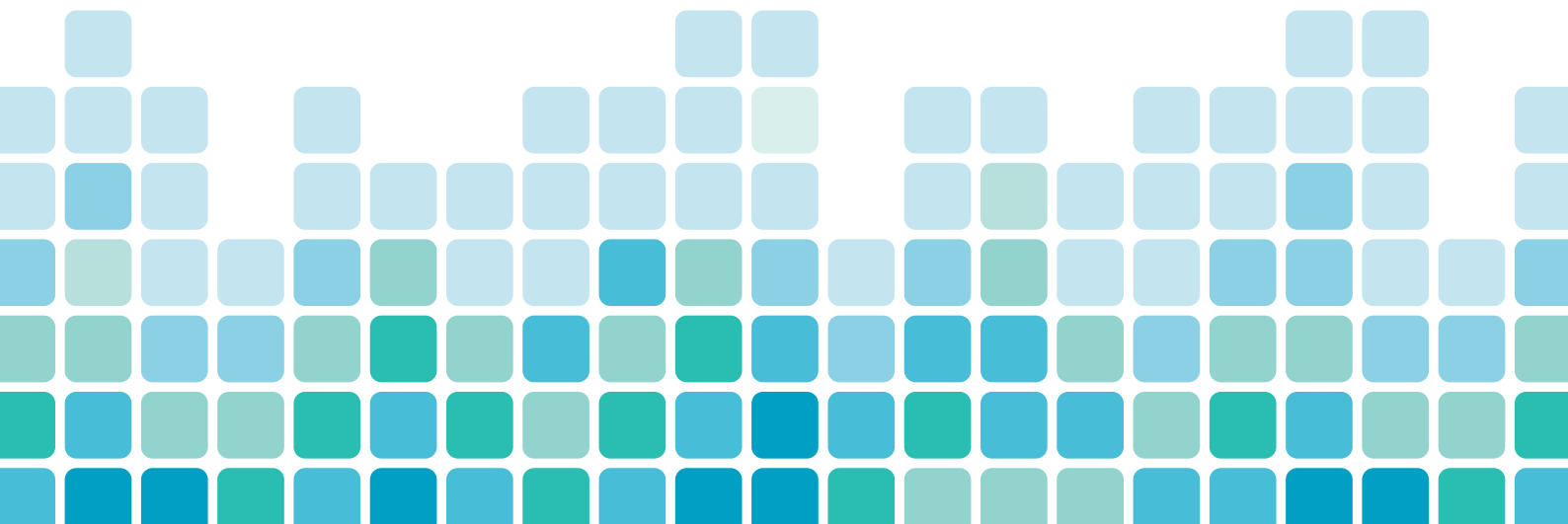


Bureau of Health Information

Annual Report 2010–2011

Timely, accurate and comparable information
about the performance of the
NSW public health system



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The Hon Jillian Skinner MP
Minister for Health and Minister for Medical Research
Level 31 Governor Macquarie Tower
1 Farrer Place
SYDNEY NSW 2000

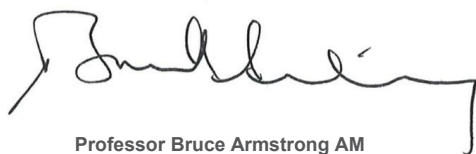
Dear Minister,

We are pleased to submit the *Bureau of Health Information Annual Report 2010-11* for presentation to the Parliament of New South Wales in accordance with the *Annual Reports (Statutory Bodies) Act 1984*.

This report summarises our performance for 2010-11 against the objectives and targets set in our *Strategic Plan: 2009-2014*. It also includes our corporate governance processes, comments on our financial results and discusses our future goals.

Thank you for your valued and continued support to enable us to contribute to the accountability goals and targets in the *NSW 2021: A Plan to Make NSW Number One*. Our work aligns with the NSW Government's targets "to promote integrity and accountability in the public sector" and "to increase public availability of government information". We will continue work to support your commitment to provide people with information to inform local decision-making, and your goals "to keep people healthy and out of hospital" and "to provide world class clinical services with timely access and effective infrastructure".

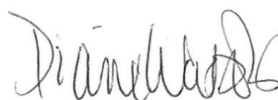
We commend to you this report on the progress being achieved in our first full year of service. With the ongoing support of its Board, the Bureau will continue to provide high quality information to NSW people about the performance of their public health system.



Professor Bruce Armstrong AM

Chairman

29 September 2011



Dr Diane Watson

Chief Executive

29 September 2011

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Message from the Chief Executive

The Bureau of Health Information was established in September 2009. It released its first report *Insights into Care: Patients' perspectives on NSW public hospitals* in May 2010 which delivered a strong evidence base for hospital performance noting where excellent patient care experiences were achieved and areas where improvements could be made.

In September 2010 the Bureau released its second report *Hospital Quarterly: Performance of NSW public hospitals, April to June 2010*. That issue of Hospital Quarterly marks the start point for achievements highlighted in this *Annual Report 2010-11*.

In 2010-11 the Bureau undertook work to define the types of information that would be useful to the NSW community and people who work in healthcare. Its talented staff produced six public reports that received prominent public coverage. Our reports have been described by stakeholders as “*high quality*” and “*accessible*”.

Our reports continue to mature and we have already begun to provide insights back to people who work in healthcare about how data are collected and how this could be improved, so the findings in future reports can be more meaningful and more fairly compare hospitals.

Our reports have contributed new insights into the relative performance of NSW public hospitals and new lessons in how the NSW health system compares nationally and internationally. Today, the Bureau is emerging as a respected organisation and a significant member of the healthcare community.

Evidence supports the position that public reporting stimulates quality improvement and can have a positive effect on the healthcare system. This motivates our work to ensure accuracy and accessibility of information – it drives what we do.

We are proud of our achievements to date, and will continue to focus on the delivery of impartial, high quality information to improve patient care and health system performance, and on improving our own performance in doing so.



Dr Diane Watson
Chief Executive

Our Vision, Mission and Values

Our Vision

The community has an accurate understanding of the performance of the NSW public health system and healthcare workers make optimal use of information to improve the health and wellbeing of people in NSW.

Our Mission

The Bureau's mission is to provide the community, healthcare professionals and the NSW Parliament with timely, accurate and comparable information about the performance of the NSW public health system in ways that enhance the system's accountability and inform efforts to increase its beneficial impact on the health and wellbeing of people in NSW.

Our Values

Excellence

- Excellence in the delivery of accurate and impartial information that enhances understanding of health system performance.

Objectivity

- Independence and objectivity in providing information to our audiences, and in ensuring our methods are valid and interpretations are impartial.

Accessibility

- Availability of relevant, reliable and valid information in understandable formats.

Respect

- Respect and fairness in safeguarding the privacy and confidentiality of sensitive information.

Integrity

- Ethical business practice ensuring business practice that is just, reasonable and responsive.

Transparency

- Openness that ensures transparent measurement, analytical methods, report production and release.

Courage

- Innovation, curiosity, creativity and courage.

What we do

The Bureau was established in September 2009 by the NSW Government under the *Health Services Act 1997* to:

- Prepare and publish regular reports on the performance of the NSW public health system, including safety and quality, effectiveness, efficiency and responsiveness of the system to the needs of the people of NSW.
- Provide an annual report to the Minister and Parliament on the performance of the NSW public health system.
- Publish reports benchmarking the performance of the NSW public health system with comparable systems.
- Establish and maintain a website providing information and analysis on the performance of the NSW public health system, including tools for data analysis.
- Develop reports and tools to enable analysis of the performance of health services, clinical units and clinical teams across the NSW public health system.
- Advise the NSW Ministry of Health on the quality of existing data sets and the development of enhanced information analysis and reporting to support performance reporting to clinicians, the community and Parliament.
- Undertake and / or commission research to support the performance by the Bureau of its functions.
- Liaise with other bodies and organisations undertaking reporting on the performance of the health systems in Australia.
- Provide advice to the Minister for Health and the Director General of the Ministry of Health on issues arising out of its function.

Our governance

As an independent, board governed statutory health corporation, the Bureau has adopted appropriate practices to achieve its strategic direction, monitor financial performance and service delivery, maintain high standards of professional and ethical conduct, establish sound audit and risk management practices, and involve stakeholders in decisions that affect them.

The Board comprises an experienced, skilled and diverse cross-section of people to govern the activities of the organisation. The Board members for 2010–11 were:

- Professor Bruce Armstrong AM (Chair)
- Professor Jane Hall (member)
- Mrs Mary E Rummary AM (member)
- Dr Donald J Weatherburn (member)
- Ms Sue West (member)
- Dr Diane Watson (ex-officio member).

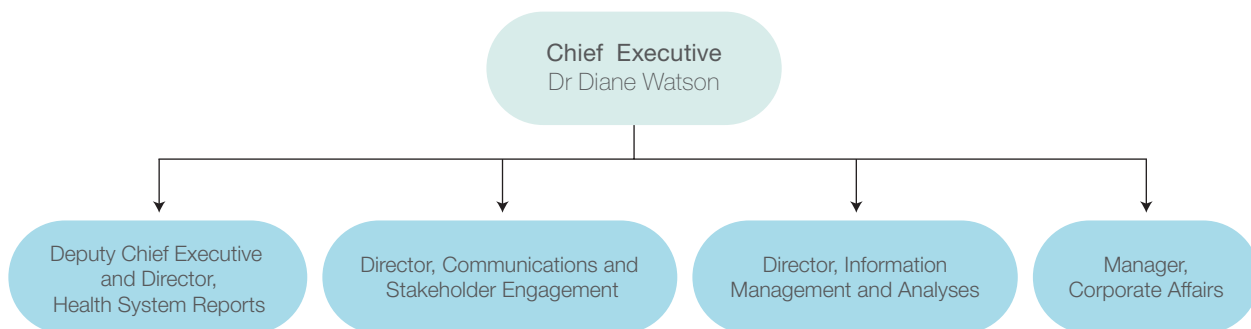
The Bureau has published its Corporate Governance Statement on its website.

This statement includes information about:

- The role and function of the Board
- Board member meeting attendance 2010 – 2011
- Authority and role of senior management
- Regulatory responsibilities and compliance
- Financial management and service delivery
- Performance agreements
- Professional and ethical conduct
- Audit and risk management practices
- Stakeholder engagement.

Our executive team and staff

At the end of 2010–11 the Bureau employed a Chief Executive and two Directors. In addition, the Bureau employed seven permanent staff and six temporary staff.



Our stakeholders

The Bureau informs the community, in advance, about the topics of its forthcoming reports and estimated dates of release. It works to ensure that key stakeholders are represented on its advisory committees or in peer review processes.

The Bureau establishes project-specific advisory committees to inform the creation of its reports and ensure that its products are informative to the community, address needs for information among healthcare professionals, and offer a fair representation of health system performance.

The Bureau receives comments from advisory committees, peer reviewers and data custodians, and incorporates feedback that it deems useful to improving relevance, accuracy, comparability and interpretability of its reports. Advisory committee members and peer reviewers are acknowledged in reports. The Chief Executive assumes responsibility for the relevance and accuracy of all reports and makes final decisions on their content and release.

The Chief Executive provides briefings to the NSW Minister for Health, NSW Department of Health and Local Health Districts, where appropriate, to keep them abreast of emerging and important findings. More details on the Bureau's report release process are available on its website.

Strategic directions and key achievements in 2010–11

Strategic directions	Key achievements in 2010–11
1. Inform the NSW community about the performance of its public health system	<ul style="list-style-type: none"> Released the first issue of our flagship product <i>Hospital Quarterly</i> Released the first issue of our annual performance report <i>Healthcare in Focus</i> When reports were released, consistently attracted at least 40 and, in some instances, more than 90 media events including radio, television, newsprint and online coverage Newsprint reporters and the NSW Parliament began to cite Bureau information at times other than when Bureau reports were released In the first six months of 2011, the Bureau website attracted about 5000 unique visitors who spent an average of 3.5 minutes on the site¹
2. Inform efforts to improve patient care and strengthen healthcare policy in NSW	<ul style="list-style-type: none"> Released four issues of <i>Hospital Quarterly</i> Released the first issue of <i>Healthcare in Focus</i> Received project funding to release an <i>Insights into Care</i> report to support efforts at reducing avoidable hospital admissions Established a website page for each of 80 NSW public hospitals to enhance accessibility of information to improve care Began publishing articles in state and national newsletters that target clinical audiences
3. Identify factors that support high performance public health systems	<ul style="list-style-type: none"> Released the first issue of our annual performance report <i>Healthcare in Focus</i> which included information on opportunities to improve care
4. Advise on strategies to improve health service performance reporting	<ul style="list-style-type: none"> Conducted work to support improvements in measurement and reporting of patient care experiences and elective surgery wait times Chief Executive delivered keynote presentations at state, national and international conferences and published peer review articles on health service performance reporting
5. Maintain ethical, effective, responsible and reasonable business practices	<ul style="list-style-type: none"> Published <i>Data Quality Assessments</i> and <i>Technical Supplements</i> to support transparency in approaches to measurement Established an Enterprise-wide Risk Management Framework, report release process and publication style guide Developed systems to ensure that the quality, privacy and accuracy of information are to the highest standards.

¹ The Bureau established systems to monitor its website in late 2010.

Our reports

Hospital Quarterly

The Bureau's *Hospital Quarterly* provides timely, accurate and comparable information on the performance of NSW public hospitals. Published every three months, it charts how hospitals are performing and how use of hospitals has changed over time. It includes information for Local Health Districts and supports comparisons of more than 80 hospitals.

Released in September 2010, the first issue presented information about admitted patients, elective surgery and emergency departments for the quarter ending June 2010. It also included new information about waiting times and how patients rated their experiences in more than 60 NSW emergency departments.

Subsequent *Hospital Quarterly* reports published in November 2010, February 2011 and June 2011 incorporated trend analyses, new information about waiting times for elective surgery and an expansion of the number of NSW public hospitals included in the reports.

By the end of 2010–11, all issues included two-page *Performance Profiles* for each hospital regarding elective surgery and care in emergency departments. These profiles include information such as activity, wait times, trend analyses and peer group comparisons to support local efforts to improve care.

Healthcare in Focus: How NSW compares internationally

The Bureau's *Healthcare in Focus* reports provide an annual summary on the performance of the NSW health system.

Released in December 2010, the first issue provided information about how the NSW health system compares with the rest of Australia and 10 other countries, using some 90 performance measures.

The report showed that deaths from heart disease and cancer have reduced dramatically over the past decade making NSW an international leader in this area. NSW also compared well internationally at providing value for money.

The report highlights areas for improvement in the management of chronic disease, unnecessary hospital use, access to after-hours medical treatment, patient flow and information sharing between emergency departments, hospitals and a patient's usual doctor.

By the end of 2010–11, work was already underway for *Healthcare in Focus 2011* which will provide information about how NSW compares to Australia and 10 other countries, focussing on sick adults who are most likely to have had a recent experience with the health system.



Insights Series: Chronic Disease Care (A piece of the picture)

As part of the Bureau's new *Insights Series*, this report examined potentially avoidable hospital admissions among people who have congestive heart failure (CHF) or chronic obstructive pulmonary disease (COPD).

Released in June 2010, this report found that CHF and COPD account for nearly 30,000 potentially avoidable admissions and 170,000 bed days in NSW public hospitals each year.

The report gives more than 70 NSW public hospitals comparable information about how these serious conditions affect them. It draws attention to communities likely to benefit from different models of care and helps identify opportunities to prevent these conditions from escalating so people can stay well and at home with their families.

The Agency for Clinical Innovation will use the Bureau's report to identify communities and hospitals most affected by potentially avoidable admissions and work with them to implement new models of care to improve patient outcomes.

Commissioned Research on Public Reporting in Healthcare

The Bureau, with the assistance of The Sax Institute, commissioned the independent review *Public Reporting of Health System Performance: Review of Evidence on Impact on Patients, Providers and Healthcare Organisations*.

The review of international high-quality evidence found that making information on health system performance publicly available can stimulate quality improvement, improve patient clinical outcomes and benefit the system as a whole. The review identifies key success factors including the establishment of an independent organisation dedicated to public reporting, defining audiences, specifying objectives and targeting products, and managing and monitoring unintended consequences.

The report was authored by Dr Jack Chen from the Simpson Centre for Health Services at the University of New South Wales. The full report is available on The Sax Institute's website and a summary report is available on the Bureau's website.



Technical Supplements and Data Quality Assessments

The Bureau produces *Technical Supplements* and / or *Data Quality Assessments* for its reports. *Technical Supplements* describe the methods and technical terms used to compute descriptive statistics and performance indicators used in reports. *Data Quality Assessments* review the quality and completeness of the data or electronic information systems used in the production of the Bureau's reports and, from time to time, identify changes that could improve data quality. A *Glossary* of technical terms used in Bureau's reports is now available on the Bureau's website.

Find Your Local Hospital

The Bureau produces performance reports for **more than 80 public hospitals** across NSW. Specific performance for individual hospitals is available on the Bureau's website. All Bureau reports and related supplements are published at **www.bhi.nsw.gov.au**



Bureau reports well received

The Bureau has received positive responses to its reports, which provide assurance that the work being produced is both high quality and valuable to a range of stakeholders.

Feedback has come from a diversity of areas including clinicians, academics and health managers from organisations across NSW, interstate and overseas. The following is a sample of the feedback the Bureau received about its reports:

"The writing and design are both great and made it a pleasure to read – something I haven't been able to say about a report on health data to date!"

"I think they are high quality and very valuable reports and commend you ... for getting the system for all the reports in place so quickly and well."

"Report looks really nice – format is superb."

"...you are having a big impact on reporting of health data. In particular, we are interested in doing something like your Healthcare in Focus report. We have had a preliminary look through our data & would really benefit from a better understanding of your methodology."

"They are wonderful documents! Congratulations on its production. They are a major contribution."

"...refreshing credible and contemporary approach to provision of information and we will continue to watch and learn from your lead."

The Bureau's information is being made accessible to the broader community given the wide distribution and coverage recorded from media outlets in radio, newsprint, online and television. The Bureau achieved coverage in the major print, online and broadcast media including the Sydney Morning Herald, Daily Telegraph, ABC and commercial broadcast programs, and associated online outlets. When reports were released, they consistently attracted between 40 and more than 90 media events including radio, television, newsprint and online articles.

A bright future

In August 2011, at the conclusion of the Director General's review of the NSW Health system she highlighted that *"the Bureau of Health Information has been successful in its efforts to produce health performance information to both assist patient choice and contribute to public debate. NSW is unique amongst states and territories in having an independent entity for this purpose. Building on this model can only serve to improve patient outcomes and benefit the system as a whole"*.

The Bureau's Board and staff look forward to continuing to give momentum to the delivery of timely, accurate and comparable information to improve patient care and health system performance.

Statutory and policy compliance

The Bureau's *Corporate Governance Statement* outlines the framework for statutory and policy compliance. Internal processes have been developed and implemented for routine monitoring and analyses of legislation, NSW health policies and Australian standards. The following statutory requirements have been addressed by the Bureau during the course of the year.

Multicultural Policies and Services Program

The Bureau fully supports the principles of multiculturalism outlined in the *Community Relations Commission and Principles of Multiculturalism Act 2000* and the principles outlined in the white paper *Cultural Harmony the Next Decade 2002–2012*. In accordance with statutory requirements, the Bureau recognises and values the different linguistic, religious, racial and ethnic backgrounds of the people of NSW. It promotes the equal rights and responsibilities of all the people within a cohesive and harmonious multicultural society in which diversity is regarded as a strength and an asset, individuals share a commitment to Australia, and English is the common language.

Equal Employment Opportunity

The Bureau has a strong commitment to equal employment opportunity and recruits and employs staff on the basis of merit. The Bureau has a diverse workforce and a culture where people are treated with respect.

Disability Action Plan

The Bureau is committed to achieving the outcomes for people with a disability as set out in the *NSW State Plan and Guidelines for Disability Action Planning* by NSW Government agencies. The overall aim is to ensure that people with a disability are able to access the Bureau's services and jobs on an equitable basis. The Bureau's offices are accessible via ramps and lifts, and in close proximity to the railway station which has access for the disabled.

Environmental sustainability

The Bureau has raised staff awareness of environmental sustainability and how staff can assist the NSW Government's commitment to being carbon neutral by 2020. The Bureau has incorporated environmentally sound practices in its workplace. Some examples include office space with good natural lighting in the workspace, recycling of waste paper and cardboard, recycling of toner cartridges, use of double sided printing and using online purchase requisitions instead of paper.

Wellness and wellbeing activities

The Bureau provides access to an Employee Assistance Program for staff and their immediate families. The program provides confidential counselling and support, and is not limited to work related issues. During 2011, the Bureau formed a lunch time walking group to enhance staff wellness and a number of social activities were organised for staff including afternoon teas, lunches, dinners and a walk across the Harbour Bridge.

Occupational Health and Safety

In accordance with the *Occupational Health and Safety Act (NSW) 2000* and the *Occupational Health and Safety Regulation (NSW) 2001* the Bureau is committed to the health, safety and welfare of all its employees. The following occupational health and safety initiatives were implemented during 2010–11:

- Reporting of OHS risks as a standing item on all staff meeting agendas.
- Evacuation and fire training was provided to all staff by Adair Fire and Safety consultants and staff participated in building emergency evacuation tests. Emergency training sessions were held for the Bureau's nominated fire wardens
- Floor plans were developed to help staff find emergency exits, the early warning intercom system and fire fighting equipment.
- Information was provided about the location of the first aid kit and access to a certified first aid officer for the floor.
- An additional storage area was established in the basement of the Zenith building to reduce congestion in office areas.
- Flu vaccinations were offered to all staff with the majority of staff participating in the program.
- Job demands checklists were developed for every Bureau position in consultation with all staff.

- Hazardous substances Material Safety Data Sheets for the photocopier toner and inks and the white board cleaner were obtained and made accessible to all staff.
- A staff in-service session on workstation ergonomics and computer set-up was provided and staff were offered advice from OHS consultants. Items of equipment were purchased to reduce the risk of injury for staff, including back supports, wrist gel mouse pad supports, ergonomic keyboards and document holders.

Government Information (Public Access) Act 2009

Under the *Government Information (Public Access) Act 2009* (GIPA Act), there is a presumption in favour of disclosure of government information unless there is an overriding public interest against disclosure.

The Bureau regularly uploads information on its website that may be of interest to the public. For the period 1 July 2010 to 30 June 2011, the Bureau received no applications for information made under the GIPA Act ([Table 1](#)).

Table 1: Number of applications by type and outcome

	Access granted in full	Access granted in part	Access refused in full	Information notheld	Information already available	Refuse to deal with application	Refuse to confirm or deny whether information is held	Application withdrawn
Media	0	0	0	0	0	0	0	0
Members of Parliament	0	0	0	0	0	0	0	0
Private sector business	0	0	0	0	0	0	0	0
Not for profit organisations or community groups	0	0	0	0	0	0	0	0
Members of the public (application by legal representative)	0	0	0	0	0	0	0	0
Members of the public (other)	0	0	0	0	0	0	0	0

Understanding our financials

What do our financial statements show?

Our financial statements provide an insight into the Bureau of Health Information's financial health by showing:

- How the Bureau performed during the year
- The ability of the Bureau to pay its debts.

Why do we have two sets of financial statements?

The Bureau of Health Information has two sets of financial statements, namely:

- The Bureau of Health Information Parent and Consolidated
- Special Purpose Entity.

The Special Purpose Service Entity is a controlled entity of the Bureau of Health Information. It was set up to provide personnel services to the Bureau. This was established pursuant to Part 2 of Schedule 1 to the *Public Sector Employment and Management Act 2002*. All employee related expenses and liabilities are assumed by the Special Purpose Service Entity.

What is in the financial statements?

The financial statements of the Bureau consist of the following explanatory notes to support the financial statements. It also includes an endorsement statement by the Board and CEO of the Bureau of Health Information, and an Independent Auditor's Report issued by the Auditor General of NSW.

Included in the statements are:

- **Statement of Comprehensive Income** – This lists the sources of revenue, and the operating costs from our day to day running of the Bureau. This does not include costs of asset purchases; however it does include the depreciation of asset expenses.
- **Statement of Financial Position** – This shows the value of the assets that we hold, as well as the liabilities or claims against these assets. These are expressed as current or non-current. Current means these are assets or liabilities that will be expected to be paid or converted into cash within the next 12 months.
- **Statement of Changes in Equity** – This statement summarises the change in the Bureau of Health Information's net worth. Changes to our net worth occur mainly as a result of a Surplus or Deficit recorded in the Statement of Comprehensive Income. A change may also occur in net worth due to the revaluation of assets that results in the increased value of non-current assets.
- **Statement of Cash Flows** – This statement summarises our cash receipts and payments for the financial year and shows the net increase or decrease in cash held by the Bureau of Health Information. This statement is prepared on a "**cash**" basis; whereas the operating statement is prepared on an accrual basis which includes basis which includes money not yet paid or spent.

Financial overview for the year ended 30 June 2011

The Bureau of Health information (Bureau) for the 2010-11 financial year was allocated at year end, a net cost of services budget of \$2.399 million by NSW Department of Health. This was the first full financial year of operation of the Bureau. The planned full year allocation of \$2.649 million was reduced at year end by \$250,000 by NSW Department of Health, given revised scheduling of some of the Bureau's start-up activities and projects.

The Bureau's year end actual net cost of service was \$2.463 million. This comprised of employee related expenses of \$1.701 million (70%), and operating expenses of \$780,000 and depreciation of \$8,000 (30%). Following budget adjustments made during the year by the NSW Health Department, the final result was a deficit of \$199,000. The Bureau ensured that no general creditors existed at the end of the month in excess of payment targets as advised by NSW Department of Health, and that there was always sufficient cash at bank available to meet the Bureau's actual and projected expenditure. The total equity at year end was \$137,000.

Parent and Consolidated Financial Statements

Independent Auditor's Report (Page 1 of 2)



GPO BOX 12
Sydney NSW 2001

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 comprises the statement of financial position as at 30 June 2011, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows and service group statements 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 2011, and of the financial performance 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 cashflows.

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 and fair presentation of 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 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 and fair presentation of the financial statements 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 any other information which 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 other 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 role by the possibility of losing clients or income.



Peter Achterstraat
Auditor-General

30 September 2011
SYDNEY

Certification of Parent and Consolidated Financial Statements as at 30 June 2011



Bureau of Health Information Certification of Parent / Consolidated Financial Statements as at 30 June 2011

Pursuant to Section 45F of the *Public Finance and Audit Act 1983*, we state that to the best of our knowledge:

- (i) The financial statements of the Bureau of Health Information for the year ended 30 June 2011 have been prepared in accordance with:
 - the requirements of applicable Australian Accounting Standards (which include Australian Accounting Interpretations)
 - the requirements of the *Public Finance and Audit Act 1983*, the *Public Finance and Audit Regulations 2010* and the Treasurer's Directions
 - *Health Services Act 1997* and its regulations
 - Accounts and Audit Determinations
- (ii) The financial statements exhibit a true and fair view of the financial position and financial performance of the Bureau of Health Information.
- (iii) There are no circumstances which would render any particulars in the accounts to be misleading or inaccurate.

A handwritten signature in black ink, appearing to read "Bruce Armstrong".

Professor Bruce Armstrong AM
Chairman

29 September 2011

A handwritten signature in black ink, appearing to read "Diane Watson".

Dr Diane Watson
Chief Executive

29 September 2011

A handwritten signature in black ink, appearing to read "Norman Smith".

Norman Smith
Chief Finance Officer

29 September 2011

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Table 1: Statement of comprehensive income for the year ended 30 June 2011

Notes [#]	Parent			Consolidation		
	Actual 2011 (\$000)	Budget (unaudited) 2011 (\$000)	Actual (10 months) 2010 (\$000)	Actual 2011 (\$000)	Budget (unaudited) 2011 (\$000)	Actual (10 months) 2010 (\$000)
Expenses excluding losses						
Operating expenses						
Employee related	3			1,701	1,715	515
Personnel services	4	1,701	1,715	515	0	0
Other operating expenses	5	780	684	492	780	684
Depreciation and amortisation	2(h), 6	8	0	0	8	0
Total expenses excluding losses		2,489	2,399	1,007	2,489	2,399
Revenue						
Investment revenue	7	26	0	5	26	0
Total revenue		26	0	5	26	0
Net cost of services	16	2,463	2,399	1,002	2,463	2,399
Government contributions						
NSW Department of Health recurrent allocations	2(d)	2,263	2,263	1,329	2,263	2,263
Acceptance by the Crown Entity of employee benefits	2(a)(ii)	1	10	0	1	10
Total Government contributions		2,264	2,273	1,329	2,264	2,273
Result for the year		(199)	(126)	327	(199)	(126)
Total comprehensive income for the year		(199)	(126)	327	(199)	(126)

(#) The accompanying notes form part of these financial statements.

Table 2: Statement of financial position as at 30 June 2011

		Parent			Consolidation		
Notes#		Actual 2011 (\$000)	Budget (unaudited) 2011 (\$000)	Actual (10 months) 2010 (\$000)	Actual 2011 (\$000)	Budget (unaudited) 2011 (\$000)	Actual (10 months) 2010 (\$000)
Assets							
Current assets							
Cash and cash equivalents	9	312	567	693	312	567	693
Receivables	10	105	29	29	105	29	29
Total current assets		417	596	722	417	596	722
Non-current assets							
Property, plant and equipment							
- Leasehold improvements	11	72	80	80	72	80	80
Total property, plant and equipment		72	80	80	72	80	80
Total non-current assets		72	80	80	72	80	80
Total assets		489	676	802	489	676	802
Liabilities							
Current liabilities							
Payables	12	270	449	449	270	449	449
Provisions	13	82	26	26	82	26	26
Total current liabilities		352	475	475	352	475	475
Non-current liabilities							
Provisions	13	0	0	0	0	0	0
Total non-current liabilities		0	0	0	0	0	0
Total liabilities		352	475	475	352	475	475
Net assets		137	201	327	137	201	327
Equity							
Accumulated funds		137	201	327	137	201	327
Total equity		137	201	327	137	201	327

(#) The accompanying notes form part of these financial statements.

Table 3: Statement of changes in equity for the year ended 30 June 2011

	Notes [#]	Accumulated funds (\$000)	Asset revaluation surplus (\$000)	Available for sale reserve (\$000)	Total (\$000)
Balance at 1 July 2010		327	0	0	327
Restated total equity at 1 July 2010		327	0	0	327
Result for the year		(199)	0	0	(199)
Other comprehensive income:					
Total other comprehensive income		0	0	0	0
Total comprehensive income for the year		(199)	0	0	(199)
Transactions with owners in their capacity as owners					
Increase / (decrease) in net assets from equity transfers	19	9	0	0	9
Balance as at 30 June 2011		137	0	0	137
Balance at 1 September 2009		0	0	0	0
Restated total equity at 1 September 2009		0	0	0	0
Result for the year		327	0	0	327
Other comprehensive income:					
Total other comprehensive income		0	0	0	0
Total comprehensive income for the year		327	0	0	327
Transactions with owners in their capacity as owners					
Increase / (decrease) in net assets from equity transfers	19	0	0	0	0
Balance as at 30 June 2010		327	0	0	327

(#) The accompanying notes form part of these financial statements.

Table 4: Statement of cash flows for the year ended 30 June 2011

Notes [#]	Parent			Consolidation		
	Actual 2011 (\$000)	Budget (unaudited) 2011 (\$000)	Actual (10 months) 2010 (\$000)	Actual 2011 (\$000)	Budget (unaudited) 2011 (\$000)	Actual (10 months) 2010 (\$000)
Cash flows from operating activities						
Payments						
Employee related				(1,620)	(1,715)	(469)
Other	(2,595)	(2,399)	(641)	(975)	(684)	(172)
Total payments	(2,595)	(2,399)	(641)	(2,595)	(2,399)	(641)
Receipts						
Interest received	26	0	5	26	0	5
Other	(75)	0	0	(75)	0	0
Total receipts	(49)	0	5	(49)	0	5
Cash flows from Government						
NSW Department of Health Recurrent Allocations	2,263	2,263	1,329	2,263	2,263	1,329
Cash reimbursements from the Crown Entity	0	10	0	0	10	0
Net cash flows from Government	2,263	2,273	1,329	2,263	2,273	1,329
Net cash flows from operating activities	16	(381)	693	(381)	(126)	693
Cash flows from investing activities						
Proceeds from sale of land and buildings, plant and equipment and infrastructure systems	0	0	0	0	0	0
Net cash flows from investing activities	0	0	0	0	0	0
Cash flows from financing activities						
Proceeds from borrowings and advances	0	0	0	0	0	0
Repayment of borrowings and advances	0	0	0	0	0	0
Net cash flows from financing activities	0	0	0	0	0	0
Net increase / (decrease) in cash	(381)	(126)	693	(381)	(126)	693
Opening cash and cash equivalents	693	693	0	693	693	0
Cash transferred in / (out) as a result of administrative restructuring	0	0	0	0	0	0
Closing cash and cash equivalents	9	567	693	312	567	693

(#) The accompanying notes form part of these financial statements.

Table 5: Service Group Statements for the year ended 30 June 2011

		Service group 6.1*		Total	
		2011 (\$000)	2010 (\$000)	2011 (\$000)	2010 (\$000)
Services, expenses and income	Expenses excluding losses				
	Operating expenses				
	Employee related	1,701	515	1,701	515
	Other operating expenses	780	492	780	492
	Depreciation and amortisation	8	–	8	–
	Total expenses excluding losses	2,489	1,007	2,489	1,007
	Revenue				
	Investment revenue	26	5	26	5
	Total revenue	26	5	26	5
	Net cost of services	2,463	1,002	2,463	1,002
	Government contributions	2,264	1,329	2,264	1,329
	Result for the year	199	(327)	199	(327)
	Other comprehensive income				
	Increase / (decrease) in asset revaluation reserve	–	–	–	–
	Other (administration restructure)	–	–	–	–
	Total other comprehensive income	0	0	0	0
	Total comprehensive income	199	(327)	199	(327)
Services, assets and liabilities	Assets				
	Current assets				
	Cash and cash equivalents	312	693	312	693
	Receivables	105	29	105	29
	Total current assets	417	722	417	722
	Non-current assets				
	Property, plant and equipment – Leasehold improvements	72	80	72	80
	Total non-current assets	72	80	72	80
	Total assets	489	802	489	802
	Liabilities				
	Current liabilities				
	Payables	270	449	270	449
	Provisions	82	26	82	26
	Total current liabilities	352	475	352	475
	Total liabilities	352	475	352	475
	Net assets	137	327	137	327

Note: Service Group Statements focus on the key measures of service delivery performance.

(*) The name and purpose of the service group 6.1 is summarised in Note 8.

Bureau of Health Information

Notes to and forming part of the Financial Statements for the year ended 30 June 2011

Note 1: The Bureau of Health Information Reporting Entity

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

The Bureau of Health Information, as a reporting entity, comprises all the operating activities of the Bureau under its control. The Bureau is a not-for-profit entity (as profit is not its principal objective).

The Special Purpose Service Entity was established as a Division of the Government Service on 17 March 2006 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 Health Service to exercise its functions.

As a consequence the values in the annual financial statements presented herein consist of the Bureau (as the parent entity) and the consolidated financial statements of the economic entity. Notes capture both the parent and consolidated values with notes 3, 4, 13, 29, 31 and 36 being especially relevant.

In the process of preparing the consolidated financial statements for the economic entity consisting of the controlling and controlled entities, all inter-entity transactions and balances have been eliminated.

The reporting entity is consolidated as part of the NSW Total State Sector Accounts.

These consolidated financial statements for the year ended 30 June 2011 have been authorised for issue by the Chief Executive on 29 September 2011.

Note 2: Summary of significant accounting policies

The Bureau of Health Information'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 *Public Finance and Audit Act 1983*, *Public Finance and Audit Regulation 2010* and the Financial Reporting Directions published in the Financial Reporting Code for Budget Dependent General Government Sector Agencies or issued by the Treasurer under Section 9(2)(n) of the Act. The requirements of the *Health Services Act 1997* and its regulations including the Accounts and Audit Determination for Public Health Organisations have also been observed.

Apart from the basis for the Bureau of Health Information's budget figures, the financial statements comply with the Financial Reporting Code for Budget Dependent General Government Sector Agencies. Further information on the budget figures can be found in 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.

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.

No new or revised accounting standards or interpretations are adopted earlier than their prescribed date of application. Set out below are changes to be effected, their date of application and the possible impact on the financial statements of the Bureau of Health Information.

Accounting Standard / Interpretation

AASB 2010-07, *Financial Instruments*, arising from the issuance of AASB 9, *Financial Instruments*, in AASB 2009-5 in December 2010, has mandatory application from 1 July 2013 and will not be early adopted by the Bureau.

AASB 124 and AASB2009-12, *Related Party Transactions*, have application from 1 July 2011 but are assessed as having no material impact on the Bureau.

AASB 2009-14, *Amendments to Australian Interpretation – Prepayment of a Minimum Funding Requirement*, has application from 1 July 2011 and principally addresses contributions relating to future service. It has no impact on the Bureau.

AASB 1053 and AASB 2010-2, *Application of Tiers of Australian Accounting Standards*, have application from 1 July 2013 but are assessed to have no impact on the Bureau which, as a tier 1 agency, will continue to provide full disclosures per the prescribed accounting standards.

AASB 2010-04, *Annual Improvements*, has application from 1 July 2011 and is assessed as having no material impact on the Bureau.

AASB 2010-5, *Editorial Corrections*, applies from 1 July 2011 and principally addresses editorial amendments to a range of Australian Accounting Standards and Interpretations. It is assessed as having no impact on the Bureau.

AASB 2010-6, *Disclosures on Transfers of Financial Assets*, has mandatory application from 1 July 2011 and is assessed as having no impact on the Bureau.

AASB 2010-8, *Deferred Tax: Recovery of Underlying Assets*, has mandatory application from 1 July 2012 but will have no impact on the Bureau.

AASB 2010-9, *Severe Hyperinflation and Removal of Fixed Dates for First Time Adopters*, has application from 1 July 2011 and is assessed as having no impact on the Bureau.

AASB 2010-10, *Removal of Fixed Dates for First Time Adopters*, has application from 1 July 2013 and is assessed as having no impact on the Bureau.

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

2(a): Employee benefits and other provisions

2(a.i): Salaries and 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% are applied to the value of leave payable at 30 June 2011, such on-costs being consistent with award conditions of annual leave loading and actuarial adjustment.

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 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.

2(a.ii): Long service leave and superannuation

Responsibility for Long Service Leave liability transferred to the Crown Entity with effect from 31 December 2010. As is the case with other Budget Sector agencies both the Defined Benefit Superannuation (State Authorities Superannuation Scheme and State Superannuation Scheme) and Long Service Leave liabilities are now assumed by the Crown Entity.

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 11/06) 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 10, 'Payables'.

The superannuation expense for the financial year is determined by using the formulae specified by Treasury and communicated via the NSW Department of Health. 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.

2(a.iii): Other provisions

Other provisions exist when: the Bureau has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

2(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.

2(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.

2(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).

Grants and contributions

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

NSW Department of Health allocations

Payments are made by the NSW Department of Health on the basis of the allocation for the Health Service 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 '**Result for the Year**' on the basis that the allocation is earned in return for the health services provided on behalf of the Department. Allocations are normally recognised upon the receipt of Cash.

Investment revenue

Interest revenue is recognised using the effective interest method as set out in AASB139, *Financial Instruments: Recognition and Measurement*. Rental revenue is recognised in accordance with AASB117 *Leases* on a straight line basis over the lease term. Dividend revenue is recognised in accordance with AASB118 *Revenue* when the Health Service's right to receive payment is established.

Royalty revenue is recognised in accordance with AASB118 on an accrual basis in accordance with the substance of the relevant agreement.

2(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 Health Service 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

2(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.

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.

2(g): Capitalisation thresholds

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

2(h): Depreciation of property, plant and equipment

Plant and machinery	10.0%
Linen	25.0%
Furniture, fittings and furnishings	5.0%
Leasehold	20.0%

'Infrastructure systems' means assets that comprise public facilities and which provide essential services and enhance the productive capacity of the economy including roads,

bridges, water infrastructure and distribution works, sewerage treatment plants, seawalls and water reticulation systems.

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

2(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.

2(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.

2(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.

2(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 departments 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.

2(m): Equity and reserves

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

2(n): Budgeted amounts

The budgeted amounts are drawn from the budgets agreed with the NSW Health Department at the beginning of the financial reporting period and with any adjustments for the effects of additional supplementation provided. The budget figures are unaudited.

2(o): Service Group Statements allocation methodology

Expenses and revenues are assigned to service group 6.1 Teaching and Research as this group is the best fit for the Bureau although it is not considered to appropriately reflect the functions of the Bureau. Currently there is no alternative service group that could be applied within NSW Treasury guidelines.

Parent		Consolidation	
2011 (\$000)	(10 months) 2010 (\$000)	2011 (\$000)	(10 months) 2010 (\$000)

Note 3: Employee related

Employee related expenses comprise the following:				
Salaries and wages	–	–	1,481	472
Superannuation – defined contribution plans	–	–	89	14
Long service leave	–	–	7	0
Annual leave	–	–	103	26
Sick leave and other leave	–	–	12	3
Workers' compensation insurance	–	–	9	0
Total employee related	0	0	1,701	515

Note 4: Personnel services

Personnel services comprise the purchase from NSW Health of the following:				
Salaries and wages	1,481	472	–	–
Superannuation – defined contribution plans	89	14	–	–
Long service leave	7	0	–	–
Annual leave	103	26	–	–
Sick leave and other leave	12	3	–	–
Workers' compensation insurance	9	0	–	–
Total personnel services	1,701	515	0	0

Notes	Parent		Consolidation	
	2011 (\$000)	(10 months) 2010 (\$000)	2011 (\$000)	(10 months) 2010 (\$000)

Note 5: Other operating expenses

Domestic supplies and services		4	2	4	2
Food supplies		1	0	1	0
Fuel, light and power		5	1	5	1
General expenses (see (a) below)		270	134	270	134
Information management expenses		46	18	46	18
Maintenance (see (b) below)					
Maintenance contracts		1	13	1	13
New / replacement equipment under \$10,000		37	23	37	23
Repairs maintenance / non-contract		1	19	1	19
Postal and telephone costs		12	5	12	5
Printing and stationery		134	8	134	8
Rental		60	39	60	39
Special service departments		0	34	0	34
Staff related costs		193	189	193	189
Travel related costs		16	6	16	6
Total other operating expenses		780	491	780	491

Note 5(a): General expenses include:

Advertising		3	9	3	9
Books, magazines and journals		1	0	1	0
Consultancies - Operating activities		51	0	51	0
Courier and freight		5	1	5	1
Auditor's remuneration – Financial statements		22	20	22	20
Data recording and storage		81	7	81	7
Membership / professional fees		2	2	2	2
Payroll services		1	0	1	0
Security services		0	2	0	2
Translator services		0	0	0	0
Service agreement charges		92	67	92	67
Other		12	26	12	26
Total general expenses		270	134	270	134

Note 5(b): Reconciliation of total maintenance

Maintenance expense – contracted labour and other (non-employee-related)	5	39	55	39	55
Employee-related / personnel services maintenance expense	3 and 4	0	0	0	0
Total maintenance expenses	3, 4 and 5	39	55	39	55

Parent		Consolidation	
	(10 months)		(10 months)
2011 (\$000)	2010 (\$000)	2011 (\$000)	2010 (\$000)

Note 6: Depreciation and amortisation				
Amortisation – leasehold improvements	8	0	8	0
Total amortisation of leasehold improvements	8	0	8	0

Note 7: Investment revenue				
Interest				
– Other	26	5	26	5
Total investment revenue	26	5	26	5

Note 8: Service Groups of the Health Service

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.

Parent		Consolidation	
	(10 months)		(10 months)
2011 (\$000)	2010 (\$000)	2011 (\$000)	2010 (\$000)

Note 9: Cash and cash equivalents

Cash at bank and on hand	312	693	312	693
Total cash	312	693	312	693

Cash & cash equivalent assets recognised in the Statement of Financial Position are reconciled at the end of the financial year to the Statement of Cash Flows as follows:

Cash and cash equivalents (per Statement of Financial Position)	312	693	312	693
Closing cash and cash equivalents (per Statement of Cash Flows)	312	693	312	693

Note: Refer to Note 20 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

Parent		Consolidation	
	(10 months)		(10 months)
2011 (\$000)	2010 (\$000)	2011 (\$000)	2010 (\$000)

Note 10: Receivables

Current				
(a) Sale of goods and services	0	0	0	0
Leave mobility	0	0	0	0
Intra Health	24	0	24	0
Goods and services tax	81	29	81	29
Subtotal	105	29	105	29
Less allowance for impairment	0	0	0	0
Subtotal	105	29	105	29
Total receivables	105	29	105	29

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

Parent		Consolidation	
	(10 months)		(10 months)
2011 (\$000)	2010 (\$000)	2011 (\$000)	2010 (\$000)

Note 11: Property, plant and equipment

Leasehold improvements – fair value				
Gross carrying amount	80	80	80	80
Accumulated depreciation and impairment	(8)	–	(8)	–
Net carrying amount	72	80	72	80
Total property, plant and equipment at net carrying amount	72	80	72	80

Parent and Consolidated

Leasehold buildings 2011 (\$000)	Total 2011 (\$000)	Leasehold buildings 2010 (10 months) (\$000)	Total 2010 (\$000)
----------------------------------------	--------------------------	----------------------------------------------------	--------------------------

Note 11(2): Property, plant and equipment – reconciliation

Net carrying amount at start of year	80	80	0	0
Additions	0	0	80	80
Reclassifications to intangibles	0	0	0	0
Recognition of assets held for sale	0	0	0	0
Disposals	0	0	0	0
Administrative restructures – transfers	0	0	0	0
In / (out)	0	0	0	0
Net revaluation increment less revaluation decrements	0	0	0	0
Impairment losses (recognised in other gains / losses)	0	0	0	0
Depreciation expense	(8)	(8)	0	0
Reclassifications	0	0	0	0
Net carrying amount at end of year	72	72	80	80

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

Parent		Consolidation	
2011 (\$000)	(10 months) 2010 (\$000)	2011 (\$000)	(10 months) 2010 (\$000)

Note 12: Payables

Current				
Accrued salaries, wages and on-costs	0	0	27	13
Taxation and payroll deductions	0	0	15	4
Accrued liability – purchase of personnel services	42	17	0	0
Creditors	30	0	30	0
Interest	0	0	0	0
Other creditors				
– Capital works	0	0	0	0
– Intra Health liability [#]	148	353	148	353
– Other	50	79	50	79
– Taxation	0	0	0	0
Total payables	270	449	270	449

(#) Intra Health Liability includes recoup of expenses from other NSW agencies including salaries for staff on secondment from LHDs, SES salaries not yet invoiced by Department of Health and services received from HSS not yet invoiced.

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

Notes	Parent		Consolidation	
	(10 months)		(10 months)	
	2011 (\$000)	2010 (\$000)	2011 (\$000)	2010 (\$000)

Note 13: Provisions

Current employee benefits and related on-costs					
Annual leave – long term benefit		0	0	82	26
Provision for personnel services liability		82	26	0	0
Total current provisions		82	26	82	26
Non-current employee benefits and related on-costs					
Total non-current provisions		0	0	0	0
Aggregate employee benefits and related on-costs					
Provisions – current		82	26	82	26
Provisions – non-current		0	0	0	0
Accrued salaries, wages and on-costs	12	0	0	42	17
Accrued liability – purchase of personnel services	12	42	17	0	0
Total provisions		124	43	124	43

Note 14: Commitments for expenditure

Aggregate other expenditure contracted for the acquisition of contracted agency staff for at balance date and not provided for: Not later than one year		203	0	203	0
Total other expenditure commitments (including GST)		203	0	203	0

Note 15: Contingent liabilities and assets

At this point there are no contingent liabilities and assets that require reporting.

Note 16: Reconciliation of net cash flows from operating activities to net cost of services

Net cash flows from operating activities		(381)	693	(381)	693
Depreciation		(8)	0	(8)	0
Allowance for impairment		0	0	0	0
Acceptance by the crown entity of employee superannuation benefits		(1)	0	(1)	0
Decrease in provisions		(56)	(26)	(56)	(26)
Increase / (decrease) in prepayments and other assets		75	29	75	29
(Increase) / decrease in creditors		171	(369)	171	(369)
Net gain / (loss) on sale of property, plant and equipment		0	0	0	0
NSW Health Department recurrent allocations		(2,263)	(1,329)	(2,263)	(1,329)
NSW Health Department capital allocations		0	0	0	0
Asset sale proceeds transferred to the NSW Department of Health		0	0	0	0
Cash reimbursements from the Government		0	0	0	0
Net cost of services		(2,463)	(1,002)	(2,463)	(1,002)

Note 17: Unclaimed monies

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

Note 18: Budget review – parent and consolidated

The actual end of year financial result was materially consistent with budget. There was a variance of \$64K.

Movements in the level of the NSW Department of Health Recurrent Allocation that have occurred since the time of the initial allocation on 1 July 2010 are as follows:

Initial allocation	2,081
Special projects – treasury project	231
Other – rollover to FY 11/12 undistributed budget	(250)
Other – rollover to FY 11/12 unexpensed budget	201
Balance as per Statement of Comprehensive Income	2,263

Note 19: Increase / (decrease) in net assets from equity transfers

Net assets of \$9 thousand transferred from the Bureau of Health Information with effect from 31 December 2010, from which time the Crown Entity assumed responsibility for the provision of Long Service Leave.

Assets and liabilities transferred are as follows:

Liabilities	
LSL leave liabilities transferred to Crown	9
Increase / (decrease) in net assets from equity transfers	9

Note: Refer to Note 20 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

Note 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 Committee / internal auditors on a continuous basis.

Class	Category	Notes	Parent		Consolidation	
			(10 months)		(10 months)	
			2011 (\$000)	2010 (\$000)	2011 (\$000)	2010 (\$000)
			Carrying amount		Carrying amount	
Note 20(a). Financial instrument categories						
Financial assets						
Cash and cash equivalents	N/A	9	312	693	312	693
Receivables	Loans and receivables (at amortised cost)	10 ¹	24	9	24	9
Total financial assets			336	702	336	702
Financial liabilities						
Payables	Financial liabilities measured at amortised cost	12 ²	270	449	270	449
Total financial liabilities			270	449	270	449

(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).

Note 20(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.

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 5.7% in 2010/11 compared to 3.39% 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.

Total ^{1,2}		2011 (\$000)	2010 (\$000)	2011 (\$000)	2010 (\$000)
2011	2010	Past due but not impaired ^{1,2}		Considered impaired ^{1,2}	

Note 20(b): Receivables - trade debtors

< 3 months overdue	24	0				
3 months – 6 months overdue						
> 6 months overdue						

(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.

20(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 Department of Health or NSW 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 Department of Health. 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.

In those instances where settlement cannot be effected in accordance with the above, e.g. due to short term liquidity constraints, terms of payment are negotiated with creditors.

Note 20(2): Maturity analysis and interest rate exposure of financial liabilities

Weighted average effective int. rate	Interest rate exposure				Maturity dates		
	Nominal amount ¹ (\$000)	Fixed interest rate (\$000)	Variable interest rate (\$000)	Non-interest bearing (\$000)	< 1 year (\$000)	1–5 year (\$000)	> 5 year (\$000)
2011 Payables							
Accrued salaries	27			27	27		
Wages, on-costs and payroll deductions	15			15	15		
Creditors	80			80	80		
Intra Health liability	148			148	148		
Total Payables	270			270	270		
2010 Payables (10 months)							
Accrued salaries	13			13	13		
Wages, on-costs and payroll deductions	4			4	4		
Creditors	80			80	80		
Intra Health liability	353			353	353		
Total Payables	450			450	450		

(1): The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities based on the earliest date on which the Health Service 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.

See table on page 41 which summarises the maturity profile of the Bureau's financial liabilities together with the interest rate exposure.

Note 21: Post balance date events

There are no significant issues that have arisen in preparation of the 30 June 2011 financial statements. In 2011–12, 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 financial audited statements.

Special Purpose Service Entity Financial Statements

Independent Auditor's Report: Special Purpose Service Entity (Page 1 of 2)



GPO BOX 12
Sydney NSW 2001

INDEPENDENT AUDITOR'S REPORT

Bureau of Health Information Special Purpose Service Entity

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of the Bureau of Health Information Special Purpose Service Entity (the Entity), which comprises the statement of financial position as at 30 June 2011, 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.

Opinion

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Entity, as at 30 June 2011, and of the financial performance 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 should be read in conjunction with the rest of this report.

Chief Executive's Responsibility for the Financial Statements

The Chief Executive is responsible for the preparation and fair presentation of 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 Chief Executive determines is necessary to enable the preparation of financial statements 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 and fair presentation of the financial statements 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 Chief Executive, 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 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 any other information which 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 other 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 role by the possibility of losing clients or income.



Peter Achterstraat
Auditor-General

30 September 2011
SYDNEY

Certification of Special Purpose Service Entity Financial Statements as at 30 June 2011



Bureau of Health Information **Certification of Special Purpose Service Entity Financial Statements as at 30 June 2011**

Pursuant to Section 45F of the *Public Finance and Audit Act 1983*, we state that to the best of our knowledge:

- (i) The financial statements of the Bureau of Health Information for the year ended 30 June 2011 have been prepared in accordance with:
 - the requirements of applicable Australian Accounting Standards (which include Australian Accounting Interpretations)
 - the requirements of the *Public Finance and Audit Act 1983*, the *Public Finance and Audit Regulations 2010* and the Treasurer's Directions
 - *Health Services Act 1997* and its regulations
 - Accounts and Audit Determinations
- (ii) The financial statements exhibit a true and fair view of the financial position and financial performance of the Bureau of Health Information.
- (iii) There are no circumstances which would render any particulars in the accounts to be misleading or inaccurate.

A handwritten signature in black ink, appearing to read "Bruce Armstrong".

Professor Bruce Armstrong AM
Chairman

29 September 2011

A handwritten signature in black ink, appearing to read "Diane Watson".

Dr Diane Watson
Chief Executive

29 September 2011

A handwritten signature in black ink, appearing to read "Norman Smith".

Norman Smith
Chief Finance Officer

29 September 2011

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Table 1: Statement of comprehensive income for the year ended 30 June 2011

	2011 (\$000)	(10 months) 2010 (\$000)
Income		
Personnel services	1,701	515
Total income	1,701	515
Expenses		
Salaries and wages	1,481	472
Defined benefit superannuation	0	14
Defined contribution superannuation	89	0
Long service leave	7	0
Annual leave	103	26
Sick leave and other leave	12	3
Workers compensation insurance	9	0
Total expenses	1,701	515
Result for the year	0	0
Total comprehensive income for the year	0	0

Note: The accompanying notes form part of these financial statements.

Table 2: Statement of financial position as at 30 June 2011

	Notes	2011 (\$000)	(10 months) 2010 (\$000)
Assets			
Current assets			
Receivables	2	125	43
Total current assets		125	43
Non-current assets			
Receivables	2	0	0
Total non-current assets		0	0
Total assets		125	43
Liabilities			
Current liabilities			
Payables	3	43	17
Provisions	4	82	26
Total current liabilities		125	43
Non-current liabilities			
Provisions	4	0	0
Total non-current liabilities		0	0
Total liabilities		125	43
Net assets		0	0
Equity			
Accumulated funds		0	0
Total equity		0	0

Note: The accompanying notes form part of these financial statements.

Table 3: Statement of changes in equity for the year ended 30 June 2011

	2011 (\$000)	(10 months) 2010 (\$000)
Equity		
Balance at 1 July 2010	0	0
Result for the year	0	0
Total comprehensive income for the year	0	0
Balance at 30 June 2011	0	0

Note: The accompanying notes form part of these financial statements.

Table 4: Statement of cash flows for the year ended 30 June 2011

	2011 (\$000)	(10 months) 2010 (\$000)
Cash flow		
Net cash flows from operating activities	0	0
Net cash flows from investing activities	0	0
Net cash flows from financing activities	0	0
Net increase / (decrease) in cash	0	0
Opening cash and cash equivalents	0	0
Closing cash and cash equivalents	0	0
The Bureau of Health Information (BHI) Special Purpose Service Entity does not hold any cash or cash equivalent assets and therefore there are no cash flows.		

Note: The accompanying notes form part of these financial statements.

Bureau of Health Information - Special Purpose Service Entity

Notes to and forming part of the Financial Statements for the year ended 30 June 2011

Note 1: Summary of significant accounting policies

1(a): Bureau of Health Information Special Purpose Service Entity

Bureau of Health Information Special Purpose Service Entity '*the Entity*' is a Division of the Government Service, established pursuant to Part 2 of Schedule 1 to the *Public Sector Employment and Management Act 2002* and amendment of the *Health Services Act 1997*. It is a not-for-profit entity as profit is not its principal objective. It is consolidated as part of the NSW Total State Sector Accounts. It is domiciled in Australia and its principal office is at Chatswood, NSW.

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

The Entity commenced operations on 1 September 2009 when it assumed responsibility for the employees and employee-related liabilities of the Bureau of Health Information.

The financial report was authorised for issue by the Chief Executive Officer on 29 September 2011.

1(b): Basis of preparation

This is a general purpose financial statement prepared in accordance with the requirements of Australian Accounting Standards, the requirements of the *Health Services Act 1997* and its regulations including observation of the Accounts and Audit Determination for Area Health Services and Public Hospitals.

Generally, the historical cost basis of accounting has been adopted and the financial report does not take into account changing money values or current valuations. However, certain provisions are measured at fair value. See note 1(h) on page 51.

The accrual basis of accounting has been adopted in the preparation of the financial report, except for cash flow information. Management's judgements, key assumptions and estimates are disclosed in the relevant notes to the financial report.

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

1(c): Comparative information

The financial statements and notes comply with Australian Accounting interpretations. Comparative figures are, where appropriate, reclassified to give meaningful comparison with the current year.

1(d): 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. Set out below are changes to be effected, their date of application and the possible impact on the financial statements of the Bureau of Health Information Special Purpose Service Entity.

Accounting Standard / Interpretation

AASB 2010-07, *Financial Instruments*, arising from the issuance of AASB 9, *Financial Instruments*, in AASB 2009-5 in December 2010, has mandatory application from 1 July 2013 and will not be early adopted by the Health Service.

AASB 124 and AASB2009-12, *Related Party Transactions*, have application from 1 July 2011 but are assessed as having no material impact on the Health Service.

AASB 2009-14, *Amendments to Australian Interpretation – Prepayment of a Minimum Funding Requirement*, has application from 1 July 2011 and principally addresses contributions relating to future service. It has no impact on the Health Service.

AASB 1053 and AASB 2010-2, *Application of Tiers of Australian Accounting Standards*, have application from 1 July 2013 but are assessed to have no impact on the Health Service which, as a tier 1 agency, will continue to provide full disclosures per the prescribed accounting standards.

AASB 2010-04, *Annual Improvements*, has application from 1 July 2011 and is assessed as having no material impact on the Health Service.

AASB 2010-5, *Editorial Corrections*, applies from 1 July 2011 and principally addresses editorial amendments to a range of Australian Accounting Standards and Interpretations. It is assessed as having no impact on the Health Service.

AASB 2010-6, *Disclosures on Transfers of Financial Assets*, has mandatory application from 1 July 2011 and is assessed as having no impact on the Health Service.

AASB 2010-8, *Deferred Tax: Recovery of Underlying Assets*, has mandatory application from 1 July 2012 but will have no impact on the Health Service.

AASB 2010-9, *Severe Hyperinflation and Removal of Fixed Dates for First Time Adopters*, has application from 1 July 2011 and is assessed as having no impact on the Health Service.

AASB 2010-10, *Removal of Fixed Dates for First Time Adopters*, has application from 1 July 2013 and is assessed as having no impact on the Health Service. These standards have been reviewed and are unlikely to have a material effect.

1(e): Income recognition

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

1(f): Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These financial assets are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method, less an allowance for any impairment of receivables. Any changes are accounted for in the statement of comprehensive income when impaired, derecognised or through the amortisation process.

Short-term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

1(g): Payables

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

A payable is recognised when a present obligation arises under a contract or otherwise. It is derecognised when the obligation expires or is discharged, cancelled or submitted. Payables are recognised initially at fair value, usually based on the transaction cost or face value.

Subsequent measurement is at amortised cost using the effective interest method. Short term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial. Payables are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Entity.

1(h): Employee benefit provisions and expenses

1(h.i): Salaries and wages, annual leave, sick leave and on-costs

Liabilities for salaries and wages (including non-monetary benefits), annual leave and paid sick leave that are due to be settled within 12 months of the reporting date 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 classified as '*Short Term*' and '*Long Term*' based on past trends and known resignations and retirements. Anticipated payments to be made in the next 12 months are reported as '*Short Term*'. On-costs of 17% are applied to the value of leave payable at 30 June 2010, such on-costs being consistent with actuarial assessment (comparable on-costs for 30 June 2009 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.

The outstanding amounts of payroll tax, 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.

1(h.ii): Long service leave and superannuation

Long Service Leave employee leave entitlements are dissected as '*Current*' if there is an unconditional right to payment and '*Non-Current*' if the entitlements are conditional. Current entitlements are further dissected between '*Short Term*' and '*Long Term*' on the basis of anticipated payments for the next 12 months. This in turn is based on past trends and known resignations and retirements.

The Entity's liability for the closed superannuation pool schemes (State Authorities Superannuation Scheme and State Superannuation Scheme) is assumed by the Crown Entity. The Entity accounts for the liability as having been extinguished resulting in the amount assumed being shown as part of the non-monetary revenue item described as '*Acceptance by the Crown Entity of Employee benefits*'. Any liability attached to Superannuation Guarantee Charge cover is reported in Note 3, '*Payables*'.

The superannuation expense for the financial year is determined by using the formulae specified in the NSW Health Department Directions. The expense for certain superannuation schemes (i.e. Basic Benefit and Superannuation Guarantee Charge) is calculated as a percentage of the employees' salary. For other superannuation schemes (i.e. State Superannuation Scheme and State Authorities Superannuation Scheme), the expense is calculated as a multiple of the employees' superannuation contributions.

			(10 months)
Notes	2011 (\$000)	2010 (\$000)	

Note 2. Receivables			
Current			
Accrued income – personnel services provided		125	43
Non-current			
Accrued income – personnel services provided		0	0
Total receivables		125	43
Details regarding credit risks, liquidity risk and market risks are disclosed in:	5		

Note 3. Payables			
Current			
Accrued salaries and wages and on-costs		43	17
Total payables		43	17
Details regarding credit risks, liquidity risk and market risks are disclosed in:	5		

Note 4. Provisions			
Current benefits and related on-costs			
Annual leave – short term benefit		0	26
Annual leave – long term benefit		82	0
Long service leave – short term benefit		0	0
Long service leave – long term benefit		0	0
Total current provisions		82	26
Non-current employee benefits and related on-costs			
Long service leave – conditional		0	0
Total non-current provisions		0	0
Aggregate benefits and related on-costs			
Provision – current		82	26
Provision – non-current		0	0
Total		82	26

Note 5: Financial instruments

The Entity's financial instruments are outlined below. These financial instruments arise directly from the Entity's operations or are required to finance its operations. The Entity does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

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

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

Compliance with policies is reviewed by the Audit Committee / internal auditors of the Parent Entity on a continuous basis.

Total carrying amounts as per the Statement of Financial Position

2011 (\$000)	2010 (\$000)
-----------------	-----------------

Note 5(a): Financial instrument categories			
Financial assets			
Class	Category		
Receivables (note 2) ¹	Receivables measured at amortised cost	125	43
Total financial assets		125	43
Financial liabilities			
Class	Category		
Payables (note 3) ²	Financial liabilities measured at amortised cost	43	17
Total financial liabilities		43	17

Note 1: Excludes statutory receivables and pre-payments (i.e. not within scope of AASB 7).

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

5(b): Credit risk

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

Credit risk arises from financial assets of the Entity i.e. receivables. No collateral is held by the Entity nor has it granted any financial guarantees.

Receivables - trade debtors

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

5(c): Liquidity risk

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

5(d): Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Entity's exposures to market risk are considered to be minimal and the Entity has no exposure to foreign currency risk and does not enter into commodity contracts.

Interest Rate Risk

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

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

5(e): Fair value

Financial instruments are generally recognised at cost. The amortised cost of financial instruments recognised in the balance sheet approximates fair value because of the short term nature of the financial instruments.

Note 6: Related parties

The Bureau of Health Information is deemed to control the Bureau of Health Information Special Purpose Service Entity in accordance with Australian Accounting Standards. The controlling entity is incorporated under the *Health Services Act 1997*.

Transactions and balances in this financial report relate only to the Entity's function as provider of personnel services to the controlling entity. The Entity's total income is sourced from the Bureau of Health Information. Cash receipts and payments are effected by the Bureau of Health Information on the Entity's behalf.

Note 7: Post balance date events

No post balance date events have occurred which warrant inclusion in this report.

End of financial audited statements.