value in accordance with AASB 119, Employee Benefits. This is based on the application of certain factors (specified in NSW Treasury Circular 15/09) to employees with five or more years of service, using current rates of pay. These factors were determined based on an actuarial review to approximate present value.

The superannuation expense for the reporting period is determined by using the formulae specified in the Treasurer's Directions. The expense for certain superannuation schemes (i.e. Basic Benefit and First State Super) is calculated as a percentage of the employees' salary. For other superannuation schemes (i.e. State Superannuation Scheme and State Authorities Superannuation Scheme), the expense is calculated as a multiple of the employees' superannuation contributions.

iii) Consequential On-Costs

Consequential costs to employment are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised. This includes outstanding amounts of workers' compensation insurance premiums and fringe benefits tax.

iv) Other Provisions

Other provisions exist when the Bureau has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

b) Insurance

The Bureau's insurance activities are conducted through the NSW Treasury Managed Fund Scheme of self insurance for Government Entities. The expense (premium) is determined by the Fund Manager based on past claims experience.

c) Income Recognition

Income is measured at the fair value of the consideration or contribution received or receivable. Additional comments regarding the accounting policies for the recognition of revenue are discussed below.

Investment Revenue

Interest revenue is recognised using the effective interest method as set out in AASB 139, Financial Instruments: Recognition and Measurement.

Debt Forgiveness

Debts are accounted for as extinguished when and only when settlement occurs through repayment or replacement by another liability.

Grants and Contributions

Grants and contributions are recognised as revenues when the Bureau obtains control over the assets comprising the contributions. Control over contributions is normally obtained upon the receipt of cash.

NSW Ministry of Health Allocations

Payments are made by the NSW Ministry of Health on the basis of the allocation for the Bureau as adjusted for approved supplementations mostly for salary agreements and approved enhancement projects.

This allocation is included in the Statement of Comprehensive Income before arriving at the "Net Result" on the basis that the allocation is earned in return for the health services provided on behalf of the Ministry. Allocations are normally recognised upon the receipt of cash.

d) Accounting for the Goods & Services Tax (GST)

Income, expenses and assets are recognised net of the amount of GST, except that:

- * amount of GST incurred by the Bureau as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of an asset's cost of acquisition or as part of an item of expense; and
- * receivables and payables are stated with the amount of GST included.

Cash flows are included in the Statement of Cash Flows on a gross basis. However, the GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the Australian Taxation Office are classified as operating cash flows.

e) Acquisition of Assets

Assets acquired are initially recognised at cost. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the requirements of other Australian Accounting Standards.

Assets acquired at no cost, or for nominal consideration, are initially recognised at their fair value at the date of acquisition (see also assets transferred as a result of an equity transfer Note 2(q)).

Fair value is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction.

Where payment for an asset is deferred beyond normal credit terms, its cost is the cash price equivalent, i.e. the deferred payment amount is effectively discounted over the period of credit.

f) Capitalisation Thresholds

Individual items of Property, Plant & Equipment are capitalised where their cost is \$10,000 or above.

g) Depreciation of Property, Plant and Equipment

Depreciation is provided for on a straight-line basis for all depreciable assets so as to write off the depreciable amount of each asset as it is consumed over its useful life to the Bureau. Land is not a depreciable asset. All material separately identifiable components of assets are depreciated over their shorter useful lives.

Details of depreciation rates initially applied for major asset categories are as follows:

	2015	2014
Computer Equipment	20.0%	20.0%
Motor Vehicle Sedans	12.5%	12.5%
Office Equipment	10.0%	10.0%
Plant and Machinery	10.0%	10.0%
Leasehold Improvements	10-17.39%	10-17.39%

Depreciation rates are subsequently varied where changes occur in the assessment of the remaining useful life of the assets reported.

h) Impairment of Property, Plant and Equipment

As a not-for-profit entity with no cash generating units, impairment under AASB 136 Impairment of Assets is unlikely to arise. As property, plant and equipment is carried at fair value or an amount that approximates fair value, impairment can only arise in the rare circumstances such as where the costs of disposal are material. Specifically, impairment is unlikely for not-for-profit entities given that AASB 136 modifies the recoverable amount test for non-cash generating assets of not-for-profit entities to the higher of fair value less costs of disposal and depreciated replacement cost, where depreciated replacement cost is also fair value.

i) Restoration Costs

The estimated cost of dismantling and removing an asset and restoring the site is included in the cost of an asset, to the extent it is recognised as a liability.

j) Maintenance

Day-to-day servicing costs or maintenance are charged as expenses as incurred, except where they relate to the replacement of a part or component of an asset, in which case the costs are capitalised and depreciated.

k) Leased Assets

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and rewards incidental to ownership of the leased assets, and operating leases under which the lessor effectively retains all such risks and rewards.

Where a non-current asset is acquired by means of a finance lease, at the commencement of the lease term, the asset is recognised at its fair value or, if lower, the present value of the minimum lease payments, at the inception of the lease. The corresponding liability is established at the same amount. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

l) Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These financial assets are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method, less an allowance for any impairment of receivables. Any changes are recognised in the net result when impaired, derecognised or through the amortisation process.

Short-term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

m) Impairment of financial assets

All financial assets, except those measured at fair value through profit and loss, are subject to an annual review for impairment. An allowance for impairment is established when there is objective evidence that the entity will not be able to collect all amounts due.

For financial assets carried at amortised cost, the amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the impairment loss is recognised in the net result for the year.

When an available for sale financial asset is impaired, the amount of the cumulative loss is removed from equity and recognised in the net result for the year, based on the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss previously recognised in the net result for the year.

Any reversals of impairment losses are reversed through the net result for the year, where there is objective evidence, except reversals of impairment losses on an investment in an equity instrument classified as "available for sale", must be made through the reserve. Reversals of impairment losses of financial assets carried at amortised cost cannot result in a carrying amount that exceeds what the carrying amount would have been had there not been an impairment loss.

n) De-recognition of financial assets and financial liabilities

A financial asset is derecognised when the contractual rights to the cash flows from the financial assets expire; or if the Bureau transfers the financial asset:

- * where substantially all the risks and rewards have been transferred; or
- * where the Bureau has not transferred substantially all the risks and rewards, if the Bureau has not retained control.

Where the Bureau has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of the Bureau's continuing involvement in the asset.

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires.

o) Payables

These amounts represent liabilities for goods and services provided to the Bureau and other amounts. Payables are recognised initially at fair value, usually based on the transaction cost or face value.

Subsequent measurement is at amortised cost using the effective interest method. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

Payables are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Bureau.

p) Fair Value Hierarchy

A number of the Bureau's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. When measuring fair value, the valuation technique used maximises the use of relevant observable inputs and minimises the use of unobservable inputs. Under AASB 13 Fair Value Measurement, the Bureau categorises, for disclosure purposes, the valuation techniques based on the inputs used in the valuation techniques as follows:

- * Level 1 - quoted prices in active markets for identical assets / liabilities that the entity can access at the measurement date.
- * Level 2 - Inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.
- * Level 3 - inputs that are not based on observable market data (unobservable inputs).

The Bureau recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

For non-specialised assets with short useful lives, AASB 13 allows recognition at depreciated historical cost as an acceptable surrogate for fair value as differences are considered immaterial. Thus the values for Plant & Equipment and Leasehold Improvements are not required to be reported under the fair value hierarchy.

r) Equity

(i) Accumulated Funds

The category "accumulated funds" includes all current and prior period retained funds.

s) Adjusted Budgeted Amounts

NSW Health's budget is shown at a consolidated level when presented in parliament each year (i.e. in the NSW Government Budget Papers). The Bureau's budget is not presented in parliament, therefore AASB 1055 Budgetary Reporting is not applicable. Unlike the requirement in AASB 1055 'Budgetary Reporting' to present original budget information, the Bureau's financial statements present adjusted budget information. The adjusted budgeted amounts are drawn from the Initial Service Agreements between the Bureau and the NSW Ministry of Health at the beginning of the financial year, as well as any adjustments for the effects of additional supplementation provided in accordance with delegations to derive a final budget at year end (i.e. adjusted budget). The budget amounts are not subject to audit and, accordingly, the relevant column entries in the financial statements are denoted as "Unaudited".

t) Service Group Statements Allocation Methodology

Using Independent Hospital Pricing Authority criteria the financial values for 2014/15 have been assigned to service groups in the same manner as all other NSW Health controlled entities.

Service group definitions are based and allocated on methodology determined by the Independent Hospital Pricing Authority, refer note 13.

Income and expenses are allocated to service groups using statistical data for the twelve months ending 30 June 2014, then adjusted for any material change in service delivery or funding distribution occurring in the 2014-15 financial year.

In respect of assets and liabilities the Ministry requires the Bureau take action to identify those components that can be specifically identified and reported by service groups.

Remaining values are attributed to service groups in accordance with values advised by the NSW Ministry of Health, e.g. depreciation/amortisation charges form the basis of apportioning the values for Intangibles and Property, Plant & Equipment.

u) Changes in Accounting Policy, including new or revised Australian Accounting Standards

(i) Effective for the first time in 2014-15

The accounting policies applied in 2014-15 are consistent with those of the previous financial year except as a result of the following new or revised Australian Accounting Standards that have impacted in 2014-15 and have been applied for the first time as follows:

AASB 10 Consolidated Financial Statements, AASB 2011-7, and AASB 2013-8 Amendments to Australian Accounting Standards for the consolidation and joint arrangement standards, arise from the issuance of AASB 10, AASB 11, AASB 12, AASB 127, and AASB 128. For not for profit entities, the changes have application from 1 July 2014.

Following an assessment of the applicable new accounting standards mentioned above in relation to consolidation and joint arrangements, Bureau management is of the opinion that there will be no material implications for the financial statements.

AASB 1055 and AASB 2013-1, regarding Budgetary Reporting has application from 1 July 2014. This standard is not applicable to Bureau as individual budgets are not presented in parliament. Refer note 2(s) on how Bureau derives its adjusted budgetary information.

(ii) Issued but not yet effective

NSW public sector entities are not permitted to early adopt new Australian Accounting Standards, unless Treasury determines otherwise. The following new Australian Accounting Standards, excluding standards not considered applicable or material to NSW Health, have not been applied and are not yet effective. The possible impact of these Standards in the period of initial application includes:

AASB 9, Financial Instruments, has application from 1 January 2018. The standard is to establish principles for the financial reporting of financial assets and financial liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows.

AASB 15 and AASB 2014-5, Revenue from Contracts with Customers has application from 1 January 2017. We believe this standard will impact on the timing recognition of certain revenues given the core principle of the new standard requires revenue to be recognised when the goods or services are transferred to the customer at the transaction price (as opposed to stage of completion of the transaction). The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognised.

AASB 2010-7, regarding Financial Instruments has mandatory application from 1 July 2015 and comprises changes to improve and simplify the approach for classification and measurement of financial assets. The change is not expected to materially impact the financial statements. This standard is applicable from 1 January 2016.

AASB 2014-3, Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations. This amending standard clarifies the treatment of expensing all acquisition-related costs, and recognition of share in a joint operation according to the contractual arrangements. This standard is applicable from 1 January 2016.

AASB 2014-4, Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation, has application from 1 January 2016. The change will take into account the expected future reductions in the selling price when accounting for useful life.

AASB 2014-7, Amendments to various Australian Accounting Standards as a result of the changes from AASB 9 (December 2014) and will have application from 1 Jan 2018. The new AASB 9 includes revised guidance on the classification and measurement of financial assets and supersedes AASB 9 (December 2009) and AASB 9 (December 2010).

AASB 2014-8, Amendments to Australian Accounting Standards arising from AASB 9 (December 2014) – Application of AASB 9 (December 2009) and AASB 9 (December 2010) [AASB 9 (2009 & 2010)] has application from 1 Jan 2015. This update limits the application of the existing versions of AASB 9 (December 2009) and AASB 9 (December 2010).

AASB 2014-9, Amendments to Australian Accounting Standards – It gives entities the choice of using the Equity Method for their subsidiaries in their separate financial statements [AASB 1, 127 & 128]. It has application from 1 January 2016.

AASB 2014-10, Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture [AASB 10 & AASB 128]. This has application from 1 January 2016.

AASB 2015-01, Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012–2014 Cycle [AASB 1, AASB 2, AASB 3, AASB 5, AASB 7, AASB 11, AASB 110, AASB 119, AASB 121, AASB 133, AASB 134, AASB 137 & AASB 140]

AASB 2015-02, Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101 [AASB 7, AASB 101, AASB 134 & AASB 1049] require entities to disclose significant accounting policies and other explanatory information in a more detailed manner rather than a summary as previously done. This application takes place from 1 January 2016.

AASB 2015-03, Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality from 1 January 2016. It is expected that the withdrawal of AASB 1031 will not change practice regarding the application of materiality in financial reporting. In particular, amendments would not change the level of disclosure presently specified by other accounting standards.

AASB 2015-5, Amendments to Australian Accounting Standards – Investment Entities: Applying the Consolidation Exception [AASB 10, AASB 12 & AASB 128], has application from 1 January 2016. This standard is unlikely to have any impact on this entity as the exceptions would be hard to satisfy.

AASB 2015-6, Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, AASB 124 & AASB 1049], has application from 1 July 2016. Based on preliminary evaluation, this standard could potentially increase the level of disclosure required for not for profit entities where delegated power exists for senior officers of the entity.

Bureau of Health Information
Notes to and forming part of the Financial Statements
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PARENT			CONSOLIDATION	
2015	2014		2015	2014
\$000	\$000		\$000	\$000
3. Employee Related				
Employee related expenses comprise the following:				
----	----	Salaries and Wages	2,904	2,663
----	----	Overtime	9	17
----	----	Superannuation - Defined Benefit Plans	1	1
----	----	Superannuation - Defined Contribution Plans	287	228
----	----	Long Service Leave	102	112
----	----	Annual Leave	277	198
----	----	Sick Leave and Other Leave	211	168
----	----	Workers' Compensation Insurance	15	9
-----	-----		<u>3,806</u>	<u>3,396</u>
4. Personnel Services				
Personnel Services comprise the purchase of the following:				
2,904	2,663	Salaries and Wages	----	----
9	17	Overtime	----	----
287	228	Superannuation - Defined Contribution Plans	----	----
8	9	Long Service Leave	----	----
277	198	Annual Leave	----	----
211	168	Sick Leave and Other Leave	----	----
15	9	Workers' Compensation Insurance	----	----
<u>3,711</u>	<u>3,282</u>		-----	-----
5. Other Operating Expenses				
3	9	Advertising	3	9
16	40	Auditor's Remuneration - Audit of Financial Statements	16	40
96	205	Consultancies - Other	96	205
----	167	Contractors	----	167
----	5	Domestic Supplies and Services	----	5
6	4	Food Supplies	6	4
1	2	Fuel, Light and Power	1	2
112	55	Information Management Expenses	112	55
1	1	Insurance	1	1
99	75	Maintenance	99	75
7	8	Motor Vehicle Expenses	7	8
4	13	Postal and Telephone Costs	4	13
71	73	Printing and Stationery	71	73
239	112	Rental	239	112
414	323	Staff Related Costs	414	323
37	56	Travel Related Costs	37	56
95	9	Other	95	9
130	363	Data, Records and Storage	130	363
2,100	2,053	Patient Survey Costs	2,100	2,053
108	82	Corporate Support Services	108	82
<u>3,639</u>	<u>3,655</u>		<u>3,639</u>	<u>3,655</u>

Bureau of Health Information
Notes to and forming part of the Financial Statements
for the year ended 30 June 2015

PARENT			CONSOLIDATION	
2015 \$000	2014 \$000		2015 \$000	2014 \$000
		6. Depreciation and Amortisation		
6	3	Depreciation - Plant and Equipment	6	3
94	27	Amortisation - Leasehold Improvements	94	27
<u>100</u>	<u>30</u>		<u>100</u>	<u>30</u>
		7. Grants and Subsidies		
70	20	Grants to Research Organisations	70	20
<u>70</u>	<u>20</u>		<u>70</u>	<u>20</u>
		8. Finance Costs		
3	----	Other Interest Charges	3	----
<u>3</u>	<u>----</u>		<u>3</u>	<u>----</u>

Bureau of Health Information
Notes to and forming part of the Financial Statements
for the year ended 30 June 2015

PARENT

CONSOLIDATION

2015
\$000

2014
\$000

2015
\$000

2014
\$000

9. Investment Revenue

19

43

Interest

19

43

19

43

19

43

Bureau of Health Information
Notes to and forming part of the Financial Statements
for the year ended 30 June 2015

PARENT			CONSOLIDATION	
2015 \$000	2014 \$000		2015 \$000	2014 \$000
10. Grants and Contributions				
		Cancer Institute Grants	175	81
176	81	Other Grants	31	---
31	---			
<u>206</u>	<u>81</u>		<u>206</u>	<u>81</u>
 11. Acceptance by the Crown Entity of Employee Benefits				
The following liabilities and expenses have been assumed by the Crown Entity:				
		Superannuation-defined benefit	1	2
		Long Service Leave	94	102
			<u>95</u>	<u>104</u>

Bureau of Health Information
Notes to and forming part of the Financial Statements
for the year ended 30 June 2015

PARENT			CONSOLIDATION	
2015 \$000	2014 \$000		2015 \$000	2014 \$000
		12. Gain / (Loss) on Disposal		
141	----	Property, Plant and Equipment	141	----
47	----	Less: Accumulated Depreciation	47	----
94	----	Written Down Value	94	----
11	----	Less: Proceeds from Disposal	11	----
<u>(83)</u>	<u>----</u>	Gain/(Loss) on Disposal of Property, Plant and Equipment	<u>(83)</u>	<u>----</u>
<u>(83)</u>	<u>----</u>	Total Gain/(Loss) on Disposal	<u>(83)</u>	<u>----</u>

Bureau of Health Information
Notes to and forming part of the Financial Statements
for the year ended 30 June 2015

13. Service Groups of the Bureau

Service Group 1.1 - Primary and Community Based Services

Service Description: This service group covers the provision of health services to persons attending community health centres or in the home, including health promotion activities, community based women's health, dental, drug and alcohol and HIV/AIDS services. It also covers the provision of grants to non-Government organisations for community health purposes.

Objective: This service group contributes to making prevention everybody's business and strengthening primary health and continuing care in the community by working towards a range of intermediate results that include the following:

- improved access to early intervention, assessment, therapy and treatment services for claims in a home or community setting
- reduced rate of avoidable hospital admissions for conditions identified in the State Plan that can be appropriately treated in the community and
- reduced rate of hospitalisation from fall-related injury for people aged 65 years and over.

Service Group 1.2 - Aboriginal Health Services

Service Description: This service group covers the provision of supplementary health services to Aboriginal people, particularly in the areas of health promotion, health education and disease prevention. This program excludes most services for Aboriginal people provided directly by Local Health Districts and other general health services that are used by all members of the community.

Objective: This service group contributes to ensuring a fair and sustainable health system by working towards a range of intermediate results that include the following:

- the building of regional partnerships for the provision of health services
- raising the health status of Aboriginal people and
- promoting a healthy lifestyle.

Service Group 1.3 - Outpatient Services

Service Description: This service group covers the provision of services in outpatient clinics including low level emergency care, diagnostic and pharmacy services and radiotherapy treatment.

Objective: This service group contributes to creating better experiences for people using health services and ensuring a fair and sustainable health system by working towards a range of intermediate results including improving, maintaining or restoring the health of ambulant patients in a hospital setting through diagnosis, therapy, education and treatment services.

Service Group 2.1 - Emergency Services

Service Description: This service group covers the provision of emergency road and air ambulance services and treatment of patients in emergency departments of public hospitals.

Objective: This service group contributes to creating better experiences for people using the health system by working towards a range of intermediate results including reduced risk of premature death or disability by providing timely emergency diagnostic treatment and transport services.

Service Group 2.2 - Inpatient Hospital Services

Service Description: This service group covers the provision of health care to patients admitted to hospitals, including elective surgery and maternity services.

Objective: This service group contributes to creating better experiences for people using the health system by working towards a range of intermediate results that include the following:

- timely treatment of booked surgical patients, resulting in improved clinical outcomes, quality of life and patient satisfaction and
- reduced rate of unplanned and unexpected hospital readmissions.

Bureau of Health Information
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Service Group 3.1 - Mental Health Services

Service Description: This service group covers the provision of an integrated and comprehensive network of services by Local Health Districts and community based organisations for people seriously affected by mental illnesses and mental health problems. It also covers the development of preventative programs that meet the needs of specific client groups.

Objective: This service group contributes to strengthening primary health and continuing care in the community by working towards a range of intermediate results that include the following:

- improving the health, wellbeing and social functioning of people with disabling mental disorders and
- reducing the incidence of suicide, mental health problems and mental disorders in the community.

Service Group 4.1 - Rehabilitation and Extended Care Services

Service Description: This service group covers the provision of appropriate health care services for persons with long-term physical and psycho-physical disabilities and for the frail-aged. It also includes the coordination of the Ministry's services for the aged and disabled, with those provided by other agencies and individuals.

Objective: This service group contributes to strengthening primary health and continuing care in the community and creating better experiences for people using the health system by working towards a range of intermediate results including improving or maintaining the wellbeing and independent functioning of people with disabilities or chronic conditions, the frail and terminally ill.

Service Group 5.1 - Population Health Services

Service Description: This service group covers the provision of health services targeted at broad population groups including environmental health protection, food and poisons regulation and monitoring of communicable diseases.

Objective: This service group contributes to making prevention everybody's business by working towards a range of intermediate results that include the following:

- reduced incidence of preventable disease and disability and
- improved access to opportunities and prerequisites for good health.

Service Group 6.1 - Teaching and Research

Service Description: This service group covers the provision of professional training for the needs of the New South Wales health system. It also includes strategic investment in research and development to improve the health and wellbeing of the people of New South Wales.

Objective: This service group contributes to ensuring a fair and sustainable health system by working towards a range of intermediate results that include the following:

- developing the skills and knowledge of the health workforce to support patient care and population health and
- extending knowledge through scientific enquiry and applied research aimed at improving the health and wellbeing of the people of New South Wales.

Bureau of Health Information
Notes to and forming part of the Financial Statements
for the year ended 30 June 2015

PARENT			CONSOLIDATION	
2015 \$000	2014 \$000		2015 \$000	2014 \$000
		14. Cash and Cash Equivalents		
566	132	Cash at Bank and On Hand	566	132
566	132		566	132
<p>For the purposes of the statement of cash flows, cash and cash equivalents include cash at bank, cash on hand and short-term deposits.</p> <p>Cash & cash equivalent assets recognised in the Statement of Financial Position are reconciled at the end of the financial year to the Statement of Cash Flows as follows:</p>				
566	132	Cash and Cash Equivalents (per Statement of Financial Position)	566	132
566	132	Closing Cash and Cash Equivalents (per Statement of Cash Flows)	566	132

Refer to Note 24 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

Bureau of Health Information
Notes to and forming part of the Financial Statements
for the year ended 30 June 2015

PARENT			CONSOLIDATION	
2015 \$000	2014 \$000		2015 \$000	2014 \$000
		15. Receivables		
		Current		
22	---	Sale of Goods and Services	22	---
14	80	Intra Health Receivables	14	80
208	221	Goods and Services Tax	208	221
(22)	---	Other Debtors	(22)	---
222	301	Sub Total	222	301
222	301		222	301

Details regarding credit risk, liquidity risk and market risk, including financial assets that are either past due or impaired are disclosed in Note 24.

Bureau of Health Information
Notes to and forming part of the Financial Statements
for the year ended 30 June 2015

PARENT			CONSOLIDATION	
2015 \$000	2014 \$000		2015 \$000	2014 \$000
16. Property, Plant and Equipment				
Plant and Equipment - Fair Value*				
54	57	Gross Carrying Amount	54	57
5	5	Less: Accumulated Depreciation and Impairment	5	5
<u>49</u>	<u>52</u>	Net Carrying Amount	<u>49</u>	<u>52</u>
Leasehold Improvements - Fair Value*				
539	651	Gross Carrying Amount	539	651
109	56	Less: Accumulated Depreciation and Impairment	109	56
<u>430</u>	<u>595</u>	Net Carrying Amount	<u>430</u>	<u>595</u>
<u>479</u>	<u>647</u>	Total Property, Plant and Equipment At Net Carrying Amount	<u>479</u>	<u>647</u>

* For non-specialised assets with short useful lives, recognition at depreciated historical cost is regarded as an acceptable approximation of fair value, in accordance with Treasury Policy Paper 14-01.

Bureau of Health Information
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PARENT & CONSOLIDATION

16. Property, Plant and Equipment - Reconciliation

A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the current reporting period is set out below:

	Plant and Equipment	Leasehold Improvements	Total
	\$000	\$000	\$000
2015			
Net Carrying Amount at Start of Year	52	595	647
Additions	26	-----	26
Disposals	(23)	(71)	(94)
Depreciation Expense	(6)	(94)	(100)
Net Carrying Amount at End of Year	49	430	479

	Plant and Equipment	Leasehold Improvements	Total
	\$000	\$000	\$000
2014			
Net Carrying Amount at Start of Year	27	83	110
Additions	28	539	567
Depreciation Expense	(3)	(27)	(30)
Net Carrying Amount at End of Year	52	595	647

Bureau of Health Information
Notes to and forming part of the Financial Statements
for the year ended 30 June 2015

PARENT			CONSOLIDATION	
2015 \$000	2014 \$000		2015 \$000	2014 \$000
		17. Payables		
		Current		
		Accrued Salaries, Wages and On-Costs	137	95
		Taxation and Payroll Deductions	11	6
148	102	Accrued Liability - Purchase of Personnel Services	---	---
12	390	Creditors	12	390
		Other Creditors		
		- Intra Health Liability	30	80
30	80	- Other	40	92
40	92			
230	664		230	664

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables are disclosed in Note 24.

Bureau of Health Information
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PARENT			CONSOLIDATION	
2015 \$000	2014 \$000		2015 \$000	2014 \$000
		18. Provisions		
		Current		
----	----	Annual Leave - Short Term Benefit	209	158
----	----	Annual Leave - Long Term Benefit	120	110
----	----	Long Service Leave Consequential On-Costs	54	48
<u>383</u>	<u>316</u>	Provision for Personnel Services Liability	----	----
<u>383</u>	<u>316</u>	Total Current Provisions	<u>383</u>	<u>316</u>
		Non-Current		
----	----	Long Service Leave Consequential On-Costs	5	3
88	----	Other	88	----
<u>5</u>	<u>3</u>	Provision for Personnel Services Liability	----	----
<u>93</u>	<u>3</u>	Total Non-Current Provisions	<u>93</u>	<u>3</u>
		Aggregate Employee Benefits and Related On-Costs		
----	----	Provisions - Current	383	316
----	----	Provisions - Non-Current	5	3
536	421	Accrued Salaries, Wages and On-Costs (Note 17)	148	102
<u>536</u>	<u>421</u>	Liability - Purchase of Personnel Services	----	----
<u>536</u>	<u>421</u>		<u>536</u>	<u>421</u>
		19. Other Liabilities		
		Non-Current		
----	86	Other	----	86
----	<u>86</u>		----	<u>86</u>
<u>----</u>	<u>86</u>		<u>----</u>	<u>86</u>

Bureau of Health Information
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PARENT			CONSOLIDATION	
2015	2014	20. Commitments for Expenditure	2015	2014
\$000	\$000		\$000	\$000
		(a) Operating Lease Commitments		
		Future non-cancellable operating lease rentals not provided for and payable:		
		Not later than one year	233	233
233	233	Later than one year and not later than five years	814	931
814	931	Later than five years	---	116
---	116			
<u>1,047</u>	<u>1,280</u>	Total Operating Lease Commitments (including GST)	<u>1,047</u>	<u>1,280</u>

The operating lease commitments above is for leased buildings. Amount includes 10% GST

The Bureau has committed to a lease for the term of 5 years and 9 months, which commenced 1 April 2014

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PARENT			CONSOLIDATION	
2015 \$000	2014 \$000		2015 \$000	2014 \$000
21. Reconciliation of Cash Flows from Operating Activities to Net Result				
452	454	Net Cash Flows from Operating Activities	452	454
(100)	(30)	Depreciation	(100)	(30)
(167)	(55)	(Increase)/ Decrease in Provisions	(167)	(55)
(39)	198	Increase / (Decrease) in Prepayments and Other Assets	(39)	198
477	(240)	(Increase)/ Decrease in Payables from Operating Activities	477	(240)
(83)	—	Net Gain/ (Loss) on Sale of Property, Plant and Equipment	(83)	—
550	326	Net Result	550	326

22. Unclaimed Monies

Unclaimed salaries and wages are paid to the credit of the NSW Treasury in accordance with the provisions of the *Industrial Relations Act, 1996*.

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PARENT AND CONSOLIDATION

23. Adjusted Budget Review - Parent and Consolidated

Net Result

The actual Net Result was higher than adjusted budget by \$668 thousand, primarily due to:

\$206 thousand in grants received from the Cancer Institute NSW and other agencies for work undertaken that was not budgeted for. The Bureau experienced delays in recruitment activities towards the planned full time equivalent staff. It is anticipated that these positions will be filled in the new financial year.

There will be a rollover of \$450 thousand for the Patient Survey costs which were not incurred in this financial year.

Assets and Liabilities

Delays in expenditure on activities relating to the Patient Survey project has resulted in a significant increase in cash asset for the Bureau. It is expected that these activities will be completed early in the new financial year. There is also a significant reduction in creditors.

Cash Flows

Employee related cash flow actuals is significantly less than budgeted due to delays in the recruitment of staff to the planned full time equivalent level. There were also grants received from Cancer Institute NSW and other agencies for \$206 thousand which was not budgeted for.

Movements in the level of the NSW Ministry of Health Recurrent Allocation that have occurred since the time of the initial allocation on 01 July 2014 are as follows:

	\$000
Initial Allocation, 01 July 2014	7,937
Biostatistics Trainee Program	(106)
	<hr/>
Balance as per Statement of Comprehensive Income	<u>7,831</u>

Bureau of Health Information
Notes to and forming part of the Financial Statements
for the year ended 30 June 2015

24. Financial Instruments

The Bureau's principal financial instruments are outlined below. These financial instruments arise directly from the Bureau's operations or are required to finance its operations. The Bureau does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Bureau's main risks arising from financial instruments are outlined below, together with the Bureau's objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout these financial statements.

The Board has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risk faced by the Bureau, to set risk limits and controls and monitor risks. Compliance with policies is reviewed by the Audit & Risk Management Committee and the internal auditors on a regular basis.

(a) Financial Instrument Categories

PARENT AND CONSOLIDATION		Carrying Amount 2015 \$000	Carrying Amount 2014 \$000
Class:	Category		
Financial Assets			
Cash and Cash Equivalents (note 14)	N/A	568	132
Receivables (note 15)*	Loans and receivables (at amortised cost)	14	80
Total Financial Assets		580	212
Financial Liabilities			
Payables (note 17)**	Financial liabilities measured at	219	658
Other (note 19)	amortised cost	---	86
Total Financial Liabilities		219	744

Notes

*Excludes statutory receivables and prepayments (i.e. not within scope of AASB 7)

**Excludes statutory payables and unearned revenue (i.e. not within scope of AASB 7)

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(b) Credit Risk

Credit risk arises when there is the possibility that the counterparty will default on their contractual obligations, resulting in a financial loss to the Bureau. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment).

Credit risk arises from financial assets of the Bureau, including cash, receivables and authority deposits. No collateral is held by the Bureau. The Bureau has not granted any financial guarantees.

Credit risk associated with the Bureau's financial assets, other than receivables, is managed through the selection of counterparties and establishment of minimum credit rating standards.

Cash

Cash comprises cash on hand and bank balances deposited within the NSW Treasury banking system. Interest is earned on daily bank balances at rates of approximately 2.25% in 2014/15 compared to 2.5% in the previous year.

Receivables - trade debtors

All trade debtors are recognised as amounts receivable at balance date. Collectability of trade debtors is reviewed on an ongoing basis. Procedures as established in the NSW Ministry of Health Accounting Manual for Public Health Organisations and Fee Procedures Manual are followed to recover outstanding amounts, including letters of demand. Debts which are known to be uncollectable are written off. An allowance for impairment is raised when there is objective evidence that the Bureau will not be able to collect all amounts due. This evidence includes past experience and current and expected changes in economic conditions and debtor credit ratings. No interest is earned on trade debtors.

The Bureau is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors. Based on past experience, debtors that are not past due (2015:\$25k; 2014: \$69k) and not more than 3 months past due (2015: \$0k; 2014:\$11k) are not considered impaired. Together these represent 100% of the total trade debtors.

Financial assets that are past due or impaired could be either 'Sales of Goods and Services' or 'Other Debtors' in the 'Receivables' category of the Statement of Financial Position.

2015	Total ^{1,2}	Past due but not impaired ^{1,2}	Considered impaired ^{1,2}
	\$000	\$000	\$000
<3 months overdue	25	----	----
3 months - 6 months overdue	----	----	----
> 6 months overdue	----	----	----
2014			
<3 months overdue	80	11	----
3 months - 6 months overdue	----	----	----
> 6 months overdue	----	----	----

Notes

1 Each column in the table reports "gross receivables".

2 The ageing analysis excludes statutory receivables, as these are not within the scope of AASB 7 and excludes receivables that are not past due and not impaired. Therefore, the "total" will not reconcile to the receivables total recognised in the statement of financial position.

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(c) Liquidity Risk

Liquidity risk is the risk that the Bureau will be unable to meet its payment obligations when they fall due. The Bureau continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets. The objective is to maintain a balance between continuity of funding and flexibility through effective management of cash, investments and liquid assets and liabilities.

The Bureau has negotiated no loan outside of arrangements with the NSW Ministry of Health or Treasury.

During the current and prior years, there were no defaults of loans payable. No assets have been pledged as collateral.

The Bureau has exposure to liquidity risk. However, the risk is minimised by the service agreement with the NSW Ministry of Health, as the annual service agreement requires local management to control its financial liquidity and in particular meet benchmarks for the payment of creditors. Where the Bureau fails to meet service agreement performance standards, the Ministry as the state manager can take action in accordance with annual performance framework requirements, including providing financial support and increased management interaction (refer Note 2).

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set by the NSW Ministry of Health in accordance with NSW Treasury Circular 11/12. For small business suppliers, where terms are not specified, payment is made not later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, if trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received.

For small business suppliers, where payment is not made within the specified time period, simple interest must be paid automatically unless an existing contract specifies otherwise.

For other suppliers, where settlement cannot be effected in accordance with the above, e.g. due to short term liquidity constraints, contact is made with creditors and terms of payment are negotiated to the satisfaction of both parties.

The table below summarises the maturity profile of the Bureau's financial liabilities together with the interest rate exposure.

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Maturity Analysis and interest rate exposure of financial liabilities

	Interest Rate Exposure	Maturity Dates
	Nominal Amount ¹	Non - Interest Bearing < 1 Yr
	\$000	\$000
2015		
Payables:		
- Accrued Salaries Wages, On-Costs and Payroll Deductions	137	137
- Creditors	82	82
	<u>219</u>	<u>219</u>
2014		
Payables:		
- Accrued Salaries Wages, On-Costs and Payroll Deductions	96	96
- Creditors	562	562
	<u>658</u>	<u>658</u>

Notes:

1 The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities based on the earliest date on which the Bureau can be required to pay.

The tables include both interest and principal cash flows and therefore will not reconcile to the Statement Of Financial Position.

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(d) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Bureau's exposures to market risk are primarily through interest rate risk on the Bureau's borrowings and other price risks associated with the movement in the unit price of the Hour-Glass Investment facilities. The Bureau has no exposure to foreign currency risk and does not enter into commodity contracts.

The effect on profit and equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk and other price risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which the Bureau operates and the time frame for the assessment (i.e. until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at the Statement of Financial Position date. The analysis is performed on the same basis for 2014. The analysis assumes that all other variables remain constant.

Interest rate risk

Exposure to interest rate risk arises primarily through the Bureau's interest bearing liabilities.

However, the Bureau is not permitted to borrow external to the NSW Ministry of Health (except energy loans which are negotiated through NSW Treasury).

Both NSW Treasury and NSW Ministry of Health loans are set at fixed rates and therefore are generally not affected by fluctuations in market rates. The Bureau does not account for any fixed rate financial instruments at fair value through profit or loss or as available-for-sale. Therefore, for these financial instruments, a change of interest rates would not affect profit or loss or equity.

A reasonably possible change of +/-1% is used consistent with current trends in interest rates (based on official RBA interest rate volatility over the last five years). The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility.

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The Bureau's exposure to interest rate risk is set out below.

	Carrying Amount \$000	-1% Net Result	Equity	Profit	+1% Equity
2015					
Financial Assets					
Cash and Cash Equivalents	566	(6)	(6)	6	6
Receivables	14	---	---	---	---
Financial Liabilities					
Payables	219	---	---	---	---
2014					
Financial Assets					
Cash and Cash Equivalents	132	(1)	(1)	1	1
Receivables	80	---	---	---	---
Financial Liabilities					
Payables	658	---	---	---	---
Other	86	(1)	(1)	1	1

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25. Events after the Reporting Period

There are no events after the reporting period that require amendment to the financial statements.

END OF AUDITED FINANCIAL STATEMENTS