



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 Bureau of Health Information (the Bureau), which comprise the Statement by the Accountable Authority, the Statement of Comprehensive Income for the year ended 30 June 2021, the Statement of Financial Position as at 30 June 2021, 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.

In my opinion, the financial statements:

- have been prepared in accordance with Australian Accounting Standards and the applicable financial reporting requirements of the *Government Sector Finance Act 2018* (GSF Act), the *Government Sector Finance Regulation 2018* (GSF Regulation) and the Treasurer's Directions
- presents fairly the Bureau's financial position, financial performance and cash flows

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 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 (including Independence Standards)' (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 - Presentation of Budget Information

Without modification to the opinion expressed above, I draw attention to the basis of presenting adjustment budget information detailed in Note 24. The note states that AASB1055 'Budgetary Reporting' is not applicable to the Bureau. It also states that unlike the requirement in AASB1055 'Budgetary Reporting' to present original budget information, the Bureau's financial statements present adjusted budget information.

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, the GSF Act, GSF Regulations and Treasurer's Directions. The Chief Executive's responsibility also includes 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 Bureau's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting.

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/ar6.pdf . The description forms part of my auditor's report.

The scope of my audit does not include, nor provide assurance:

- that the Bureau 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.



Michael Kharzoo
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

6 October 2021
SYDNEY

The Bureau of Health Information

Statement by the Accountable Authority

for the year ended 30 June 2021



We state, pursuant to section 7.6(4) of the Government Sector Finance Act 2018 ('the Act'):

1. The financial statements of The Bureau of Health Information for the year ended 30 June 2021 have been prepared in accordance with:
 - a. Australian Accounting Standards (AAS) (which include Australian Accounting Interpretations);
 - b. applicable requirements of the Act, the *Government Sector Finance Regulation 2018*; and
 - c. Treasurer's Directions issued under the Act.
2. The financial statements present fairly The Bureau of Health Information's financial position as at 30 June 2021 and the financial performance and cash flows for the year then ended; and
3. We are not aware of any circumstances which would render any particulars in the financial statements to be misleading or inaccurate.

A handwritten signature in black ink, appearing to read 'WC' followed by a stylized flourish.

Warren Clarke
Chief Finance Officer
5 October 2021

A handwritten signature in blue ink, appearing to read 'Diane Watson'.

Dr Diane Watson
Chief Executive
5 October 2021

A handwritten signature in black ink, appearing to read 'Carol Pollock'.

Professor Carol Pollock AO
Chair of the Board
5 October 2021

The Bureau of Health Information

Statement of Comprehensive Income for the year ended 30 June 2021

		Consolidated	Consolidated	Consolidated	Parent	Parent
		Actual	Budget ¹	Actual	Actual	Actual
		2021	2021	2020	2021	2020
	Notes	\$000	\$000	\$000	\$000	\$000
Continuing operations						
Expenses excluding losses						
Employee related expenses	2	6,649	6,541	6,266	-	-
Personnel services	3	-	-	-	6,638	6,059
Other expenses	4	3,210	3,619	2,991	3,210	2,991
Depreciation and amortisation	5	170	137	319	170	319
Finance costs	6	1	1	(14)	1	(14)
Total expenses excluding losses		10,030	10,298	9,562	10,019	9,355
Revenue						
NSW Ministry of Health recurrent allocations	8	9,862	10,199	8,984	9,862	8,984
Acceptance by the Crown ² of employee benefits	9	11	11	207	-	-
Other income	10	-	-	2	-	2
Total revenue		9,873	10,210	9,193	9,862	8,986
Operating result		(157)	(88)	(369)	(157)	(369)
Gains / (losses) on disposal	11	-	-	(15)	-	(15)
Net result from continuing operations	22	(157)	(88)	(384)	(157)	(384)
TOTAL COMPREHENSIVE INCOME		(157)	(88)	(384)	(157)	(384)

¹ Unaudited adjusted budget, see Note 24.

² Crown represents "The Crown in right of the State of New South Wales"

The accompanying notes form part of these financial statements.

The Bureau of Health Information
Statement of Financial Position as at 30 June 2021

	Notes	Consolidated Actual 2021 \$000	Consolidated Budget ¹ 2021 \$000	Consolidated Actual 2020 \$000	Parent Actual 2021 \$000	Parent Actual 2020 \$000
ASSETS						
Current assets						
Cash and cash equivalents	12	51	67	67	51	67
Receivables	13	192	248	247	192	247
Total current assets		243	315	314	243	314
Non-current assets						
Right-of-use assets	15	-	34	170	-	170
Total non-current assets		-	34	170	-	170
Total assets		243	349	484	243	484
LIABILITIES						
Current liabilities						
Payables	18	268	304	280	268	280
Borrowings	19	-	(1)	141	-	141
Provisions	20	899	902	834	899	834
Total current liabilities		1,167	1,205	1,255	1,167	1,255
Non-current liabilities						
Provisions	20	13	13	9	13	9
Total non-current liabilities		13	13	9	13	9
Total liabilities		1,180	1,218	1,264	1,180	1,264
Net assets		(937)	(869)	(780)	(937)	(780)
EQUITY						
Accumulated funds		(937)	(869)	(780)	(937)	(780)
Total Equity		(937)	(869)	(780)	(937)	(780)

¹ Unaudited adjusted budget, see Note 24.

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 2021

PARENT AND CONSOLIDATION

	Accumulated Funds \$000	Total \$000
Balance at 1 July 2020	(780)	(780)
Net result for the year	(157)	(157)
Total comprehensive income for the year	(157)	(157)
Balance at 30 June 2021	(937)	(937)

	Accumulated Funds \$000	Total \$000
Balance at 1 July 2019	(396)	(396)
Net result for the year	(384)	(384)
Total comprehensive income for the Year	(384)	(384)
Balance at 30 June 2020	(780)	(780)

The accompanying notes form part of these financial statements.

The Bureau of Health Information
Statement of Cash Flows for the year ended 30 June 2021

	Notes	Consolidated Actual 2021 \$000	Consolidated Budget ¹ 2021 \$000	Consolidated Actual 2020 \$000	Parent Actual 2021 \$000	Parent Actual 2020 \$000
CASH FLOWS FROM OPERATING ACTIVITIES						
Payments						
Employee related		(6,371)	(6,416)	(5,938)	-	-
Suppliers for goods and services		(3,673)	(4,006)	(3,325)	(3,673)	(3,325)
Finance costs		-	(1)	14	-	14
Personnel services		-	-	-	(6,371)	(5,938)
Total payments		(10,044)	(10,423)	(9,249)	(10,044)	(9,249)
Receipts						
NSW Ministry of Health recurrent allocations		9,862	10,199	8,984	9,862	8,984
Sale of goods and services		-	-	6	-	6
Other		307	366	376	307	376
Total receipts		10,169	10,565	9,366	10,169	9,366
NET CASH FLOWS FROM OPERATING ACTIVITIES	22	125	142	117	125	117
CASH FLOWS FROM FINANCING ACTIVITIES						
Payment of principal portion of lease liabilities		(141)	(142)	(236)	(141)	(236)
NET CASH FLOWS FROM FINANCING ACTIVITIES		(141)	(142)	(236)	(141)	(236)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		(16)	-	(119)	(16)	(119)
Opening cash and cash equivalents	12	67	67	186	67	186
CLOSING CASH AND CASH EQUIVALENTS	12	51	67	67	51	67

¹ Unaudited adjusted budget, see Note 24.

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 2021

1. Statement of Significant Accounting Policies

a) 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 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) and it has no cash generating units.

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 publish reports benchmarking the performance of the NSW Public Health System with comparable health system
 - 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.

These consolidated financial statements for the year ended 30 June 2021 have been authorised for issue by the Chief Executive on 5 October 2021.

The Bureau of Health Information

Notes to and forming part of the Financial Statements

for the year ended 30 June 2021

1. Statement 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 (AAS) (which include Australian Accounting Interpretations);
- * applicable requirements of the *Government Sector Finance Regulation 2018* ('the Act'); and
- * Treasurer's Directions issued under the Act.

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

The Secretary of NSW Health, the Board Chair of The Bureau of Health Information and the Chief Executive, have agreed to service and funding levels for the forward financial year. The Statement of Service 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 Statement of Service requires local management to control its financial liquidity and in particular meet benchmarks for the payment of creditors. Where the Bureau fails to meet Statement of Service 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.

The negative Net Result position of the Bureau has mainly resulted from non-cash expenses with no revenue or funding source, which also impacts negatively on the Statement of Changes in Equity, however this treatment, which aligns with NSW Treasury arrangement and directions on cash buffers, does not impact the Bureau as a going concern. The Bureau has demonstrated prudent financial management as is evident through achieving a slight favourable variance on budgeted expenditure and achieving an efficiency saving.

The Novel Coronavirus (COVID-19) pandemic in late February 2020 saw a decline in expected hospital activities. The Australian Government imposed restrictions on health systems, including a suspension of non-urgent elective surgeries, to ensure increased public hospital capacity would be available. Ongoing critical resources in 2021 have been reassigned to treat, test and manage for surges of COVID-19 cases. A free COVID-19 vaccination program for all Australian citizens, permanent residents, and most visa-holders has commenced during 2021.

The Commonwealth has entered a National Partnership Agreement (NPA), in response to the COVID-19 pandemic, with States and Territories, including NSW. The Agreement delivers funding to public hospitals and provides stability and certainty of funding while ensuring access to health services in public hospitals.

Since March 2020, the NSW Government has committed more than \$4.0 billion to support NSW Health to increase its capacity and to manage the ongoing impacts of COVID-19. The 2021-22 NSW Budget included over \$30 billion for the NSW Health Cluster. This was enshrined in legislation on 28 June 2021 in Division 3 of the Appropriation Act 2021 No 18.

The Bureau has received an additional \$335 thousand (2020: \$11 thousand) through NSW Ministry of Health allocations as financial support for COVID-19 activity, see Note 8.

Despite the impact of COVID-19, the going concern assumption remains appropriate. Reasons for this include:

- * Allocated funds are adequate to pay debts as and when they become due and payable.
- * The Bureau has the capacity to review the timing of NSW Ministry of Health allocation cash flows to ensure debts can be paid when they become due and payable.
- * The Bureau has developed an Efficiency and Improvement Plan (EIP) which identifies cost saving strategies. Benefits from the EIP are retained by the Bureau and assist in meeting its overall budget target. The EIP is monitored and evaluated by the NSW Ministry of Health throughout the financial year.

The Ministry of Health has agreed unconditionally and irrevocably to provide The Bureau of Health Information with adequate financial support so as to ensure its business continuity.

The Bureau of Health Information

Notes to and forming part of the Financial Statements

for the year ended 30 June 2021

1. Statement of Significant Accounting Policies

Property, plant and equipment and certain financial assets and liabilities are measured using the fair value basis. Other financial statement items are prepared in accordance with the historical cost convention except where specified otherwise.

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

All amounts are rounded to the nearest one thousand dollars (unless otherwise stated) and are expressed in Australian currency, which is the Bureau's presentation and functional currency.

c) Statement of Compliance

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

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

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

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

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

e) 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.

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

f) Changes in accounting policy, including new or revised Australian Accounting Standards

(i) Effective for the first time in 2020-21

The accounting policies applied in 2020-21 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.

Several other amendments and interpretation apply for the first time in 2020-21, but do not have an impact on the financial statements of the Bureau.

AASB 1059 Service Concession Arrangements: Grantors (AASB 1059)

AASB 1059 is effective from 1 July 2020. At the same time NSW Treasury Policy and Guideline Paper TPP 06-8: Accounting for Privately Financed Projects (TPP 06-8) was withdrawn effective from 1 July 2020.

The adoption of AASB 1059 and the withdrawal of TPP 06-8 did not have an impact on the financial statements of the Bureau.

(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 Bureau, has assessed the potential impact of the new standards and interpretations issued but not yet effective and have determined they are unlikely to have a material impact on the financial statements of the Bureau.

The Bureau of Health Information

Notes to and forming part of the Financial Statements

for the year ended 30 June 2021

1. Statement of Significant Accounting Policies

g) Impact of COVID-19 on Financial Reporting for 2020-21

The COVID-19 pandemic has resulted in no significant changes in the Bureau's activity and in the way the services are being delivered. The pandemic has impacted financial reporting in 2020-21 and increased disclosures are presented in the following notes:

- * Note 1b) Basis of preparation
- * Note 8 NSW Ministry of Health allocations
- * Note 13 Receivables
- * Note 16 Fair value measurement of non-financial assets

The Bureau of Health Information

Notes to and forming part of the Financial Statements

for the year ended 30 June 2021

2. Employee related expenses

	Consolidated 2021 \$000	Consolidated 2020 \$000	Parent 2021 \$000	Parent 2020 \$000
Salaries and wages (including annual leave and ADO)	6,023	5,519	-	-
Superannuation - defined benefit plans	-	1	-	-
Superannuation - defined contribution plans	558	501	-	-
Long service leave	48	224	-	-
Workers' compensation insurance	20	21	-	-
	6,649	6,266	-	-

3. Personnel services

	Consolidated 2021 \$000	Consolidated 2020 \$000	Parent 2021 \$000	Parent 2020 \$000
Salaries and wages (including annual leave and ADO)	-	-	6,023	5,519
Superannuation - defined contribution plans	-	-	558	501
Long service leave	-	-	37	18
Workers' compensation insurance	-	-	20	21
	-	-	6,638	6,059

Personnel services of The Bureau of Health Information were 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 2021

4. Other expenses

	Consolidated 2021 \$000	Consolidated 2020 \$000	Parent 2021 \$000	Parent 2020 \$000
Advertising	2	1	2	1
Auditor's remuneration - audit of financial statements	34	28	34	28
Domestic supplies and services	4	25	4	25
Food supplies	-	7	-	7
Fuel, light and power	2	8	2	8
Information management expenses	552	532	552	532
Maintenance (see Note 4 (b))	54	115	54	115
Postal and telephone costs	23	14	23	14
Printing and stationery	7	43	7	43
Staff related costs	39	14	39	14
Travel related costs	1	12	1	12
Other management services (includes Patient Survey)	1,555	1,550	1,555	1,550
Data records storage	52	100	52	100
Other (see Note 4 (a))	885	542	885	542
	3,210	2,991	3,210	2,991

	Consolidated 2021 \$000	Consolidated 2020 \$000	Parent 2021 \$000	Parent 2020 \$000
(a) Other				
Corporate support services	116	106	116	106
Membership/professional fees	1	2	1	2
Expenses relating to short-term leases	354	-	354	-
Other miscellaneous	414	434	414	434
	885	542	885	542

(b) Reconciliation of total maintenance

Maintenance contracts	31	48	31	48
New / replacement equipment under \$10,000	20	62	20	62
Repairs maintenance / non contract	3	5	3	5
	54	115	54	115

The Bureau of Health Information

Notes to and forming part of the Financial Statements

for the year ended 30 June 2021

4. Other expenses (continued)

Recognition and Measurement

Maintenance expense

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

Operating expenses

Operating expenses generally represent the day-to-day running costs incurred in the normal operations of the Bureau. These costs are expensed as incurred. The recognition and measurement policy for non-employee related expenses is detailed in Note 18.

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 for NSW, a controlled entity of the ultimate parent.

Lease expense

The Bureau recognises the lease payments associated with the following types of leases as an expense on a straight-line basis:

- Leases that meet the definition of short-term, i.e. where the lease term at commencement of the lease is 12 months or less. This excludes leases with a purchase option.
- Leases of assets that are valued at \$10,000 or under when new.

Variable lease payments are not included in the measurement of the lease liability (i.e. variable lease payments that do not depend on an index or a rate, initially measured using the index or rate as at the commencement date). These payments are recognised in the period in which the event or condition that triggers those payments occurs.

The Bureau of Health Information
Notes to and forming part of the Financial Statements
for the year ended 30 June 2021

5. Depreciation and amortisation

	Consolidated 2021 \$000	Consolidated 2020 \$000	Parent 2021 \$000	Parent 2020 \$000
Depreciation - buildings	-	56	-	56
Depreciation - plant and equipment	-	3	-	3
Depreciation - right-of-use buildings	170	260	170	260
	170	319	170	319

Refer to Note 14 Property, plant and equipment and Note 15 Leases for recognition and measurement policies on depreciation.

The Bureau of Health Information
Notes to and forming part of the Financial Statements
for the year ended 30 June 2021

6. Finance costs

	Consolidated 2021 \$000	Consolidated 2020 \$000	Parent 2021 \$000	Parent 2020 \$000
Interest expense from lease liabilities	1	4	1	4
Other interest charges	-	(18)	-	(18)
	1	(14)	1	(14)

Recognition and Measurement

Finance costs consist of interest and other costs incurred in connection with the borrowing of funds. Borrowing costs are recognised as expenses in the period in which they are incurred, in accordance with NSW Treasury's mandate to not-for-profit NSW General Government Sector entities.

Other interest charges relate to the decrease in the interest expense related to make good provision.

The Bureau of Health Information

Notes to and forming part of the Financial Statements

for the year ended 30 June 2021

7. Revenue

Recognition and Measurement

Income is recognised in accordance with the requirements of AASB 15 Revenue from Contracts with Customers (AASB 15) or AASB 1058 Income of Not-for-Profit Entities (AASB 1058), dependent on whether there is a contract with a customer defined by AASB 15. Comments regarding the accounting policies for the recognition of income are discussed below.

Under the GSF Act 2018, the Bureau's own source revenue (which includes but is not limited to GST receipts) meets the definition of deemed appropriation money under the GSF Act.

Deemed appropriation money is money received directly by the Bureau which forms part of the consolidated fund and is not appropriated to the Bureau by an Act.

Movement of Section 4.7 GSF Act - Deemed Appropriations

	Consolidated 2021 \$000	Consolidated 2020 \$000	Parent 2021 \$000	Parent 2020 \$000
Opening balance	67	-	67	-
Add: Appropriations deemed on 1 July 2019	-	186	-	186
Add: additions of deemed appropriations	307	382	307	382
Less: expenditure charged against deemed appropriations	323	501	323	501
	51	67	51	67

Notes

¹ 'Expenditure' refers to cash payments. The term 'expenditure' has been used for payments for consistency with AASB 1058 Income of Not-for-Profit Entities.

² Deemed appropriations is a legal concept under the GSF Act, that does not have a corresponding financial statement line item. Instead, deemed appropriations may come from various sources, such as sale of goods and services, and the corresponding revenue is disclosed in the relevant sections of these items in the financial statements.

8. NSW Ministry of Health allocations

Payments are made by the immediate parent as per the Statement of Service to the Bureau and adjusted for approved supplementations, mostly for salary agreements and approved enhancement projects. The Statement of Service between the immediate parent and the Bureau does not contain sufficiently specific enforceable performance obligations as defined by AASB 15 and are therefore recognised upon the receipt of cash, in accordance with AASB 1058.

The Bureau recognised additional NSW Ministry of Health recurrent allocations of \$335 thousand (2020: \$11 thousand) to cover staff costs incurred with the emergency response of COVID-19.

The Bureau of Health Information

Notes to and forming part of the Financial Statements

for the year ended 30 June 2021

9. Acceptance by The Crown in right of the State of New South Wales (Crown) of employee benefits

The following liabilities and / or expenses have been assumed by the Crown:

	Consolidated 2021 \$000	Consolidated 2020 \$000	Parent 2021 \$000	Parent 2020 \$000
Superannuation - defined benefit plans	-	1	-	-
Long service leave provision	11	206	-	-
	11	207	-	-

10. Other income

	Consolidated 2021 \$000	Consolidated 2020 \$000	Parent 2021 \$000	Parent 2020 \$000
Other income comprises the following:				
Other	-	2	-	2
	-	2	-	2

The Bureau of Health Information

Notes to and forming part of the Financial Statements

for the year ended 30 June 2021

11. Gains / (losses) on disposal

	Consolidated 2021 \$000	Consolidated 2020 \$000	Parent 2021 \$000	Parent 2020 \$000
Gains / (losses) on disposals of:				
Property, plant and equipment				
Written down value of assets disposed	-	15	-	15
Net gains / (losses) on disposal	-	(15)	-	(15)
Total gains / (losses) on disposal	-	(15)	-	(15)

The Bureau of Health Information

Notes to and forming part of the Financial Statements

for the year ended 30 June 2021

12. Cash and cash equivalents

	Consolidated 2021 \$000	Consolidated 2020 \$000	Parent 2021 \$000	Parent 2020 \$000
Cash at bank and on hand	51	67	51	67
	51	67	51	67

For the purposes of the Statement of Cash Flows, cash and cash equivalents includes cash at bank, cash on hand, short-term deposits with original maturities of three months or less, which are subject to an insignificant risk of changes in value.

Cash and 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:

Cash and cash equivalents (per Statement of Financial Position)	51	67	51	67
Closing cash and cash equivalents (per Statement of Cash Flows)	51	67	51	67

Refer to Note 25 for details regarding credit risk and market risk arising from financial instruments.

HealthShare NSW, a controlled entity of the immediate parent makes all payments to employees and most payments to suppliers of goods and services and grants and subsidies on behalf of the Bureau. These payments are reported as expenses and operating cash outflows in the financial statements of the Bureau.

HealthShare NSW receives payments directly from the NSW Ministry of Health on behalf of the Bureau to fund these payments. These payments are reported as revenue (NSW Ministry of Health recurrent allocations) and operating cash inflows in the financial statements of the Bureau when HealthShare NSW makes these payments on behalf of the Bureau.

The Bureau of Health Information

Notes to and forming part of the Financial Statements

for the year ended 30 June 2021

13. Receivables

	Consolidated 2021 \$000	Consolidated 2020 \$000	Parent 2021 \$000	Parent 2020 \$000
Current				
Intra health receivables	65	5	65	5
Goods and Services Tax	86	131	86	131
Sub total	151	136	151	136
Prepayments	41	111	41	111
	192	247	192	247

Details regarding credit risk of receivables that are neither past due nor impaired, are disclosed in Note 25.

Recognition and Measurement

All 'regular way' purchases or sales of receivables are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of receivables that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Receivables are initially recognised at fair value plus any directly attributable transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price.

Subsequent measurement

The Bureau holds receivables with the objective to collect the contractual cash flows and therefore measures them at amortised cost using the effective interest method, less any impairment. Changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

Impairment

The Bureau recognises an allowance for expected credit losses (ECLs) for all debt financial assets not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows and the cash flows that the Bureau expects to receive, discounted at the original effective interest rate.

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14. Property, plant and equipment

(a) Total property, plant and equipment

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	Land and Buildings \$000	Plant and Equipment¹ \$000	Total \$000
At 1 July 2019 - fair value			
Gross carrying amount	470	18	488
Less: accumulated depreciation and impairment	414	-	414
Net carrying amount	56	18	74

	Land and Buildings \$000	Plant and Equipment \$000	Total \$000
Year ended 30 June 2020			
Net carrying amount at beginning of year	60	18	78
De-recognition of finance lease assets on initial application of AASB 16	(4)	-	(4)
Adjusted net carrying amount at beginning of year	56	18	74
Disposals	-	(15)	(15)
Depreciation expense	(56)	(3)	(59)
Net carrying amount at end of year	-	-	-

¹ 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.

Further details regarding the fair value measurement of property, plant and equipment are disclosed in Note 16.

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14. Property, plant and equipment (continued)

(a) Total property, plant and equipment (continued)

PARENT AND CONSOLIDATION

	Land and Buildings \$000	Plant and Equipment ¹ \$000	Total \$000
At 1 July 2020 - fair value			
Gross carrying amount	470	-	470
Less: accumulated depreciation and impairment	470	-	470
Net carrying amount	-	-	-

	Land and Buildings \$000	Plant and Equipment \$000	Total \$000
Year ended 30 June 2021			
Net carrying amount at beginning of year	-	-	-
Net carrying amount at end of year	-	-	-

	Land and Buildings \$000	Plant and Equipment ¹ \$000	Total \$000
At 30 June 2021 - fair value			
Gross carrying amount	-	-	-
Less: accumulated depreciation and impairment	-	-	-
Net carrying amount	-	-	-

¹ 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.

Further details regarding the fair value measurement of property, plant and equipment are disclosed in Note 16.

(b) Property, plant and equipment held and used by the Bureau

PARENT AND CONSOLIDATION

The Bureau has no property, plant and equipment where it is the lessor under operating leases. All property, plant and equipment balances are for items held and used by the Bureau.

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14. Property, plant and equipment (continued)

Recognition and Measurement

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 price that would be received to sell an asset in an orderly transaction between market participants at measurement date.

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.

Assets acquired at no cost, or for nominal consideration, are initially recognised at their fair value at the date of acquisition.

Land and buildings are owned by the Health Administration Corporation. Land and buildings which are operated/occupied by the Bureau are deemed to be controlled by the Bureau and are reflected as such in the financial statements.

Capitalisation thresholds

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

Major inspection costs

When a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied.

Restoration costs

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.

Depreciation of property, plant and equipment

Except for certain non-depreciable assets, depreciation is provided for on a straight-line basis so as to write off the depreciable amount of each asset as it is consumed over its useful life to the Bureau.

All material identifiable components of assets are depreciated separately over their useful life.

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

	Useful lives
Buildings - leasehold improvements	3-10 years
Plant and equipment	5-10 years

The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period and adjusted if appropriate.

Right-of-use assets acquired by lessees

From 1 July 2019, AASB 16 Leases (AASB 16) requires a lessee to recognise a right-of-use asset for most leases. The Bureau has elected to present right-of-use assets separately in the Statement of Financial Position.

Further information on leases is contained in Note 15.

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14. Property, plant and equipment (continued)

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.

The Bureau assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Bureau estimates the asset's recoverable amount. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Derecognition of property, plant and equipment

Property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset and are included in the consolidated Statement of Comprehensive Income.

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15. Leases

(a) Entity as a lessee

The Bureau leases a property. Lease contracts are typically made for fixed periods of 1 to 5 years, but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants but leased assets may not be used as security for borrowing purposes. The Bureau does not provide residual value guarantees in relation to leases.

Extension and termination options are included in the property lease. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Bureau and not by the respective lessor. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

AASB 16 Leases (AASB 16) requires a lessee to recognise a right-of-use asset and a corresponding lease liability for most leases.

Right of use asset recognised by the Bureau in previous year related to a property lease, which has now ended in December 2020. The Bureau is currently using a shared space which is recognised as a short-term lease. Payments for short-term leases are recognised as expenses on a straight line basis, instead of recognising a right-of-use asset and lease liability. Short-term leases are leases with a lease term of 12 months or less.

Right-of-use assets under leases

The following table presents right-of-use assets. There are no right-of-use assets that meet the definition of investment property.

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	Land and Buildings \$'000	Total \$'000
Balance at 1 July 2020	170	170
Depreciation expense	(170)	(170)
Balance at 30 June 2021	-	-

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	Land and Buildings \$'000	Total \$'000
Balance at 1 July 2019	381	381
Additions	49	49
Depreciation expense	(260)	(260)
Balance at 30 June 2020	170	170

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15. Leases (continued)

(a) Entity as a lessee (continued)

Lease liabilities

The following table presents liabilities under leases.

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	2021	2020
	\$000	\$000
Balance at 1 July	141	377
Interest expenses	-	4
Payments	(141)	(240)
Balance at 30 June	-	141

The following amounts were recognised in the Statement of Comprehensive Income during the period in respect of leases where the Bureau is the lessee.

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	2021	2020
	\$000	\$000
Depreciation expense of right-of-use assets	170	260
Interest expense on lease liabilities	-	4
Expenses relating to short-term leases	354	-
Total amount recognised in the statement of comprehensive income	524	264

The Bureau had total cash outflows for leases of \$495 thousand for the year ended 30 June 2021 (2020: \$240 thousand).

Recognition and Measurement

The Bureau assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Bureau recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets, except for short-term leases and leases of low-value assets.

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15. Leases (continued)

(a) Entity as a lessee (continued)

i. Right-of-use assets

The Bureau recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are initially measured at the amount of initial measurement of the lease liability (refer (ii) below), adjusted by any lease payments made at or before the commencement date, lease incentives, any initial direct costs incurred, and estimated costs of dismantling and removing the asset or restoring the site.

The right-of-use assets are subsequently measured at cost. They are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

	Useful lives
Buildings	1 to 5.75 years

If ownership of the leased asset transfers to the Bureau at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. The Bureau assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Bureau estimates the asset's recoverable amount. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. After an impairment loss has been recognised, it is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the net result.

ii. Lease liabilities

At the commencement date of the lease, the Bureau recognises lease liabilities measured at the present value of lease payments to be made over the lease term. Lease payments include:

- fixed payments (including in substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate;
- amounts expected to be paid under residual value guarantees;
- exercise price of a purchase option reasonably certain to be exercised by the Bureau; and
- payments of penalties for terminating the lease, if the lease term reflects the Bureau exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for real estate leases, the incremental borrowing rate is used. The Bureau does not borrow funds in the market. Instead they receive an allocation of the appropriations from the Crown and where the Crown needs additional funding, Treasury Corporation (TCorp) goes to the market to obtain these funds. As a result, the Bureau is using TCorp rates as their incremental borrowing rates. These rates are published by NSW Treasury on a regular basis.

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15. Leases (continued)

(a) Entity as a lessee (continued)

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Bureau's lease liabilities are included in borrowings in Note 19.

iii. Short-term leases and leases of low-value assets

The Bureau applies the short-term lease recognition exemption to its short-term leases of buildings, machinery, motor vehicles and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as an expense on a straight-line basis over the lease term.

iv. Leases that have significantly below-market terms and conditions principally to enable the entity to further its objectives

The initial and subsequent measurement of right-of-use assets under leases at significantly below-market terms and conditions that are entered into principally to enable the Bureau to further its objectives is the same as normal right-of-use assets. They are measured at cost, subject to impairment.

16. Fair value measurement of non-financial assets

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Fair value measurement and hierarchy

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability.

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 (unadjusted) 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.

There were no transfers between level 1 and 2 during the year ended 30 June 2021.

There were no transfers between level 1 and 2 during the year ended 30 June 2020.

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17. Restricted assets

Unclaimed monies

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

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18. Payables

	Consolidated 2021 \$000	Consolidated 2020 \$000	Parent 2021 \$000	Parent 2020 \$000
Current				
Accrued salaries, wages and on-costs	166	140	-	-
Salaries and wages deductions	7	-	-	-
Creditors	1	40	1	40
Other creditors				
- Payables to entities controlled by the immediate parent	66	83	66	83
- Other	28	17	28	17
	268	280	268	280

Details regarding liquidity risk, including a maturity analysis of the above payables are disclosed in Note 25.

Recognition and Measurement

Payables represent liabilities for goods and services provided to the Bureau and other amounts. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

Payables are financial liabilities at amortised cost, initially measured at fair value, net of directly attributable transaction costs. These are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the net result when the liabilities are derecognised as well as through the amortisation process.

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19. Borrowings

	Consolidated 2021 \$000	Consolidated 2020 \$000	Parent 2021 \$000	Parent 2020 \$000
Current				
Lease liabilities (see Note 15)	-	141	-	141
	-	141	-	141

No assets have been pledged as security / collateral for liabilities and there are no restrictions on any title to property.

Details regarding liquidity risk, including a maturity analysis of the above borrowings are disclosed in Note 25.

Recognition and Measurement

Borrowings represents lease liabilities.

Financial liabilities at amortised cost

Borrowings classified as financial liabilities at amortised cost are initially measured at fair value, net of directly attributable transaction costs. These are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the net result when the liabilities are derecognised as well as through the amortisation process.

Borrowings are classified as current liabilities unless the Bureau has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Refer to Note 25 (b) for derecognition policy.

Changes in liabilities arising from financing activities

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	Leases \$000	Total liabilities from financing activities \$000
1 July 2019	-	-
Recognised on adoption of AASB 16	377	377
Adjusted 1 July 2019	377	377
Cash flows	(236)	(236)
30 June 2020	141	141
Cash flows	(141)	(141)
30 June 2021	-	-

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20. Provisions

	Consolidated 2021 \$000	Consolidated 2020 \$000	Parent 2021 \$000	Parent 2020 \$000
Current				
Employee benefits and related on-costs				
Annual leave - obligations expected to be settled within 12 months	442	413	-	-
Annual leave - obligations expected to be settled after 12 months	283	138	-	-
Long service leave consequential on-costs - obligations expected to be settled within 12 months	2	6	-	-
Long service leave consequential on-costs - obligations expected to be settled after 12 months	131	94	-	-
Provision for other employee benefits	41	32	-	-
Provision for personnel services liability	-	-	899	683
	899	683	899	683
Other Provisions				
Make good provision	-	151	-	151
Total current provisions	899	834	899	834
Non-current				
Employee benefits and related on-costs				
Long service leave consequential on-costs	13	9	-	-
Provision for personnel services liability	-	-	13	9
Total non-current provisions	13	9	13	9
Aggregate employee benefits and related on-costs				
Provisions - current	899	683	-	-
Provisions - non-current	13	9	-	-
Accrued salaries, wages and on-costs and salaries and wages deductions (Note 18)	173	140	-	-
Liability - purchase of personnel services	-	-	1,085	832
	1,085	832	1,085	832

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20. Provisions (continued)

Movements in provisions (other than employee benefits)

Movements in other provisions during the financial year, other than employee benefits, are set out below:

	Consolidated 2021 \$000	Consolidated 2020 \$000	Parent 2021 \$000	Parent 2020 \$000
Make good provisions				
Carrying amount at beginning of period	151	120	151	120
- Additional provisions recognised	-	31	-	31
- Amounts used	(151)	-	(151)	-
Carrying amount at end of period	-	151	-	151

Recognition and Measurement

Employee benefits and other provisions

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, they are 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 17.7% are applied to the value of leave payable at 30 June 2021 (comparable on-costs for 30 June 2020 were 16.14%). The Bureau has assessed the actuarial advice based on the Bureau's circumstances to both the annual leave and ADO and has determined that the effect of discounting is immaterial. All annual leave and ADO are classified as a current liability even where the Bureau does not expect to settle the liability within 12 months as the Bureau 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.

20. Provisions (continued)

Recognition and Measurement (continued)

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 in right of the State of New South Wales. 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 of employee benefits'.

Specific on-costs relating to long service leave assumed by The Crown in right of the State of New South Wales are borne by the Bureau.

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 the long-term 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 Aware 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.

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.

Other provisions

Other provisions are recognised 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. When the Bureau expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented net of any reimbursement in the Statement of Comprehensive Income.

If the effect of the time value of money is material, provisions are discounted at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time (i.e. unwinding of discount rate) is recognised as a finance cost.

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21. Contingent liabilities and contingent assets

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The Bureau is not aware of any contingent liabilities or assets which would have a material effect on the disclosures in these financial statements.

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22. Reconciliation of cash flows from operating activities to net result

Reconciliation of cash flows from operating activities to the net result as reported in the Statement of Comprehensive Income as follows:

	Consolidated 2021 \$000	Consolidated 2020 \$000	Parent 2021 \$000	Parent 2020 \$000
Net cash used on operating activities	125	117	125	117
Depreciation and amortisation expense	(170)	(319)	(170)	(319)
Decrease / (increase) in provisions	(68)	(177)	(68)	(177)
Increase / (decrease) in prepayments and other assets	(55)	(17)	(55)	(17)
Decrease / (increase) in payables	11	(22)	11	(22)
Net gain / (loss) on sale of property, plant and equipment	-	(15)	-	(15)
Other	-	49	-	49
Net result	(157)	(384)	(157)	(384)

23. Non-cash financing and investing activities

	Consolidated 2021 \$000	Consolidated 2020 \$000	Parent 2021 \$000	Parent 2020 \$000
Property, plant and equipment acquired by a lease	-	49	-	49
	-	49	-	49

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24. Adjusted budget review

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 budget entries in the financial statements are unaudited.

Net result

The actual Net result was lower than adjusted budget by \$69 thousand, primarily due to:

- i) Employee related expenses are unfavourable by \$108 thousand or 2% to budget mainly due to a lower than expected staff turnover.
- ii) Other expenses are favourable by \$409 thousand or 11% to budget mainly due to reduced expenditure on external data purchases as well as other expenses due to COVID.
- iii) The recurrent actual allocation is in deficit by \$337 thousand as the NSW Ministry of Health has revised its treatment of recurrent budget allocation and the previous practice of providing a budget reduction to match cash drawn. The Bureau's result is reported as recurrent allocation (cash entitlement) not fully drawn.

Assets and liabilities

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

Cash flows

Employee related cash flow is favourable by \$45 thousand mainly due to the budget expecting higher level of leave to be taken. Payments to suppliers for goods and services are favourable by \$333 thousand due to reduced expenditure on external data purchases as well as other expenses due to COVID.

Movements in the level of the NSW Ministry of Health recurrent allocation that have occurred since the time of the initial allocation on 1st July 2020 are as follows:

	\$000
Initial allocation, 1st July 2020	9,487
Project supplementations	597
COVID expense recovery	335
Efficiency and procurement savings	(220)
Balance as per Statement of Comprehensive Income	10,199

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25. 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

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Class	Category	Carrying Amount 2021 \$000	Carrying Amount 2020 \$000
Financial assets			
Cash and cash equivalents (Note 12)	Amortised cost	51	67
Receivables (Note 13) ¹	Amortised cost	65	5
Total financial assets		116	72
Financial liabilities			
Borrowings (Note 19)	Financial liabilities measured at amortised cost	-	141
Payables (Note 18) ²	Financial liabilities measured at amortised cost	268	280
Total financial liabilities		268	421

Notes

¹ Excludes statutory receivables and prepayments (i.e. not within scope of AASB 7 Financial Instruments: Disclosures).

² Excludes statutory payables and unearned revenue (i.e. not within scope of AASB 7 Financial Instruments: Disclosures).

The Bureau determines the classification of its financial assets and liabilities after initial recognition and, when allowed and appropriate, re-evaluates this at each financial year end.

(b) Derecognition of financial assets and financial liabilities

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the contractual rights to the cash flows from the financial assets expire; or if the entity transfers its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass through arrangement and either:

- The Bureau has transferred substantially all the risks and rewards of the asset; or
- The Bureau has neither transferred nor retained substantially all the risks and rewards for the asset, but has transferred control.

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25. Financial instruments (continued)

(b) Derecognition of financial assets and financial liabilities (continued)

When the Bureau has transferred its rights to receive cash flows from an asset or has entered into a pass through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. Where the Bureau has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset continues to be recognised to the extent of the Bureau's continuing involvement in the asset. In that case, the Bureau also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the entity has retained.

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the net result.

(c) Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(d) Financial risk

i. 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 credit losses).

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.

The Bureau considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Bureau may also consider a financial asset to be in default when internal or external information indicates that the Bureau is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Bureau.

Cash and cash equivalents

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 0% (Restricted Funds Bank balance: 0%) in 2020-21 compared to 0% (Restricted Funds Bank balance: 0%) in the previous year. The TCorpIM Cash Fund is discussed in market risk below.

Accounting policy for impairment of trade receivables and other financial assets

Receivables - trade receivables, other receivables and contract assets

Collectability of trade receivables, other receivables and contract assets is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand.

The Bureau applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables, other receivables and contract assets.

To measure the expected credit losses, trade receivables, other receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due.

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for the year ended 30 June 2021

25. Financial instruments (continued)

(d) Financial risk (continued)

i. Credit risk (continued)

Accounting policy for impairment of trade receivables and other financial assets (continued)

Receivables - trade receivables, other receivables and contract assets (continued)

The expected loss rates are based on historical observed loss rates. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Bureau has identified relevant factors, and accordingly has adjusted the historical loss rates based on expected changes in these factors.

The Bureau is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors as at 30 June 2021.

ii. 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 the use of overdrafts, loans and other advances.

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

During the current and prior year, there were no defaults of loans payable. No assets have been pledged as collateral. The Bureau's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

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).

Liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. For all suppliers, that has a correctly rendered invoice, that has a matched purchase order and where goods have been received, an immediate payment is made irrespective of current contract payment terms.

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 affected 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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for the year ended 30 June 2021

25. Financial instruments (continued)

(d) Financial risk (continued)

ii. Liquidity risk (continued)

PARENT AND CONSOLIDATION

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

	EIR ³ %	Nominal Amount ¹ \$000	Interest Rate Exposure		Maturity Dates
			Fixed Interest Rate \$000	Non - Interest Bearing \$000	< 1 Yr \$000
2021					
Payables:					
- Creditors ²		268	-	268	268
		268	-	268	268
2020					
Payables:					
- Creditors ²		280	-	280	280
Borrowings:					
- Lease liabilities	1.42%	141	141	-	141
		421	141	280	421

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).

³ Weighted Average Effective Interest Rate (EIR).

The Bureau of Health Information

Notes to and forming part of the Financial Statements

for the year ended 30 June 2021

25. Financial instruments (continued)

iii. 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 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 as for 2020. The analysis assumes that all other variables remain constant.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Exposure to interest rate risk arises primarily through the Bureau's interest bearing liabilities. This risk is minimised by undertaking mainly fixed rate borrowings, primarily through NSW TCorp. The Bureau does not account for any fixed rate financial instruments at fair value through profit or loss or at fair value through other comprehensive income. Therefore, for these financial instruments, a change in interest rates would not affect the carrying value or interest paid/earned. A reasonably possible change of +/- 1% is used, consistent with current trends in interest rates (based on official Reserve Bank of Australia 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.

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 following table demonstrates the sensitivity to a reasonably possible change in interest rates:

PARENT AND CONSOLIDATION

	2021		2020	
	\$000		\$000	
	-1%	1%	-1%	1%
Net result	(1)	1	1	(1)
Equity	(1)	1	1	(1)

The Bureau of Health Information

Notes to and forming part of the Financial Statements

for the year ended 30 June 2021

26. Related party disclosures

PARENT AND CONSOLIDATION

(a) Key management personnel compensation

Key management personnel compensation is as follows:

	2021 \$000	2020 \$000
Short-term employee benefits	76	66
Post-employment benefits	7	6
	83	72

During the financial year, The Bureau of Health Information obtained key management personnel services from the immediate parent and incurred \$334 thousand (2020: \$313 thousand) for these services. This amount does not form part of the key management personnel compensation disclosed above.

The Bureau's key management personnel comprise its board members and chief executive (or acting chief executive) from time to time during the year.

Compensation for the Minister for Health is paid by the Legislature and is not reimbursed by the NSW 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 NSW 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.

(b) Transactions with key management personnel and their close family members

There were no transactions with key management personnel and their close family members (2020: \$Nil).

(c) Transactions with the ultimate parent

There were no transactions with the ultimate parent during the financial period (2020: \$Nil).

(d) Transactions the Bureau had with government related entities during the financial year

During the financial year and comparative year, the Bureau entered into the various transactions with other entities consolidated as part of the NSW Ministry of Health (the immediate parent) and the NSW Total State Sector (the ultimate parent) within the normal course of business.

The following operating expenses were incurred with entities controlled by the immediate parent:

- Health Administration Corporation provides shared services for the majority of information management services and corporate support services
- Staff related costs in relation to payroll
- Cost recovery from Cancer Institute NSW for Patient Survey Program

The Bureau of Health Information
Notes to and forming part of the Financial Statements
for the year ended 30 June 2021

26. Related party disclosures

(d) Transactions the Bureau had with government related entities during the financial year (continued)

The following operating expenses were incurred with entities controlled by the ultimate parent:

- Audit of the statutory financial statements
- Insurance costs
- Rental costs for Property NSW leased properties

The following revenues were earned from entities controlled by the immediate parent:

- Revenue from recurrent allocations

The following revenues were earned from entities controlled by the ultimate parent:

- Revenue from acceptance of long service leave liabilities and defined benefit superannuation

Assets and liabilities as follows:

- Receivables and payables in respect of the above noted related party revenue and expense transactions

27. Events after the reporting period

On 28 June 2021, the NSW Government put in place Public Health (COVID-19 Temporary Movement and Gathering Restrictions) Order 2021 under the Public Health Act 2010 to contain the spread of COVID-19 and to prioritise the health and safety of the community. The Public Health Order 2021 placed various restrictions on Greater Sydney, however this has had no significant impact on the way the Bureau operates since reporting date.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may affect the Bureau.

END OF AUDITED FINANCIAL STATEMENTS