



INDEPENDENT AUDITOR'S REPORT

The Bureau of Health Information

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of The Bureau of Health Information (the Bureau), which comprise the Statement by the Accountable Authority, the Statement of Comprehensive Income for the year ended 30 June 2022, the Statement of Financial Position as at 30 June 2022, the Statement of Changes in Equity and the Statement of Cash Flows, for the year then ended, notes comprising a Statement of Significant Accounting Policies, and other explanatory information.

In my opinion, the financial statements:

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

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

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the Bureau in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants (including Independence Standards)' (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies
- precluding the Auditor-General from providing non-audit services.

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

Emphasis of Matter - Presentation of Budget information

Without modification to the opinion expressed above, I draw attention to the basis of presenting adjustment budget information detailed in Note 18. The note states that AASB 1055 'Budgetary Reporting' is not applicable to the Bureau. It also states that unlike the requirement in AASB 1055 'Budgetary Reporting' to present original budget information, the Bureau's financial statements present adjusted budget information.

Chief Executive's Responsibilities for the Financial Statements

The Chief Executive is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the GSF Act, GSF Regulation and Treasurer's Directions. The Chief Executive's responsibility also includes such internal control as the Chief Executive determines is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Executive is responsible for assessing the Bureau's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:


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

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar6.pdf . The description forms part of my auditor's report.

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

- that the Bureau carried out its activities effectively, efficiently and economically
- about the assumptions used in formulating the budget figures disclosed in the financial statements
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.

A handwritten signature in black ink, appearing to read 'M. Kharzoo', with a stylized flourish at the end.

Michael Kharzoo
Director, Financial Audit Services

Delegate of the Auditor-General for New South Wales

27 October 2022
SYDNEY



The Bureau of Health Information

Annual Financial Statements

for the year ended 30 June 2022

The Bureau of Health Information

Statement by the Accountable Authority

for the year ended 30 June 2022



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

1. The financial statements of The Bureau of Health Information for the year ended 30 June 2022 have been prepared in accordance with:
 - a. Australian Accounting Standards (AAS) (which include Australian Accounting Interpretations);
 - b. applicable requirements of the GSF Act, the *Government Sector Finance Regulation 2018*; and
 - c. Treasurer's Directions issued under the GSF Act.
2. The financial statements present fairly The Bureau of Health Information's financial position as at 30 June 2022 and the financial performance and cash flows for the year then ended; and
3. We are not aware of any circumstances which would render any particulars in the financial statements to be misleading or inaccurate.

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

Warren Clarke
Chief Finance Officer
27 October 2022

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

Dr Diane Watson
Chief Executive
27 October 2022

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

Professor Carol Pollock AO
Chair of the Board
27 October 2022

The Bureau of Health Information

Statement of Comprehensive Income for the year ended 30 June 2022

		Consolidated	Consolidated	Consolidated	Parent	Parent
		Actual	Budget ¹	Actual	Actual	Actual
		2022	2022	2021	2022	2021
	Notes	\$000	\$000	\$000	\$000	\$000
Continuing operations						
Expenses excluding losses						
Employee related expenses	2	6,182	6,564	6,649	-	-
Personnel services	3	-	-	-	6,144	6,638
Other expenses	4	3,089	3,311	3,210	3,089	3,210
Depreciation and amortisation	5	-	-	170	-	170
Finance costs	6	-	4	1	-	1
Total expenses excluding losses		9,271	9,879	10,030	9,233	10,019
Revenue						
Ministry of Health recurrent allocations	9	9,133	9,679	9,862	9,133	9,862
Acceptance by the Crown ² of employee benefits	10	38	38	11	-	-
Total revenue		9,171	9,717	9,873	9,133	9,862
Operating result		(100)	(162)	(157)	(100)	(157)
Other gains / (losses)	11	2	-	-	2	-
Net result from continuing operations	19	(98)	(162)	(157)	(98)	(157)
TOTAL COMPREHENSIVE INCOME		(98)	(162)	(157)	(98)	(157)

¹ Unaudited adjusted budget, see Note 18.

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

The accompanying notes form part of these financial statements.

The Bureau of Health Information

Statement of Financial Position as at 30 June 2022

		Consolidated	Consolidated	Consolidated	Parent	Parent
		Actual	Budget ¹	Actual	Actual	Actual
		2022	2022	2021	2022	2021
	Notes	\$000	\$000	\$000	\$000	\$000
ASSETS						
Current assets						
Cash and cash equivalents	12	-	51	51	-	51
Receivables	13	152	193	192	152	192
Total current assets		152	244	243	152	243
Non-current assets						
Total non-current assets		-	-	-	-	-
Total assets		152	244	243	152	243
LIABILITIES						
Current liabilities						
Payables	15	214	291	268	214	268
Provisions	16	960	1,088	899	960	899
Total current liabilities		1,174	1,379	1,167	1,174	1,167
Non-current liabilities						
Provisions	16	13	13	13	13	13
Total non-current liabilities		13	13	13	13	13
Total liabilities		1,187	1,392	1,180	1,187	1,180
Net assets		(1,035)	(1,148)	(937)	(1,035)	(937)
EQUITY						
Accumulated funds		(1,035)	(1,148)	(937)	(1,035)	(937)
Total Equity		(1,035)	(1,148)	(937)	(1,035)	(937)

¹ Unaudited adjusted budget, see Note 18.

The accompanying notes form part of these financial statements.

The Bureau of Health Information

Statement of Changes in Equity for the year ended 30 June 2022

PARENT AND CONSOLIDATION

	Accumulated Funds \$000	Total \$000
Balance at 1 July 2021	(937)	(937)
Net result for the year	(98)	(98)
Total comprehensive income for the year	(98)	(98)
Balance at 30 June 2022	(1,035)	(1,035)

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

The accompanying notes form part of these financial statements.

The Bureau of Health Information

Statement of Cash Flows for the year ended 30 June 2022

	Notes	Consolidated Actual 2022 \$000	Consolidated Budget ¹ 2022 \$000	Consolidated Actual 2021 \$000	Parent Actual 2022 \$000	Parent Actual 2021 \$000
CASH FLOWS FROM OPERATING ACTIVITIES						
Payments						
Employee related		(6,080)	(6,365)	(6,371)	-	-
Suppliers for goods and services		(3,454)	(3,620)	(3,673)	(3,454)	(3,673)
Personnel services		-	-	-	(6,080)	(6,371)
Total payments		(9,534)	(9,989)	(10,044)	(9,534)	(10,044)
Receipts						
Ministry of Health recurrent allocations		9,133	9,679	9,862	9,133	9,862
Reimbursements from the Crown ²		25	25	-	25	-
Other		325	285	307	325	307
Total receipts		9,483	9,989	10,169	9,483	10,169
NET CASH FLOWS FROM OPERATING ACTIVITIES	19	(51)	-	125	(51)	125
CASH FLOWS FROM FINANCING ACTIVITIES						
Payment of principal portion of lease liabilities		-	-	(141)	-	(141)
NET CASH FLOWS FROM FINANCING ACTIVITIES		-	-	(141)	-	(141)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		(51)	-	(16)	(51)	(16)
Opening cash and cash equivalents	12	51	51	67	51	67
CLOSING CASH AND CASH EQUIVALENTS	12	-	51	51	-	51

¹ Unaudited adjusted budget, see Note 18.

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

The accompanying notes form part of these financial statements.

The Bureau of Health Information

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

1. Statement of Significant Accounting Policies

a) Reporting entity

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

The Bureau is a NSW Government entity and Ministry of Health is the immediate parent. The reporting entity is controlled by the State of New South Wales (and is consolidated as part of the NSW Total State Sector Accounts), which is the ultimate parent. The reporting entity is a not-for-profit entity (as profit is not its principal objective) and it has no cash generating units.

The Bureau, as a reporting entity, comprises all the entities under its control. The parent entity comprises all the operating activities of the functions of the Bureau including:

- To prepare and publish regular reports on the performance of the NSW public health system, including the safety and quality, effectiveness, efficiency and responsiveness of the system to the health needs of the people of NSW
- To publish reports benchmarking the performance of the NSW Public Health System with comparable health system
- To establish and maintain a website providing information and analysis on the performance of the NSW public health system; including tools for data analysis
- To develop reports and tools to enable analysis of the performance of health services, clinical units and clinical teams across the NSW public health system
- To undertake analysis of data at the request of the Health Secretary to: (i) support planning and oversight for effective, efficient and safe health services in NSW; (ii) meet NSW national commitments on Health (including but not limited to commitments arising from the National Health Reform Agreement)
- To advise the Ministry of Health on the quality of existing data sets and the development of enhanced information analysis and reporting to support performance reporting to clinicians, the community and Parliament
- To undertake and/or commission research to support the performance by the Bureau of its functions
- To liaise with other bodies and organisations undertaking reporting on the performance of the health systems in Australia and internationally
- To provide advice to the Minister for Health and the Secretary of the Ministry of Health on issues arising out of its functions.

The Bureau of Health Information Special Purpose Service Entity was established as a Division of the Bureau on 1 September 2009 in accordance with the Health Services Act 1997. This Division provides personnel services to enable the Bureau to exercise its functions.

As a consequence the values in the financial statements presented herein consist of the parent entity and the consolidated entity which comprises the parent and special purpose service entity. In the process of preparing the consolidated financial statements consisting of the controlling and controlled entities, all inter-entity transactions and balances have been eliminated, and like transactions and other events are accounted for using uniform accounting policies.

These consolidated financial statements for the year ended 30 June 2022 have been authorised for issue by the Chief Finance Officer, Chief Executive and Chair of the Board on 27 October 2022.

The Bureau of Health Information

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

1. Statement of Significant Accounting Policies

b) Basis of preparation

The Bureau's financial statements are general purpose financial statements which have been prepared on an accrual basis and in accordance with:

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

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

The Secretary of NSW Health, the Chair of The Bureau of Health Information Board and the Chief Executive, have agreed to service and funding levels for the forward financial year. The Performance Agreement sets out the level of financial resources for public health services under the Bureau's control and the source of these funds. By agreement, the Performance Agreement requires local management to control its financial liquidity and in particular meet benchmarks for the payment of creditors. Where the Bureau fails to meet Performance Agreement performance standards, the Ministry of Health as the state manager can take action in accordance with annual performance framework requirements, including financial support and increased management interaction by the Ministry of Health.

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

The Commonwealth has entered a National Partnership Agreement (NPA), in response to the COVID-19 pandemic, with States and Territories, including NSW which has been extended through until 31 December 2022. The Agreement delivers funding to public hospitals and provides stability and certainty of funding while ensuring access to health services in public hospitals.

The 2022-23 Ministry of Health budget included over \$33.5 billion in expense and capital for the NSW Health Cluster. Appropriation revenue of \$18.7 billion was enshrined in legislation on 21 June 2022 in Part 2, Division 4 and Part 3 of the *Appropriation (Parliament) Bill 2022*.

The Bureau has received an additional \$295 thousand (2021: \$335 thousand) through Ministry of Health allocations as financial reimbursement for COVID-19 activity, see Note 9.

The Bureau of Health Information

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

1. Statement of Significant Accounting Policies

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

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

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

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

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

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

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

The Bureau of Health Information

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

1. Statement of Significant Accounting Policies

c) Statement of Compliance

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

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

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

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

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

e) Foreign currency translation

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

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

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

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

The Bureau of Health Information

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

1. Statement of Significant Accounting Policies

f) Comparative Information

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

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

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

(i) Effective for the first time in 2021-22

The accounting policies applied in 2021-22 are consistent with those of the previous financial year.

Several amendments and interpretations apply for the first time in 2021-22, but do not have an impact on the financial statements of the Bureau.

(ii) Issued but not yet effective

NSW public sector entities are not permitted to early adopt new Australian Accounting Standards, unless NSW Treasury determines otherwise. The Bureau, has assessed the potential impact of the new standards and interpretations issued but not yet effective and have determined they are unlikely to have a material impact on the financial statements of the Bureau.

h) Impact of COVID-19 on Financial Reporting for 2021-22

The COVID-19 pandemic has resulted in significant changes in the Bureau activity and in the way the services are being delivered. The pandemic has also impacted financial reporting in 2021-22 and increased disclosures are presented in the following notes:

- * Note 1b) Basis of preparation
- * Note 9 Ministry of Health allocations
- * Note 15 Payables
- * Note 16 Provisions
- * Note 18 Adjusted budget review

The Bureau of Health Information

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

2. Employee related expenses

	Consolidated 2022 \$000	Consolidated 2021 \$000	Parent 2022 \$000	Parent 2021 \$000
Salaries and wages (including annual leave and ADO)	5,543	6,023	-	-
Superannuation - defined contribution plans	567	558	-	-
Long service leave	40	48	-	-
Workers' compensation insurance premium	32	20	-	-
	6,182	6,649	-	-

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

The long service leave in 2021 was impacted by significant changes in actuarial factors decreasing the employee benefit liabilities assumed by the Crown.

3. Personnel services

	Consolidated 2022 \$000	Consolidated 2021 \$000	Parent 2022 \$000	Parent 2021 \$000
Salaries and wages (including annual leave and ADO)	-	-	5,543	6,023
Superannuation - defined contribution plans	-	-	567	558
Long service leave	-	-	2	37
Workers' compensation insurance premium	-	-	32	20
	-	-	6,144	6,638

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

The Bureau of Health Information

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

4. Other expenses

	Consolidated 2022 \$000	Consolidated 2021 \$000	Parent 2022 \$000	Parent 2021 \$000
Advertising	1	2	1	2
Auditor's remuneration - audit of financial statements	33	34	33	34
Domestic supplies and services	-	4	-	4
Fuel, light and power	-	2	-	2
Information management expenses	432	552	432	552
Maintenance (see Note 4 (b))	65	54	65	54
Postal and telephone costs	30	23	30	23
Printing and stationery	24	7	24	7
Staff related costs	15	39	15	39
Travel related costs	1	1	1	1
Other management services (includes Patient Survey)	1,822	1,555	1,822	1,555
Data records storage	24	52	24	52
Other (see Note 4 (a))	642	885	642	885
	3,089	3,210	3,089	3,210

	Consolidated 2022 \$000	Consolidated 2021 \$000	Parent 2022 \$000	Parent 2021 \$000
(a) Other				
Corporate support services	121	116	121	116
Membership/professional fees	2	1	2	1
Expenses relating to short-term leases	354	354	354	354
Other miscellaneous	165	414	165	414
	642	885	642	885

(b) Reconciliation of total maintenance expense

Maintenance contracts	-	31	-	31
New / replacement equipment under \$10,000	65	20	65	20
Repairs maintenance / non contract	-	3	-	3
	65	54	65	54

The Bureau of Health Information

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

4. Other expenses (continued)

Recognition and Measurement

Maintenance expense

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

Operating expenses

Operating expenses generally represent the day-to-day running costs incurred in the normal operations of the Bureau. These costs are expensed as incurred. The recognition and measurement policy for non-employee related expenses is detailed in Note 15.

Insurance

The Bureau's insurance activities are conducted through the NSW Treasury Managed Fund (TMF) Scheme of self-insurance for government entities. The expense / (premium) is determined by the Fund Manager based on past claims experience as well as escalation of premium. The TMF is managed by Insurance for NSW, a controlled entity of the ultimate parent.

Lease expense

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

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

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

The Bureau of Health Information

Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

5. Depreciation and amortisation

	Consolidated 2022 \$000	Consolidated 2021 \$000	Parent 2022 \$000	Parent 2021 \$000
Depreciation - right-of-use buildings	-	170	-	170
	-	170	-	170

The Bureau of Health Information

Notes to and forming part of the Financial Statements for the year ended 30 June 2022

6. Finance costs

	Consolidated 2022 \$000	Consolidated 2021 \$000	Parent 2022 \$000	Parent 2021 \$000
Interest expense from lease liabilities	-	1	-	1
Other interest charges	-	-	-	-
	-	1	-	1

Recognition and Measurement

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

The Bureau of Health Information

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

7. Revenue

Recognition and Measurement

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

Under the GSF Act 2018, the Bureau's own source revenue (which includes but is not limited to receipts from operating activities and proceeds from the sale of property, plant and equipment) meets the definition of deemed appropriation money under the GSF Act.

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

8. Summary of compliance

The Appropriation Act 2021 (Appropriations Act) appropriates the sum of \$15,321,272,000 to the Minister for Health out of the Consolidated Fund for the services of the Ministry of Health for the year 2021–22. The spending authority of the Minister from the Appropriations Act has been delegated or subdelegated to officers of the Ministry of Health and entities that it is administratively responsible for, including the Bureau of Health Information.

The responsible Minister for each GSF agency is taken to have been given an appropriation out of the Consolidated Fund under the authority s4.7 of the Government Sector Finance Act, at the time the GSF agency receives or recovers any deemed appropriation money, for an amount equivalent to the money that is received or recovered by the GSF agency. The spending authority of the responsible Minister(s) from deemed appropriation money has been delegated or sub-delegated to officers of Bureau of Health Information for its own services.

A summary of compliance is disclosed in the financial statements of the Annual Report of NSW Health. It has been prepared on the basis of aggregating the spending authorities of both the Minister for Health for the services of the Ministry of Health and the responsible Ministers for the services of the entities the principal department is administratively responsible for that receives or recovers deemed appropriation money. It reflects the status at the point in time this disclosure statement is being made. The Bureau of Health Information's spending authority and expenditure is included in the summary of compliance.

The delegations and sub-delegations for 2021-22 and 2020-21, authorising officers of the Bureau of Health Information to spend Consolidated Fund money, impose limits to the amounts of individual transactions, but not the overall expenditure of the Bureau of Health Information. However, as it relates to expenditure in reliance on a sum appropriated through an annual Appropriations Act, the delegation/sub-delegations are referrable to the overall authority to spend set out in the relevant Appropriations Act. The individual transaction limits have been properly observed. The information in relation to the limit from the Appropriations Act is disclosed in the summary of compliance table included in the financial statements of the Annual Report of NSW Health.

The Bureau of Health Information

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

9. Ministry of Health allocations

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

The Bureau recognised additional Ministry of Health recurrent allocations of \$295 thousand (2021: \$335 thousand) to cover staff costs incurred with the emergency response of COVID-19.

The Bureau of Health Information

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

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

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

	Consolidated 2022 \$000	Consolidated 2021 \$000	Parent 2022 \$000	Parent 2021 \$000
Long service leave provision	38	11	-	-
	38	11	-	-

The Bureau of Health Information

Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

11. Other gains / (losses)

	Consolidated 2022 \$000	Consolidated 2021 \$000	Parent 2022 \$000	Parent 2021 \$000
Foreign exchange gains / (losses)	2	-	2	-
	2	-	2	-

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

The Bureau of Health Information

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

12. Cash and cash equivalents

	Consolidated 2022 \$000	Consolidated 2021 \$000	Parent 2022 \$000	Parent 2021 \$000
Cash at bank and on hand	-	51	-	51
	-	51	-	51

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

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

Cash and cash equivalents (per Statement of Financial Position)	-	51	-	51
	-	51	-	51

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

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

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

The Bureau of Health Information

Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

13. Receivables

	Consolidated 2022 \$000	Consolidated 2021 \$000	Parent 2022 \$000	Parent 2021 \$000
Current				
Intra health receivables	15	65	15	65
Goods and Services Tax	44	86	44	86
Other receivables	11	-	11	-
Sub total	70	151	70	151
Prepayments	82	41	82	41
	152	192	152	192

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

Recognition and Measurement

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

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

Subsequent measurement

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

Impairment

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

The Bureau of Health Information

Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

14. Restricted assets

Unclaimed monies

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

The Bureau of Health Information

Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

15. Payables

	Consolidated 2022 \$000	Consolidated 2021 \$000	Parent 2022 \$000	Parent 2021 \$000
Current				
Accrued salaries, wages and on-costs	170	166	-	-
Salaries and wages deductions	4	7	-	-
Accrued liability - purchase of personnel services	-	-	174	173
Creditors	10	1	10	1
- Payables to entities controlled by the immediate parent	3	66	3	66
- Other	27	28	27	28
	214	268	214	268

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

Recognition and Measurement

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

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

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Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

16. Provisions

	Consolidated 2022 \$000	Consolidated 2021 \$000	Parent 2022 \$000	Parent 2021 \$000
Current				
Employee benefits and related on-costs				
Annual leave - obligations expected to be settled within 12 months	537	442	-	-
Annual leave - obligations expected to be settled after 12 months	136	283	-	-
Long service leave consequential on-costs - obligations expected to be settled within 12 months	2	2	-	-
Long service leave consequential on-costs - obligations expected to be settled after 12 months	132	131	-	-
Provision for other employee benefits*	153	41	-	-
Provision for personnel services liability	-	-	960	899
Total current provisions	960	899	960	899
Non-current				
Employee benefits and related on-costs				
Long service leave consequential on-costs	13	13	-	-
Provision for personnel services liability	-	-	13	13
Total non-current provisions	13	13	13	13
Aggregate employee benefits and related on-costs				
Provisions - current	960	899	-	-
Provisions - non-current	13	13	-	-
Accrued salaries, wages and on-costs and salaries and wages deductions (Note 15)	174	173	-	-
Liability - purchase of personnel services	-	-	1,147	1,085
	1,147	1,085	1,147	1,085

* Provision for other employee benefits includes a one-off payment to employees of \$118 thousand (2021: \$Nil) for the recognition of service during the COVID-19 pandemic.

The Bureau of Health Information

Notes to and forming part of the Financial Statements
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16. Provisions (continued)

Movements in provisions (other than employee benefits)

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

	Consolidated 2022 \$000	Consolidated 2021 \$000	Parent 2022 \$000	Parent 2021 \$000
Restoration costs				
Carrying amount at beginning of period	-	151	-	151
- Amounts used	-	(151)	-	(151)
Carrying amount at end of period	-	-	-	-

Recognition and Measurement

Employee benefits and other provisions

Salaries and wages, annual leave, sick leave, allocated days off (ADO) and on-costs

Salaries and wages (including non-monetary benefits) and paid sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the service are recognised and measured at the undiscounted amounts of the benefits.

Annual leave and ADO are not expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. As such, they are required to be measured at present value in accordance with AASB 119 Employee Benefits (although short-cut methods are permitted).

Actuarial advice obtained by NSW Treasury, a controlled entity of the ultimate parent, has confirmed that using the nominal annual leave balance plus the annual leave entitlements accrued while taking annual leave can be used to approximate the present value of the annual leave liability. On-costs of 18.4% are applied to the value of leave payable at 30 June 2022 (comparable on-costs for 30 June 2021 were 17.7%). The Bureau has assessed the actuarial advice based on the Bureau's circumstances to both the annual leave and ADO and has determined that the effect of discounting is immaterial. All annual leave and ADO are classified as a current liability even where the Bureau does not expect to settle the liability within 12 months as the Bureau does not have an unconditional right to defer settlement.

The Bureau of Health Information

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

16. Provisions (continued)

Recognition and Measurement (continued)

Unused non-vesting sick leave does not give rise to a liability as it is not considered probable that sick leave taken in the future will be greater than the benefits accrued in the future.

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

Long service leave and superannuation

The Bureau's liability for long service leave and defined benefit superannuation (State Authorities Superannuation Scheme and State Superannuation Scheme) are assumed by The Crown in right of the State of New South Wales. The Bureau accounts for the liability as having been extinguished, resulting in the amount assumed being shown as part of the non-monetary revenue item described as 'Acceptance by the Crown of employee benefits'.

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

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

The superannuation expense for the financial year is determined by using the formulae specified in the Treasurer's Directions. The expense for certain superannuation schemes (i.e. Basic Benefit and Aware Super) is calculated as a percentage of the employee's salary. For other superannuation schemes (i.e. State Superannuation Scheme and State Authorities Superannuation Scheme), the expense is calculated as a multiple of the employee's superannuation contributions.

Consequential on-costs

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

Other provisions

Other provisions are recognised when: the Bureau has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. When the Bureau expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented net of any reimbursement in the Statement of Comprehensive Income.

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

The Bureau of Health Information

Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

17. Contingent liabilities and contingent assets

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

The Bureau of Health Information

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

18. Adjusted budget review

NSW Health's budget is shown at a consolidated level when presented in parliament each year (i.e. in the NSW Government Budget Papers). The Bureau's budget is not presented in parliament, therefore AASB 1055 Budgetary Reporting is not applicable. Unlike the requirement in AASB 1055 Budgetary Reporting to present original budget information, the Bureau's financial statements present adjusted budget information. The adjusted budgeted amounts are drawn from the initial Service Agreements between the Bureau and the Ministry of Health at the beginning of the financial year, as well as any adjustments for the effects of additional supplementation provided in accordance with delegations to derive a final budget at year end (i.e. adjusted budget). The budget amounts are not subject to audit and, accordingly, the relevant budget entries in the financial statements are unaudited.

Net result

The actual Net Result was higher than adjusted budget by \$64 thousand, primarily due to:

- i) Employee related expenses are favourable by \$382 thousand or 6% of Budget. This is mainly due to higher than anticipated staff turnover, staff on extended leave, and reimbursement of salaries for staff seconded to COVID-19 emergency response.
- ii) Other operating expenses are favourable by \$222 thousand or 7% of Budget. This is due to reduced expenditure on travel and external education due to the limitations of the COVID-19 pandemic, reduced patient survey expenditure due to postponement of a survey, and reduced expenditure on software licenses than originally planned.
- iii) The recurrent actual allocation is in deficit by \$546 thousand as the NSW Ministry of Health has revised its treatment of recurrent budget allocation and the previous practice of providing a budget reduction to match cash drawn. The Bureau's result is reported as recurrent allocation (cash entitlement) not fully drawn.

Assets and liabilities

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

Cash flows

Employee related cash flow is favourable by \$285 thousand mainly due to reimbursement of salaries for staff seconded to COVID-19 emergency response. Payments to suppliers for goods and services are favourable by \$166 thousand due to reduced expenditure on travel, education and licenses as well as other expenses due to COVID.

Movements in the level of the Ministry of Health Recurrent Allocation that have occurred since the time of the initial allocation on 1st July 2021 are as follows:

	\$000
Initial allocation, 1st July 2021	9,135
Project supplementations	412
Covid expense recovery	295
Allocated savings programs	(163)
Balance as per Statement of Comprehensive Income	9,679

The Bureau of Health Information

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

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

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

	Consolidated 2022 \$000	Consolidated 2021 \$000	Parent 2022 \$000	Parent 2021 \$000
Net cash used on operating activities	(51)	125	(51)	125
Depreciation and amortisation expense	-	(170)	-	(170)
Decrease / (increase) in provisions	(61)	(68)	(61)	(68)
Increase / (decrease) in prepayments and other assets	(40)	(55)	(40)	(55)
Decrease / (increase) in payables	54	11	54	11
Net result	(98)	(157)	(98)	(157)

The Bureau of Health Information

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

20. Financial instruments

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

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

The Chief Executive has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by the Bureau, to set risk limits and controls and to monitor risks. Compliance with policies is reviewed on a continuous basis.

(a) Financial instrument categories

PARENT AND CONSOLIDATION

		Carrying Amount	Carrying Amount
		2022	2021
		\$000	\$000
Class	Category		
Financial assets			
Cash and cash equivalents (Note 12)	Amortised cost	-	51
Receivables (Note 13) ¹	Amortised cost	26	65
Total financial assets		26	116
Financial liabilities			
Payables (Note 15) ²	Financial liabilities measured at amortised cost	214	268
Total financial liabilities		214	268

Notes

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

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

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

(b) Derecognition of financial assets and financial liabilities

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

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

The Bureau of Health Information

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

20. Financial instruments (continued)

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

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

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

(c) Offsetting financial instruments

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

(d) Financial risk

i. Credit risk

Credit risk arises when there is the possibility that the counterparty will default on their contractual obligations, resulting in a financial loss to the Bureau. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for credit losses).

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

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

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

Cash and cash equivalents

Cash comprises cash on hand and bank balances deposited within the NSW Treasury banking system. Interest is earned on daily bank balances at rates of approximately 0% (Restricted Funds Bank balance: 0%) in 2021-22 compared to 0% (Restricted Funds Bank balance: 0%) in the previous year. The TCorpIM Cash Fund is discussed in market risk below.

Accounting policy for impairment of trade receivables and other financial assets

Receivables - trade receivables, other receivables and contract assets

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

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

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

The Bureau of Health Information

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

20. Financial instruments (continued)

(d) Financial risk (continued)

i. Credit risk (continued)

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

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

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

The Bureau is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors as at 30 June 2022 and 30 June 2021.

ii. Liquidity risk

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

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

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

The Bureau has exposure to liquidity risk. However, the risk is minimised by the service agreement with the Ministry of Health, as the annual service agreement requires local management to control its financial liquidity and in particular meet benchmarks for the payment of creditors. Where the Bureau fails to meet service agreement performance standards, the Ministry as the state manager can take action in accordance with annual performance framework requirements, including providing financial support and increased management interaction (refer Note 1).

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

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

For other suppliers, where settlement cannot be affected in accordance with the above, e.g. due to short term liquidity constraints, contact is made with creditors and terms of payment are negotiated to the satisfaction of both parties.

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Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

20. Financial instruments (continued)

(d) Financial risk (continued)

ii. Liquidity risk (continued)

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

Maturity Analysis and interest rate exposure of financial liabilities

Interest Rate Exposure				Maturity Dates	
	EIR ³ %	Nominal Amount ¹ \$000	Fixed Interest Rate \$000	Non - Interest Bearing \$000	< 1 Yr \$000
2022					
Payables:					
- Creditors ²		214	-	214	214
		214	-	214	214
2021					
Payables:					
- Creditors ²		268	-	268	268
		268	-	268	268

Notes:

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

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

³ Weighted Average Effective Interest Rate (EIR).

The Bureau of Health Information

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

20. Financial instruments (continued)

iii. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Bureau's exposures to market risk are primarily through interest rate risk on the Bureau's borrowings and other price risks associated with the movement in the Hour Glass Investment Facilities. The Bureau has no exposure to foreign currency risk and does not enter into commodity contracts.

The effect on net result and equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk and other price risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which the Bureau operates and the time frame for the assessment (i.e. until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at the Statement of Financial Position date. The analysis is performed on the same basis as for 2021. The analysis assumes that all other variables remain constant.

Interest Rate Risk

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

However, the Bureau is not permitted to borrow external to the Ministry of Health (except energy loans which are negotiated through NSW Treasury). Both NSW Treasury and Ministry of Health loans are set at fixed rates and therefore are generally not affected by fluctuations in market rates.

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

PARENT AND CONSOLIDATION

	2022 \$000		2021 \$000	
	-1%	1%	-1%	1%
Net result	-	-	(1)	1
Equity	-	-	(1)	1

The Bureau of Health Information

Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

21. Related party disclosures

PARENT AND CONSOLIDATION

(a) Key management personnel compensation

Key management personnel compensation is as follows:

	2022 \$000	2021
Short-term employee benefits	79	76
Post-employment benefits	8	7
	87	83

During the financial year, The Bureau of Health Information obtained key management personnel services from the immediate parent and incurred \$343 thousand (2021: \$334 thousand) for these services. This amount does not form part of the key management personnel compensation disclosed above.

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

Compensation for the Minister for Health is paid by the Legislature and is not reimbursed by the Ministry of Health and its controlled entities. Accordingly no such amounts are included in the key management personnel compensation disclosures above.

Remuneration for the Secretary and Deputy Secretaries are paid by the Ministry of Health and is not reimbursed by the health entities. Accordingly no such amounts are included in the key management personnel compensation disclosures above.

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

There were no transactions with key management personnel and their close family members (2021: \$Nil).

(c) Transactions with the ultimate parent

There were no transactions with the ultimate parent during the financial period (2021: \$Nil).

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

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

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

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

The Bureau of Health Information

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

21. Related party disclosures (continued)

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

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

- Audit of the statutory financial statements
- Insurance costs

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

- Revenue from recurrent allocations

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

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

Assets and liabilities as follows:

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

22. Events after the reporting period

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may affect the Bureau and would require these financial statements to be amended.

END OF AUDITED FINANCIAL STATEMENTS