

# **Bureau of Health Information (BHI)**

## **Financial Statements**

for the year ended 30 June 2018





## 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 Comprehensive Income for the year ended 30 June 2018, the Statement of Financial Position as at 30 June 2018, the Statement of Changes in Equity and the Statement of Cash Flows, for the year then ended, notes comprising a Statement 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 2018, 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 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 fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament 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(x). 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.

## **Other Information**

At the date of this independent Auditor's Report, the other information I have received comprise the Bureau of Health Information Certification of the Financial Statements for the year ended 30 June 2018.

My opinion on the financial report does not cover the other Information. Accordingly, I do not express any form of assurance conclusion on the other Information.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

## **The Chief Executive's Responsibilities 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 the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Executive is responsible for assessing the ability of the Bureau and the consolidated entity to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting except where the Bureau's operations will cease as a result of an administrative restructure.

## **Auditor's Responsibilities 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: [www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.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 its 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.

A handwritten signature in black ink, appearing to read 'R Meimaroglou', followed by a period.

Renee Meimaroglou  
Director, Financial Audit Services

24 September 2018  
SYDNEY

**The Bureau of Health Information  
Certification of the Financial Statements  
for the year ended 30 June 2018**

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 2018 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 (PFAA)*, the *Public Finance and Audit Regulation 2015 (Regulation)*; and
  - c) Financial Reporting Directions mandated by the Treasurer.
- 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 Clarke  
**Acting Chief Finance Officer**  
19 September 2018



Dr Diane Watson  
**Chief Executive**  
19 September 2018



Prof Carol Pollock  
**Chair of the Board**  
19 September 2018



**The Bureau of Health Information**  
**Statement of Financial Position as at 30 June 2018**

PARENT			CONSOLIDATION			
Actual	Adjusted Budget Unaudited	Actual	Notes	Actual	Adjusted Budget Unaudited	Actual
2018	2018	2017		2018	2018	2017
\$000	\$000	\$000		\$000	\$000	\$000
<b>ASSETS</b>						
<b>Current Assets</b>						
134	----	102		134	----	102
397	436	436	12	397	436	436
<u>531</u>	<u>436</u>	<u>538</u>	13	<u>531</u>	<u>436</u>	<u>538</u>
<b>Non-Current Assets</b>						
17	17	20		17	17	20
161	160	260	14	161	160	260
178	177	280	14	178	177	280
<u>178</u>	<u>177</u>	<u>280</u>		<u>178</u>	<u>177</u>	<u>280</u>
<u>709</u>	<u>613</u>	<u>818</u>		<u>709</u>	<u>613</u>	<u>818</u>
<b>LIABILITIES</b>						
<b>Current Liabilities</b>						
243	358	281		243	358	281
414	417	379	15	414	417	379
<u>657</u>	<u>775</u>	<u>660</u>	16	<u>657</u>	<u>775</u>	<u>660</u>
<b>Non-Current Liabilities</b>						
120	100	99		120	100	99
<u>120</u>	<u>100</u>	<u>99</u>	16	<u>120</u>	<u>100</u>	<u>99</u>
<u>777</u>	<u>875</u>	<u>759</u>		<u>777</u>	<u>875</u>	<u>759</u>
<u>(68)</u>	<u>(262)</u>	<u>59</u>		<u>(68)</u>	<u>(262)</u>	<u>59</u>
<b>EQUITY</b>						
(68)	(262)	59		(68)	(262)	59
<u>(68)</u>	<u>(262)</u>	<u>59</u>		<u>(68)</u>	<u>(262)</u>	<u>59</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 2018**

PARENT AND CONSOLIDATION	Notes	Accumulated Funds \$000	Total \$000
Balance at 1 July 2017		59	59
Total Equity at 1 July 2017		<b>59</b>	<b>59</b>
Net Result for the year		(127)	(127)
Total Other Comprehensive Income		-----	-----
Total Comprehensive Income for the year		(127)	(127)
Balance at 30 June 2018		<b>(68)</b>	<b>(68)</b>
Balance at 1 July 2016		(1)	(1)
Total Equity at 1 July 2016		<b>(1)</b>	<b>(1)</b>
Net Result for the year		60	60
Total Other Comprehensive Income		-----	-----
Total Comprehensive Income for the year		60	60
Balance at 30 June 2017		<b>59</b>	<b>59</b>

The accompanying notes form part of these financial statements.

The Bureau of Health Information  
Statement of Cash Flows for the year ended 30 June 2018

PARENT			CONSOLIDATION			
Actual	Adjusted Budget Unaudited	Actual	Notes	Actual	Adjusted Budget Unaudited	Actual
2018	2018	2017		2018	2018	2017
\$000	\$000	\$000		\$000	\$000	\$000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
<b>Payments</b>						
----	----	----	Employee Related	(5,174)	(5,324)	(4,310)
(3,479)	(3,632)	(4,140)	Suppliers for Goods and Services	(3,479)	(3,632)	(4,140)
----	----	(51)	Grants and Subsidies	----	----	(51)
(5)	----	----	Finance Costs	(5)	----	----
(5,174)	(5,324)	(4,310)	Other	----	----	----
(8,658)	(8,956)	(8,501)	<b>Total Payments</b>	(8,658)	(8,956)	(8,501)
<b>Receipts</b>						
8,471	8,471	8,052	NSW Ministry of Health Recurrent Allocations	8,471	8,471	8,052
(137)	4	(23)	Sale of Goods and Services	(137)	4	(23)
371	379	364	Other	371	379	364
8,705	8,854	8,393	<b>Total Receipts</b>	8,705	8,854	8,393
<b>47</b>	<b>(102)</b>	<b>(108)</b>	<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>47</b>	<b>(102)</b>	<b>(108)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
----	----	11	Proceeds from Sale of Property, Plant & Equipment	----	----	11
(15)	----	(18)	Purchases of Property, Plant & Equipment	(15)	----	(18)
(15)	----	(7)	<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	(15)	----	(7)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
----	----	(3)	Proceeds from Borrowings and Advances	----	----	(3)
----	----	(3)	<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>	----	----	(3)
32	(102)	(118)	<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	32	(102)	(118)
102	102	220	Opening Cash and Cash Equivalents	102	102	220
<b>134</b>	<b>----</b>	<b>102</b>	<b>CLOSING CASH AND CASH EQUIVALENTS</b>	<b>134</b>	<b>----</b>	<b>102</b>

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 2018

**1. Statement 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 safety and quality, effectiveness, efficiency, and responsiveness of the system to the health needs of the people of NSW
- To provide an annual report to the Minister and Parliament on the performance of the NSW Public Health System
- To publish reports benchmarking the performance of the NSW Public Health System with comparable health systems
- 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 undertake analysis of data at the request of the Health Secretary to: (i) support planning and oversight for effective, efficient, and safe health services in NSW; (ii) meet NSW national commitments on Health (including but not limited to commitments arising from the National Health Reform Agreement)
- 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 and internationally
- To provide advice to the Minister for Health and the Secretary of the Ministry of Health on issues arising out of its functions.

\* 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 period ended 30 June 2018 have been authorised for issue by the Chief Executive, Acting Chief Financial Officer and the Chair of the Board on 19 September 2018.

**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 the Public Finance and Audit Regulation 2015, and Financial Reporting Directions mandated by the Treasurer. 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(x).

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

The Bureau of Health Information  
Notes to and forming part of the Financial Statements  
for the year ended 30 June 2018

**1. Statement of Significant Accounting Policies**

The Secretary of NSW 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 Performance 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 Performance 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 Performance Agreement performance standards, the NSW 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 NSW Ministry of Health.

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.

Certain comparative information has been reclassified to ensure consistency with current year presentation and classification.

**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 and Wages, Annual Leave, Sick Leave, Allocated Days Off (ADO) 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 and ADO are not expected to be settled wholly before 12 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 16.1% are applied to the value of leave payable at 30 June 2018 (comparable on-costs for 30 June 2017 were 15.8%). The Bureau has assessed the actuarial advice based on the The Bureau's circumstances to both the annual leave and ADO and has determined that the effect of discounting is immaterial to annual leave. All annual leave and ADO are classified as a current liability even where the consolidated entity does not expect to settle the liability within 12 months as the consolidated entity does not have an unconditional right to defer settlement.

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'.

The Bureau of Health Information  
Notes to and forming part of the Financial Statements  
for the year ended 30 June 2018

**1. Statement of Significant Accounting Policies**

Specific on-costs relating to Long Service Leave assumed by the Crown Entity are borne by The Bureau as shown in Note 16.

Long service leave is measured at the present value of expected future payments to be made in respect of services provided up to the reporting date. Consideration is given to certain factors based on actuarial review, including expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using Commonwealth government bond rate at the reporting date.

The superannuation expense for the financial year 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) Grants and Subsidies**

Grant and subsidies expense generally comprise contributions in cash or in kind to various local government authorities and not-for-profit community organisations to support their health-related objectives and activities. The grant and subsidies are expensed on the transfer of the cash or assets. The transferred assets are measured at their fair value.

**h) 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.

**i) 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 Other Contributions*

Grants and other contributions, comprising mainly cash and in-kind contributions, are recognised as revenues when control passes to The Bureau and the contractual obligations have been satisfied. In-kind contributions are measured at fair value on transfer date.

*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 NSW Ministry of Health. Allocations are normally recognised upon the receipt of cash.

The Bureau of Health Information  
Notes to and forming part of the Financial Statements  
for the year ended 30 June 2018

**1. Statement of Significant Accounting Policies**

**j) 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.

**k) Acquisition of Property, Plant and Equipment**

Property, plant and equipment acquired are initially recognised at cost and subsequently revalued at fair value less accumulated depreciation and impairment. 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.

**l) Capitalisation Thresholds**

Property, plant and equipment and intangible assets costing \$10,000 and above individually (or forming part of a network costing more than \$10,000) are capitalised.

**m) 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.

**n) 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 Impairment of Assets 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.

**o) Restoration Costs**

On initial recognition, the present value of the expected cost for the restoration or cost of dismantling of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

**p) 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.

**1. Statement of Significant Accounting Policies**

**q) 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.

**r) 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.

**s) Impairment of Financial Assets**

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

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

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

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

**t) 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.

**u) 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.

**v) 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:

The Bureau of Health Information  
Notes to and forming part of the Financial Statements  
for the year ended 30 June 2018

**1. Statement of Significant Accounting Policies**

\* Level 1 – quoted prices in active markets for identical assets / liabilities that the entity can access at the measurement date.

\* Level 2 – inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.

\* Level 3 – inputs that are not based on observable market data (unobservable inputs).

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

For non-specialised assets with short useful lives, AASB 13 Fair Value Measurement 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.

**w) Equity and Reserves**

**(i) Accumulated Funds**

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

**x) Adjusted Budget 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 Performance 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".

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

**(i) Effective for the first time in 2017-18**

The accounting policies applied in 2017-18 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 2016-2 Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB 107 Statement of Cash Flows applies to annual periods beginning on or after 1 January 2017. The standard amends AASB 107 Statement of Cash Flows to require additional disclosures for financing activities in the Statement of Cash Flows. A reconciliation of liabilities arising from financing activities has been added to Note 21 of these financial statements.

**(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 The Bureau have not been applied and are not yet effective. The possible impact of these Accounting Standards in the period of initial application includes:

AASB 9 Financial Instruments applies to annual periods beginning on or after 1 January 2018. AASB 9 Financial Instruments 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 Financial Instruments also introduces a forward-looking 'expected credit losses' impairment model, which may impact the timing and amount of impairment recognition.

AASB 16 Leases replaces all existing leases requirements and applies to annual periods beginning on or after 1 January 2019. For lessees, the distinction between operating and finance leases will no longer exist. Instead, AASB 16 Leases will require lessees to account for practically all leases under a single on-balance sheet model in a similar way to finance leases under AASB 117 Leases. The standard includes two recognition exemptions for lessees – leases of 'low value' assets (e.g. personal computers below \$10,000) and short term leases (i.e. leases with a lease term of 12 months or less). At the commencement of a lease, a lessee will recognise a liability representing its obligation to make future lease payments and an asset representing its right of use to the underlying asset for the lease term. Lessees will be required to separately recognise interest expense on the lease liability and depreciation expense on the Right of Use asset rather than operating lease expense.

The lease expense recognition pattern for leases will generally be accelerated as compared to today. Some key balance sheet metrics may also be impacted. Also, the statement of cash flows for lessees will be affected as payments for the principal portion of the lease liability will be presented within financing activities.

Lessor accounting is substantially unchanged from today's accounting under AASB 117 Leases. Lessors will continue to classify all leases using the same classification as in AASB 117 Leases and distinguish between two types of leases: operating and finance leases.



The Bureau of Health Information  
Notes to and forming part of the Financial Statements  
for the year ended 30 June 2018

## 1. Statement of Significant Accounting Policies

The standard permits two methods of adoption: full retrospective – by retrospectively adjusting each prior reporting period presented and recognising the cumulative effect of initially applying the new requirements at the start of the earliest period, which would be 1 July 2018; or modified retrospective – by recognising the cumulative effect of initially applying the new requirements at the initial application, which would be 1 July 2019. NSW Treasury has mandated modified retrospective application of this accounting standard.

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 Revenue from Contracts with Customers 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 Income of Not-for-Profit Entities 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 these financial statements.

AASB 1059 Service Concession Arrangements is applicable to public sector entities only and requires the grantor to recognise a service concession asset in a service concession arrangement where it controls the asset. A corresponding financial liability and/or grant of right liability is also recognised depending on the nature of the consideration exchanged. Service concession assets (including those provided by the operator, an upgrade to or a major component replacement of an existing asset of the grantor; and existing assets of the grantor – also applicable to previously unrecognised intangible assets except goodwill) are initially measured at current replacement cost based on AASB 13 Fair Value Measurement principles. They are subsequently accounted for under AASB 116 Property, Plant & Equipment or AASB 138 Intangible Assets. Service concession liabilities are initially measured at the same amount as the service concession asset and subsequently measured using either the “financial liability” model applying AASB 9 Financial Instruments or, the “grant of right” model under AASB 1059 Service Concession Arrangements. AASB 1059 Service Concession Arrangements requires retrospective application.

### Overview of Assessment Activities

NSW Health designed a project roadmap to implement the above five new accounting standards by its application date. The project consists of 4 phases: Scoping, Data gathering, In Depth Analysis and Implementation. Scoping phase was completed and data gathering has begun. An external project consultant and project manager will be appointed, and various steering committees and project teams will be internally formed as part of the implementation project. Central high level estimates on the impact of the new accounting standards were also calculated and reported to NSW Treasury by the central team at the NSW Ministry of Health. Further details are available in the NSW Ministry of Health's consolidated financial statements.

We are continuously analysing and assessing the impact of the new accounting standards. This includes changes to our accounting policies, internal and external reporting requirements, IT systems, business processes and associated internal controls with the objectives of quantifying the expected first time adoption impacts as well as supporting ongoing compliance with the new accounting requirements.

### Potential Impact on The Bureau's Financial Report

While the consolidated entity is yet to undertake a detailed assessment of the classification and measurement of all of the accounting standards, the following general impacts are expected from the work conducted so far:

#### Leases

- \* The total assets and liabilities on the balance sheet will increase. Net total assets are expected to decrease due to a reduction of the capitalised asset being on a straight line basis whilst the liability reduces the principal amount of repayments. Net current assets will also show a decrease due to an element of the liability being disclosed as current liability.
- \* Interest expenses will increase due to the unwinding of the effective interest rate implicit in the lease. Interest expense will be greater earlier in a lease life due to the higher principal value causing profit variability over the course of the lease life. This effect may be partially mitigated due to the number of leases held in the entity at different stages of their lease terms.
- \* Depreciation expense will be booked on Right of Use assets, which will be on a straight-line basis.
- \* Operating cash flows will be higher as repayment of the principal portion of all lease liabilities will be classified as financing activities.

The Bureau of Health Information  
Notes to and forming part of the Financial Statements  
for the year ended 30 June 2018

**1. Statement of Significant Accounting Policies**

*Revenue and Income of Not-for-Profit Entities*

- \* The deferral of some revenues of The Bureau.
- \* Impact on the estimates and judgements involved in the unbilled revenue process.
- \* Specific quantitative and qualitative disclosures may be required under AASB 15 Revenue from Contracts with Customers.

*Financial Instruments*

- \* The new impairment model requires the recognition of impairment provisions based on expected credit losses rather than only incurred

*Service Concession Arrangements*

- \* No significant impact expected on The Bureau.

**Application Date**

- \* The Bureau plans to adopt the new standards on the required effective date in line with the NSW Treasury's instructions.

The Bureau of Health Information  
Notes to and forming part of the Financial Statements  
for the year ended 30 June 2018

PARENT			CONSOLIDATION	
2018 \$000	2017 \$000		2018 \$000	2017 \$000
		<b>2. Employee Related Expenses</b>		
----	----	Salaries and Wages (including annual leave and ADO)	4,747	3,863
----	----	Superannuation - Defined Benefit Plans	20	1
----	----	Superannuation - Defined Contribution Plans	427	358
----	----	Long Service Leave	283	(55)
----	----	Redundancies	----	90
----	----	Workers' Compensation Insurance	16	15
----	----	Fringe Benefits Tax	----	2
<hr/>	<hr/>		<hr/>	<hr/>
----	----		<b>5,493</b>	<b>4,274</b>
<hr/> <hr/>	<hr/> <hr/>		<hr/> <hr/>	<hr/> <hr/>
		<b>3. Personnel Services</b>		
4,747	3,863	Salaries and Wages	----	----
----	----	Superannuation - Defined Benefit Plans	----	----
427	358	Superannuation - Defined Contribution Plans	----	----
24	(22)	Long Service Leave	----	----
----	90	Redundancies	----	----
16	15	Workers' Compensation Insurance	----	----
----	2	Fringe Benefits Tax	----	----
<hr/>	<hr/>		<hr/>	<hr/>
<b>5,214</b>	<b>4,306</b>		<hr/> <hr/>	<hr/> <hr/>

Personnel services of The Bureau of Health Information was provided by its controlled entity, The Bureau of Health Information Special Purpose Service Entity.

The Bureau of Health Information  
Notes to and forming part of the Financial Statements  
for the year ended 30 June 2018

PARENT			CONSOLIDATION	
2018	2017		2018	2017
\$000	\$000		\$000	\$000
<b>4. Other Expenses</b>				
5	1	Advertising	5	1
30	36	Auditor's Remuneration - Audit of Financial Statements	30	36
2	2	Domestic Supplies and Services	2	2
6	3	Food Supplies	6	3
11	22	Fuel, Light and Power	11	22
640	321	Information Management Expenses	640	321
----	1	Insurance	----	1
45	47	Maintenance (See 4(b) below)	45	47
----	3	Motor Vehicle Expenses	----	3
23	7	Postal and Telephone Costs	23	7
46	90	Printing and Stationery	46	90
262	255	Rental	262	255
14	14	Hosted Services Purchased from entities controlled by the immediate parent	14	14
174	186	Staff Related Costs	174	186
25	39	Travel Related Costs	25	39
378	323	Other (See 4(a) below)	378	323
1,526	2,036	Other Management Services	1,526	2,036
75	151	Data Records Storage	75	151
<u>3,262</u>	<u>3,537</u>		<u>3,262</u>	<u>3,537</u>

The Bureau of Health Information  
Notes to and forming part of the Financial Statements  
for the year ended 30 June 2018

PARENT			CONSOLIDATION	
2018 \$000	2017 \$000		2018 \$000	2017 \$000
		<b>4. Other Expenses</b>		
		<b>a) Other Includes:</b>		
98	153	Corporate Support Services	98	153
1	2	Courier and Freight	1	2
24	29	Membership/Professional Fees	24	29
255	139	Other Miscellaneous	255	139
<u>378</u>	<u>323</u>		<u>378</u>	<u>323</u>
		A portion (\$167k) of 'Other Miscellaneous Expenses' was related to Human Resource Service.		
		<b>b) Reconciliation of Total Maintenance</b>		
3	3	Maintenance Contracts	3	3
38	40	New/Replacement Equipment under \$10,000	38	40
4	4	Repairs Maintenance/Non Contract	4	4
45	47	Maintenance Expense - Contracted Labour and Other (Non-Employee Related in Note 4)	45	47
<u>45</u>	<u>47</u>		<u>45</u>	<u>47</u>

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

A portion (\$318k) of 'Information Management Expenses' and 'Intrahealth Financial Services' of \$99k were incurred from Health Administration Corporation, an entity controlled by the immediate parent.

Some 'Rental' and 'Staff Related costs' expenses were paid to entities controlled by the immediate parent.

The Bureau of Health Information  
Notes to and forming part of the Financial Statements  
for the year ended 30 June 2018

PARENT			CONSOLIDATION	
2018	2017		2018	2017
\$000	\$000		\$000	\$000
<b>5. Depreciation and Amortisation</b>				
3	4	Depreciation - Plant and Equipment	3	4
114	94	Amortisation - Leasehold Improvements	114	94
<u>117</u>	<u>98</u>		<u>117</u>	<u>98</u>
<b>6. Grants and Subsidies</b>				
----	30	Grants to Research Organisations	----	30
----	16	Grants paid to entities controlled by the immediate parent	----	16
<u>----</u>	<u>46</u>		<u>----</u>	<u>46</u>
<b>7. Finance Costs</b>				
5	3	Other Interest Charges	5	3
<u>5</u>	<u>3</u>		<u>5</u>	<u>3</u>

The Bureau of Health Information  
Notes to and forming part of the Financial Statements  
for the year ended 30 June 2018

PARENT			CONSOLIDATION	
2018	2017		2018	2017
\$000	\$000		\$000	\$000
<b>8. Sale of Goods and Services</b>				
----	3	Private Use of Motor Vehicles	----	3
----	2	Other	----	2
<u>----</u>	<u>5</u>		<u>----</u>	<u>5</u>
<u>-----</u>	<u>-----</u>		<u>-----</u>	<u>-----</u>

The Bureau of Health Information  
Notes to and forming part of the Financial Statements  
for the year ended 30 June 2018

PARENT			CONSOLIDATION	
2018 \$000	2017 \$000		2018 \$000	2017 \$000
<b>9. Acceptance by the Crown Entity of Employee Benefits</b>				
The following liabilities and expenses have been assumed by the Crown				
----	----	Superannuation-defined benefit	20	1
----	----	Long Service Leave	259	(33)
-----	-----		279	(32)
=====	=====		279	(32)
<b>10. Other Income</b>				
----	2	Property not Previously Recognised	----	2
-----	2		-----	2
=====	=====		-----	2

\*Some 'Lease and Rental' revenue was received from entities controlled by the immediate parent.



The Bureau of Health Information  
Notes to and forming part of the Financial Statements  
for the year ended 30 June 2018

PARENT			CONSOLIDATION	
2018	2017		2018	2017
\$000	\$000		\$000	\$000
		<b>11. Gain / (Loss) on Disposal</b>		
----	27	Property, Plant and Equipment	----	27
----	(7)	Accumulated Depreciation	----	(7)
-----	-----		-----	-----
	<b>20</b>	<b>Written Down Value</b>	<b>-----</b>	<b>20</b>
----	11	Proceeds from Disposal	----	11
-----	-----		-----	-----
-----	<b>(9)</b>	<b>Gain/(Loss) on Disposal of Property, Plant and Equipment</b>	-----	<b>(9)</b>
=====	=====		=====	=====
-----	<b>(9)</b>	<b>Total Gain/(Loss) on Disposal</b>	-----	<b>(9)</b>
=====	=====		=====	=====

The Bureau of Health Information  
Notes to and forming part of the Financial Statements  
for the year ended 30 June 2018

PARENT			CONSOLIDATION	
2018	2017		2018	2017
\$000	\$000		\$000	\$000
<b>12. Cash and Cash Equivalents</b>				
134	102	Cash at Bank and On Hand	134	102
<u>134</u>	<u>102</u>		<u>134</u>	<u>102</u>
<p>For the purposes of the Statement of Cash Flows, cash and cash equivalents include cash at bank, cash on hand, short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value, and net of outstanding bank overdraft.</p> <p>Cash &amp; 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>				
134	102	Cash and Cash Equivalents (per Statement of Financial Position)	134	102
<u>134</u>	<u>102</u>	Closing Cash and Cash Equivalents (per Statement of Cash Flows)	<u>134</u>	<u>102</u>

Refer to Note 24 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 2018

PARENT			CONSOLIDATION	
2018 \$000	2017 \$000		2018 \$000	2017 \$000
		<b>13. Receivables</b>		
		<b>Current</b>		
202	50	Intra Health Receivables	202	50
124	168	Goods and Services Tax	124	168
326	218	<b>Sub Total</b>	326	218
71	218	Prepayments	71	218
<b>397</b>	<b>436</b>		<b>397</b>	<b>436</b>

'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-\$188k; Agency for Clinical Innovation-\$11k and NSW Ministry of Health-\$2k

The Bureau of Health Information  
Notes to and forming part of the Financial Statements  
for the year ended 30 June 2018

PARENT			CONSOLIDATION	
2018 \$000	2017 \$000		2018 \$000	2017 \$000
		<b>14. Property, Plant and Equipment</b>		
		<b>Plant and Equipment - Fair Value*</b>		
28	29	Gross Carrying Amount	28	29
11	9	Less: Accumulated Depreciation and Impairment	11	9
<b>17</b>	<b>20</b>	Net Carrying Amount	<b>17</b>	<b>20</b>
		<b>Leasehold Improvements - Fair Value*</b>		
571	557	Gross Carrying Amount	571	557
410	297	Less: Accumulated Depreciation and Impairment	410	297
<b>161</b>	<b>260</b>	Net Carrying Amount	<b>161</b>	<b>260</b>
		<b>Total Property, Plant and Equipment At Net Carrying Amount</b>		
<b>178</b>	<b>280</b>		<b>178</b>	<b>280</b>

\* 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 2018  
**PARENT & CONSOLIDATION**

**14. 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
<b>2018</b>			
Net carrying amount at start of year	20	260	280
Additions	----	15	15
Depreciation Expense	(3)	(114)	(117)
<b>Net carrying amount at end of year</b>	<b>17</b>	<b>161</b>	<b>178</b>

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

The Bureau of Health Information  
Notes to and forming part of the Financial Statements  
for the year ended 30 June 2018

PARENT			CONSOLIDATION	
2018 \$000	2017 \$000		2018 \$000	2017 \$000
		<b>15. Payables</b>		
		<b>Current</b>		
----	----	Accrued Salaries, Wages and On-Costs	61	54
----	----	Taxation and Payroll Deductions	61	59
122	113	Accrued Liability - Purchase of Personnel Services	----	----
11	5	Creditors	11	5
81	147	- Payables to entities controlled by the immediate parent	81	147
29	16	- Other	29	16
<u>243</u>	<u>281</u>		<u>243</u>	<u>281</u>

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

The majority of 'Payables to entities controlled by the immediate parent' relate to balances payable to the Health Administration Corporation, an entity controlled by the immediate parent, namely eHealth NSW-\$31k, NSW Ministry of Health-\$30k, HealthShare NSW-\$15k and Clinical Excellence Commission -\$2k

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

The Bureau of Health Information  
Notes to and forming part of the Financial Statements  
for the year ended 30 June 2018

PARENT			CONSOLIDATION	
2018	2017		2018	2017
\$000	\$000		\$000	\$000
		<b>16. Provisions</b>		
		<b>Current</b>		
----	----	Annual Leave - Short Term Benefit	329	221
----	----	Annual Leave - Long Term Benefit	----	106
----	----	Long Service Leave Consequential On-Costs	63	41
----	----	Provision for Other Employee Benefits*	22	11
414	379	Provision for Personnel Services Liability	----	----
<u>414</u>	<u>379</u>		<u>414</u>	<u>379</u>
		*ADO liabilities have been reclassified from 'Other' to 'Provision for Other Employee Benefits'. Prior year comparatives have been restated as a result.		
		<b>Non-Current</b>		
----	----	Long Service Leave Consequential On-Costs	5	4
5	4	Provision for Personnel Services Liability	----	----
115	95	Other	115	95
<u>120</u>	<u>99</u>		<u>120</u>	<u>99</u>
		<b>Aggregate Employee Benefits and Related On-Costs</b>		
----	----	Provisions - Current	414	379
----	----	Provisions - Non-Current	5	4
----	----	Accrued Salaries, Wages and On-Costs (Note 15)	122	113
541	496	Liability - Purchase of Personnel Services	----	----
<u>541</u>	<u>496</u>		<u>541</u>	<u>496</u>

The Bureau of Health Information  
Notes to and forming part of the Financial Statements  
for the year ended 30 June 2018

PARENT			CONSOLIDATION	
2018 \$000	2017 \$000		2018 \$000	2017 \$000
<b>17. Commitments for Expenditure</b>				
a) <b>Operating Lease Commitments</b>				
Future non-cancellable operating lease rentals not provided for and payable:				
		Within one year	302	290
302	290	Later than one year and not later than five years	156	458
156	458		458	748
458	748	<b>Total Operating Lease Commitments (Including GST)</b>	458	748

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

The Bureau has committed to a lease 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 \$0.458M million as at 30 June 2018 includes input tax credits of \$0.042M that are expected to be recoverable from the Australian Taxation Office (2017 \$0.075M).



The Bureau of Health Information  
Notes to and forming part of the Financial Statements  
for the year ended 30 June 2018

**PARENT AND CONSOLIDATED**

**18. Contingent Liabilities and Assets**

**Contingent Liabilities and Assets**

There are no contingent assets or liabilities as at 30 June 2018.

The Bureau of Health Information  
Notes to and forming part of the Financial Statements  
for the year ended 30 June 2018

PARENT			CONSOLIDATION	
2018	2017		2018	2017
\$000	\$000		\$000	\$000
<b>19. Reconciliation of Cash Flows from Operating Activities to Net Result</b>				
47	(108)	Net Cash Flows from Operating Activities	47	(108)
(116)	(98)	Depreciation and Amortisation	(116)	(98)
(57)	41	(Increase)/ Decrease in Provisions	(57)	41
(24)	250	Increase / (Decrease) in Prepayments and Other Assets	(24)	250
23	(18)	(Increase)/ Decrease in Payables from Operating Activities	23	(18)
-----	(9)	Net Gain/ (Loss) on Sale of Property, Plant and Equipment	-----	(9)
-----	2	Assets donated or brought to account for the first time	-----	2
<u>(127)</u>	<u>60</u>	<b>Net Result</b>	<u>(127)</u>	<u>60</u>
<b>20. Non-Cash Financing and Investing Activities</b>				
-----	2	Assets Received by Donation	-----	2
<u>-----</u>	<u>2</u>		<u>-----</u>	<u>2</u>

**PARENT & CONSOLIDATION**

**21. Changes in Liabilities arising from Financing Activities**

	2017	Cash Flow	Non-cash Changes Other	2018
	\$000	\$000	\$000	\$000
Borrowings and Advances	-----	-----	-----	-----

**22. Unclaimed Monies**

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

The Bureau of Health Information  
Notes to and forming part of the Financial Statements  
for the year ended 30 June 2018

**PARENT AND CONSOLIDATION**

**23. Adjusted Budget Review - Parent and Consolidated**

**Net Result**

The actual Net Result was higher than adjusted budget by \$194K, primarily due to:

i) Employee related expenses that are favourable by \$138K. The favourability is due to The Bureau carrying vacant positions including Senior Director which is now in the process of being filled.

ii) Other Expenses are favourable by \$67K to budget. This favourability relates to Data Records of \$97K because The Bureau did not purchase any Commonwealth Fund data during the financial year. The favourability also relates to Other Management Services of \$86K which relates to less expenditure than originally planned for some external service providers including in relation to the patient survey contract. The surplus is offset by unfavourability of \$102K which relates to the unplanned costs of executive recruitment and executive coaching.

**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 reflect favourability of \$150k due to delays in recruitment process. Payments to suppliers for goods and services are also favourable by \$214K due to decrease in operating expenses related to Data Records and Other Management Services.

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 2017 are as follows:

	<b>\$000</b>
Initial Allocation, 1 July 2017	8,592
Other - budget adjustment to reduce subsidy entitlement	<u>(121)</u>
Balance as per Statement of Comprehensive Income	<u><u>8,471</u></u>

The Bureau of Health Information  
Notes to and forming part of the Financial Statements  
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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 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	Carrying Amount
		2018	2017
		\$000	\$000
Cash and Cash Equivalents (note 12)	N/A	134	102
Receivables (note 13)*	Loans and receivables (at amortised cost)	202	50
		336	152
<b>Financial Liabilities</b>			
Payables (note 15)**	Financial liabilities measured at amortised cost	182	222
		182	222

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). Prior year comparatives have been restated to include Accrued Salaries, Wages and On-Costs.

**(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.

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## 24. Financial Instruments

### 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 2017/18 compared to 2.35% 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 are not considered impaired.

	2018	2017
	\$000	\$000
Neither past due nor impaired	202	50
<b>Total</b> <sup>1,2</sup>	<b>202</b>	<b>50</b>

### 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 Financial Instruments Disclosures. 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 NSW 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**

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 <sup>1</sup>	Fixed Interest Rate	Variable Interest Rate	Non - Interest Bearing	< 1 Yr	1-5 Yr	> 5Yr
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>2018</b>							
Payables:							
- Creditors <sup>2</sup>	182	----	----	182	182	----	----
	182	----	----	182	182	----	----
<b>2017</b>							
Payables:							
- Creditors <sup>2</sup>	222	----	----	222	222	----	----
	222	----	----	222	222	----	----

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.

2 \*\*Excludes statutory payables and unearned revenue (i.e. not within scope of AASB7 Financial Instruments Disclosures). Prior year comparatives have been restated to include Accrued Salaries Wages, On-Costs and Payroll Deductions.

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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 TCorpIM Funds 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 2017-18. 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
<b>2018</b>					
<b>Financial Assets</b>					
Cash and Cash Equivalents	134	(1)	(1)	1	1
Receivables	202	----	----	----	----
<b>Financial Liabilities</b>					
Payables*	182	----	----	----	----
<b>2017</b>					
<b>Financial Assets</b>					
Cash and Cash Equivalents	102	(1)	(1)	1	1
Receivables	50	----	----	----	----
Payables*	222	----	----	----	----

\*Excludes statutory payables and unearned revenue (i.e. not within scope of AASB7 Financial Instruments Disclosures). Prior year comparatives have been restated to include Accrued Salaries Wages, On-Costs and Payroll Deductions.

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**25. Related Party Transactions**

**PARENT AND CONSOLIDATION**

Key management personnel compensation is as follows:

	<b>2018</b>	<b>2017</b>
	<b>\$000</b>	<b>\$000</b>
Short-term employee benefits	233	111
Post-employment benefits	23	15
Other long-term benefits	----	----
Termination benefits	----	----
	<b>256</b>	<b>126</b>

During the financial year, The Bureau of Health Information obtained key management personnel services from the immediate parent and incurred \$135k (2017: \$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 were no transactions with key management personnel and their close family members (2017: \$Nil).

**Transactions with ultimate parent**

There were no transactions with the ultimate parent during the financial year (2017: \$Nil).

**26. 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**



