

Bureau of Health Information (BHI)

Financial Statements

for the year ended 30 June 2016



INDEPENDENT AUDITOR'S REPORT

Bureau of Health Information

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of the Bureau of Health Information (the Bureau), which comprise the statement of financial position as at 30 June 2016, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows, and service group statement 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.

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 2016, 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.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report.

I am independent of the Bureau and the consolidated entity in accordance with the auditor independence requirements of:

- Australian Auditing Standards
- ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants' (the Code).

I have also fulfilled my other ethical responsibilities in accordance with the Code.

The PF&A Act further promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles 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.

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

Emphasis of Matter

Without modification to the opinion expressed above, I draw attention to the basis of presenting adjusted budget information detailed in Note 1(v). 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.

Chief Executive's Responsibility for the Financial Statements

The Chief Executive 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 Chief Executive 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.

In preparing the financial statements, the Chief Executive must assess the ability of the Bureau and the consolidated entity to continue as a going concern unless operations will cease as a result of an administrative restructure. The assessment must include, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting'.

Auditor's Responsibility for the Audit of the Financial Statements

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based of the financial statements.

A further description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Home.aspx>. The description forms part of my auditor's report.

My opinion does *not* provide assurance:

- that the Bureau or the consolidated entity carried out their activities effectively, efficiently and economically
- 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.




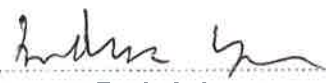
Renee Meimaroglou
Director, Financial Audit Services

**Bureau of Health Information
Certification of the Financial Statements
for the year ended 30 June 2016**

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 2016 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; and
 - 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.


Robert Lagaida
Chief Finance officer
21st September 2016


Dr Jean-Frederic Levesque
Chief Executive
21st September 2016


Mary Elizabeth Rummery AM
Acting Chair BHI
21st September 2016

Bureau of Health Information
Statement of Comprehensive Income for the year ended 30 June 2016

PARENT			CONSOLIDATION			
Actual	Adjusted Budget Unaudited	Actual	Notes	Actual	Adjusted Budget Unaudited	Actual
2016 \$000	2016 \$000	2015 \$000		2016 \$000	2016 \$000	2015 \$000
Expenses excluding losses						
Operating Expenses						
—	—	—				
4,270	4,363	3,711		4,383	4,473	3,806
3,979	4,074	3,539		—	—	—
100	110	100		3,979	4,074	3,539
15	20	70		100	110	100
1	—	3		15	20	70
8,365	8,567	7,423		1	—	3
				8,478	8,677	7,518
Total Expenses excluding losses						
Revenue						
7,748	7,748	7,831		7,748	7,748	7,831
—	—	—		113	110	95
10	9	—		10	9	—
—	—	19		—	—	19
45	—	206		45	—	206
7,803	7,757	8,056		7,916	7,867	8,151
—	—	(83)		—	—	(83)
				7,916	7,867	8,151
Total Revenue						
Gain / (Loss) on Disposal						
(562)	(810)	550		—	—	(83)
(562)	(810)	550		(562)	(810)	550
Net Result						
TOTAL COMPREHENSIVE INCOME						
(562)	(810)	550		(562)	(810)	550

The accompanying notes form part of these financial statements.

Bureau of Health Information
Statement of Financial Position as at 30 June 2016

PARENT			CONSOLIDATION			
Actual	Adjusted Budget Unaudited	Actual	Notes	Actual	Adjusted Budget Unaudited	Actual
2016 \$000	2016 \$000	2015 \$000		2016 \$000	2016 \$000	2015 \$000
ASSETS						
Current Assets						
220	—	566		220	—	566
183	222	222	14	183	222	222
<u>403</u>	<u>222</u>	<u>788</u>		<u>403</u>	<u>222</u>	<u>788</u>
Non-Current Assets						
Property, Plant & Equipment						
43	33	49		43	33	49
336	335	430	16	336	335	430
379	368	479	16	379	368	479
<u>379</u>	<u>368</u>	<u>479</u>		<u>379</u>	<u>368</u>	<u>479</u>
<u>782</u>	<u>590</u>	<u>1,267</u>		<u>782</u>	<u>590</u>	<u>1,267</u>
LIABILITIES						
Current Liabilities						
264	355	230		264	355	230
422	390	383	17	422	390	383
<u>686</u>	<u>745</u>	<u>613</u>	18	<u>686</u>	<u>745</u>	<u>613</u>
Non-Current Liabilities						
97	94	93		97	94	93
<u>97</u>	<u>94</u>	<u>93</u>	18	<u>97</u>	<u>94</u>	<u>93</u>
<u>783</u>	<u>839</u>	<u>706</u>		<u>783</u>	<u>839</u>	<u>706</u>
<u>(1)</u>	<u>(249)</u>	<u>561</u>		<u>(1)</u>	<u>(249)</u>	<u>561</u>
EQUITY						
(1)	(249)	561		(1)	(249)	561
<u>(1)</u>	<u>(249)</u>	<u>561</u>		<u>(1)</u>	<u>(249)</u>	<u>561</u>

The accompanying notes form part of these financial statements.

Bureau of Health Information
Statement of Changes in Equity for the year ended 30 June 2016

PARENT AND CONSOLIDATION	Notes	Accumulated Funds	Total
		\$000	\$000
Balance at 1 July 2015		561	561
Total Equity at 1 July 2015		<u>561</u>	<u>561</u>
Net Result for the year		(562)	(562)
Total Comprehensive Income for the year		<u>(562)</u>	<u>(562)</u>
Balance at 30 June 2016		<u>(1)</u>	<u>(1)</u>
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>561</u>	<u>561</u>

The accompanying notes form part of these financial statements.

Bureau of Health Information
Statement of Cash Flows for the year ended 30 June 2016

PARENT			CONSOLIDATION			
Actual	Adjusted Budget Unaudited	Actual	Notes	Actual	Adjusted Budget Unaudited	Actual
2016 \$000	2016 \$000	2015 \$000		2016 \$000	2016 \$000	2015 \$000
CASH FLOWS FROM OPERATING ACTIVITIES						
Payments						
—	—	—				
(17)	(22)	(76)		(4,280)	(4,410)	(3,628)
(8,518)	(8,698)	(7,966)		(17)	(22)	(76)
				(4,238)	(4,288)	(4,338)
<u>(8,535)</u>	<u>(8,720)</u>	<u>(8,042)</u>		<u>(8,535)</u>	<u>(8,720)</u>	<u>(8,042)</u>
Receipts						
7,748	7,748	7,831		7,748	7,748	7,831
—	9	106		—	9	106
—	—	19		—	—	19
45	—	207		45	—	207
397	397	331		397	397	331
<u>8,190</u>	<u>8,154</u>	<u>8,494</u>		<u>8,190</u>	<u>8,154</u>	<u>8,494</u>
<u>(345)</u>	<u>(566)</u>	<u>452</u>		<u>(345)</u>	<u>(566)</u>	<u>452</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
—	—	11		—	—	11
—	—	(26)		—	—	(26)
		<u>(15)</u>		<u>—</u>	<u>—</u>	<u>(15)</u>
CASH FLOWS FROM FINANCING ACTIVITIES						
(1)	—	(3)		(1)	—	(3)
<u>(1)</u>	<u>—</u>	<u>(3)</u>		<u>(1)</u>	<u>—</u>	<u>(3)</u>
(346)	(566)	434		(346)	(566)	434
566	566	132		566	566	132
<u>220</u>	<u>—</u>	<u>566</u>		<u>220</u>	<u>—</u>	<u>566</u>

The accompanying notes form part of these financial statements.

Bureau of Health Information
Service Group Statements
for the year ended 30 June 2016

	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 5.1 * Population Health Services		Service Group 6.1 * Teaching And Research		Not Attributable		Total		
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	
Expenses Excluding Losses																							
Operating Expenses	263	226	35	31	745	647	443	384	1,753	1,522	443	384	390	339	186	164	123	107			4,383	3,806	
Employee Related	239	212	32	28	676	602	402	357	1,592	1,416	402	357	354	315	171	152	111	99			3,879	3,539	
Other Operating Expenses	3	3	—	—	17	17	10	10	48	48	9	9	10	10	1	1	2	2			100	100	
Depreciation and Amortisation	5	23	(1)	2	1	2	—	1	1	3	2	10	3	13	2	7	2	9			15	70	
Grants and Subsidies	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—			1	3
Finance Costs	510	466	66	62	1,439	1,268	855	752	3,394	2,989	856	760	757	677	362	324	239	220			8,478	7,518	
Total Expenses Excluding Losses																							
Revenue																							
NSW Ministry of Health Recurrent Allocations **	3	2	—	—	21	17	10	9	60	51	7	6	10	9	1	1	1	—			7,748	7,831	
Acceptance by the Crown Entity of Employee Benefits	—	—	—	—	2	—	1	—	5	—	1	—	1	—	—	—	—	—	—			113	95
Sale of Goods and Services	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—			10	—
Investment Revenue	—	—	—	—	—	3	—	2	—	10	—	—	—	2	—	—	—	—	—			—	19
Grants and Contributions	1	5	1	(1)	8	38	4	19	24	110	3	13	4	19	—	2	—	1			45	206	
Total Revenue	4	7	1	—	31	56	15	30	88	171	11	20	15	30	1	3	1	1			7,748	7,916	
Gain / (Loss) on Disposal	—	(2)	—	(1)	(15)	(15)	—	(7)	—	(44)	—	(5)	—	(8)	—	(1)	—	—			—	(83)	
Net Result	(506)	(461)	(65)	(63)	(1,408)	(1,225)	(840)	(729)	(3,305)	(2,862)	(845)	(745)	(742)	(855)	(361)	(322)	(238)	(219)			(582)	(550)	
Total Comprehensive Income	(506)	(461)	(65)	(63)	(1,408)	(1,225)	(840)	(729)	(3,305)	(2,862)	(845)	(745)	(742)	(855)	(361)	(322)	(238)	(219)			(582)	(550)	

* 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 "Not Attributable" column.

Bureau of Health Information
Service Group Statements (Continued)
for the year ended 30 June 2016

	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 5.1 * Population Health Services		Service Group 6.1 * Teaching And Research		Not Attributable		Total		
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
ASSETS																							
Current Assets																							
Cash and Cash Equivalents	13	35	3	5	37	85	22	57	88	225	22	57	20	51	9	24	6	17				220	566
Receivables	4	5			33	41	16	20	98	118	12	14	17	20	2	2	1	1				183	222
Total Current Assets	17	40	3	5	70	136	38	77	186	344	34	71	37	71	11	26	7	18				403	788
Non-Current Assets																							
Property, Plant and Equipment	1	1	1	2	7	8	4	5	21	23	4	4	4	5			1	1				43	49
- Plant and Equipment	9	12	1		57	74	34	44	101	206	31	38	33	42	3	4	7	9				336	430
- Leasehold Improvements	10	13	2	2	64	82	38	49	182	229	35	43	37	47	3	4	8	10				379	479
Total Non-Current Assets	21	26	4	4	121	164	76	98	384	458	70	85	74	94	6	8	15	20				762	958
TOTAL ASSETS																							
LIABILITIES																							
Current Liabilities																							
Payables	16	14	2	3	45	39	27	23	106	82	27	23	23	20	11	10	7	6				264	230
Provisions	25	23	2	3	72	65	43	36	169	153	43	38	36	34	18	16	12	11				422	383
Total Current Liabilities	41	37	4	6	117	104	70	62	275	245	70	62	61	54	29	26	19	17				686	613
Non-Current Liabilities																							
Provisions	6	8			16	16	10	9	39	37	10	9	9	8	4	4	3	3				97	93
Total Non-Current Liabilities	6	8			16	16	10	9	39	37	10	9	9	8	4	4	3	3				97	93
TOTAL LIABILITIES	47	45	4	6	133	120	80	71	314	282	80	71	70	62	33	30	22	20				783	706
NET ASSETS	(20)	(5)	(1)	(1)	96	116	(42)	(4)	54	291	(46)	(4)	4	8	(22)	(4)	(5)	(2)				(80)	(28)

* 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 2016

1. Summary of Significant Accounting Policies

a) 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 Bureau as a reporting entity, comprises all the entities under its control, namely:

- * The parent entity, which comprises all the operating activities of the Bureau;
 - 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 2016 have been authorised for issue by the Chair of the Board and the Chief Executive on 16 September 2016.

b) 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 adjusted budget figures can be found at Note 1(v).

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

The Secretary of Health, the Chair of the 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.

Bureau of Health Information
Notes to and forming part of the Financial Statements
for the year ended 30 June 2016

1. Summary of Significant Accounting Policies

c) 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.

d) Statement of Compliance

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

e) 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 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 2016 (comparable on-costs for 30 June 2015 were 15.3%). 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.

f) 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.

g) Finance Costs

Finance costs are recognised as expenses in the period in which they are incurred in accordance with Treasury's Mandate to not-for-profit general government sector entities.

1. Summary of Significant Accounting Policies

h) 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.

Sale of Goods

Revenue from the sale of goods is recognised as revenue when the Bureau transfers the significant risks and rewards of ownership of the assets.

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.

i) 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.

j) 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.

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.

k) Capitalisation Thresholds

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

Bureau of Health Information
Notes to and forming part of the Financial Statements
for the year ended 30 June 2016

1. Summary of Significant Accounting Policies

l) 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:

	2016	2015
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.

m) 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.

n) 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.

o) 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.

p) 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.

q) 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.

Bureau of Health Information
Notes to and forming part of the Financial Statements
for the year ended 30 June 2016

1. Summary of Significant Accounting Policies

r) 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.

s) 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.

t) 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.

u) Equity and Reserves

(i) Accumulated Funds

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

v) 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".

w) Service Group Statements Allocation Methodology

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 2015, then adjusted for any material change in service delivery or funding distribution occurring in the 2015-16 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.

Bureau of Health Information
Notes to and forming part of the Financial Statements
for the year ended 30 June 2016

1. **Summary of Significant Accounting Policies**

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

(i) Effective for the first time in 2015-16

The accounting policies applied in 2015-16 are consistent with those of the previous financial year except as a result of new or revised Australian Accounting Standards that have been applied for the first time as follows:

The early adoption of AASB 2015-7, Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities. The standard allows for exemption from making certain Level 3 'Fair Value Measurement' disclosures held primarily for current service potential rather than the generation of future net cash inflows.

(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 16, Leases will have application from 1 January 2019. The standard introduces a new approach to lease accounting that requires a lessee to recognise assets and liabilities for the rights and obligations created by leases. We believe that the application of this standard will likely have a significant transitional impact as a result of all leases, except short term (<12 months) and low value, brought on balance sheet.

AASB 15, AASB 2014-5, AASB 2015-8 and AASB 2016-3, Revenue from Contracts with Customers, has application from 1 January 2018. 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 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 is likely to increase disclosures to the financial statements relating to related party transactions, outstanding balances and Key Management Personnel remuneration.

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 January 2018 and comprises changes to improve and simplify the approach for classification and measurement of financial assets. 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). The change is not expected to materially impact the financial statements.

AASB 2016-2, Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB 107, will apply from 1 January 2017. The standard amends AASB 107 to require additional disclosures regarding financing activities in the Statement of Cash Flows. The change is not expected to materially impact the financial statements.

Bureau of Health Information
Notes to and forming part of the Financial Statements
for the year ended 30 June 2016

PARENT			CONSOLIDATION	
2016 \$000	2015 \$000		2016 \$000	2015 \$000
		2. Employee Related		
---	---	Salaries and Wages (including annual leave)	3,904	3,401
---	---	Superannuation - Defined Benefit Plans	3	1
---	---	Superannuation - Defined Contribution Plans	345	287
---	---	Long Service Leave	118	102
---	---	Workers' Compensation Insurance	13	15
<u>-----</u>	<u>-----</u>		<u>4,383</u>	<u>3,806</u>
		3. Personnel Services		
3,904	3,401	Salaries and Wages	---	---
345	287	Superannuation - Defined Contribution Plans	---	---
8	8	Long Service Leave	---	---
13	15	Workers' Compensation Insurance	---	---
<u>4,270</u>	<u>3,711</u>		<u>-----</u>	<u>-----</u>
		4. Other Operating Expenses		
25	3	Advertising	25	3
15	16	Auditor's Remuneration - Audit of Financial Statements	15	16
59	96	Consultancies	59	96
1	---	Domestic Supplies and Services	1	---
4	6	Food Supplies	4	6
---	1	Fuel, Light and Power	---	1
306	112	Information Management Expenses	306	112
1	1	Insurance	1	1
70	99	Maintenance (See 4(b) below)	70	99
6	7	Motor Vehicle Expenses	6	7
128	108	Corporate Support Services	128	108
508	130	Data, Records and Storage	508	130
2,332	2,100	Patient Survey Costs	2,332	2,100
1	4	Postal and Telephone Costs	1	4
85	71	Printing and Stationery	85	71
241	239	Rental	241	239
12	---	Hosted Services Purchased from Other NSW Health Entities	12	---
75	414	Staff Related Costs	75	414
42	37	Travel Related Costs	42	37
68	95	Other (See 4(a) below)	68	95
<u>3,979</u>	<u>3,539</u>		<u>3,979</u>	<u>3,539</u>

Bureau of Health Information
Notes to and forming part of the Financial Statements
for the year ended 30 June 2016

PARENT

CONSOLIDATION

	2016	2015		2016	2015
	\$000	\$000		\$000	\$000
4. Other Operating Expenses					
			a) Other Includes:		
1		4	Courier and Freight	1	4
2		3	Membership/Professional Fees	2	3
65		88	Other Miscellaneous	65	88
68		95		68	95
b) Reconciliation of Total Maintenance					
2		2	Maintenance Contracts	2	2
59		97	New/Replacement Equipment under \$10,000	59	97
9		—	Repairs Maintenance/Non Contract	9	—
70		99	Maintenance Expense - Contracted Labour and Other (Non-Employee Related in Note 4)	70	99
70		99		70	99

Bureau of Health Information
Notes to and forming part of the Financial Statements
for the year ended 30 June 2016

PARENT			CONSOLIDATION	
2016 \$000	2015 \$000		2016 \$000	2015 \$000
5. Depreciation and Amortisation				
6	6	Depreciation - Plant and Equipment	6	6
94	94	Amortisation - Leasehold Improvements	94	94
<u>100</u>	<u>100</u>		<u>100</u>	<u>100</u>
6. Grants and Subsidies				
—	70	Grants to Research Organisations	—	70
15	—	Grants to Other NSW Health Entities	15	—
<u>15</u>	<u>70</u>		<u>15</u>	<u>70</u>
7. Finance Costs				
1	3	Other Interest Charges	1	3
<u>1</u>	<u>3</u>		<u>1</u>	<u>3</u>

Bureau of Health Information
Notes to and forming part of the Financial Statements
for the year ended 30 June 2016

PARENT			CONSOLIDATION	
2016 \$000	2015 \$000		2016 \$000	2015 \$000
8. Sale of Goods and Services				
a) Rendering of Services comprise the following:-				
1	----	Car Parking	1	----
4	----	Private Use of Motor Vehicles	4	----
5	----	Other	5	----
<u>10</u>	<u>----</u>		<u>10</u>	<u>----</u>
9. Investment Revenue				
----	19	Interest	----	19
<u>----</u>	<u>19</u>		<u>----</u>	<u>19</u>

Bureau of Health Information
Notes to and forming part of the Financial Statements
for the year ended 30 June 2016

PARENT			CONSOLIDATION	
2016 \$000	2015 \$000		2016 \$000	2015 \$000
10. Grants and Contributions				
45	175	Cancer Institute Grants	45	175
<u>---</u>	<u>31</u>	Other Grants	<u>---</u>	<u>31</u>
<u>45</u>	<u>206</u>		<u>45</u>	<u>206</u>
11. Acceptance by the Crown Entity of Employee Benefits				
The following liabilities and expenses have been assumed by the Crown Entity:				
<u>---</u>	<u>---</u>	Superannuation-defined benefit	<u>3</u>	<u>1</u>
<u>---</u>	<u>---</u>	Long Service Leave	<u>110</u>	<u>94</u>
<u>---</u>	<u>---</u>		<u>113</u>	<u>95</u>
12. Gain / (Loss) on Disposal				
<u>---</u>	<u>141</u>	Property, Plant and Equipment	<u>---</u>	<u>141</u>
<u>---</u>	<u>(47)</u>	Accumulated Depreciation	<u>---</u>	<u>(47)</u>
<u>---</u>	<u>94</u>	Written Down Value	<u>---</u>	<u>94</u>
<u>---</u>	<u>11</u>	Proceeds from Disposal	<u>---</u>	<u>11</u>
<u>---</u>	<u>(83)</u>	Gain/(Loss) on Disposal of Property, Plant and Equipment	<u>---</u>	<u>(83)</u>
<u>---</u>	<u>(83)</u>	Total Gain/(Loss) on Disposal	<u>---</u>	<u>(83)</u>

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 for persons attending community health centres or in the home, including health promotion activities, women's health, dental, drug and alcohol and HIV/AIDS services. It also covers co-ordination of domestic violence and sexual assault prevention. Grants to non-government organisations are also included.

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

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.

13. Service Groups of the Bureau

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 2016

PARENT			CONSOLIDATION	
2016 \$000	2015 \$000		2016 \$000	2015 \$000
14. Cash and Cash Equivalents				
220	566	Cash at Bank and On Hand	220	566
220	566		220	566
<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>				
220	566	Cash and Cash Equivalents (per Statement of Financial Position)	220	566
220	566	Closing Cash and Cash Equivalents (per Statement of Cash Flows)	220	566

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 2016

PARENT			CONSOLIDATION	
2016 \$000	2015 \$000		2016 \$000	2015 \$000
		15. Receivables		
		Current		
-----	22	Sale of Goods and Services	---	22
25	14	Intra Health Receivables	25	14
158	208	Goods and Services Tax	158	208
-----	(22)	Other Debtors	---	(22)
183	222	Sub Total	183	222
183	222		183	222

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 2016

PARENT			CONSOLIDATION	
2016 \$000	2015 \$000		2016 \$000	2015 \$000
16. Property, Plant and Equipment				
Plant and Equipment - Fair Value*				
54	54	Gross Carrying Amount	54	54
11	5	Less: Accumulated Depreciation and Impairment	11	5
<u>43</u>	<u>49</u>	Net Carrying Amount	<u>43</u>	<u>49</u>
Leasehold Improvements - Fair Value*				
539	539	Gross Carrying Amount	539	539
203	109	Less: Accumulated Depreciation and Impairment	203	109
<u>336</u>	<u>430</u>	Net Carrying Amount	<u>336</u>	<u>430</u>
<u>379</u>	<u>479</u>	Total Property, Plant and Equipment At Net Carrying Amount	<u>379</u>	<u>479</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
Notes to and forming part of the Financial Statements
for the year ended 30 June 2016
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 \$000	Leasehold Improvements \$000	Total \$000
2016			
Net carrying amount at start of year	49	430	479
Depreciation Expense	(6)	(94)	(100)
Net carrying amount at end of year	43	336	379

	Plant and Equipment \$000	Leasehold Improvements \$000	Total \$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

Bureau of Health Information
Notes to and forming part of the Financial Statements
for the year ended 30 June 2016

PARENT			CONSOLIDATION	
2016 \$000	2015 \$000		2016 \$000	2015 \$000
		17. Payables		
		Current		
—	—	Accrued Salaries, Wages and On-Costs	36	137
—	—	Taxation and Payroll Deductions	42	11
78	148	Accrued Liability - Purchase of Personnel Services	—	—
1	12	Creditors	1	12
159	30	- Intra Health Liability	159	30
26	40	- Other	26	40
<u>264</u>	<u>230</u>		<u>264</u>	<u>230</u>

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
Notes to and forming part of the Financial Statements
for the year ended 30 June 2016

PARENT			CONSOLIDATION	
2016 \$000	2015 \$000		2016 \$000	2015 \$000
18. Provisions				
Current				
----	----	Annual Leave - Short Term Benefit	290	209
----	----	Annual Leave - Long Term Benefit	71	120
----	----	Long Service Leave Consequential On-Costs	61	54
422	383	Provision for Personnel Services Liability	---	---
422	383		422	383
Non-Current				
----	----	Long Service Leave Consequential On-Costs	5	5
92	88	Other	92	88
5	5	Provision for Personnel Services Liability	---	---
97	93		97	93
Aggregate Employee Benefits and Related On-Costs				
----	----	Provisions - Current	422	383
----	----	Provisions - Non-Current	5	5
----	----	Accrued Salaries, Wages and On-Costs (Note 17)	78	148
505	536	Liability - Purchase of Personnel Services	---	---
505	536		505	536

Bureau of Health Information
Notes to and forming part of the Financial Statements
for the year ended 30 June 2016

PARENT			CONSOLIDATION	
2016 \$000	2015 \$000		2016 \$000	2015 \$000
19. Commitments for Expenditure				
a) Operating Lease Commitments				
Future non-cancellable operating lease rentals not provided for and payable:				
233	233	Not later than one year	233	233
<u>582</u>	<u>814</u>	Later than one year and not later than five years	<u>582</u>	<u>814</u>
<u><u>815</u></u>	<u><u>1,047</u></u>	Total Operating Lease Commitments (Including GST)	<u><u>815</u></u>	<u><u>1,047</u></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 and terminates on 31 December 2019.

Bureau of Health Information
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for the year ended 30 June 2016

PARENT			CONSOLIDATION	
2016 \$000	2015 \$000		2016 \$000	2015 \$000
20. Reconciliation of Cash Flows from Operating Activities to Net Result				
(345)	452	Net Cash Flows from Operating Activities	(345)	452
(100)	(100)	Depreciation and Amortisation	(100)	(100)
(42)	(157)	(Increase)/ Decrease in Provisions	(42)	(157)
(39)	(39)	Increase / (Decrease) in Prepayments and Other Assets	(39)	(39)
(36)	477	(Increase)/ Decrease in Payables from Operating Activities	(36)	477
---	(83)	Net Gain/ (Loss) on Sale of Property, Plant and Equipment	---	(83)
<u>(562)</u>	<u>550</u>	Net Result	<u>(562)</u>	<u>550</u>

NSW Treasury Circular 15-01 Cash Management – Expanding the Scope of the Treasury Management System requires that non-restricted cash and cash equivalents in excess of a readily assessable short term level, be held within the Treasury Banking System. The Bureau has internal processes to estimate its forward cash inflows (including subsidy) and outflows requirements so that it can service its liabilities as and when they fall due.

21. 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*.

22. Contingent Liabilities and Assets

The Bureau has no Contingent Assets and Liabilities.

Bureau of Health Information
Notes to and forming part of the Financial Statements
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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 \$248 thousand, primarily due to:

Favourability of employee related expenses, maintenance and operating expenditure to budget totalling \$0.19 million. The Bureau experienced delays in recruitment activities towards the planned full time equivalent staff. Recruitment action is currently underway and will continue in the new financial year to fill vacant positions. Although not budgeted for, \$0.05 million in grants was received from the Cancer Institute NSW for work undertaken in relation to cancer patient care services.

Surplus in Other Operating expenses is related to delays in the full implementation of the Bureau's Record Point records management system. Less expenditure on repairs and maintenance was also realised than originally budgeted as the Bureau operates in a recently furnished office space.

The Bureau's total expenditure for the year was \$8.48 million against an approved budget of \$8.63 million as stated in its service compact. The level of subsidy received for the year was of \$7.75 million with \$0.77 million in subsidy being withheld in line with current NSW Treasury arrangements regarding cash management (TC15-01).

Assets and Liabilities

The impact of Ministry of Health withholding subsidy as per treasury arrangement regarding cash management (TC15-01) has resulted in a decrease in cash asset for the Bureau. The increase in creditors can be attributed to intrahealth transactions.

Cash Flows

Employee related cash flow actuals is on track with the budget. Other expenses are less than the budgeted primarily due to the timing of the payments for Patient Survey invoices. There were also grants received from Cancer Institute NSW for \$0.05 million 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 2015 are as follows:

	\$000
Initial Allocation, 01 July 2015	8,515
Other (Budget Adjustment to reduce subsidy entitlement)	(767)
	<hr/>
Balance as per Statement of Comprehensive Income	7,748 <hr/> <hr/>

Bureau of Health Information
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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

Financial Assets Class:	Category	Carrying Amount 2016 \$000	Carrying Amount 2015 \$000
Cash and Cash Equivalents (note 14)	N/A	220	566
Receivables (note 15)*	Loans and receivables (at amortised cost)	25	14
		<u>245</u>	<u>580</u>
Financial Liabilities			
Payables (note 17)**	Financial liabilities measured at amortised cost	222	219
		<u>222</u>	<u>219</u>

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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24. Financial Instruments

(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.

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 2.85% in 2015/16 compared to 2.25% 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 (2016: \$25k; 2015: \$25k) and not more than 3 months past due (2016: \$0k; 2015: \$0k) 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.

	Total ^{1,2}	Past due but not impaired ^{1,2}	Considered impaired ^{1,2}
	\$000	\$000	\$000
2016			
<3 months overdue	---	---	---
3 months - 6 months overdue	---	---	---
> 6 months overdue	---	---	---
2015			
<3 months overdue	---	---	---
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.

Bureau of Health Information
Notes to and forming part of the Financial Statements
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24. Financial Instruments

(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 1).

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.

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24. Financial Instruments

Maturity Analysis and interest rate exposure of financial liabilities

	Interest Rate Exposure		Maturity Dates
	Nominal Amount ¹	Non - Interest Bearing	< 1 Yr
	\$000	\$000	\$000
2016			
Payables:			
- Accrued Salaries Wages, On- Costs and Payroll Deductions	36	36	36
- Creditors	186	186	186
	222	222	222
	222	222	222
2015			
Payables:			
- Accrued Salaries Wages, On- Costs and Payroll Deductions	137	137	137
- Creditors	82	82	82
	219	219	219
	219	219	219

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.

Bureau of Health Information
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24. Financial Instruments

(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 2015. 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.

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

	Carrying Amount \$000	-1% Net Result	Equity	+1% Net Result	Equity
2016					
Financial Assets					
Cash and Cash Equivalents	220	(2)	(2)	2	2
Receivables	25	---	---	---	---
Financial Liabilities					
Payables	222	---	---	---	---
2015					
Financial Assets					
Cash and Cash Equivalents	566	(6)	(6)	6	6
Receivables	14	---	---	---	---
Financial Liabilities					
Payables	219	---	---	---	---

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