



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 2023, the Statement of Financial Position as at 30 June 2023, 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:

- 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 of the Bureau and the consolidated entity.

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 (including Independence Standards)' (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 have fulfilled my other ethical responsibilities in accordance with APES 110.

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 18. The note states that AASB1055 'Budgetary Reporting' is not applicable to the Bureau. It also states that unlike the requirement in AASB 1055 'Budgetary Reporting' to present original budget information, the Bureau's financial statements present adjusted budget information.

Chief Executive's 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 Regulation 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 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.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

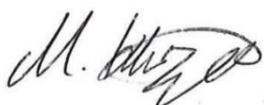
- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

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 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.



Michael Kharzoo
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

28 September 2023
SYDNEY

The Bureau of Health Information

Statement by the Accountable Authority

for the year ended 30 June 2023



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

1. The financial statements of The Bureau of Health Information for the year ended 30 June 2023 have been prepared in accordance with:
 - a. Australian Accounting Standards (AAS) (which include Australian Accounting Interpretations);
 - b. applicable requirements of the GSF Act, the *Government Sector Finance Regulation 2018*; and
 - c. Treasurer's Directions issued under the GSF Act.
2. The financial statements present fairly The Bureau of Health Information's financial position as at 30 June 2023 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 flourish.

Warren Clarke
Chief Finance Officer
27 September 2023

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

Dr Diane Watson
Chief Executive
27 September 2023

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

Professor Carol Pollock AO
Chair of the Board
27 September 2023

The Bureau of Health Information

Statement of Comprehensive Income for the year ended 30 June 2023

		Consolidated Actual 2023 \$000	Consolidated Budget ¹ 2023 \$000	Consolidated Actual Restated 2022 \$000	Parent Actual 2023 \$000	Parent Actual Restated 2022 \$000
	Notes					
Continuing operations						
Expenses excluding losses						
Employee related expenses	2	6,935	7,027	6,177	-	-
Personnel services	3	-	-	-	6,695	6,143
Operating expenses	4	3,985	3,798	3,089	3,985	3,089
Total expenses excluding losses		10,920	10,825	9,266	10,680	9,232
Revenue						
Ministry of Health recurrent allocations	7	10,224	10,644	9,133	10,224	9,133
Acceptance by the Crown ² of employee	9	240	240	34	-	-
Sale of goods and services from contracts with customers	8	345	-	-	345	-
Total revenue		10,809	10,884	9,167	10,569	9,133
Operating result		(111)	59	(99)	(111)	(99)
Other gains / (losses)	10	-	-	2	-	2
Net result from continuing operations	19	(111)	59	(97)	(111)	(97)
TOTAL COMPREHENSIVE INCOME		(111)	59	(97)	(111)	(97)

¹ Unaudited adjusted budget, see Note 18.

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

See Note 11 for details regarding restated prior year balances for the Bureau.

The accompanying notes form part of these financial statements.

The Bureau of Health Information
Statement of Financial Position as at 30 June 2023

		Consolidated Actual 2023 \$000	Consolidated Budget ¹ 2023 \$000	Consolidated Actual Restated 2022 \$000	Consolidated Actual Restated 1 July 2021 \$000	Parent Actual 2023 \$000	Parent Actual Restated 2022 \$000	Parent Actual Restated 1 July 2021 \$000
	Notes							
ASSETS								
Current assets								
Cash and cash equivalents	12	-	-	-	51	-	-	51
Receivables	13	85	152	152	192	85	152	192
Total current assets		85	152	152	243	85	152	243
Non-current assets								
Total non-current assets		-	-	-	-	-	-	-
Total assets		85	152	152	243	85	152	243
LIABILITIES								
Current liabilities								
Payables	15	295	237	214	268	295	214	268
Provisions	16	925	881	965	904	925	965	904
Total current liabilities		1,220	1,118	1,179	1,172	1,220	1,179	1,172
Non-current liabilities								
Provisions	16	16	16	13	14	16	13	14
Total non-current liabilities		16	16	13	14	16	13	14
Total liabilities		1,236	1,134	1,192	1,186	1,236	1,192	1,186
Net assets		(1,151)	(982)	(1,040)	(943)	(1,151)	(1,040)	(943)
EQUITY								
Accumulated funds		(1,151)	(982)	(1,040)	(943)	(1,151)	(1,040)	(943)
Total Equity		(1,151)	(982)	(1,040)	(943)	(1,151)	(1,040)	(943)

¹ Unaudited adjusted budget, see Note 18.

See Note 11 for details regarding restated prior year balances for the Bureau.

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 2023

PARENT AND CONSOLIDATION

	Notes	Accumulated Funds \$000	Total \$000
Balance at 1 July 2022		(1,035)	(1,035)
Correction of error - long service leave calculations	11	(5)	(5)
Restated balance at 1 July 2022		(1,040)	(1,040)
Net result for the year		(111)	(111)
Total comprehensive income for the year		(111)	(111)
Balance at 30 June 2023		(1,151)	(1,151)

	Notes	Accumulated Funds \$000	Total \$000
Balance at 1 July 2021		(937)	(937)
Correction of error - long service leave calculations	11	(6)	(6)
Restated balance at 1 July 2021		(943)	(943)
Restated net result for the year		(97)	(97)
Restated total comprehensive income for the year		(97)	(97)
Restated balance at 30 June 2022		(1,040)	(1,040)

The accompanying notes form part of these financial statements.

The Bureau of Health Information

Statement of Cash Flows for the year ended 30 June 2023

	Notes	Consolidated Actual 2023 \$000	Consolidated Budget ¹ 2023 \$000	Consolidated Actual 2022 \$000	Parent Actual 2023 \$000	Parent Actual 2022 \$000
CASH FLOWS FROM OPERATING ACTIVITIES						
Payments						
Employee related		(6,779)	(6,910)	(6,080)	-	-
Suppliers for goods and services		(4,142)	(4,065)	(3,454)	(4,142)	(3,454)
Personnel services		-	-	-	(6,779)	(6,080)
Total payments		(10,921)	(10,975)	(9,534)	(10,921)	(9,534)
Receipts						
Ministry of Health recurrent allocations		10,224	10,644	9,133	10,224	9,133
Reimbursements from the Crown ²		57	57	25	57	25
Sale of goods and services		345	-	-	345	-
Other		295	274	325	295	325
Total receipts		10,921	10,975	9,483	10,921	9,483
NET CASH FLOWS FROM OPERATING ACTIVITIES	19	-	-	(51)	-	(51)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS						
		-	-	(51)	-	(51)
Opening cash and cash equivalents	12	-	-	51	-	51
CLOSING CASH AND CASH EQUIVALENTS	12	-	-	-	-	-

¹ Unaudited adjusted budget, see Note 18.

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

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

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 Ministry of Health is the immediate parent. The reporting entity is 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. 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 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 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 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 2023 have been authorised for issue by the Chief Finance Officer, Chief Executive and Chair of the Board on 27 September 2023.

The Bureau of Health Information

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

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);
- * the requirements of the *Government Sector Finance Act 2018* ('GSF Act'); and
- * Treasurer's Directions issued under the GSF Act.

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

Each year the Secretary of NSW Health, the Chair of The Bureau of Health Information Board and the Chief Executive, through the Performance Agreement agree 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 standards, the Ministry of Health as the state manager can take action in accordance with annual performance framework requirements, including financial support and increased management interaction. The deferral of the NSW 2023-24 Budget until 19 September 2023 has necessitated a staged approach to the performance agreements and budget allocation for the financial year 2023-24. The Bureau of Health Information has received, from the Ministry of Health, interim funding allocation for the first quarter of 2023-24, initial full year activity targets, key performance indicators and performance deliverables for the year and a commitment to receive and execute the final 2023-24 Performance Agreement in September 2023.

The negative Net Result position of the Bureau has 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 favourable variance on budgeted expenditure and achieving an efficiency saving.

Other circumstances why the going concern assumption is appropriate include:

- * Allocated funds, combined with other revenues earned, are adequate to pay debts as and when they become due and payable.
- * The Bureau has the capacity to review the timing of 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 revenue improvement and 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 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 has determined that it is not probable a liability arises to pay superannuation on annual leave loading. This position has been formed based on current inquiries, other information currently available to management, and after considering the facts from a decision in the Federal Court of Australia: *Finance Sector Union of Australia v Commonwealth Bank of Australia* [2022] FedCFamC2G 409. That decision confirmed that, in relation to the industrial agreement considered in that case, annual leave loading did not form part of ordinary time earnings and therefore, did not require superannuation contributions to be made under superannuation guarantee legislation because the obligation to pay annual leave loading was not referable to ordinary hours of work or to ordinary rates of pay. Rather, it was paid by reference to the period of annual leave, and for the purpose of compensating employees for their loss of opportunity to work additional hours at higher rates during this period.

This position will be re-assessed in future periods as new information comes to light on this matter.

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.

The Bureau of Health Information

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

1. Statement of Significant Accounting Policies

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) Foreign currency translation

Transactions in foreign currencies are recorded using the spot rate at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the end of the reporting date.

Differences arising on settlement or translation of monetary items are recognised in net result.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in other comprehensive income or net results are also recognised in other comprehensive income or net results, respectively).

f) 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.

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

(i) Effective for the first time in 2022-23

Several amendments and interpretations apply for the first time in 2022-23. The Bureau has assessed the new and amended standards and interpretations that are effective for the first time and have determined they are unlikely to have a material 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.

h) Impact of COVID-19 on Financial Reporting for 2022-23

The COVID-19 pandemic has not resulted in significant changes in the Bureau's activity and in the way the services are being delivered.

The Bureau of Health Information
Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

2. Employee related expenses

	Consolidated 2023 \$000	Consolidated ¹ 2022 \$000	Parent 2023 \$000	Parent 2022 \$000
Salaries and wages (including annual leave and allocated days off)	5,862	5,543	-	-
Superannuation - defined contribution plans	607	567	-	-
Long service leave	264	35	-	-
Redundancies	155	-	-	-
Workers' compensation insurance	47	32	-	-
	6,935	6,177	-	-

¹ 'Long service leave' costs has been restated to be lower by \$5 thousand in the prior year for the consolidated entity. Refer to Note 11 for further details regarding restatement as a result of an error.

Refer to Note 16 for further details on recognition and measurement of employee related expenses.

Employee related costs of \$Nil (2022: \$Nil) have been capitalised in property, plant and equipment assets and are therefore excluded from the above.

The long service leave in 2022 was impacted by significant changes in actuarial factors decreasing the employee benefit liabilities assumed by the Crown.

3. Personnel services

	Consolidated 2023 \$000	Consolidated 2022 \$000	Parent 2023 \$000	Parent ¹ 2022 \$000
Salaries and wages (including annual leave and allocated days off)	-	-	5,862	5,543
Superannuation - defined contribution plans	-	-	607	567
Long service leave	-	-	24	1
Redundancies	-	-	155	-
Workers' compensation insurance	-	-	47	32
	-	-	6,695	6,143

¹ 'Long service leave' costs has been restated to be lower by \$1 thousand in the prior year for the parent entity. Refer to Note 11 for further details regarding restatement as a result of an error.

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 2023

4. Operating expenses

	Consolidated 2023 \$000	Consolidated 2022 \$000	Parent 2023 \$000	Parent 2022 \$000
Advertising	1	1	1	1
Auditor's remuneration - audit of financial statements	34	33	34	33
Information management expenses	579	432	579	432
Maintenance (see Note 4 (b))	22	65	22	65
Postal and telephone costs	-	30	-	30
Printing and stationery	-	24	-	24
Staff related costs	65	15	65	15
Travel related costs	11	1	11	1
Other management services (includes Patient Survey)	2,642	1,822	2,642	1,822
Data records storage	7	24	7	24
Other (see Note 4 (a))	624	642	624	642
	3,985	3,089	3,985	3,089

	Consolidated 2023 \$000	Consolidated 2022 \$000	Parent 2023 \$000	Parent 2022 \$000
(a) Other				
Corporate support services	126	121	126	121
Membership/professional fees	2	2	2	2
Expenses relating to short-term leases	288	354	288	354
Other miscellaneous	208	165	208	165
	624	642	624	642
(b) Reconciliation of total maintenance expense				
New / replacement equipment under \$10,000	22	65	22	65
	22	65	22	65

Recognition and Measurement

Operating expenses includes non-employee costs incurred in delivering the services provided by the Bureau. These expenses are recognised in the reporting period in which they are incurred.

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.

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.

The Bureau of Health Information

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

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 2023

5. 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 receipts from operating activities and proceeds from the sale of minor property, plant and equipment) 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.

6. Summary of compliance

The Appropriation Act 2022 (Appropriations Act) (and the subsequent variations, if applicable) appropriates the sum of \$18.7 billion to the Minister for Health out of the Consolidated Fund for the services of the Ministry of Health for the year 2022-23. The spending authority of the Minister from the Appropriations Act has been delegated or subdelegated to officers of the Ministry of Health and entities that it is administratively responsible for, including the Bureau.

The Treasury and Energy Legislation Amendment Act 2022 made some amendments to sections 4.7 and 4.9 of the Government Sector Finance Act 2018 (the GSF Act). These amendments commenced on 14 November 2022 and are applied retrospectively. As a result, the lead Minister for the Bureau, being the Minister for Health, is taken to have been given an appropriation out of the Consolidated Fund under the authority section 4.7 of the GSF Act, at the time the Bureau receives or recovers any deemed appropriation money, for an amount equivalent to the money that is received or recovered by the Bureau. These deemed appropriations are taken to have been given for the services of the Ministry of Health.

In addition, government money that the Bureau receives or recovers, from another GSF agency, of a kind prescribed by the GSF regulations that forms part of the Consolidated Fund, is now capable of giving rise to deemed appropriations where the receiving agency has a different lead Minister to the agency making the payment, or one or both of the agencies is a special office (as defined in section 4.7(8)).

On 16 June 2023, the GSF Amendment (Deemed Appropriations) Regulation 2023 was approved to bring the GSF regulations in line with the above deemed appropriation amendments to the GSF Act.

A summary of compliance is disclosed in the financial statements of the Annual Report of the Ministry of Health. It has been prepared by aggregating the spending authorities of the Minister for Health for the services of the Ministry of Health. It reflects the status at the point in time this disclosure statement is being made. The Bureau's spending authority and expenditure is included in the summary of compliance.

The delegation / sub-delegations for 2023 and 2022, authorising officers of the Bureau to spend Consolidated Fund money, impose limits on the amounts of individual transactions, but not the overall expenditure of the Bureau. However, as they relate to expenditure in reliance on a sum appropriated by legislation, the delegation/sub-delegations are subject to the overall authority of the Ministry of Health to spend monies under relevant legislation. The individual transaction limits have been properly observed. The information in relation to the aggregate expenditure limit from the Appropriations Act and other sources is disclosed in the summary of compliance table included in the financial statements of the Annual Report of the Ministry of Health.

The Bureau of Health Information

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

The State Budget and related Appropriation Bill for year commencing 1 July 2023 has been delayed and is anticipated to be tabled in September 2023. Pursuant to section 4.10 of the GSF Act, the Treasurer has authorised the payment of specified sums out of the Consolidated Fund to meet the requirements of this period. The authorisation is current from 1 July 2023 until the earlier of 30 September 2023 or enactment of the 2022-23 annual Appropriation Act.

7. Ministry of Health allocations

Payments are made by the immediate parent as per the Performance Agreement to the Bureau and adjusted for approved supplementations, mostly for salary agreements and approved enhancement projects. The Performance Agreement 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 Ministry of Health recurrent allocations of \$Nil (2022: \$295 thousand) and Ministry of Health capital allocations of \$Nil (2022: \$Nil) to cover staff costs incurred with the emergency response of COVID-19.

8. Sale of goods and services from contracts with customers

	Consolidated 2023 \$000	Consolidated 2022 \$000	Parent 2023 \$000	Parent 2022 \$000
<i>Entities controlled by the immediate parent</i>				
Other	345	-	345	-
	345	-	345	-

The Bureau recognised revenue from Cancer Institute of \$345 thousand (2022: nil thousand) to cover costs incurred for the additional survey for cancer patients.

The Bureau of Health Information

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

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	Consolidated¹	Parent	Parent¹
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Long service leave provision	240	34	-	-
	240	34	-	-

¹ 'Long service leave provision' revenue has been restated to be lower by \$4 thousand in the prior year for the consolidated and parent entity. Refer to Note 11 for further details regarding restatement as a result of an error.

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10. Other gains / (losses)

	Consolidated 2023 \$000	Consolidated 2022 \$000	Parent 2023 \$000	Parent 2022 \$000
Foreign exchange gains / (losses)	-	2	-	2
	-	2	-	2

The Bureau recognised \$Nil gain from the foreign currency transaction during the year (2022: \$2 thousand). Refer to Note 1

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11. Prior period error

During the year it was identified that the long service leave entitlement for certain employees had not been correctly calculated and recognised. The issue only impacted employees who had a period of part time service under certain awards during their employment. It was identified that the accrual for enhanced entitlement did not start on the completion of first 10 years of service by the employee, rather it started upon the completion of full-time equivalency of 10 years of service. This has resulted in an under accrual and / or underpayment of long service leave entitlements for such employees in current and prior years.

The Bureau's liability for long service leave 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.

The incorrect calculation of long service leave entitlements has resulted in lower 'Employee related expenses' and lower 'Acceptance by the Crown of employee benefits' revenue in the Statement of Comprehensive Income in prior years. Any consequential on-costs has resulted in lower 'Provisions' liability in the Statement of Financial Position and lower 'Employee related expenses' in the Statement of Comprehensive Income. The error has been corrected during the year, with retrospective adjustments made in the prior periods.

The impact to the Statement of Comprehensive Income and Statement of Financial Position from restating the balances in the prior year due to above matter are shown below.

Statement of Comprehensive Income for the year ended 30 June 2022 (extract)

		Consolidated Actual 2022 \$000	Consolidated Adjustment 2022 \$000	Consolidated Restated 2022 \$000	Parent Actual 2022 \$000	Parent Adjustment 2022 \$000	Parent Restated 2022 \$000
	Notes						
Continuing operations							
Expenses excluding losses							
Employee related expenses	2	6,182	(5)	6,177	-	-	-
Personnel services	3	-	-	-	6,144	(1)	6,143
Total expenses excluding		9,271	(5)	9,266	9,233	(1)	9,232
Revenue							
Acceptance by the Crown of employee benefits	9	38	(4)	34	-	-	-
Total revenue		9,171	(4)	9,167	9,133	-	9,133
Operating result		(100)	1	(99)	(100)	1	(99)
Net result from continuing operations		-	-	-	-	-	-
Net result		(98)	1	(97)	(98)	1	(97)
Total other comprehensive income		-	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME		(98)	1	(97)	(98)	1	(97)

Note: The above table is an extract only, showing only those financial statement line items affected by the correction of error.

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11. Prior period error (continued)

Statement of Financial Position as at 1 July 2021 (extract)

	Notes	Consolidated Actual 1 July 2021 \$000	Consolidated Adjustment 1 July 2021 \$000	Consolidated Restated 1 July 2021 \$000	Parent Actual 1 July 2021 \$000	Parent Adjustment 1 July 2021 \$000	Parent Restated 1 July 2021 \$000
LIABILITIES							
Current liabilities							
Provisions	16	899	5	904	899	5	904
Total current liabilities		1,167	5	1,172	1,167	5	1,172
Non-current liabilities							
Provisions	16	13	1	14	13	1	14
Total non-current liabilities		13	1	14	13	1	14
Total liabilities		1,180	6	1,186	1,180	6	1,186
Net assets		(937)	(6)	(943)	(937)	(6)	(943)
EQUITY							
Accumulated funds		(937)	(6)	(943)	(937)	(6)	(943)
Total Equity		(937)	(6)	(943)	(937)	(6)	(943)

Note: The above table is an extract only, showing only those financial statement line items affected by the correction of error.

Statement of Financial Position as at 30 June 2022 (extract)

	Notes	Consolidated Actual 2022 \$000	Consolidated Adjustment 2022 \$000	Consolidated Restated 2022 \$000	Parent Actual 2022 \$000	Parent Adjustment 2022 \$000	Parent Restated 2022 \$000
LIABILITIES							
Current liabilities							
Provisions	16	960	5	965	960	5	965
Total current liabilities		1,174	5	1,179	1,174	5	1,179
Non-current liabilities							
Provisions	16	13	-	13	13	-	13
Total non-current liabilities		13	-	13	13	-	13
Total liabilities		1,187	5	1,192	1,187	5	1,192
Net assets		(1,035)	(5)	(1,040)	(1,035)	(5)	(1,040)
EQUITY							
Accumulated funds		(1,035)	(5)	(1,040)	(1,035)	(5)	(1,040)
Total Equity		(1,035)	(5)	(1,040)	(1,035)	(5)	(1,040)

Note: The above table is an extract only, showing only those financial statement line items affected by the correction of error.

There is no impact on the total operating, investing or financing cash flows for the year ended 30 June 2022.

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12. Cash and cash equivalents

	Consolidated 2023 \$000	Consolidated 2022 \$000	Parent 2023 \$000	Parent 2022 \$000
Cash at bank and on hand	-	-	-	-
	-	-	-	-

HealthShare NSW, a controlled entity of the immediate parent manages accounts payable and employee related payments on behalf of the Bureau for payments to suppliers and employees. HealthShare NSW makes payments after the Bureau has reviewed and approved the invoices and employee rosters. The Bureau's approval of invoices and employee rosters provides authority to HealthShare NSW to make payments. These payments are reported as expenditures and cash outflows in the financial statements of the Bureau.

HealthShare NSW receives payments directly from the Ministry of Health on behalf of the Bureau to fund these payments. Upon payment, they are reported as revenue (Ministry of Health recurrent and capital allocations) and cash inflows in the financial statements of the Bureau.

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for the year ended 30 June 2023

13. Receivables

	Consolidated 2023 \$000	Consolidated 2022 \$000	Parent 2023 \$000	Parent 2022 \$000
Current				
Intra health receivables	2	15	2	15
Goods and Services Tax	46	44	46	44
Other receivables	3	11	3	11
Sub total	51	70	51	70
Prepayments	34	82	34	82
	85	152	85	152

Details regarding credit risk of receivables that are neither past due nor impaired, are disclosed in Note 20.

Recognition and Measurement

All 'regular way' purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets 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.

14. 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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15. Payables

	Consolidated 2023 \$000	Consolidated 2022 \$000	Parent 2023 \$000	Parent 2022 \$000
Current				
Accrued salaries, wages and on-costs	186	170	-	-
Salaries and wages deductions	2	4	-	-
Accrued liability - purchase of personnel services	-	-	188	174
Creditors ¹	40	37	40	37
Other creditors				
- Payables to entities controlled by the immediate	67	3	67	3
	295	214	295	214

¹ Manual creditors has been reclassified from 'Other creditors - other' to 'Creditors' in the current year. The prior period 'Other creditors - other' has been restated lower by \$27 thousand and 'Creditors' has been restated higher by \$27 thousand to reflect this change.

Details regarding liquidity risk, including a maturity analysis of the above payables are disclosed in Note 20.

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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16. Provisions

	Consolidated 2023 \$000	Consolidated ¹ 2022 \$000	Parent 2023 \$000	Parent ¹ 2022 \$000
Current				
Employee benefits and related on-costs				
Annual leave - obligations expected to be settled within 12 months	606	537	-	-
Annual leave - obligations expected to be settled after 12 months	110	136	-	-
Long service leave consequential on-costs - obligations expected to be settled within 12 months	5	3	-	-
Long service leave consequential on-costs - obligations expected to be settled after 12 months	156	136	-	-
Provision for other employee benefits*	48	153	-	-
Provision for personnel services liability	-	-	925	965
Total current provisions	925	965	925	965
Non-current				
Employee benefits and related on-costs				
Long service leave consequential on-costs	16	13	-	-
Total non-current provisions	16	13	16	13
Aggregate employee benefits and related on-costs				
Provisions - current	925	965	-	-
Provisions - non-current	16	13	-	-
Accrued salaries, wages and on-costs and salaries and wages deductions (Note 15)	188	174	-	-
Liability - purchase of personnel services	-	-	1,129	1,152
	1,129	1,152	1,129	1,152

¹ Long service leave consequential on-costs has been restated to be higher by \$5 thousand in the prior year for the consolidated entity. Provision for personnel services liability has been restated to be higher by \$5 thousand in the prior year for the parent entity. Refer to Note 11 for further details regarding restatement as a result of an error.

* Provision for other employee benefits in 2022 included a one-off payment to employees of \$118 thousand for the recognition of service during the COVID-19 pandemic.

16. Provisions (continued)

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 19.0% are applied to the value of leave payable at 30 June 2023 (comparable on-costs for 30 June 2022 were 18.4%). 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.

The majority of employee benefits and related on-cost balances have increased since the beginning of the COVID-19 pandemic. Management of the COVID-19 pandemic, along with state and international border closures at different times have adversely impacted the provision balance.

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.

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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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17. 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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18. 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 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 \$170 thousand, primarily due to:

i) Other operating expenses (including repairs and maintenance) are unfavourable by \$188 thousand or 5% of Budget. This is mainly due to increased expenses related to the Patient Survey Program of \$345 thousand, however an IntraHealth revenue of \$345 thousand has been received from the Cancer Institute to offset these expenses. This IntraHealth revenue of \$345 thousand is recorded under the sale of goods and services. Employee related expenses are at par with budget.

ii) The recurrent actual allocation is in deficit by \$420 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

Payments to suppliers for goods and services are unfavourable by \$77 thousand mainly due to additional patient survey expenses tempered by the \$250 thousand Wellbeing budget supplementation provided by the Ministry in June 2023.

Movements in the level of the Ministry of Health Recurrent Allocation that have occurred since the time of the initial allocation on 01 July 2022 are as follows:

	\$000
Initial allocation, 1 July 2022	9,977
Budget Supplementations	417
Workforce Wellbeing Initiative	250
Balance as per Statement of Comprehensive Income	10,644

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19. 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	Consolidated¹	Parent	Parent¹
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Net cash used on operating activities	-	(51)	-	(51)
Decrease / (increase) in provisions	38	(60)	38	(60)
Increase / (decrease) in prepayments and other assets	(68)	(40)	(68)	(40)
Decrease / (increase) in payables	(81)	54	(81)	54
Net result	(111)	(97)	(111)	(97)

¹ 'Decrease / (increase) in provisions' has been restated to be lower by \$1 thousand in the prior year for the consolidated and parent entity. Refer to Note 11 for further details regarding restatement as a result of an error.

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20. 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	Carrying Amount
		2023	2022
		\$000	\$000
Financial assets			
Receivables (Note 13) ¹	Amortised cost	5	26
Total financial assets		5	26
Financial liabilities			
Payables (Note 15) ²	Financial liabilities measured at amortised cost	295	214
Total financial liabilities		295	214

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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20. 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 Bureau 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 daily on restricted financial asset cash on hand and bank balances only. 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.

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20. 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)

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.

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 2023 and 30 June 2022.

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 loans and other advances.

The Bureau has negotiated no loan outside of arrangements with the 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 performance agreement with the Ministry of Health, as the annual 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 standards, the Ministry of Health 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 have a correctly rendered invoice, 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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20. Financial instruments (continued)

(d) Financial risk (continued)

ii. Liquidity risk (continued)

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

Maturity Analysis and interest rate exposure of financial liabilities

	Interest Rate Exposure		Maturity Dates	
	Nominal Amount ¹ \$000	Non - Interest Bearing \$000	< 1 Yr \$000	
2023				
Payables:				
- Creditors ²	295	295	295	
	295	295	295	
2022				
Payables:				
- Creditors ²	214	214	214	
	214	214	214	

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 AASB 7 Financial Instruments: Disclosures).

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20. 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 2022. 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 Ministry of Health (except energy loans which are negotiated through NSW Treasury). Both NSW Treasury and the 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:

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	2023		2022	
	\$000		\$000	
	-1%	1%	-1%	1%
Net result	-	-	-	-
Equity	-	-	-	-

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21. Related party disclosures

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(a) Key management personnel compensation

Key management personnel compensation is as follows:

	2023 \$000	2022 \$000
Short-term employee benefits	81	79
Post-employment benefits	8	8
	89	87

During the financial year, The Bureau of Health Information obtained key management personnel services from the immediate parent and incurred \$315 thousand (2022: \$343 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 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.

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

There were no transactions with key management personnel and their close family members (2022: \$Nil).

(c) Transactions with the ultimate parent

There were no transactions with the ultimate parent during the financial period (2022: \$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 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
- Rental for office spaces, and workplace services
- Staff related costs in relation to payroll
- Accounts payable payments to suppliers

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21. Related party disclosures (continued)

(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

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

- Revenue from recurrent allocations
- Revenue from Cancer Institute NSW for Patient Survey Program charges

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

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

Assets and liabilities as follows:

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

22. Events after the reporting period

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

END OF AUDITED FINANCIAL STATEMENTS