



INDEPENDENT AUDITOR'S REPORT

Bureau of Health Information

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of the Bureau of Health Information (the Bureau), which comprise the statement of financial position as at 30 June 2012, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information of the Bureau and the consolidated entity. The consolidated entity comprises the Bureau and the entities it controlled at the year's end or from time to time during the financial year.

Opinion

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Bureau and the consolidated entity, as at 30 June 2012, and of the financial performance and the cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 45E of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2010.

My opinion does not extend to the budget information. I have not audited the budget figures disclosed in the statement of comprehensive income, statement of financial position and statement of cash flows.

My opinion should be read in conjunction with the rest of this report.

The Board's Responsibility for the Financial Statements

The Board is responsible for the preparation of the financial statements that give a true and fair view in accordance with Australian Accounting Standards and the PF&A Act, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that give a true and fair view and that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board, as well as evaluating the overall presentation of the financial statements.

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

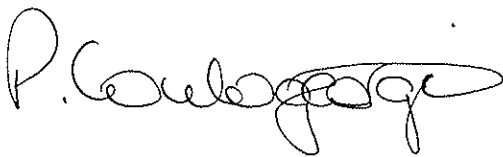
My opinion does *not* provide assurance:

- about the future viability of the Bureau or the consolidated entity
- that they have carried out their activities effectively, efficiently and economically
- about the effectiveness of their internal control
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about other information that may have been hyperlinked to/from the financial statements.

Independence

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards and relevant ethical pronouncements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies, but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by the possibility of losing clients or income.



Peter Coulogeorgiou
Director, Financial Audit Services .

12 October 20112
SYDNEY

Bureau of Health Information
Certification of the Parent / Consolidated Financial Statements for the year ended
30 June 2012

Pursuant to Section 45F of the *Public Finance and Audit Act 1983*, I state that in my opinion:

- 1) The financial statements have been prepared in accordance with:
 - a) Australian Accounting Standards (which include Australian Accounting Interpretations);
 - b) the requirements of the *Public Finance and Audit Act 1983*, the *Public Finance and Audit Regulations 2010* and the Treasurer's Directions;
- 2) The financial statements exhibit a true and fair view of the financial position and the financial performance of the Bureau of Health Information; and
- 3) There are no circumstances which would render any particulars in the accounts to be misleading or inaccurate.

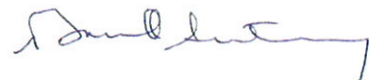
I further state the financial statements have been prepared in accordance with the NSW Ministry of Health's Accounts and Audit Determination for Public Health Organisations.



Norman Smith
Chief Finance Officer
10 October 2012



Kim Browne
A/Chief Executive Officer
10 October 2012



Professor Bruce Armstrong AM
Chairman, Bureau of Health Information
10 October 2012

Bureau of Health Information
Statement of Financial Position as at 30 June 2012

PARENT			CONSOLIDATION			
Actual	Budget Unaudited	Actual	Notes	Actual	Budget Unaudited	Actual
2012	2012	2011		2012	2012	2011
\$000	\$000	\$000		\$000	\$000	\$000
ASSETS						
Current Assets						
454	205	312		454	205	312
152	105	105	11	152	105	105
<u>606</u>	<u>310</u>	<u>417</u>	12	<u>606</u>	<u>310</u>	<u>417</u>
Non-Current Assets						
Property, Plant and Equipment						
94	62	72		94	62	72
28	0	0	13	28	-	0
<u>122</u>	<u>62</u>	<u>72</u>	13	<u>122</u>	<u>62</u>	<u>72</u>
<u>122</u>	<u>62</u>	<u>72</u>		<u>122</u>	<u>62</u>	<u>72</u>
<u>728</u>	<u>372</u>	<u>489</u>		<u>728</u>	<u>372</u>	<u>489</u>
LIABILITIES						
Current Liabilities						
433	364	270		433	364	270
208	118	82	14	208	118	82
<u>641</u>	<u>482</u>	<u>352</u>	15	<u>641</u>	<u>482</u>	<u>352</u>
Non-Current Liabilities						
2	2	0		2	2	0
<u>2</u>	<u>2</u>	<u>0</u>	15	<u>2</u>	<u>2</u>	<u>0</u>
<u>643</u>	<u>484</u>	<u>352</u>		<u>643</u>	<u>484</u>	<u>352</u>
<u>85</u>	<u>(112)</u>	<u>137</u>		<u>85</u>	<u>(112)</u>	<u>137</u>
EQUITY						
85	(112)	137		85	(112)	137
<u>85</u>	<u>(112)</u>	<u>137</u>		<u>85</u>	<u>(112)</u>	<u>137</u>

The accompanying notes form part of these financial statements.

Bureau of Health Information
Statement of Changes in Equity for the year ended 30 June 2012

	Notes	Accumulated Funds	Total
		\$000	\$000
Balance at 1 July 2011		137	137
Restated Total Equity at 1 July 2011		<u>137</u>	<u>137</u>
Net Result for the year		(52)	(52)
Total Comprehensive Income for the year		<u>(52)</u>	<u>(52)</u>
Balance at 30 June 2012		<u>85</u>	<u>85</u>
Balance at 1 July 2010		327	327
Balance at 1 July 2010		<u>327</u>	<u>327</u>
Net Result for the year		(199)	(199)
Total Comprehensive Income for the year		<u>(199)</u>	<u>(199)</u>
Transactions With Owners In Their Capacity As Owners			
Increase/(Decrease) in Net Assets From Equity Transfers		9	9
Balance at 30 June 2011		<u>137</u>	<u>137</u>

The accompanying notes form part of these financial statements.

Bureau of Health information
Statement of Cash Flows for the year ended 30 June 2012

PARENT			CONSOLIDATION		
Actual	Budget Unaudited	Actual	Actual	Budget Unaudited	Actual
2012	2012	2011	2012	2012	2011
\$000	\$000	\$000	Notes	\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES					
Payments					
				Employee Related	
(2,715)	(3,150)	(2,595)		(2,008)	(1,620)
				Other	(975)
(2,715)	(3,150)	(2,595)		(707)	(975)
Total Payments					
(2,715)	(3,150)	(2,595)		(2,715)	(2,595)
Receipts					
2,698	2,715	2,263		NSW Ministry of Health Recurrent Allocations	2,263
0	0	0		Cash Reimbursements from the Crown Entity	-
(32)	(76)	(75)		Sales of good & Services	(75)
23	0	26		Interest Revenue	26
136	131	0		Grants and Contributions	-
92	0	0		Other	-
92	0	0		92	0
Total Receipts					
2,917	2,770	2,214		2,917	2,214
NET CASH FLOWS FROM OPERATING ACTIVITIES					
202	(380)	(381)	17	202	(381)
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from Sale of Land and Buildings, Plant and Equipment					
Purchases of Land and Buildings, Plant and Equipment					
(60)	18	0		Infrastructure Systems and Intangibles	0
(60)	18	0		(60)	18
NET CASH FLOWS FROM INVESTING ACTIVITIES					
(60)	18	0		(60)	18
NET INCREASE / (DECREASE) IN CASH					
142	(362)	(381)		142	(381)
312	567	693		Opening Cash and Cash Equivalents	693
312	567	693		312	567
CLOSING CASH AND CASH EQUIVALENTS					
454	205	312	11	454	312

The accompanying notes form part of these financial statements.

Bureau of Health Information
Notes to and forming part of the Financial Statements
for the Year Ended 30 June 2012

1. The Reporting Entity

The Bureau of Health Information (the Bureau) was established under the provisions of the Health Services Act 1997 with effect from 1 September 2009.

The parent entity, comprises all the operating activities of the Bureau under its control.

The Bureau controls the Bureau of Health Information Special Purpose Service Entity which was established as a Division of the Government Service on 1 September 2009 in accordance with the Public Sector Employment and Management Act 2002 and the Health Services Act 1997. These Divisions provide personnel services to enable a Bureau to exercise its functions.

As a consequence the values in the annual financial statements presented herein consist of the parent entity and the consolidated entity which comprises the parent and special purpose service division. 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.

The reporting entity is a NSW Government entity which is consolidated as part of the NSW Ministry of Health and NSW Total State Sector Accounts. The Bureau is a not-for-profit entity (as profit is not its principal objective).

These consolidated financial statements for the year ended 30 June 2012 have been authorised for issue by the Board on 10 October 2012.

2. Summary of Significant Accounting Policies

Basis of Preparation

The Bureau's financial statements are general purpose financial statements which have been prepared in accordance with applicable Australian Accounting Standards (which include Australian Accounting Interpretations), the requirements of the Health Services Act 1997 and its regulations (including observation of the Accounts and Audit Determination for Public Health Organisations), the Public Finance and Audit Act 1983 and its regulations, and the Treasurers' Direction. Apart for the basis for the Bureau's budget figures, the financial statements comply with the Financial Reporting Code for NSW General Government Sector Entities. Further information on the budget figures can be found at Note 2(n).

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

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency.

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

Comparative Information

Except when an Australian Accounting Standard permits or requires otherwise, comparative information is disclosed in respect of the previous period for all amounts reported in the financial statements. The comparative period is a twelve month period.

Bureau of Health Information
Notes to and forming part of the Financial Statements
for the Year Ended 30 June 2012

Statement of Compliance

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

Significant accounting policies used in the preparation of these financial statements are as follows:

a) Employee Benefits and Other Provisions

i) Salaries & Wages, Annual Leave, Sick Leave and On-Costs

At the consolidated level of reporting, liabilities for salaries and wages (including non-monetary benefits), annual leave and paid sick leave that are due to be settled within 12 months after the end of the period in which the employees render the service are recognised and measured in respect of employees' services up to the reporting date at undiscounted amounts based on the amounts expected to be paid when the liabilities are settled.

All Annual Leave employee benefits are reported as "Current" as there is an unconditional right to payment. Current liabilities are then further classified as "Short Term" or "Long Term" based on past trends and known resignations and retirements. Anticipated payments to be made in the next twelve months are reported as "Short Term".

On-costs of 17.8% are applied to the value of leave payable at 30 June 2012, such on-costs being based on actuarial assessment (Comparable on-costs for 30 June 2011 were also 17%).

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.

Bureau of Health Information
Notes to and forming part of the Financial Statements
for the Year Ended 30 June 2012

The outstanding amounts of workers' compensation insurance premiums and fringe benefits tax, which are consequential to employment, are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised.

ii) Long Service Leave and Superannuation

The Bureau's liability for Long Service Leave and defined benefit superannuation are assumed by the Crown Entity. The Bureau accounts for the liability as having been extinguished resulting in the amount assumed being shown as part of the non-monetary revenue item.

Specific on-costs relating to Long Service Leave assumed by the Crown Entity are borne by the Bureau as shown in Note 15.

Long Service Leave is measured at present value in accordance with AASB119, *Employee Benefits*. This is based on the application of certain factors (specified in NSW Treasury Circular 12/06) to employees with five or more years of service, using current rates of pay. These approximate present value.

The Bureau's liability for the closed superannuation pool schemes (State Authorities Superannuation Scheme and State Superannuation Scheme) is assumed by the Crown Entity.

The Bureau accounts for the liability as having been extinguished resulting in the amount assumed being shown as part of the non-monetary revenue item described as 'Acceptance by the Crown Entity of Employee Benefits'.

Any liability attached to Superannuation Guarantee Charge cover is reported in Note 14, 'Payables'.

The superannuation expense for the reporting period is determined by using the formulae specified by the NSW Treasury. The expense for certain superannuation schemes (i.e. Basic Benefit and First State Super) is calculated as a percentage of the employees' salary. For other superannuation schemes (i.e. State Superannuation Scheme and State Authorities Superannuation Scheme), the expense is calculated as a multiple of the employees' superannuation contributions.

iii) Other Provisions

Other provisions exist when 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.

b) Insurance

The Bureau's insurance activities are conducted through the NSW Treasury Managed Fund Scheme of self insurance for Government Agencies. The expense (premium) is determined by the Fund Manager based on past claim experience.

c) Finance Costs

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

Bureau of Health Information
Notes to and forming part of the Financial Statements
for the Year Ended 30 June 2012

d) Income Recognition

Income is measured at the fair value of the consideration or contribution received or receivable. Additional comments regarding the accounting policies for the recognition of revenue are discussed below.

Rendering of Services

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

Investment Revenue

Interest revenue is recognised using the effective interest method as set out in AASB139, Financial Instruments: Recognition and Measurement.

Grants and Contributions

Grants and Contributions are generally recognised as revenues when the Bureau obtains control over the assets comprising the contributions. Control over contributions is normally obtained upon the receipt of cash.

NSW Ministry of Health Allocations

Payments are made by the NSW Ministry of Health on the basis of the allocation for the Bureau as adjusted for approved supplementations mostly for salary agreements and approved enhancement projects.

This allocation is included in the Statement of Comprehensive Income before arriving at the "Net Result" on the basis that the allocation is earned in return for the health services provided on behalf of the Ministry. Allocations are normally recognised upon the receipt of Cash.

e) 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 the cost of acquisition of an asset 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 is recoverable from, or payable to, the Australian Taxation Office are classified as operating cash flows.

Bureau of Health Information
Notes to and forming part of the Financial Statements
for the Year Ended 30 June 2012

f) Acquisition of Assets

The cost method of accounting is used for the initial recording of all acquisitions of assets controlled by the Bureau.

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 specific requirements of other Australian Accounting Standards.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and revenues at their fair value at the date of acquisition (See also assets transferred as a result of an equity transfer Note 2(l)).

Fair value is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction.

Where payment for an asset is deferred beyond normal credit terms, its cost is the cash price equivalent, i.e. the deferred payment amount is effectively discounted at an asset-specific rate.

Land and Buildings which are owned by the Health Administration Corporation or the State and administered by the Bureau are deemed to be controlled by the Bureau and are reflected as such in the financial statements.

g) Capitalisation Thresholds

Individual items of property, plant & equipment are capitalised where their cost is \$10,000 or above.

h) Depreciation of Property, Plant and Equipment

Depreciation is provided for on a straight-line basis for all depreciable assets so as to write off the depreciable amount of each asset as it is consumed over its useful life to the Bureau. Land is not a depreciable asset. All material separately identifiable components of assets are depreciated over their shorter useful lives.

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

Buildings	2.5%
Motor Vehicle Sedans	12.5%
Furniture, Fittings and Furnishings	5.0%
Leasehold	over the term of the lease

Depreciation rates are subsequently varied where changes occur in the assessment of the remaining useful life of the assets reported.

i) Maintenance

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

Bureau of Health Information
Notes to and forming part of the Financial Statements
for the Year Ended 30 June 2012

j) Leased Assets

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of the leased assets, and operating leases under which the lessor effectively retains all such risks and benefits.

Where a non-current asset is acquired by means of a finance lease, the asset is recognised at its fair value at the commencement of the lease term. The corresponding liability is established at the same amount. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are charged to the Statement of Comprehensive Income in the periods in which they are incurred.

k) Payables

These amounts represent liabilities for goods and services provided to the Bureau and other amounts. Payables are recognised initially at fair value, usually based on the transaction cost or face value.

Subsequent measurement is at amortised cost using the effective interest method. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

Payables are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Bureau.

l) Equity Transfers

The transfer of net assets between agencies as a result of an administrative restructure, transfers of programs/functions and parts thereof between NSW public sector agencies is designated or required by Accounting Standards to be treated as contributions by owners and is recognised as an adjustment to "Accumulated Funds". This treatment is consistent with AASB1004, *Contributions* and Australian Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities*.

Transfers arising from an administrative restructure involving not-for-profit entities and for-profit government entities are recognised at the amount at which the asset was recognised by the transferor immediately prior to the restructure. Subject to below, in most instances this will approximate fair value.

All other equity transfers are recognised at fair value, except for intangibles. Where an intangible has been recognised at (amortised) cost by the transferor because there is no active market, the agency recognises the asset at the transferor's carrying amount. Where the transferor is prohibited from recognising internally generated intangibles, the agency does not recognise that asset.

m) Equity and Reserves

(i) Accumulated Funds

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

Bureau of Health Information
Notes to and forming part of the Financial Statements
for the Year Ended 30 June 2012

n) Budgeted Amounts

The budgeted amounts are drawn from the budgets agreed with the NSW Health Ministry at the beginning of the financial year and with any adjustments for the effects of additional supplementation provided. The budget amounts are not subject to audit review and, accordingly, the relevant column entries in the financial statements are denoted as "Unaudited".

o) New Australian Accounting Standards Issued but not Effective

No new or revised accounting standards or interpretations are adopted earlier than their prescribed date of application. It is not expected that changes to be effected from 1 July 2013 will have a material impact on the Entity.

Bureau of Health Information
Notes to and forming part of the Financial Statements
for the Year Ended 30 June 2012

PARENT			CONSOLIDATION	
2012 \$000	2011 \$000		2012 \$000	2011 \$000
3. Employee Related				
Employee related expenses comprise the following:				
		Salaries and Wages	1,694	1,481
		Overtime	4	-
		Superannuation - Defined Benefit Plans	4	-
		Superannuation - Defined Contribution Plans	121	89
		Long Service Leave	171	7
		Annual Leave	79	103
		Sick Leave and Other Leave	45	12
		Workers' Compensation Insurance	7	9
0	0		2,125	1,701
4. Personnel Services				
Personnel Services comprise the purchase of the following:				
1,694	1,481	Salaries and Wages		
4	-	Overtime		
4	-	Superannuation - Defined Benefit Plans		
121	89	Superannuation - Defined Contribution Plans		
171	7	Long Service Leave		
79	103	Annual Leave		
45	12	Sick Leave and Other Leave		
7	9	Workers' Compensation Insurance		
2,125	1,701		-	-
5. Other Operating Expenses				
5	4	Domestic Supplies and Services	5	4
1	1	Food Supplies	1	1
4	5	Fuel, Light and Power	4	5
344	270	General Expenses (See (a) below)	344	270
54	46	Information Management Expenses	54	46
1	0	Insurance	1	-
		Maintenance (See (b) below)		
-	1	Maintenance Contracts	0	1
11	37	New/Replacement Equipment under \$10,000	11	37
-	1	Repairs Maintenance/Non Contract	-	1
4	-	Motor Vehicle Expenses	4	-
1	12	Postal and Telephone Costs	1	12
47	134	Printing and Stationery	47	134
77	60	Rental	77	60
184	193	Staff Related Costs	184	193
41	16	Travel Related Costs	41	16
774	780		774	780

Bureau of Health Information
Notes to and forming part of the Financial Statements
for the Year Ended 30 June 2012

	PARENT	CONSOLIDATION
	2012	2012
	\$000	\$000
(a) General Expenses include :-		
Advertising	3	3
Auditor's Remuneration - Audit of Financial Statements	22	22
Auditor's Remuneration - Other Services	0	0
Books, Magazines and Journals	1	1
Consultancies		
- Operating Activities	58	51
Corporate Support Services	108	92
Courier and Freight	1	5
Data Recording and Storage	5	81
Membership/Professional Fees	1	2
Payroll Services	1	1
Other	119	12
(b) Reconciliation of Total Maintenance		
Maintenance Expense - Contracted Labour and Other (Non-Employee Related), included in Note 5	11	39
Total Maintenance Expenses included in Note 5	<u>11</u>	<u>39</u>

Bureau of Health Information
Notes to and forming part of the Financial Statements
for the Year Ended 30 June 2012

PARENT			CONSOLIDATION	
2012 \$000	2011 \$000		2012 \$000	2011 \$000
		6. Depreciation and Amortisation		
10	8	Amortisation - Leasehold improvements	10	8
<u>10</u>	<u>8</u>		<u>10</u>	<u>8</u>

Bureau of Health Information
Notes to and forming part of the Financial Statements
for the Year Ended 30 June 2012

PARENT			CONSOLIDATION	
2012	2011		2012	2011
\$000	\$000		\$000	\$000
7. Interest Revenue				
23	26	Interest	23	26
<u>23</u>	<u>26</u>		<u>23</u>	<u>26</u>

Bureau of Health Information
Notes to and forming part of the Financial Statements
for the Year Ended 30 June 2012

PARENT			CONSOLIDATION	
2012 \$000	2011 \$000		2012 \$000	2011 \$000
8. Acceptance by the Crown Entity of employee benefits				
The following liabilities and expenses have been assumed by the Crown Entity:				
0	0	Superannuation-defined benefit	3	-
0	0	Long Service Leave	133	1
<u>0</u>	<u>0</u>		<u>136</u>	<u>1</u>
9. Grants and Contributions				
3	0	Personnel Services - Super Defined Benefit Plans	0	0
133	1	Other Grants	0	0
<u>136</u>	<u>1</u>		<u>0</u>	<u>0</u>

Bureau of Health Information
Notes to and forming part of the Financial Statements
for the Year Ended 30 June 2012

10. Service Groups of the Bureau

Service Group 6.1 - Teaching and Research

Service Description: This service group covers the provision of professional training for the needs of the New South Wales health system. It also includes strategic investment in research and development to improve the health and wellbeing of the people of New South Wales.

Objective: This service group contributes to ensuring a fair and sustainable health system by working towards a range of intermediate results that include the following:

- developing the skills and knowledge of the health workforce to support patient care and population health and
- extending knowledge through scientific enquiry and applied research aimed at improving the health and wellbeing of the people of New South Wales.

Bureau of Health Information
Notes to and forming part of the Financial Statements
for the Year Ended 30 June 2012

PARENT			CONSOLIDATION	
2012 \$000	2011 \$000		2012 \$000	2011 \$000
		12. Receivables		
		Current		
55	15	Intra Health Receivables	55	15
97	81	Goods and Services Tax	97	81
-	9	Other Debtors	-	9
152	105	Sub Total	152	105
152	105		152	105

Details regarding credit risk, liquidity risk and market risk, including financial assets that are either past due or impaired are disclosed in Note 20.

Bureau of Health Information
Notes to and forming part of the Financial Statements
for the Year Ended 30 June 2012

PARENT			CONSOLIDATION	
2012 \$000	2011 \$000		2012 \$000	2011 \$000
13. Property, Plant and Equipment				
Leasehold Improvements - Fair Value				
112	80	Gross Carrying Amount	112	80
(18)	(8)	Accumulated Depreciation and Impairment	(18)	(8)
94	72	Net Carrying Amount	94	72
Plant and Equipment - Fair Value				
28	-	Gross Carrying Amount	28	-
-	-	Accumulated Depreciation and Impairment	-	-
28	-	Net Carrying Amount	28	-
122	72	Total Property, Plant and Equipment At Net Carrying Amount	122	72

Bureau of Health Information
Notes to and forming part of the Financial Statements
for the Year Ended 30 June 2012

PARENT & CONSOLIDATED

13. Property, Plant and Equipment - Reconciliation

	Leasehold Improvements	Plant and Equipment	Total
	\$000	\$000	\$000
2012			
Net Carrying Amount at Start of Year	72	-	72
Additions	32	28	60
Depreciation Expense	(10)	-	(10)
Net Carrying Amount at End of Year	94	28	122

	Leasehold Improvements	Plant and Equipment	Total
	\$000	\$000	\$000
2011			
Net Carrying Amount at Start of Reporting Period	80	-	80
Depreciation Expense	(8)	-	(8)
Net Carrying Amount at End of Year	72	-	72

Bureau of Health Information
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PARENT			CONSOLIDATION	
2012 \$000	2011 \$000		2012 \$000	2011 \$000
		14. Payables		
		Current		
		Accrued Salaries, Wages and On-Costs	65	27
		Taxation and Payroll Deductions	2	15
67	42	Accrued Liability - Purchase of Personnel Services		
38	30	Creditors	38	30
		Other Creditors		
		- Intra Health Liability	324	148
324	148	- Other	4	50
4	50			
433	270		433	270

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

Bureau of Health Information
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for the Year Ended 30 June 2012

PARENT			CONSOLIDATION	
2012 \$000	2011 \$000		2012 \$000	2011 \$000
15. Provisions				
		Annual Leave - Long Term Benefit	172	82
		Long Service Leave On-Costs	36	-
208	82	Provision for Personnel Services Liability		
<u>208</u>	<u>82</u>	Total Current Provisions	<u>208</u>	<u>82</u>
		Non-Current Employee Benefits and Related On-Costs		
		Long Service Leave On-Costs	2	-
2	-	Provision for Personnel Services Liability		
<u>2</u>	<u>-</u>	Total Non-Current Provisions	<u>2</u>	<u>-</u>
Aggregate Employee Benefits and Related On-Costs				
208	82	Provisions - Current	208	82
2	-	Provisions - Non-Current	2	-
67	42	Accrued Salaries, Wages and On-Costs (Note 14)	67	42
<u>277</u>	<u>124</u>	Accrued Liability - Purchase of Personnel Services (Note 14)	<u>277</u>	<u>124</u>

Bureau of Health Information
Notes to and forming part of the Financial Statements
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PARENT	Actual	Actual	CONSOLIDATION
2012	2011	2011	2012
\$000	\$000	\$000	\$000
17. Reconciliation of Cash Flows from Operating Activities to Net Result			
202	(381)	202	(381)
(10)	(8)	(10)	(8)
(128)	(56)	(128)	(56)
47	75	47	75
(163)	171	(163)	171
(52)	(199)	(52)	(199)

Bureau of Health Information
Notes to and forming part of the Financial Statements
for the Year Ended 30 June 2012

PARENT AND CONSOLIDATED

18. Unclaimed Moneys

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

19. Budget Review - Parent and Consolidated

Net Result

The net operating result in the Statement of Comprehensive Income is 197K favourable to budget and 52K unfavourable in actuals. The unfavourable result is related to the Ministry approving expenditure in the financial year of \$250K more than the actual subsidy allocation for the financial year due to sufficient cash at bank. The Statement of Financial position for the end of the financial year is total equity of 85K. Notwithstanding that the Bureau has a working capital (liquidity) deficiency of \$35K for the financial year, which includes significant portions of current annual leave entitlements that are not expected to be settled in the next 12 months, the financial statements of the Bureau have been prepared on a going concern basis. It is noted that the Bureau will continue to get assistance as required from the Ministry of Health to meet its working capital (liquidity) requirements.

Assets and Liabilities

An over payment of cash subsidy has resulted in an increase in cash at bank by \$185k

Movements in the level of the NSW Ministry of Health Recurrent Allocation that have occurred since the time of the initial allocation on 01 July 2011 are as follows:

	\$000
Initial Allocation, 1/7/11	2,098
Award Increases	38
Additional recurrent budget	530
SMRT - Reporting System	49
Balance as per Statement of Comprehensive Income	2,715

Bureau of Health Information
Notes to and forming part of the Financial Statements
for the Year Ended 30 June 2012

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 risk faced by the Bureau, to set risk limits and controls and monitor risks. Compliance with policies is reviewed by the Audit & Risk Committee/internal auditors on a regular basis.

(a) Financial Instrument Categories

PARENT

Financial Assets Class:	Category	Carrying Amount	Carrying Amount
		2012 \$000	2011 \$000
Cash and Cash Equivalents (note 11)	N/A	454	312
Receivables (note 12)1	Loans and receivables (at amortised cost)	55	24
Total Financial Assets		<u>509</u>	<u>336</u>
Financial Liabilities			
Payables (note 14)2	Financial liabilities	433	270
Total Financial Liabilities		<u>433</u>	<u>270</u>

Bureau of Health Information
Notes to and forming part of the Financial Statements
for the Year Ended 30 June 2012

Notes

- 1 Excludes statutory receivables and prepayments (ie not within scope of AASB 7)
2 Excludes statutory payables and unearned revenue (ie not within scope of AASB 7)

CONSOLIDATION

Financial Assets Class:	Category	Carrying Amount	Carrying Amount
		2012 \$000	2011 \$000
Cash and Cash Equivalents (note 11)	N/A	454	312
Receivables (note 12)1	Loans and receivables (at amortised cost)	55	24
Total Financial Assets		509	336
Financial Liabilities			
Payables (note 14)2	Financial liabilities	433	270
Total Financial Liabilities		433	270

Notes

- 1 Excludes statutory receivables and prepayments (ie not within scope of AASB 7)
2 Excludes statutory payables and unearned revenue (ie not within scope of AASB 7)

(b) Credit Risk

Credit risk arises when there is the possibility of the Bureau's debtors defaulting on their contractual obligations, resulting in a financial loss to the Bureau. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment).

Credit risk arises from financial assets of the Bureau, including cash, receivables and authority deposits. No collateral is held by the Bureau. The Bureau has not granted any financial guarantees.

Credit risk associated with the Bureau's financial assets, other than receivables, is managed through the selection of counterparties and establishment of minimum credit rating standards. Authority deposits held with NSW TCorp are guaranteed by the State.

Bureau of Health Information
Notes to and forming part of the Financial Statements
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Cash

Cash comprises cash on hand and bank balances deposited in accordance with Public Authorities (Financial Arrangements) Act approvals. Interest is earned on daily bank balances at rates of approximately 4.5% in 2011/12 compared to 5.7% in the previous year.

Receivables - trade debtors

The only financial assets that are past due or impaired are 'sales of goods and services' in the receivables' category of the Statement of Financial Position.

	\$000		
2012	Total ^{1,2}	Past due but not impaired ^{1,2}	Considered impaired ^{1,2}
<3 months overdue	-	-	-
3 months - 6 months overdue	-	-	-
> 6 months overdue	-	-	-
2011			
<3 months overdue	-	-	-
3 months - 6 months overdue	-	-	-
> 6 months overdue	-	-	-

Notes

1 Each column in the table reports "gross receivables".

2 The ageing analysis excludes statutory receivables, as these are not within the scope of AASB 7 and excludes receivables that are not past due and not impaired. Therefore, the "total" will not reconcile to the receivables total recognised in the statement of financial position.

Bureau of Health Information
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for the Year Ended 30 June 2012

(c) Liquidity Risk

Liquidity risk is the risk that the Bureau will be unable to meet its payment obligations when they fall due. The Bureau continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets. The objective is to maintain a balance between continuity of funding and flexibility through effective management of cash, investments and liquid assets and liabilities.

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

During the current and prior years, there were no defaults or breaches on any loans payable. No assets have been pledged as collateral.

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set by the NSW Ministry of Health. For small business suppliers, where terms are not specified, payment is made not later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, if trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received.

For small business suppliers, where payment is not made within the specified time period, simple interest must be paid automatically unless an existing contract specifies otherwise.

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

Bureau of Health Information
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Maturity Analysis and interest rate exposure of financial liabilities

	Weighted Average Effective Int. Rate	Interest Rate Exposure				Maturity Dates		
		Nominal Amount ¹	Fixed Interest Rate	Variable Interest Rate	Non - Interest Bearing	< 1 Yr	1-5 Yr	> 5Yr
	%	\$000	\$000	\$000	\$000	\$000	\$000	\$000
2012								
Payables:								
Accrued Salaries Wages, On-Costs and Payroll Deductions		67			67	67		
Creditors		366			366	366		
		433	-	-	433	433	-	-
2011								
Payables:								
Accrued Salaries Wages, On-Costs and Payroll Deductions		43			43	43		
Creditors		227			227	227		
		270	-	-	270	270	-	-

Notes:

¹ The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities based on the earliest date on which the Bureau can be required to pay. The tables include both interest and principal cash flows and therefore will not reconcile to the Statement Of Financial Position.

Bureau of Health Information
Notes to and forming part of the Financial Statements
for the Year Ended 30 June 2012

d) Market Risk

Interest rate risk

Exposure to interest rate risk arises primarily through the Bureau's interest bearing liabilities.

However, Bureau are not permitted to borrow external to the NSW Ministry of Health (energy loans which are negotiated through Treasury excepted).

Both Treasury and NSW Ministry of Health loans are set at fixed rates and therefore are generally not affected by fluctuations in market rates. The Bureau does not account for any fixed rate financial instruments at fair value through profit or loss or as available-for-sale. Therefore, for these financial instruments, a change of interest rates would not affect profit or loss or equity.

A reasonably possible change of +/-1% is used consistent with current trends in interest rates. The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility. The Bureau's exposure to interest rate risk is set out below.

	Carrying Amount \$'000	-1% Profit	Equity	+1% Profit	Equity
2012					
Financial Assets					
Cash and Cash Equivalents	454	(5)	(5)	5	5
Receivables	55				
Financial Liabilities					
Payables	433				
2011					
Financial Assets					
Cash and Cash Equivalents	312	(3)	(3)	3	3
Receivables	24				
Financial Liabilities					
Payables	270				

21. Events after the Reporting Period

There are no significant issues that have arisen in preparation of the 30 June 2012 financial statements. In 2012/13, consistent with the revised Governance Framework of greater transparency and utility of health information, the Bureau of Health information will have expanded responsibilities as the independent expert in analysing and reporting patient outcome information to the public and clinicians. The Bureau will also have a role in commissioning the NSW Health Patient Survey and the analysis and publication of results.

END OF AUDITED FINANCIAL STATEMENTS

