

Bureau of Health Information (BHI)

Financial Statements

for the year ended 30 June 2017



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 2017, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information 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 2017, 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 *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 the standards are 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 requirements of the:

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

I have also fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament 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
- precluding the Auditor-General from providing 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(w). 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 Chief Executive's Responsibility for the Financial Statements

The Chief Executive is responsible for the preparation and fair presentation of the financial statements 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 and fair presentation of financial statements that 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 except where operations will cease as a result of an administrative restructure. The assessment must disclose, as applicable, matters related to going concern and the appropriateness of 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
- 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 on the financial statements.

A 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/auditors_responsibilities/ar3.pdf. 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
- about any other information which may have been hyperlinked to/from the financial statements.



Renee Meimaroglou
Director, Financial Audit Services

22 September 2017
SYDNEY

Bureau of Health Information
Certification of the Financial Statements
for the year ended 30 June 2017

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

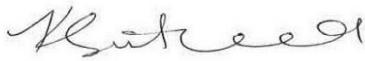
- 1) The financial statements of the Bureau of Health Information for the year ended 30 June 2017 have been prepared in accordance with:
 - a) Australian Accounting Standards (which include Australian Accounting Interpretations);
 - b) the requirements of the *Public Finance and Audit Act 1983*, the *Public Finance and Audit Regulation 2015* (the Act); and
 - c) financial Reporting Directions issued by the Treasurer under the Act.

- 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) We are not aware of any circumstances which would render any particulars in the financial statements to be misleading or inaccurate.



Warren Clark
Acting Chief Finance Officer
20 September 2017



Kim Sutherland
Acting Chief Executive
20 September 2017



Prof Carol Pollock
Chair of the Board
20 September 2017

The Bureau of Health Information
Statement of Comprehensive Income for the year ended 30 June 2017

PARENT			CONSOLIDATED				
Actual	Adjusted Budget Unaudited	Actual	Notes	Actual	Adjusted Budget Unaudited	Actual	
2017 \$000	2017 \$000	2016 \$000		2017 \$000	2017 \$000	2016 \$000	
			Expenses excluding losses				
			Operating Expenses				
----	----	----					
				2	4,274	4,668	4,383
4,306	4,911	4,270		3	----	----	----
3,537	3,255	3,979		4	3,537	3,255	3,979
98	97	100		1(l), 5	98	97	100
46	40	15		6	46	40	15
3	----	1		1(g), 7	3	----	1
7,990	8,303	8,365			7,958	8,060	8,478
			Total Expenses excluding losses				
			Revenue				
8,052	8,052	7,748		1(h)	8,052	8,052	7,748
----	----	----		1(e)(ii), 10	(32)	(243)	113
5	2	10		1(h), 8	5	2	10
----	----	45		1(h), 9	----	----	45
2	8	----		11	2	8	----
8,059	8,062	7,803			8,027	7,819	7,916
(9)	----	----		12	(9)	----	----
60	(241)	(562)			60	(241)	(562)
			Net Result				
			TOTAL COMPREHENSIVE INCOME				
60	(241)	(562)			60	(241)	(562)

The accompanying notes form part of these financial statements.

The Bureau of Health Information
Statement of Financial Position as at 30 June 2017

PARENT			CONSOLIDATED			
Actual	Adjusted Budget Unaudited	Actual	Notes	Actual	Adjusted Budget Unaudited	Actual
2017 \$000	2017 \$000	2016 \$000		2017 \$000	2017 \$000	2016 \$000
ASSETS						
Current Assets						
102	80	220		102	80	220
436	183	183	13	436	183	183
<u>538</u>	<u>263</u>	<u>403</u>	14	<u>538</u>	<u>263</u>	<u>403</u>
Non-Current Assets						
20	13	43		20	13	43
260	269	336	15	260	269	336
280	282	379	15	280	282	379
<u>280</u>	<u>282</u>	<u>379</u>		<u>280</u>	<u>282</u>	<u>379</u>
<u>818</u>	<u>545</u>	<u>782</u>		<u>818</u>	<u>545</u>	<u>782</u>
LIABILITIES						
Current Liabilities						
281	278	264		281	278	264
379	414	422	16	379	414	422
660	692	686	17	660	692	686
Non-Current Liabilities						
99	95	97		99	95	97
<u>99</u>	<u>95</u>	<u>97</u>	17	<u>99</u>	<u>95</u>	<u>97</u>
<u>759</u>	<u>787</u>	<u>783</u>		<u>759</u>	<u>787</u>	<u>783</u>
<u>59</u>	<u>(242)</u>	<u>(1)</u>		<u>59</u>	<u>(242)</u>	<u>(1)</u>
EQUITY						
59	(242)	(1)		59	(242)	(1)
<u>59</u>	<u>(242)</u>	<u>(1)</u>		<u>59</u>	<u>(242)</u>	<u>(1)</u>

The accompanying notes form part of these financial statements.

The Bureau of Health Information
Statement of Changes in Equity for the year ended 30 June 2017

PARENT AND CONSOLIDATION	Notes	Accumulated Funds	Total
		\$000	\$000
Balance at 1 July 2016		(1)	(1)
Total Equity at 1 July 2016		<u>(1)</u>	<u>(1)</u>
Net Result for the year		60	60
Total Other Comprehensive Income		----	----
Total Comprehensive Income for the year		<u>60</u>	<u>60</u>
Transactions With Owners In Their Capacity As Owners			
Balance at 30 June 2017		<u>59</u>	<u>59</u>
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 Other Comprehensive Income		----	----
Total Comprehensive Income for the year		<u>(562)</u>	<u>(562)</u>
Balance at 30 June 2016		<u>(1)</u>	<u>(1)</u>

The accompanying notes form part of these financial statements.

The Bureau of Health Information
Statement of Cash Flows for the year ended 30 June 2017

PARENT			CONSOLIDATED				
Actual	Adjusted Budget Unaudited	Actual		Notes	Actual	Adjusted Budget Unaudited	Actual
2017	2017	2016			2017	2017	2016
\$000	\$000	\$000			\$000	\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES							
Payments							
----	----	----	Employee Related		(4,310)	(4,903)	(4,280)
(51)	(45)	(17)	Grants and Subsidies		(51)	(45)	(17)
(8,450)	(8,521)	(8,518)	Other		(4,140)	(3,618)	(4,238)
(8,501)	(8,566)	(8,535)	Total Payments		(8,501)	(8,566)	(8,535)
Receipts							
8,052	8,052	7,748	NSW Ministry of Health Recurrent Allocations		8,052	8,052	7,748
(23)	2	----	Sale of Goods and Services		(23)	2	----
----	----	45	Grants and Contributions		----	----	45
364	372	397	Other		364	372	397
8,393	8,426	8,190	Total Receipts		8,393	8,426	8,190
(108)	(140)	(345)	NET CASH FLOWS FROM OPERATING ACTIVITIES	20	(108)	(140)	(345)
CASH FLOWS FROM INVESTING ACTIVITIES							
11	----	----	Proceeds from Sale of Property, Plant & Equipment		11	----	----
(18)	----	----	Purchases of Property, Plant & Equipment		(18)	----	----
(7)	----	----	NET CASH FLOWS FROM INVESTING ACTIVITIES		(7)	----	----
CASH FLOWS FROM FINANCING ACTIVITIES							
(3)	----	(1)	Repayment of Borrowings and Advances		(3)	----	(1)
(3)	----	(1)	NET CASH FLOWS FROM FINANCING ACTIVITIES		(3)	----	(1)
(118)	(140)	(346)	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		(118)	(140)	(346)
220	220	566	Opening Cash and Cash Equivalents	13	220	220	566
102	80	220	CLOSING CASH AND CASH EQUIVALENTS	13	102	80	220

The accompanying notes form part of these financial statements.

The Bureau of Health Information
Notes to and forming part of the Financial Statements
for the year ended 30 June 2017

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, comprises all the operating activities of the functions of the Bureau including:

- 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 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 Bureau is a NSW Government entity and is controlled by the NSW Ministry of Health, which is the immediate parent. The reporting entity is also controlled by the State of New South Wales (and is consolidated as part of the NSW Total State Sector Accounts), which is the ultimate parent. The reporting entity is a not-for-profit entity (as profit is not its principal objective).

These consolidated financial statements for the year ended 30 June 2017 have been authorised for issue by the Acting Chief Executive, Chair of the Board and Chief Finance Officer on 20 September 2017.

The Bureau of Health Information
Notes to and forming part of the Financial Statements
for the year ended 30 June 2017

1. Summary of Significant Accounting Policies

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 (the Act), and the financial Reporting Directions issued by the Treasurer under the Act. The financial statements comply with the NSW Treasury mandates Circular for NSW General Government Sector Entities. Further Information on the adjusted budget figures can be found at Note 1(w).

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 assumption 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.

Property, plant and equipment, assets (or disposal groups) held for sale and financial assets at 'fair value through profit and loss' and available for sale are measured at fair value. Other financial statement items are prepared in accordance with the historical cost convention except where specified otherwise.

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.

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.

The Bureau of Health Information
Notes to and forming part of the Financial Statements
for the year ended 30 June 2017

1. Summary of Significant Accounting Policies

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 NSW Treasury, a controlled entity of the ultimate parent, has confirmed that using the nominal annual leave balance plus the annual leave entitlements accrued while taking annual leave can be used to approximate the present value of the annual leave liability. On-costs of 15.8% are applied to the value of leave payable at 30 June 2017 (comparable on-costs for 30 June 2016 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, which is a controlled entity of the ultimate parent.

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 employee's salary. For other superannuation schemes (i.e. State Superannuation Scheme and State Authorities Superannuation Scheme), the expense is calculated as a multiple of the employee's 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 (TMF) Scheme of self insurance for government entities. The expense (premium) is determined by the Fund Manager based on past claims experience. The TMF is managed by Insurance and Care NSW (iCare), a controlled entity of the ultimate parent.

g) Finance Costs

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

The Bureau of Health Information
Notes to and forming part of the Financial Statements
for the year ended 30 June 2017

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.

Rendering of Services

Revenue is recognised when the service is provided or by reference to the stage of completion (based on labour hours incurred to date).

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, the immediate parent, 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.

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.

The Bureau of Health Information
Notes to and forming part of the Financial Statements
for the year ended 30 June 2017

1. Summary of Significant Accounting Policies

k) Capitalisation Thresholds

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

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:

Computer Equipment	20.0%
Motor Vehicle Sedans	12.5%
Office Equipment	10.0%
Plant and Machinery	10.0%
Leasehold Improvements	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.

The Bureau of Health Information
Notes to and forming part of the Financial Statements
for the year ended 30 June 2017

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.

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.

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) 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.

Refer to Note 23 for further disclosures regarding fair value measurements of financial and non-financial assets.

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.

The Bureau of Health Information
Notes to and forming part of the Financial Statements
for the year ended 30 June 2017

1. Summary of Significant Accounting Policies

v) Equity and Reserves

(i) Accumulated Funds

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

w) 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".

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

(i) Effective for the first time in 2016-17

The accounting policies applied in 2016-17 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:

AASB 2015-6 Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities extends the scope of AASB 124 *Related Party Disclosures* to include application by not-for-profit public sector entities. The application of this standard has resulted in increased disclosures in the financial statements relating to related party transactions and Key Management Personnel compensation.

AASB 2015-7 Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities is applicable to reporting periods beginning on or after 1 July 2016. The Entity early adopted this standard in the financial year ended 30 June 2016, which 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.

The Bureau of Health Information
Notes to and forming part of the Financial Statements
for the year ended 30 June 2017

1. Summary of Significant Accounting Policies

(ii) Issued but not yet effective

NSW public sector entities are not permitted to early adopt new Australian Accounting Standards, unless NSW 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 2016-2 Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB 107 applies to annual periods beginning on or after 1 January 2017. The standard amends AASB 107 *Statement of Cash Flows* to require additional disclosures regarding financing activities in the Statement of Cash Flows. The change is not expected to materially impact the financial statements.

AASB 9 Financial Instruments and *AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9* are applicable for reporting period on or after 1 January 2018. AASB 9 will replace AASB 139 *Financial Instruments: Recognition and Measurement* and establishes new principles for the financial reporting of financial assets, financial liabilities and hedge accounting. AASB 9 also introduces a forward-looking 'expected credit losses' impairment model, which may significantly impact the timing and amount of impairment recognition.

AASB 16 Leases applies to annual periods beginning on or after 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. The application of this standard will likely have a significant transitional impact as all leases, except short term (<12 months) and low value leases, brought on balance sheet.

AASB 15 Revenue from Contracts with Customers (and associated amending standards AASB 2014-5, AASB 2015-8, AASB 2016-3, AASB 2016-7 and AASB 2016-8) applies to annual periods beginning on or after 1 January 2019 for not-for-profit entities. AASB 15 establishes a contract-based five-step analysis of transactions to determine the nature, amount and timing of revenue arising from contracts with customers. This new standard requires revenue to be recognised when control of the goods or services are transferred to the customer at the transaction price. This may impact the timing of recognising certain revenue currently recognised by reference to the stage of completion of the transaction.

AASB 1058 Income of Not-for-Profit Entities applies to not-for-profit entities and is effective for annual periods beginning on or after 1 January 2019. This standard requires entities to recognise income where the consideration to acquire an asset, including cash, is significantly less than the fair value principally to enable the entity to further its objectives. Under this standard, the timing of income recognition may be impacted depending on whether there is a liability or other performance obligation associated with the acquired asset, including cash.

AASB 1058 also requires government agencies to recognise income for volunteer services received if the fair value of those services can be measured reliably and the services would have been purchased if they had not been donated. This is consistent with current practice under AASB 1004 *Contributions* and is not expected to materially impact the financial statements.

The Bureau of Health Information
Notes to and forming part of the Financial Statements
for the year ended 30 June 2017

PARENT			CONSOLIDATED	
2017 \$000	2016 \$000		2017 \$000	2016 \$000
2. Employee Related				
----	----	Salaries and Wages (including annual leave)	3,863	3,904
----	----	Superannuation - Defined Benefit Plans	1	3
----	----	Superannuation - Defined Contribution Plans	358	345
----	----	Long Service Leave	(55)	118
----	----	Redundancies	90	----
----	----	Workers' Compensation Insurance	15	13
----	----	Fringe Benefits Tax	2	----
-----	-----		4,274	4,383
-----	-----		4,274	4,383
3. Personnel Services				
3,863	3,904	Salaries and Wages	----	----
358	345	Superannuation - Defined Contribution Plans	----	----
(22)	8	Long Service Leave	----	----
90	----	Redundancies	----	----
15	13	Workers' Compensation Insurance	----	----
2	----	Fringe Benefits Tax	----	----
4,306	4,270		-----	-----
4,306	4,270		-----	-----
4. Other Operating Expenses				
1	25	Advertising	1	25
36	15	Auditor's Remuneration - Audit of Financial Statements	36	15
----	59	Consultancies	----	59
2	1	Domestic Supplies and Services	2	1
3	4	Food Supplies	3	4
22	----	Fuel, Light and Power	22	----
321	306	Information Management Expenses	321	306
1	1	Insurance	1	1
47	70	Maintenance (See 4(b) below)	47	70
3	6	Motor Vehicle Expenses	3	6
7	1	Postal and Telephone Costs	7	1
90	85	Printing and Stationery	90	85
255	241	Rental	255	241
14	12	Hosted Services Purchased from entities controlled by the immediate parent	14	12
186	75	Staff Related Costs	186	75
39	42	Travel Related Costs	39	42
257	196	Other (See 4(a) below)	257	196
2,036	2,332	Patient Survey Contract	2,036	2,332
217	508	Data Records and Storage	217	508
3,537	3,979		-----	-----
3,537	3,979		-----	3,979

The Bureau of Health Information
Notes to and forming part of the Financial Statements
for the year ended 30 June 2017

PARENT			CONSOLIDATED	
2017 \$000	2016 \$000		2017 \$000	2016 \$000
4. Other Operating Expenses				
a) Other Includes:				
153	128	Corporate Support Services	153	128
2	1	Courier and Freight	2	1
29	2	Membership/Professional Fees	29	2
73	65	Other Miscellaneous	73	65
<u>257</u>	<u>196</u>		<u>257</u>	<u>196</u>
b) Reconciliation of Total Maintenance				
3	2	Maintenance Contracts	3	2
40	59	New/Replacement Equipment under \$10,000	40	59
4	9	Repairs Maintenance/Non Contract	4	9
47	70	Maintenance Expense - Contracted Labour and Other (Non-Employee Related in Note 4)	47	70
<u>47</u>	<u>70</u>		<u>47</u>	<u>70</u>

Auditors's Remuneration¹ was paid to The Audit Office of New South Wales, an entity controlled by the ultimate parent.

A portion (\$158k) of 'Information Management Expenses' and 'Intrahealth Financial Services Expenses' of \$153k were incurred from Health Administration Corporation, an entity controlled by the immediate parent.

Some 'Rental' expenses were paid to Property NSW, an entity controlled by the immediate parent.

The Bureau of Health Information
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for the year ended 30 June 2017

PARENT			CONSOLIDATED	
2017	2016		2017	2016
\$000	\$000		\$000	\$000
5. Depreciation and Amortisation				
4	6	Depreciation - Plant and Equipment	4	6
94	94	Amortisation - Leasehold Improvements	94	94
<u>98</u>	<u>100</u>		<u>98</u>	<u>100</u>
6. Grants and Subsidies				
30	----	Grants to Research Organisations	30	----
16	15	Grants paid to entities controlled by the immediate parent	16	15
<u>46</u>	<u>15</u>		<u>46</u>	<u>15</u>
7. Finance Costs				
3	1	Other Interest Charges	3	1
<u>3</u>	<u>1</u>		<u>3</u>	<u>1</u>

The Bureau of Health Information
Notes to and forming part of the Financial Statements
for the year ended 30 June 2017

PARENT			CONSOLIDATED	
2017	2016		2017	2016
\$000	\$000		\$000	\$000
8. Sale of Goods and Services				
Rendering of Services comprise the following:-				
----	1	Car Parking	----	1
3	4	Private Use of Motor Vehicles	3	4
2	5	Other	2	5
<u>5</u>	<u>10</u>		<u>5</u>	<u>10</u>

The Bureau of Health Information
Notes to and forming part of the Financial Statements
for the year ended 30 June 2017

PARENT			CONSOLIDATED	
2017 \$000	2016 \$000		2017 \$000	2016 \$000
9. Grants and Contributions				
-----	45	Cancer Institute Grants	-----	45
<u>-----</u>	<u>45</u>		<u>-----</u>	<u>45</u>
10. Acceptance by the Crown Entity of Employee Benefits				
The following liabilities and expenses have been assumed by the Crown Entity:				
-----	-----	Superannuation-defined benefit	1	3
-----	-----	Long Service Leave	(33)	110
<u>-----</u>	<u>-----</u>		<u>(32)</u>	<u>113</u>
11. Other Revenue				
Other Revenue comprises the following:-				
2	-----	Property not previously recognised	2	-----
<u>2</u>	<u>-----</u>		<u>2</u>	<u>-----</u>

The Bureau of Health Information
Notes to and forming part of the Financial Statements
for the year ended 30 June 2017

PARENT			CONSOLIDATED	
2017 \$000	2016 \$000		2017 \$000	2016 \$000
12. Gain / (Loss) on Disposal				
27	----	Property, Plant and Equipment	27	----
(7)	----	Accumulated Depreciation	(7)	----
<u>20</u>	<u>----</u>	Written Down Value	<u>20</u>	<u>----</u>
11	----	Proceeds from Disposal	11	----
<u>(9)</u>	<u>----</u>	Gain/(Loss) on Disposal of Property, Plant and Equipment	<u>(9)</u>	<u>----</u>
<u>(9)</u>	<u>----</u>	Total Gain/(Loss) on Disposal	<u>(9)</u>	<u>----</u>

The Bureau of Health Information
Notes to and forming part of the Financial Statements
for the year ended 30 June 2017

PARENT			CONSOLIDATED	
2017	2016		2017	2016
\$000	\$000		\$000	\$000
13. Cash and Cash Equivalents				
102	220	Cash at Bank and On Hand	102	220
<u>102</u>	<u>220</u>		<u>102</u>	<u>220</u>
<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>				
102	220	Cash and Cash Equivalents (per Statement of Financial Position)	102	220
<u>102</u>	<u>220</u>	Closing Cash and Cash Equivalents (per Statement of Cash Flows)	<u>102</u>	<u>220</u>

Refer to Note 23 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

The Bureau of Health Information
Notes to and forming part of the Financial Statements
for the year ended 30 June 2017

PARENT			CONSOLIDATED	
2017	2016		2017	2016
\$000	\$000		\$000	\$000
		14. Receivables		
		Current		
50	25	Intra Health Receivables	50	25
168	158	Goods and Services Tax	168	158
218	183	Sub Total	218	183
218	-----	Prepayments	218	-----
436	183		436	183

Intra Health Receivables' include amounts receivable from entities controlled by the immediate parent. The majority of the balance at reporting date was receivable from Cancer Institute NSW - \$13k, Central Coast LHD - \$9k, HealthShare NSW - \$7k and Northern Sydney LHD - \$10k.

Details regarding credit risk, liquidity risk and market risk, including financial assets that are either past due or impaired are disclosed in Note 23.

The Bureau of Health Information
Notes to and forming part of the Financial Statements
for the year ended 30 June 2017

PARENT			CONSOLIDATED	
2017	2016		2017	2016
\$000	\$000		\$000	\$000
15. Property, Plant and Equipment				
Plant and Equipment - Fair Value*				
29	54	Gross Carrying Amount	29	54
9	11	Less: Accumulated Depreciation and Impairment	9	11
<u>20</u>	<u>43</u>	Net Carrying Amount	<u>20</u>	<u>43</u>
Leasehold Improvements - Fair Value*				
557	539	Gross Carrying Amount	557	539
297	203	Less: Accumulated Depreciation and Impairment	297	203
<u>260</u>	<u>336</u>	Net Carrying Amount	<u>260</u>	<u>336</u>
<u>280</u>	<u>379</u>	Total Property, Plant and Equipment At Net Carrying Amount	<u>280</u>	<u>379</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.

The Bureau of Health Information
Notes to and forming part of the Financial Statements
for the year ended 30 June 2017

PARENT & CONSOLIDATION

15. Property, Plant and Equipment - Reconciliation

A reconciliation of the carrying amount for each class of property, plant and equipment is set out below:

	Plant and Equipment \$000	Leasehold Improvements \$000	Total \$000
2017			
Net carrying amount at start of year	43	336	379
Additions	1	18	19
Disposals	(20)	----	(20)
Depreciation Expense	(4)	(94)	(98)
Net carrying amount at end of year	20	260	280

	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

The Bureau of Health Information
Notes to and forming part of the Financial Statements
for the year ended 30 June 2017

PARENT			CONSOLIDATED	
2017	2016		2017	2016
\$000	\$000		\$000	\$000
		16. Payables		
		Current		
----	----	Accrued Salaries, Wages and On-Costs	54	36
----	----	Taxation and Payroll Deductions	59	42
113	78	Accrued Liability - Purchase of Personnel Services	----	----
5	1	Creditors	5	1
147	159	- Payables to entities controlled by the immediate parent	147	159
16	26	- Other	16	26
<u>281</u>	<u>264</u>		<u>281</u>	<u>264</u>

Creditors include some amounts owing to entities controlled by the ultimate parent.

The majority of 'Payables to entities controlled by the immediate parent' relates to balances payable to the Health Administration Corporation, an entity controlled by the immediate parent, namely eHealth NSW - \$66k, HealthShare NSW - \$44k and Health System Support Group - \$12k.

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables are disclosed in Note 23.

The Bureau of Health Information
Notes to and forming part of the Financial Statements
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PARENT			CONSOLIDATED	
2017	2016		2017	2016
\$000	\$000		\$000	\$000
17. Provisions				
Current				
----	----	Annual Leave - Short Term Benefit	221	290
----	----	Annual Leave - Long Term Benefit	106	71
----	----	Long Service Leave Consequential On-Costs	41	61
368	422	Provision for Personnel Services Liability	----	----
11	----	Other	11	----
<u>379</u>	<u>422</u>		<u>379</u>	<u>422</u>
Non-Current				
----	----	Long Service Leave Consequential On-Costs	4	5
4	5	Provision for Personnel Services Liability	----	----
95	92	Other	95	92
<u>99</u>	<u>97</u>		<u>99</u>	<u>97</u>
Aggregate Employee Benefits and Related On-Costs				
----	----	Provisions - Current	368	422
----	----	Provisions - Non-Current	4	5
----	----	Accrued Salaries, Wages and On-Costs (Note 16)	113	78
496	505	Liability - Purchase of Personnel Services	----	----
<u>496</u>	<u>505</u>		<u>485</u>	<u>505</u>

The Bureau of Health Information
Notes to and forming part of the Financial Statements
for the year ended 30 June 2017

PARENT			CONSOLIDATED	
2017 \$000	2016 \$000		2017 \$000	2016 \$000
18. Commitments for Expenditure				
a) Operating Lease Commitments				
Future non-cancellable operating lease rentals not provided for and payable:				
290	233	Not later than one year	290	233
458	582	Later than one year and not later than five years	458	582
748	815	Total Operating Lease Commitments (Including GST)	748	815

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.

b) Contingent Asset Related to Commitments for Expenditure

The total 'Capital Expenditure Commitments' and 'Operating Lease Commitments' of \$0.822M million as at 30 June 2017 includes input tax credits of \$0.075M that are expected to be recoverable from the Australian Taxation Office (2016: \$0.074M).

The Bureau of Health Information
Notes to and forming part of the Financial Statements
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PARENT AND CONSOLIDATED

19. Contingent Liabilities and Assets

There are no contingent assets or liabilities as at 30th June 2017

The Bureau of Health Information
Notes to and forming part of the Financial Statements
for the year ended 30 June 2017

PARENT			CONSOLIDATED	
2017	2016		2017	2016
\$000	\$000		\$000	\$000
20. Reconciliation of Cash Flows from Operating Activities to Net Result				
(108)	(345)	Net Cash Flows from Operating Activities	(108)	(345)
(98)	(100)	Depreciation and Amortisation	(98)	(100)
41	(42)	(Increase)/ Decrease in Provisions	41	(42)
251	(39)	Increase / (Decrease) in Prepayments and Other Assets	251	(39)
(18)	(36)	(Increase)/ Decrease in Payables from Operating Activities	(18)	(36)
(9)	----	Net Gain/ (Loss) on Sale of Property, Plant and Equipment	(9)	----
2	----	Assets donated or brought to account for the first time	2	----
61	(562)	Net Result	61	(562)

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*.

PARENT AND CONSOLIDATION

22. Adjusted Budget Review - Parent and Consolidated

Net Result

The actual Net Result was favourable than adjusted budget by \$301k, primarily due to:

The employee related costs has an underspend of \$394k and Operating costs has an overspend of \$282k. This was due to the delays in the recruitment process resulting in increased costs from third parties and agency contractors.

The Bureau's total expenditure for the year was \$7,958k against the adjusted budget of \$8,060k. Subsidy received for the year was \$8,052k with \$140k in subsidy being withheld in line with NSW Treasury's Cash Management arrangements. (TC15-01).

Assets and Liabilities

The impact of Ministry of Health withholding subsidy as per NSW Treasury arrangement and direction on Cash Buffer (TC15-01) has resulted in negative net assets.

Cash Flows

Employee related cash flow actuals reflect favourability of \$593k offset by the unfavourability from Other expenses by \$522k due to delays in the recruitment process and re-profiling of activity.

Movements in the level of the NSW Ministry of Health Recurrent Allocation that have occurred since the time of the initial allocation on 1 July 2016 are as follows:

	\$000
Initial Allocation, 1 July 2016	8,192
Other - budget adjustment to reduce subsidy entitlement	(140)
	<hr/>
Balance as per Statement of Comprehensive Income	8,052
	<hr/> <hr/>

The Bureau of Health Information
Notes to and forming part of the Financial Statements
for the year ended 30 June 2017

23. 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 Acting Chief Executive 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 risks faced by The Bureau, to set risk limits and controls and to monitor risks. Compliance with policies is reviewed on a continuous basis.

(a) Financial Instrument Categories

PARENT AND CONSOLIDATION

Financial Assets Class:	Category	Carrying Amount 2017 \$000	Carrying Amount 2016 \$000
Cash and Cash Equivalents (note 13)	N/A	102	220
Receivables (note 14)*	Loans and receivables (at amortised cost)	50	25
		152	245
Financial Liabilities			
Payables (note 16)**	Financial liabilities measured at amortised cost	228	227
		228	227

Notes

* Excludes statutory receivables and prepayments (i.e. not within scope of AASB7 Financial Instruments Disclosures)

**Excludes statutory payables and unearned revenue (i.e. not within scope of AASB7 Financial Instruments Disclosures).

The Bureau of Health Information
Notes to and forming part of the Financial Statements
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23. 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.

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. Authority deposits held with NSW TCorp are guaranteed by the State.

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 2.35% in 2016/17 compared to 2.85% 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.

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

	Total ^{1,2}	Past due but not impaired ^{1,2}	Considered impaired ^{1,2}
	\$000	\$000	\$000
2017			
<3 months overdue	----	----	----
3 months - 6 months overdue	----	----	----
> 6 months overdue	----	----	----
2016			
<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 AASB7 Financial Instruments Disclosures 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.

(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.

The Bureau of Health Information
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23. Financial Instruments

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

Maturity Analysis and interest rate exposure of financial liabilities

	Interest Rate Exposure				Maturity Dates		
	Nominal Amount ¹	Fixed Interest Rate	Variable Interest Rate	Non - Interest Bearing	< 1 Yr	1-5 Yr	> 5Yr
2017	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Payables:							
- Accrued Salaries Wages, On-Costs and Payroll Deductions	54	----	----	54	54	----	----
- Creditors	174	----	----	174	174	----	----
	<u>228</u>	----	----	<u>228</u>	<u>228</u>	----	----
2016							
Payables:							
- Accrued Salaries Wages, On-Costs and Payroll Deductions	36	----	----	36	36	----	----
- Creditors	191	----	----	191	191	----	----
	<u>227</u>	----	----	<u>227</u>	<u>227</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.

The Bureau of Health Information
Notes to and forming part of the Financial Statements
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23. 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 net result 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 2016. 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 net result 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	-1% Net Result	Equity	+1% Net Result	Equity
	\$000	\$000	\$000	\$000	\$000
2017					
Financial Assets					
Cash and Cash Equivalents	102	(1)	(1)	1	1
Receivables	50	----	----	----	----
Financial Liabilities					
Payables	228	----	----	----	----
2016					
Financial Assets					
Cash and Cash Equivalents	220	(2)	(2)	2	2
Receivables	25	----	----	----	----
Financial Liabilities					
Payables	227	----	----	----	----

The Bureau of Health Information
Notes to and forming part of the Financial Statements
for the year ended 30 June 2017

24. Related Party Transactions

PARENT AND CONSOLIDATION

Key management personnel compensation is as follows:

	2017
	\$000
Short-term employee benefits	111
Post-employment benefits	15
Other long-term benefits	----
Termination benefits	----
	<u>126</u>

During the financial year, The Bureau of Health Information obtained key management personnel services from the Ministry of Health and incurred \$ 269K for these services.

Compensation for the Minister for Health is paid by the Legislature and is not reimbursed by the Ministry of Health and its controlled entities. Accordingly no such amounts are included in the key management personnel compensation disclosures above.

Remuneration for the Secretary and Deputy Secretaries are paid by the Ministry of Health and is not reimbursed by the health entities. Accordingly no such amounts are included in the key management personnel compensation disclosures above.

Transactions with key management personnel and their close family members

There are no material transaction with key management personnel and their close family members.

There were no transactions with the ultimate parent during the financial year.

25. Events After the Reporting Period

There are no events after the reporting period that require amendments to the Financial Statements.

END OF AUDITED FINANCIAL STATEMENTS

Annual Financial Statements

of

The Bureau of Health Information Special Purpose Service Entity

for the year ended 30 June 2017

The Bureau of Health Information Special Purpose Service Entity
Certification of the Financial Statements
for the year ended 30 June 2017

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

- 1) The financial statements of the Bureau of Health Information Special Purpose Service Entity for the year ended 30 June 2017 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 Regulation 2015* and the Treasurer's Directions.

- 2) The financial statements exhibit a true and fair view of the financial position and the financial performance of the Bureau of Health Information Special Purpose Service Entity; and

- 3) We are not aware of any circumstances which would render any particulars in the financial statements to be misleading or inaccurate.



Warren Clark
Acting Chief Finance Officer
20 September 2017



Kim Sutherland
Acting Chief Executive
20 September 2017



Prof Carol Pollock
Chair of the Board
20 September 2017

The Bureau of Health Information Special Purpose Service Entity
Statement of Comprehensive Income for the year ended 30 June 2017

	Actual	Actual
	2017	2016
	\$000	\$000
Revenue		
Personnel Services	4,306	4,270
Acceptance by the Crown Entity of Employee Benefits	(32)	113
Total Revenue	4,274	4,383
Expenses		
Salaries and Wages	3,863	3,904
Defined Benefit Superannuation	1	3
Defined Contribution Superannuation	358	345
Long Service Leave	(55)	118
Redundancies	90	-
Workers Compensation Insurance	15	13
Fringe Benefits Tax	2	-
Total Expenses	4,274	4,383
Net Result	-	-
Other Comprehensive Income	-	-
Total Comprehensive Income	-	-

The accompanying notes form part of these Financial Statements.

The Bureau of Health Information Special Purpose Service Entity
Statement of Financial Position as at 30 June 2017

		Actual	Actual
	Notes	2017 \$000	2016 \$000
ASSETS			
Current Assets			
Receivables	2	492	500
Total Current Assets		492	500
Non-Current Assets			
Receivables	2	4	5
Total Non-Current Assets		4	5
Total Assets		496	505
LIABILITIES			
Current Liabilities			
Payables	3	113	78
Provisions	4	379	422
Total Current Liabilities		492	500
Non-Current Liabilities			
Provisions	4	4	5
Total Non-Current Liabilities		4	5
Total Liabilities		496	505
Net Assets		-	-
EQUITY			
Accumulated funds		-	-
Total Equity		-	-

The accompanying notes form part of these Financial Statements

The Bureau of Health Information Special Purpose Service Entity
Statement of Changes in Equity for the year ended 30 June 2017

	Actual	Actual
	2017	2016
	\$000	\$000
Balance at 1 July 2016	-	-
Net Result for the year	-	-
Other comprehensive income	-	-
Total comprehensive income for the year	-	-
Balance at 30 June 2017	<u>-</u>	<u>-</u>

The accompanying notes form part of these Financial Statements

**The Bureau of Health Information Special Purpose Service Entity
Statement of Cash Flows for the year ended 30 June 2017**

	Actual	Actual
	2017	2016
	\$000	\$000
Net Cash Flows from Operating Activities	-	-
Net Cash Flows from Investing Activities	-	-
Net Cash Flows from Financing Activities	-	-
Net Increase/(Decrease) in Cash and Cash Equivalents	-	-
Opening Cash and Cash Equivalents	-	-
Closing Cash and Cash Equivalents	-	-

The Bureau of Health Information Special Purpose Service Entity does not hold any cash or cash equivalent assets and therefore there are nil cash flows.

The accompanying notes form part of these Financial Statements.

The Bureau of Health Information Special Purpose Service Entity
Notes to and forming part of the Financial Statements
for the year ended 30 June 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) The Bureau of Health Information Special Purpose Service Entity

The Bureau of Health Information Special Purpose Service Entity (the Entity) is a Division of the NSW Health Service, established pursuant to section 116(4) of the Health Services Act 1997. It is a not-for-profit Entity as profit is not its principal objective.

The Entity is controlled by The Bureau of Health Information, which is the immediate parent. The Entity is also controlled by NSW Ministry of Health (the senior parent) and the State of New South Wales (the ultimate parent).

The Entity's objective is to provide personnel services to The Bureau of Health Information.

The financial statements were authorised for issue by the Acting Chief Executive, Chair of the Board and Chief Finance Officer on 20 September 2017.

b) Basis of Preparation

The Entity's financial statements are general purpose financial statements and have been prepared on an accrual basis, in accordance with applicable Australian Accounting Standards which include Australian Accounting Interpretations. The statements have been prepared in accordance with the Public Finance and Audit Act 1983, the Public Finance and Audit Regulation 2015 and Treasurer's Directions.

Generally, the historical cost basis of accounting has been adopted and the financial statements do not take into account changing money values or current valuations. However, certain provisions are measured at fair value. See Note (1)(h).

Judgments, key assumptions and estimates 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.

c) Statement of Compliance

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

d) Income

Income is measured at the fair value of the consideration received or receivable. Revenue from the rendering of personnel services is recognised when the service is provided and only to the extent that the associated recoverable expenses are recognised.

e) Receivables

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 accounted for in the net result for the year 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.

f) 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 Entity transfers the financial asset:

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

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

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

g) Payables

Payables include accrued wages, salaries and related on costs (such as payroll deduction liability, fringe benefits tax and workers' compensation insurance) where there is certainty as to the amount and timing of settlement.

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 entity.

The Bureau of Health Information Special Purpose Service Entity
Notes to and forming part of the Financial Statements
for the year ended 30 June 2017

h) Employee Benefits

i) Salaries and 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, a controlled entity of the ultimate parent, 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 15.8% are applied to the value of leave payable at 30 June 2017 (comparable on-costs for 30 June 2016 were 15.3%). The Entity has assessed the actuarial advice based on the Entity'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 Entity's liability for Long Service Leave and defined benefit superannuation (State Authorities Superannuation Scheme and State Superannuation Scheme) are assumed by the Crown Entity, which is an entity controlled by the ultimate parent. The Entity 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.

Specific on-costs relating to Long Service Leave assumed by the Crown Entity are borne by the entity as shown in Note 4.

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 year is determined by using the formulae specified in the NSW Health Ministry Directions. The expense for certain superannuation schemes (i.e. Basic Benefit and Superannuation Guarantee Charge) 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.

i) New Australian Accounting Standards Issued But Not Effective

(i) Effective for the first time in 2016-17

The accounting policies applied in 2016-17 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:

AASB 2015-6 *Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities* extends the scope of AASB 124 *Related Party Disclosures* to include application by not-for-profit public sector entities. The application of this standard has resulted in increased disclosures in the financial statements relating to related party transactions and Key Management Personnel compensation.

AASB 2015-7 *Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities* is applicable to reporting periods beginning on or after 1 July 2016. The Entity early adopted this standard in the financial year ended 30 June 2016, which 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. There have been no new Australian Accounting Standards issued which will impact the Entity.

The Bureau of Health Information Special Purpose Service Entity
Notes to and forming part of the Financial Statements for the year ended 30 June 2017

	Actual	Actual
	2017	2016
	\$000	\$000
2. RECEIVABLES		
Current		
Accrued Income - Personnel Services Provided	492	500
Non-Current		
Accrued Income - Personnel Services Provided	4	5
Total Receivables	496	505

Details regarding credit risk, liquidity risk and market risk are disclosed in Note 5.

3. PAYABLES

Current

Accrued Salaries, Wages and On Costs	54	36
Taxation and Payroll Deductions	59	42
Total Payables	113	78

Details regarding credit risk, liquidity risk and market risk are disclosed in Note 5.

The Bureau of Health Information Special Purpose Service Entity
Notes to and forming part of the Financial Statements for the year ended 30 June 2017

	Actual	Actual
	2017	2016
	\$000	\$000
4. PROVISIONS		
Current Employee Benefits and Related On Costs		
Annual Leave - Short Term Benefit	221	290
Annual Leave - Long Term Benefit	106	71
Long Service Leave - Consequential On Costs	41	61
Other	11	-
Total Current Provisions	379	422
Non-Current Employee Benefits and Related On Costs		
Long Service Leave - Consequential On costs	4	5
Total Non-Current Provisions	4	5
Aggregate Employee Benefits and Related On Costs		
Provisions - Current	379	422
Provisions - Non-Current	4	5
Accrued Salaries, Wages and On Costs	113	78
Total	496	505

The Bureau of Health Information Special Purpose Service Entity

**Notes to and forming part of the Financial Statements for the
year ended 30 June 2017**

5. Financial Instruments

The Entity's principal financial instruments are outlined below. The Entity's financial instruments arise directly from the Entity's operations or are required to finance the entity's operations.

The Entity does not enter into or trade financial instruments, including derivative financial instruments for speculative purposes.

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

The Chief Executive has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. The Entity carries minimal risks within its operation as it carries only the value of employee provisions and accrued salaries and wages offset in full by accounts receivable from the Parent Entity. Risk management policies are established by the Parent Entity to identify and analyse the risk faced by the Entity, to set risk limits and controls and to monitor risks. Compliance with policies is reviewed by the Entity on a continuous basis."

a) Financial Instruments Categories

		Actual	Actual
		2017	2016
		\$000	\$000
Financial Assets Class:	Category		
Receivables (note 2) ¹	Receivables measured at amortised cost	496	505
		<hr/>	<hr/>
		496	505
		<hr/>	<hr/>
Financial Liabilities Class:	Category		
Payables (note 3) ²	Financial liabilities measured at amortised cost	54	36
		<hr/>	<hr/>
		54	36
		<hr/>	<hr/>

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

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

b) Credit Risk

Credit risk arises when there is the possibility of the Entity's debtors defaulting on their contractual obligations, resulting in a financial loss to the Entity. 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 Entity i.e. receivables. No collateral is held by the Entity nor has it granted any financial guarantees.

Receivables - trade debtors

Receivables are restricted to accrued income for personnel services provided and employee leave provisions and are recognised as amounts receivable at balance date. The parent entity of the The Bureau of Health Information Special Purpose Service Entity is the sole debtor of the Entity and it is assessed that there is no risk of default. No accounts receivables are classified as past due but not Impaired or 'Considered Impaired'.

c) Liquidity Risk

Liquidity risk is the risk that the Entity will be unable to meet its payment obligations when they fall due. No such risk exists with the Entity not having any cash flows. All movements that occur in Payables are fully offset by an increase in Receivables from the The Bureau of Health Information.

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 Entity's exposures to market risk are considered to be minimal and the Entity has no exposure to foreign currency risk and does not enter into commodity contracts.

Interest rate risk

Exposure to interest rate risk arises primarily through interest bearing liabilities.

However the Entity has no such liabilities and the interest rate is assessed as Nil. Similarly it is considered that the Entity is not exposed to other price

The Bureau of Health Information Special Purpose Service Entity

**Notes to and forming part of the Financial Statements for the
year ended 30 June 2017**

5. Financial Instruments

e) Fair Value

Financial instruments are generally recognised at cost.

The amortised cost of financial instruments recognised in the statement of financial position approximates fair value because of the short term nature of the financial instruments.

6. Related Party Transactions

All transactions and outstanding balances in these financial statements relate to the Entity's function as the provider of personnel services to the immediate parent. The Entity's total income is sourced from the immediate parent, and cash receipts and payments are affected by the immediate parent on the Entity's behalf.

Key management personnel compensation are borne by the immediate parent and the senior parent. There were no transactions with the ultimate parent during the financial year.

7. Events After the Reporting Period

No matters have arisen subsequent to reporting date that would require these financial statements to be amended.

END OF AUDITED FINANCIAL STATEMENTS