

*Psychology Council of New South Wales*  
***Annual Report 2011***

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

Dear Minister

On behalf of the Psychology Council of New South Wales we are pleased to submit the Council's Annual Report and Financial Statements for the year ended 30 June 2011 for presentation to Parliament.

These documents have been prepared in accordance with the provisions of the *Annual Reports (Statutory Bodies) Act 1984*, the *Annual Reports (Statutory Bodies) Regulation 2010* and the *Public Finance and Audit Act 1983* as amended.

The Council was granted a one month extension of time to 30 November 2011 to submit this Report under section 13 (3) of the *Annual Reports (Statutory Bodies) Act 1984*. The approval was given on the understanding that this is the Council's first report since the establishment of the National Registration and Accreditation Scheme, which has impacted the timely submission of the financial statements and annual report.

This is the first report of the Psychology Council of New South Wales, which was established on 1 July 2010 under the *Health Practitioner Regulation National Law (NSW) No 86a* on introduction of the National Registration and Accreditation Scheme. The Psychology Council replaces the NSW Psychologists Registration Board, which was abolished on 30 June 2010.

Yours sincerely

A handwritten signature in black ink, appearing to read "Caroline H.A.".

Associate Professor Caroline Hunt  
President

A handwritten signature in black ink, appearing to read "Geoffrey Graham".

Mr Geoffrey Graham  
Council Member

# *Contents*

About the Council	3
Regulatory Activities	7
Management and Administration	15
Financial Statements	22
Index	44

# About the Council

The Psychology Council of New South Wales (Council) was established on 1 July 2010 with the commencement of the health professionals' National Registration and Accreditation Scheme (National Scheme). This coincided with the commencement of the *Health Practitioner Regulation National Law (NSW) No 86a* (the Law), at which time the *Psychologists Act 2001* was repealed and the NSW Psychologists Registration Board ceased to exist. Through the National Scheme, responsibility for registering health practitioners and accrediting educational programs transferred to National Boards. Health professionals no longer need to hold multiple registrations in the same profession and uniform registration standards apply across all jurisdictions. The National Boards are supported by the Australian Health Practitioner Regulation Agency (AHPRA) which has an office in each State and Territory, including New South Wales (NSW).

In NSW the *Health Care Complaints Act 1993* has been retained as has the role of the Health Care Complaints Commission (HCCC), which is a separate statutory authority. The Council and the HCCC consult on and respond to complaints received about a health practitioner's performance, conduct or health where a complaint relates to a registered professional's practice in NSW. This is different to other States and Territories where the National Boards and Committees established by those Boards are responsible for regulation.

The Council is one of 10 Councils that manage complaints about health professionals in NSW. Staff of the Health Professional Councils Authority (HPCA) provide secretariat support to the Councils to administer the Law.

## Charter

The Council is a statutory body established under the Law to exercise the powers, authorities, duties and functions imposed by the Law.

## Aims and Objectives

The purpose of the Council is to act in the interests of the public by ensuring that registered psychologists are fit to practise. The Council manages a range of programs, services and procedures to achieve this purpose. As a result, members of the public can be reassured that registered psychologists are required to maintain proper and appropriate standards of conduct and professional performance.

## Council Membership

Membership of the Council is prescribed by s 41B and Schedule 5C, Part 1, Division 6, clause 9 of the Law and consists of nine members:

- (a) one person nominated by the Minister, being an officer of the Department of Health, clause 9(2)(a):  
Mr David McGrath
- (b) three psychologists nominated by the Minister from a panel nominated by the Australian Psychological Society Limited, clause 9(2)(b)  
Associate Professor Bill Warren  
Professor Brin Grenyer  
Ms Wendy McCartney
- (c) one psychologist nominated by the Minister, being a member of the teaching staff of an educational institution that is involved in conducting approved programs of study for the psychology profession in this jurisdiction, clause 9(2)(c)  
Associate Professor Caroline Hunt
- (d) one psychologist nominated by the Minister, clause 9(2)(d)  
Associate Professor Michael Kiernan
- (e) two persons, who are not psychologists, nominated by the Minister to represent the community, clause 9(2)(e)  
Mrs Irene Hancock  
Ms Margo Gill
- (f) one Australian lawyer nominated by the Minister, clause 9(2)(f)  
Mr Geoffrey Graham

Members of the Council are appointed by the Governor and the current term of office for all Council members expires on 30 June 2012.

## President and Deputy President of the Council

Clause 10 of Schedule 5C of the Law provides that one member of the Council is to be appointed as President and one as Deputy President of the Council.

The President during the reporting period was:

- Associate Professor Caroline Hunt

The Deputy President during the reporting period was:

- Associate Professor Bill Warren

## Attendance at Council Meetings

The Council met on 11 occasions on the first Tuesday of each month during the reporting period. The Council did not meet in January 2011.

Attendance at meetings is as follows:

Name	Meetings
Associate Professor Caroline Hunt, BSc(Psych), MPsych(Clinical), PhD ( <i>President</i> )	10
Conjoint Associate Professor Bill Warren, BA (Hons. I Psychology); MA (Philosophy); M.Psych. (Clin.); PhD; Dip. Law (LPAB). ( <i>Deputy President</i> )	11
Professor Brin Grenyer BA (Hons) MSc PhD MAPS	6
Associate Professor Michael Kiernan BSc (Psych Hons) MPsych (Clin Hons) PhD	11
Mr David McGrath BSc (Psych Hons) MBA	0
Ms Wendy McCartney BA(Open) MA (Hons) (Usyd) Dip Crim; FAPS	10
Mrs Irene Hancock Grad.Dip. Law, Grad Dip.H.S.M., D.N.E., RM,RN	7
Mr Geoffrey Graham LLB	10
Ms Margo Gill DMU, MAppSc, MBA	9

## Remuneration

The members of the Council were remunerated as follows:

President/Chair:	\$2,336.00 pa
Members:	\$1,752.00 pa

## Committees of the Council

Pursuant to s 41F of the Law the Council may establish Committees to assist it with the exercise of its functions. Members of Committees need not be Council members.

## Education and Research Committee

Section 41S of the Law provides that the Council may establish an account named the Psychology Council Education and Research Account. The money in the account may be expended by the Council for or towards any purpose relating to education and research about the health, performance and conduct of registered

psychologists and meeting administrative expenditure incurred with respect to the account and the purposes for which it is used.

The Council has established an Education and Research Committee to deal with applications for grants and scholarships and to provide recommendations for funding to the Council for endorsement. Although work relating to education and research was performed, the Committee did not meet during the reporting period.

The Education and Research Committee comprised the following members:

- Associate Professor Caroline Hunt  
*President (Chair)*
- Mrs Irene Hancock, *Council member*
- Dr Vida Bliokas, *nominee of NSW Health*
- Associate Professor Graham Tyson  
*psychology academic*

## Finance Committee

A Finance Committee was established to provide advice and recommendations about financial and budget issues relevant to the Council's work. The Committee met once during the reporting period.

The Finance Committee comprised the following members:

- Associate Professor Caroline Hunt  
*President (Chair)*
- Associate Professor Bill Warren  
*Deputy President*
- Mr Geoffrey Graham *Council member*

## Statutory Committees

Part 8 of the Law prescribes the statutory committees that support the Council in undertaking its regulatory activities to protect the public. The activities and decisions of these bodies are reported in the section Regulatory Activities below.

## Psychology Tribunal of New South Wales

The Tribunal is established under s 165 and comprises four members. The Chairperson or Deputy Chairperson is an Australian lawyer appointed by the Governor. For each Tribunal hearing the three other members are appointed by the Council.

Chairperson

Ms Joanne Muller

Deputy Chairpersons

Ms Phillipa Gormly

Mr Cedric Vass

The Tribunal dealt with four matters during the year.

### Psychology Assessment Committee

Assessment Committees are established under 172A and Schedule 5E of the Law and comprise four members appointed by the Minister. Three are health practitioners who are registered in the same profession as the practitioner who is the subject of proceedings, and one is a person who is not a registered health practitioner.

The Psychology Assessment Committee members are:

Mr Christopher Willcox (*Psychologist and Chair*)

Dr Elizabeth Tong (*Psychologist*)

Dr Judith Kennedy (*Psychologist*)

Ms Maree Turner (*Community Representative*)

The Assessment Committee considered three matters during the reporting period.

### Impaired Registrants Panel

Impaired Registrants Panels (IRP) are established under s 173 of the Law to deal with matters concerning psychologists who suffer from a physical or mental impairment which affects or is likely to affect the psychologist's capacity to practise.

The Law requires that a medical practitioner form part of every IRP. During the reporting period, one member retired and two new members joined the IRP.

Dr Wayne Reid (*Neuropsychologist*)

Dr Michael Diamond (*Medical Practitioner*)

Dr Elizabeth Tong (*Clinical Psychologist*)

Mrs Pat Weir (*Psychologist*) (*retired in June 2011*)

An Impaired Registrants Panel was convened four times during the reporting period.

### Executive Officer

Ms Myra Nikolich was appointed as the Executive Officer to the Council, as established under s 41Q of the Law, and was assisted by Ms June Garcia, Deputy Executive Officer and Ms Carolyn

Broadhead, Ms Rebekah Jung and Ms Anusha Varigonda, Assistant Executive Officers.

### Legislative Changes

The *Psychologists Act 2001* was repealed with effect from 1 July 2010. The *Health Practitioner Regulation National Law (NSW) No 86a* (the Law) commenced on 1 July 2010.

During the reporting period the NSW Parliament passed a number of minor amendments to the Law. In the same reporting period the Governor approved a number of amendments to the *Health Practitioner Regulation (New South Wales) Regulation 2010*.

*Health Practitioner Regulation National Law (NSW) No 86a*

1. Amendments made by the *Statute Law (Miscellaneous Provisions) Act (No 2) 2010*:

An amendment to the definition of "protected report" in s 138(1) to address an oversight that inadvertently omitted reports prepared under s 152B from the definition.

A consequential transitional amendment was also required in Schedule 5A.

2. Amendments made by the *Health Services Amendment (Local Health Networks) Act 2010*:

Amendments were made to clauses 6(2)(i), 7(2)(a), 8(2)(a) and 9(2)(a) of Schedule 5C to reflect the replacement of Area Health Services with Local Health Networks.

3. Amendments made by the *Health Services Amendment (Local Health Districts and Boards) Act 2011*:

Amendments were made to clauses 6(2)(i), 7(2)(a), 8(2)(a) and 9(2)(a) of Schedule 5C to reflect the replacement of Local Health Networks with Local Health Districts.

*Health Practitioner Regulation (New South Wales) Regulation 2010*

1. Amendments made by the *Statute Law (Miscellaneous Provisions) Act (No 2) 2010*:

An amendment was made to clause 17(1)(b) to amend an incorrect cross reference to the *NSW Trustee and Guardian Act 2009*.

2. Amendments made by the *Health Practitioner Regulation (New South Wales) Amendment (Savings and Transitional) Regulation 2010*:

Amendments of a savings and transitional nature were made as follows:

- (a) amendment of clause 22(2)(b) to ensure that a delegation made by a Board under a repealed Act continues in force under the Law until 1 January 2013
- (b) insertion of clause 23 which provides that a registered health practitioner may apply for a review of conditions imposed on the health practitioner's registration by a Board under a repealed Act (i.e. a repealed NSW health professional registration Act) or by a Council
- (c) insertion of clause 24 which provides that if, immediately before the commencement of the Law, a Board had started but not completed dealing with a complaint about a registered health practitioner by an inquiry under a repealed Act the inquiry is to continue under the repealed Act but is to be conducted by the relevant Council.

3. Amendments made by the *Statute Law (Miscellaneous Provisions) Act 2011*:

An amendment was made to clause 21 to correct an incorrect reference to "authorised officer" with the correct term "authorised person".

Amendments were made to clauses 24(3) and (5) to correct typographical errors by replacing the term "this Law" with "the Law".

4. Amendments made by the *Health Practitioner Regulation (New South Wales) Amendment (Savings and Transitional) Regulation 2011*:

Clause 25 was inserted in the Regulation in order to address concerns about possible defects in the appointments of some members of any State Boards of the National Boards.

# Regulatory Activities

The primary responsibility of the Council, in conjunction with the HCCC, is to protect the public by managing the performance, conduct and health concerns relating to registrants practising in NSW.

## Statistics

Registrants	2010	2011
Total number of registered psychologists	10,770	10,014
<b>Complaints/Notifications</b>		
Complaints open as at 1 July 2010		50
New complaints received during 2010/2011		116
Complaints closed during 2010/2011		111
Complaints open as at 30 June 2011		55
Total complaints managed during the reporting period		166

## National Registration

From 1 July 2010, responsibility for the registration of psychologists passed to the Psychology Board of Australia. This Board and the nine other National Boards are responsible for registering health practitioners and for deciding the requirements for registration.

The National Boards also develop and approve standards, codes and guidelines for the respective health profession and approve accredited programs of study which provide the necessary qualification for registration.

Further information about the operations of the Psychology Board of Australia (PBA) and the State Board of the PBA can be obtained on the Australian Health Practitioner Regulation Agency (AHPRA) website ([www.ahpra.gov.au](http://www.ahpra.gov.au)).

## Registrations in NSW

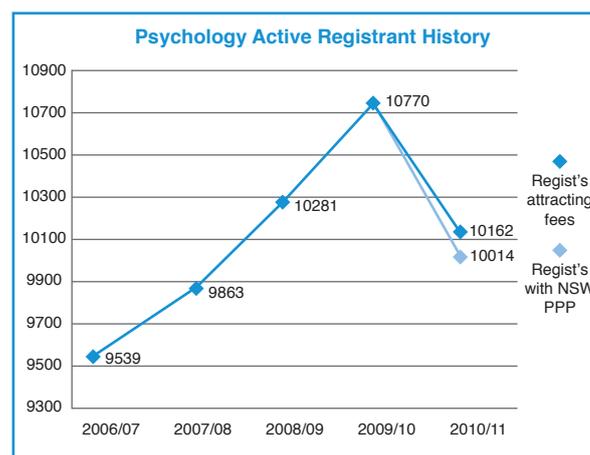
At 30 June 2011, there were 10,014 psychology registrants whose principal place of practice was in NSW. This represents 34.4% of the total number of psychologists registered under the National Scheme across Australia. Data for the current reporting year is supplied by AHPRA.

The graph below provides information about the number of psychologists registered in NSW from 2006/2007 to 2010/2011. There was a 7% decrease in the number of active registrants in 2010/2011 (756 registrants) compared to the active registrations in 2009/2010. This reduction is due to a number of factors including:

- general attrition due to relocations or retirements

- under the National Scheme practitioners need register only in their principal place of practice but can practise anywhere in Australia. Under the former Scheme, practitioners had to register in every State or Territory in which they wished to practise. Consequently, practitioners who have a principal place of practice in another State or Territory but were previously registered in NSW are not reflected in the 2010/2011 NSW registration volume
- some former registrants may have elected not to renew their registration because they were no longer practising and did not meet recency of practice or continuing education standards.

The Council is responsible for the regulation of psychologists who provide services in NSW (10,014). A number of registrants did not identify a principal place of practice (for example, registrants living overseas). For the purpose of distributing registration fees to the Council, AHPRA allocates one third of these registrants to NSW. Consequently, the fees received by the Council were for 10,162 registrants.



## Complaints and Notifications

Any person may make a complaint against a registered health professional. A complaint may be made to the HCCC, the Council, or to AHPRA.

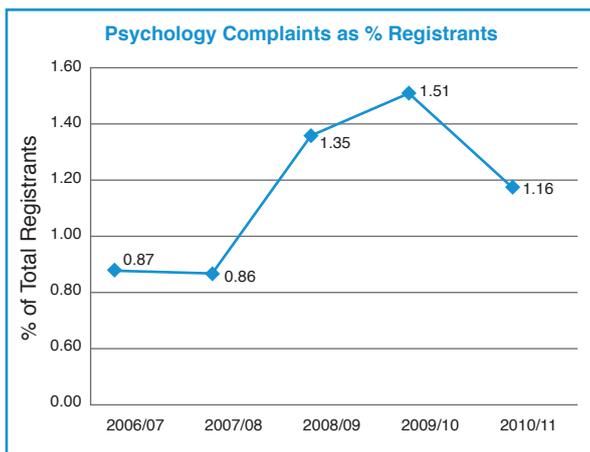
The co-regulatory system of managing complaints and notifications in NSW requires the Council and the HCCC to advise each other of complaints received involving psychologists and to consult concerning the management of these complaints in accordance with the Law and the *Health Care Complaints Act 1993* (HCC Act). A complaint made to the Council is deemed to be also made to the HCCC, and vice versa.

There have been 116 new notifications with a total of 166 managed during the year.

The following graph indicates the trend in new complaints received since 2006/2007 and shows a decreased level of complaints over the past year, with a reduction of 47 during 2010/2011 compared to 2009/10.



The graph below shows the level of complaints as a percentage of the number of registered psychologists in NSW. The number of complaints received compared to the number of psychologists registered in NSW is about 1%.



### Mandatory Notifications

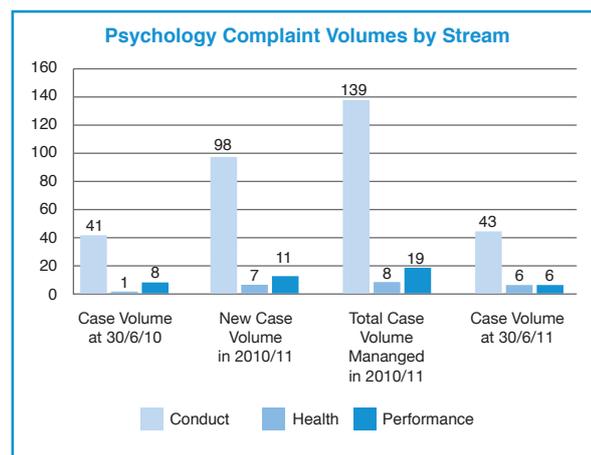
Mandatory reporting requirements came into force with the commencement of the Law on 1 July 2010. Section 140 defines notifiable conduct for registered health professionals. Health practitioners and employers are required to report notifiable conduct to AHPRA who then refers the matter to the Council. Education providers are required to notify AHPRA regarding students in relation to their ability to undertake clinical practice.

During the reporting period the Council received 16

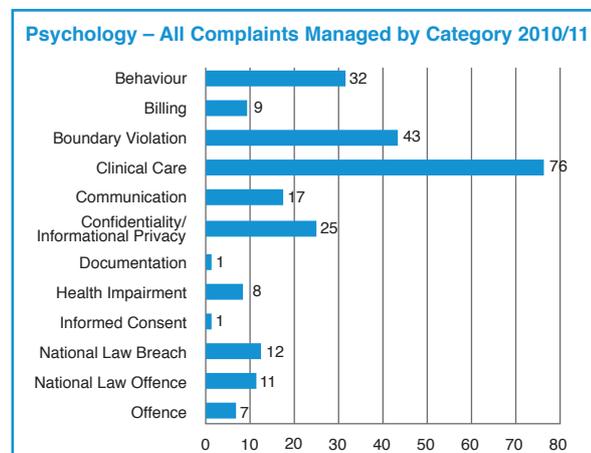
matters which were referred under the mandatory reporting requirements. Of these, 11 were conduct matters and five were health matters.

### Complaints Management

Complaints and notifications relate to the conduct, health or performance of a health practitioner. In some instances, more than one stream may be applicable, however, one stream was identified as the primary stream based on the seriousness of the matter. The volumes of complaints by the primary stream for each complaint were as follows:



The largest volumes of complaints managed in 2010/2011 related to clinical care and boundary issues, followed by a potential offence under the Law, generally related to advertising matters. A complaint may entail more than one category. The breakdown of complaints by category was as follows:



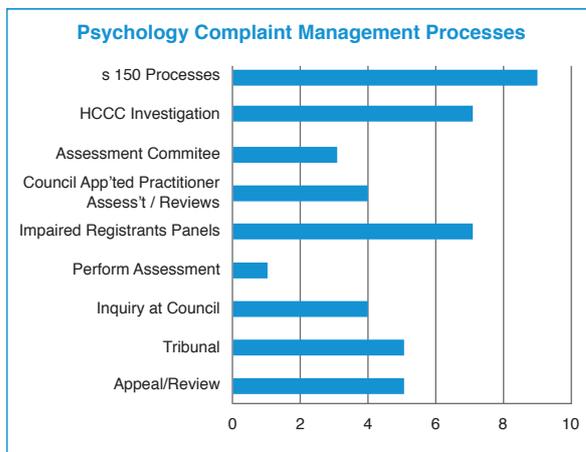
A decision is made by the Council (in consultation with the HCCC) about whether the matter is to be managed by the Council or by the HCCC. Sometimes this decision is deferred until further assessment or investigation is carried out.

The entities that deal with complaints in NSW are:

- Psychology Council of New South Wales
- Health Care Complaints Commission (HCCC)
- Director of Proceedings, HCCC
- Psychology Tribunal of New South Wales.

Information on the processes for making and managing complaints is available on the HPCA website ([www.hpca.nsw.gov.au](http://www.hpca.nsw.gov.au)).

Of notifications managed in 2010/2011, 30% (n=50) required further action to be taken by the Council or the HCCC. The number of matters referred to different actions by the Council is provided below.



Following an assessment of each complaint, the HCCC and the Council determine if the matter should be dismissed or requires some form of action. A complaint may be dismissed if the matter falls outside the jurisdiction of the Council or the HCCC, it does not raise issues of sufficient seriousness to warrant further action or the parties have resolved the matter. When action is taken for a notification, further assessment or investigation occurs into the health, performance, or conduct of the registrant. Subsequently, some registrants may also be referred for further inquiry by an adjudication body such as a Tribunal, Panel or Committee as a result of the assessment/ investigation.

## Investigation

During the reporting period, three finalised investigations led to the referral of the matter to the HCCC Director of Proceedings (DP). Upon referral of a matter the DP is required to independently assess and determine whether a matter should be prosecuted before the Tribunal. Although the DP is required to consult with the Council, the final determination rests with the DP. The DP referred three matters to the Tribunal concerning two psychologists.

At the end of the reporting period, there are six matters under investigation and one matter with the DP for final determination as the Council has agreed that the matter should be prosecuted. The total number of matters investigated in 2010/2011 was 10.

## Discontinued / No Further Action

During the reporting period 62 matters were discontinued or dismissed by the Council, requiring no further action. Another 12 matters were discontinued with a letter of advice to the psychologist.

## Health

A health notification may be self-reported or lodged by third parties and most commonly raises concerns that a registrant may have a physical or mental impairment, disability, condition or disorder (including substance abuse or dependence) that detrimentally affects or is likely to detrimentally affect their capacity to practise safely. All complaints are treated as allegations until they can be substantiated.

The Council dealt with eight matters related to psychologists' health.

## Performance

Performance issues generally relate to concerns about the standard of clinical performance, that is, whether the knowledge, skill or judgment possessed, or care exercised, by the practitioner is significantly below the standard reasonably expected of a practitioner of an equivalent level of training or experience.

The Council managed 19 complaints concerning the performance of practitioners.

## Conduct

Conduct issues generally relate to behavioural acts or omission and often go to the question of character.

The Council managed 139 matters concerning the conduct of practitioners.

## Counselling Interviews

A referral to a counselling interview generally occurs when a practitioner's departure from acceptable standards is not considered significant enough to warrant referral to the HCCC for investigation, but still raises concerns that need to be addressed. The counselling interview provides an opportunity for the psychologist to reflect upon the issues raised within the context of their practice and to critically examine suggestions for improvements.

Two members of the Council are nominated to conduct each counselling interview.

During the reporting period 21 registered psychologists were directed to attend counselling interviews, subsequent to which the complaints were closed. A further two practitioners were invited to attend an interview to discuss concerns that had come to the Council's attention.

## Council Inquiry

Complaints may be dealt with by way of disciplinary proceedings held at a meeting of the Council. The Council may caution and reprimand; impose conditions; order the withholding or refund of payment for psychological services, attendance at educational courses or the obtaining of practice management advice, undergoing medical or psychiatric treatment or attending counselling; and imposing a fine in certain cases.

During the reporting period, the Council dealt with two matters by Council Inquiry. Both matters resulted in conditions being imposed on the registrant's practice.

## Psychology Assessment Committee

The Council may refer a complaint to the Psychology Assessment Committee (PAC) if the HCCC has decided not to investigate the complaint, or following an investigation has decided not to refer the complaint to a Tribunal. The Council may also direct the Committee to require that a practitioner undergo skills testing.

The PAC must investigate complaints referred to it and encourage the complainant and the practitioner to settle the complaint by consent. Neither the complainant nor the practitioner are entitled to be legally represented at an appearance before the PAC.

The PAC may obtain the medical, legal, financial or other advice it thinks necessary or desirable to enable it to exercise its functions. Advice obtained by the PAC may not, unless otherwise ordered by the Council, be admitted or used in civil proceedings before a court and a person may not be compelled to produce the advice or to give evidence in relation to the advice in civil proceedings.

One new complaint was referred to the PAC and remained under consideration at the end of the reporting period. In addition to this new complaint, the PAC dealt with two matters carried over from the previous year. One of those matters remains under the consideration of the PAC at the end of this reporting period.

## Impaired Registrants Panel

The Council may decide to refer a registrant to an Impaired Registrants Panel (IRP) to inquire into the matter and obtain reports and other information from any source it considers appropriate. An IRP is non-disciplinary and aims to assist psychologists to manage their impairment while remaining in professional practice as long as this poses no risk to the general public.

To assist the IRP in its management of matters, the Council generally directs a psychologist to undergo an assessment of impairment by a Council Appointed Practitioner (CAP) before referring the matter to the IRP.

The Panel's role is to assess and make recommendations to the Council; for example, it may recommend that the psychologist continue treatment by his or her medical practitioner, be reviewed by the Panel after a period of time, consent to conditions being placed on his or her practice, or that she or he consent to a period of suspension.

The Council directed four new matters for a medical assessment with a CAP and referred six new matters to the IRP. In addition to the new referrals, the IRP dealt with one matter carried over from the last reporting period where the practitioner accepted voluntary conditions on their registration to practise.

Of the six new matters, one resulted in an immediate suspension of registration, two resulted in a voluntary condition that the psychologist would not practise psychology and three were yet to be determined at the end of the reporting period.

### **Performance Assessment and Performance Review Panel**

The Council may refer a practitioner who is the subject of a complaint to an assessment of their professional performance. On receipt of the Performance Assessment Report the Council may refer the matter to the Performance Review Panel to conduct a performance review of the practitioner.

During the reporting period one performance assessment was conducted at the practitioner's workplace. Two performance assessors conducted the assessment and provided a report to the Council. At the end of the reporting period, the Council was considering the assessment report.

The Council did not refer any matters to a Performance Review Panel this year.

### **Protective Orders (s 150)**

The Council must exercise its powers under s 150 of the Law to either suspend a practitioner's registration or to impose conditions upon the practitioner's practice if it is satisfied that such action is appropriate for the protection of the health or safety of the public or is otherwise in the public interest.

During the reporting period nine actions were taken under s 150 of Law. Four of these were conduct matters and five were impairment matters. Of the four conduct matters, three led to conditions being imposed on the practitioner's registration to practise and one psychologist was suspended. Of the five impairment matters, three led to conditions being imposed on the practitioner's registration to practise and two psychologists were suspended.

One hearing, which related to two complaints against the same practitioner, was held; the outcome of which was that conditions were imposed on the psychologist's registration to practise. The Council delegated its power to three Council members to hear the matter. The seven other actions under the Law were made on the papers.

Psychologists have a right to a Council review of the decision made under s 150 and, if they are still unsatisfied with the decision, can file an appeal in the Psychology Tribunal. One psychologist has appealed a suspension under this section of the Law. At the end of the reporting period, the appeal was ongoing.

### **Psychology Tribunal of New South Wales**

The Tribunal deals with serious complaints which are prosecuted by the HCCC that may lead to suspension or deregistration, appeals against Council decisions regarding disciplinary matters and appeals against decisions of the National Board in relation to registration matters.

The Tribunal's decisions are published on the Australian Legal Information Institute (AustLII) website at [www.austlii.edu.au/au/cases/nsw/NSWPST/](http://www.austlii.edu.au/au/cases/nsw/NSWPST/).

During the reporting period, the following matters relating to five practitioners were finalised.

#### ***HCCC v Dene and Donnelly (No: 2) [2010] NSWPST 4***

The matter concerned the '... failure of mandated reporters to report child sexual abuse' and '... with respect to the actual interventions used in relation to the father of the child identified and the child herself'. The complaints also raised issues surrounding the appropriate supervision of provisionally registered psychologists. The Tribunal ordered that the respondents' names be removed from the Register for a minimum period of three years, that Ms Dene be prohibited from providing various health services for a period of three years and reserved its decision on prohibition orders in regards to Dr Donnelly.

#### ***HCCC v Holbrook [2010] NSWPST 5***

The matter concerned the conduct of the respondent with several children who came under his care in his role as a School Counsellor. The Tribunal ordered that the respondent's name be cancelled from the Register for a minimum period of three years and that he be prohibited from providing various health services for a period of three years.

#### ***Zepinic v Psychologists Registration Board of NSW [2010] NSWPST 6***

This matter commenced as an appeal from a decision of an Inquiry of the former Board. During the hearing the Tribunal added other

complaints, and found the appellant had engaged in blatant and wilful misrepresentations to the Board and to other registration authorities and professional organisations over a long period of time. The Tribunal ordered that the respondent's name be cancelled from the Register for a minimum period of five years and that he be prohibited from providing various health services for a period of five years.

### **HCCC V Clarke-Saunders [2010] NSWST 8**

The complaint to this matter arose from reports relating to the respondent's conduct whilst working with clients referred to him by Victims Services. The respondent had been engaged under a Memorandum of Understanding to provide counselling to victims of crime under the Approved Counselling Scheme, *Victims Support and Rehabilitation Act 1996*. The Tribunal ordered that the respondent's name be cancelled from the Register for a minimum period of three years and that he be prohibited from providing various health services for a period of three years.

### **Prosecutions**

During the reporting period there were three prosecutions filed in the Tribunal. These matters have been heard and at the time of writing this report the decisions were reserved.

### **Appeals**

During the reporting period there were three appeals filed in the Tribunal. One appeal was commenced against the former NSW Psychologists Registration Board but the appeal was withdrawn before the hearing commenced.

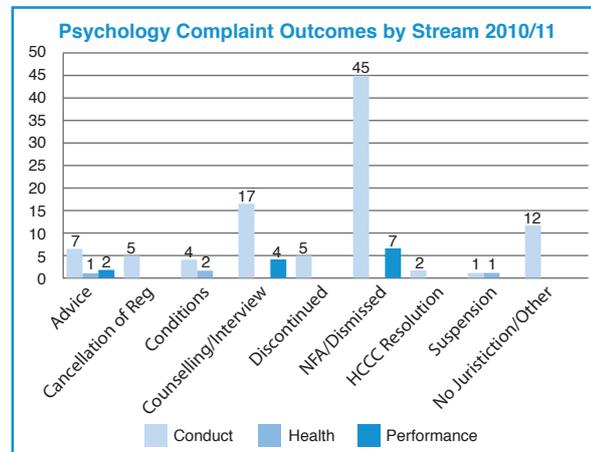
One appeal was filed against a decision of the Council following a Council Inquiry. At the time of writing this report the decision was reserved.

One appeal was filed against a decision of the Council made under s 150 of the Law. At the time of writing this report the matter was part heard.

One appeal from a decision of the Tribunal was heard in the Supreme Court of New South Wales: *Donnelly v HCCC [2011] NSWSC 705*. The appeal has been upheld in part, however, the finding of professional misconduct remains. At the time of writing this report, the matter was yet to be finalised by the Supreme Court.

## **Complaint Outcomes**

The outcomes of complaints closed or subject to a s 150 inquiry in 2010/2011 are summarised by stream in the graph below.

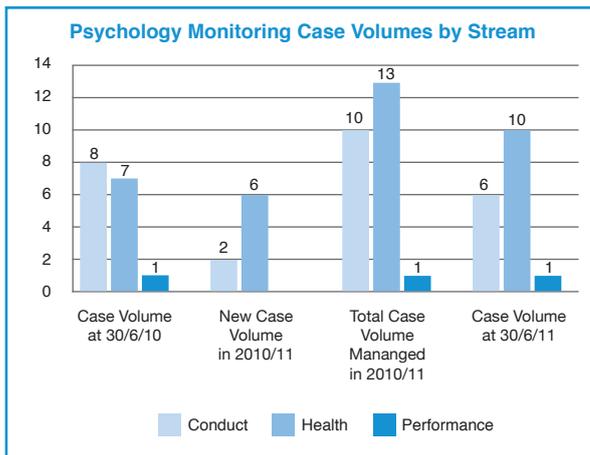


## **Monitoring and Compliance of Orders and Conditions**

When a complaint about performance, health or conduct is proven, conditions on a registration may sometimes be required to allow registrants to safely remain in practice. In some cases, where there are significant concerns about a person's fitness to practise, registration may be suspended or cancelled.

A key focus of the Council's activity relates to monitoring and compliance of conditions on practice. The Council tracks conditions on a database which also facilitates communication with AHPRA and the Psychology Board of Australia about the conditions. Consequently, during 2010/2011 effective working relationships with both organisations were established to facilitate compliance monitoring across all three organisations.

During the reporting period the Council monitored conditions relating to 24 practitioners. Of these, 10 were conduct matters, 13 were health matters and one was a performance matter. At the end of the reporting period there were 17 matters under active monitoring. Of these, six were conduct matters, 10 were health matters and one was a performance matter.



## Education and Research

There were no new grants or scholarships approved for funding during the reporting period.

The Council has agreed to participate in and contribute to an Australian Research Council (ARC) research proposal in partnership with the University of Sydney, the Medical, Dental, Pharmacy and Nursing and Midwifery Councils and AHPRA NSW. The project is a comparative study of the notifications and complaint systems of NSW compared with other States, and will be undertaken over the next three years.

## Overseas Travel

No overseas travel was undertaken by Council members during the reporting period.

## Heads of Departments, Senior Public Sector and Local Health District Psychologists meeting (HODSPA)

The Council continued its regular practice of meeting with the Heads of Departments and Schools and Senior Public Sector and Local Health District Psychologists to facilitate information sharing on topics of interest to all parties. The Council held its annual meeting on 9 November 2010 at The Sebel Surry Hills.

## 4th International Congress on Licensure, Certification and Credentialing of Psychologists

The 4th International Congress on Licensure, Certification and Credentialing was held in Sydney from 2 – 4 July 2010. The Congress built on relationships and information sharing that developed among world leaders in psychology regulation during the three previous congresses in New Orleans (1995); in Oslo, Norway (2000) and in Montreal, Canada (2004).

International mobility, accreditation of training programs, and consulting as well as other cross-border practices like telehealth and internet-based testing underscore the need to explore psychology regulatory issues from a global perspective. The former NSW Psychologists Registration Board, supported by the newly formed Council, saw this as a worthwhile activity to support. Other bodies that have also generously contributed funds towards the Congress include the Australian Psychological Society and a number of State Boards.

Council member, Professor Brin Grenyer, reported that the 4th International Congress was considered to be a resounding success by all who participated.

## Rural and Remote Mentoring Scheme

In July 2010 the Rural and Remote Mentoring Scheme commenced. This is a project which had been approved by the former NSW Psychologists Registration Board and for which funding had been received in the previous reporting period. The project's aims are to provide supervisory and mentoring support to rural and remote psychologists (RRPs) in NSW, and to establish a network of supportive links for RRP's which could continue beyond the life of the project and enhance training and supervision opportunities for RRP's. Having received a report approximately two months after the project commenced, the Council recorded its pleasure with the success of the Scheme and thanked the project team for its work on the project.

## Promotion of Council Activities

The Council maintains a website which is updated on a regular basis ([www.psychologycouncil.nsw.gov.au](http://www.psychologycouncil.nsw.gov.au)). Whilst much work still remains to be done on it, the Council intends the website to be one of the key means of communicating with the public and the profession.

In addition, Council members have consulted with a range of professional organisations and stakeholder groups to facilitate the sharing of expertise and to promote the work of the Council.

Associate Professor Caroline Hunt has consulted with:

- Australian Psychology Accreditation Council
- Department of Community Services, Psychology Expert Reference Panel

- Professional Advisory Group for the Children’s Court Clinic
- Victims Services Professional Advisory Panel, NSW Department of Attorney General and Justice
- Associate Professor Caroline Hunt also holds the position of Deputy President of the Australian Clinical Psychology Association

Associate Professor Bill Warren has consulted with:

- WorkCover NSW in relation to the Psychological and Counselling Services Regulatory Framework
- Associate Professor Warren held the position of Chair of the Australian Psychological Society Ethics Committee until December 2010

Professor Brin Grenyer has consulted with:

- Australian Psychological Society, National Training and Education Reference Group
- Australian Psychology Accreditation Council
- Council of Australian Governments National Registration and Accreditation Consultation Groups
- Department of Community Services, Psychology Expert Reference Panel
- NSW Mental Health Workforce Development Sub-Committee
- NSW Psychologist Advisory Council

Associate Professor Michael Kiernan has consulted with:

- Heads of Departments or Schools of Psychology Association

Mrs Irene Hancock:

- was the Co-Chair of the Royal Far West Children’s Services Advisory Committee (CSAC).

# Management and Administration

## Shared Services

The Health Professional Councils Authority (HPCA) is an administrative unit of the Health Administration Corporation (HAC). It was established on 1 July 2010 to provide secretariat and corporate services to the NSW health professionals Councils to support their regulatory responsibilities. The HPCA replaces the Health Professionals Registration Boards (HPRB), which was abolished on 30 June 2010.

The HPCA currently supports 10 Councils:

- Chiropractic Council of New South Wales
- Dental Council of New South Wales
- Medical Council of New South Wales
- Nursing and Midwifery Council of New South Wales
- Optometry Council of New South Wales
- Osteopathy Council of New South Wales
- Pharmacy Council of New South Wales
- Physiotherapy Council of New South Wales
- Podiatry Council of New South Wales
- Psychology Council of New South Wales

Each Council's Executive Officer and support staff provide secretariat services to enable it to fulfil its statutory role in regulating NSW health practitioners. In addition the HPCA coordinates shared administrative, financial, legal and policy services across all of the Councils to assist them to meet their legislative and policy requirements as statutory bodies.

On behalf of the Councils, the HPCA liaises with AHPRA regarding financial, registration and reporting matters; with the HCCC on complaints management issues; and with the Department of Health on human resources and providing advice and responses to the Minister for Health and the Director-General on regulatory matters and appointments.

This coordinated approach provides efficiencies through shared services that would be costly for small bodies like the Councils, to implement on their own. It also allows Councils to direct their attention to protection of the public by concentrating on their core regulatory functions.

## Access to Information - GIPA

On 1 July in 2010, the *Government Information (Public Access) Act 2009* (GIPA Act) commenced,

repealing and replacing the *Freedom of Information Act 1989*.

The Council is committed to providing access to information, and has published a Publication Guide and other information in compliance with the GIPA Act, which is accessible on our website.

No applications for information were made to the Council, under either Act, during the reporting period.

## Privacy

The Council is subject to the provisions of the *Privacy and Personal Information Protection Act 1998* and the *Health Records and Information Privacy Act 2002*.

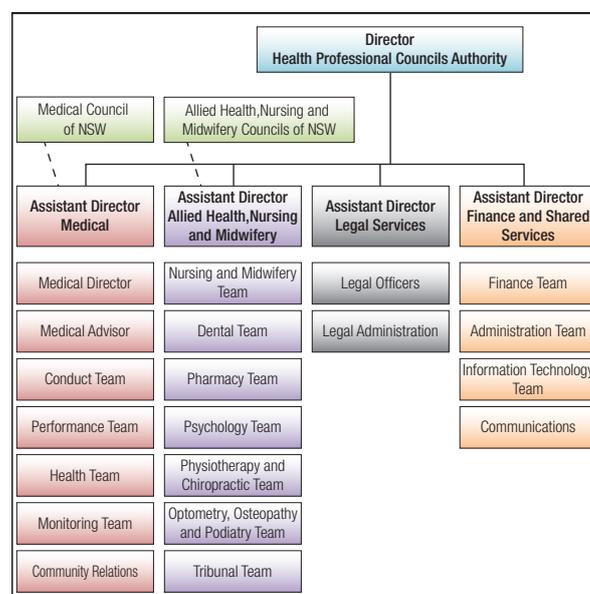
No complaints regarding privacy matters were received during the reporting period.

## Human Resources

Section 41C (2) of the Law prescribes that a Council cannot employ staff. The HPCA staff who support the Council are employed under Chapter 1A of the *Public Sector Employment and Management Act 2002*.

As 30 June 2011 there were 89 permanent full-time and 11 temporary full-time positions, of whom five provided secretariat support to the Council.

## HPCA Organisation Chart as at June 2011



The HPCA adopts NSW Department of Health personnel policies and practices and ensures that staff have access to these policies through the Department of Health intranet.

## Learning and Development

A priority for the HPCA in 2010/2011 has been to ensure that all staff receive appropriate induction to the Department of Health and their roles as public sector employees, in particular those staff who transferred from the previously independent Boards.

Staff participated in the Department of Health Orientation Program, which included familiarisation with the structure and functions of the Department; the NSW Health Code of Conduct and discussion of conflict of interest and fraud prevention issues.

The Department's Coaching and Performance System (CAPS) has been introduced to identify skills needs and is assisting staff and managers to align individual staff strengths with organisational goals. All staff have access to the Department's learning and development program to support their training needs and professional development.

Priorities for 2011/2012 include extensive training in the new case management system being implemented and ongoing records management and TRIM training.

A learning and development program is also being developed to address the information and training needs of secretariat staff and members of Council, Committees, Panels and Tribunals. The program will focus on developing knowledge of the Law, Council's regulatory responsibilities and processes to protect the public. It will comprise in-house training and use of external expertise.

Staff members also have access to the Department of Health's Employee Assistance program. Converge International provides confidential, professional counselling services to staff and their immediate families.

## Industrial Relations Policies and Practices

The HPCA maintained a harmonious industrial environment throughout the year. There were no industrial disputes and the transition of staff from the HPRB, and secondment of former registration staff to AHPRA was achieved through extensive consultation and open communication. The HPCA implements the NSW Department of Health industrial relations policies and practices.

## Equal Employment Opportunity (EEO)

The HPCA has a strong commitment to equal employment opportunity (EEO) and recruits and employs staff on the basis of merit. This provides a diverse workforce and a workplace culture where people are treated with respect.

The Council also implements EEO principles and anti-discrimination practices in its activities and the membership of its committees and adjudicating bodies to ensure access and equity regarding representation and participation in Council activities.

As at 30 June 2011, the Council had nine members including four female members.

## 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 HPCA maintains its commitment to the health, safety and welfare of staff and visitors to the workplace.

An Occupational Health and Safety Committee is in place, and hazard monitoring and mitigation is undertaken continuously. Membership of the Committee is being reviewed and terms of reference are being prepared. Selected staff attended first aid and fire warden training.

## Multicultural Policies and Services Programs

The Council applies the NSW Government's Principles of Multiculturalism and ensures that information and services are available to meet the diverse language needs of the people of NSW.

The Council and the HPCA websites provide advice on how to access translating and interpreting services in 19 languages for people making an inquiry or a complaint about a health practitioner. A number of HPCA staff are also able to provide assistance in translating and interpreting in a range of languages.

Responsibility for the registration and accreditation of overseas trained health professionals rests with the National Board. The Council supports the National Board's commitment to providing opportunities for overseas trained health practitioners to be registered and practice in Australia. The following strategies are in place to address the Principles of Multiculturalism:

- ensuring the use of ethnic media to disseminate Council information
- promoting a culturally diverse workforce, membership of Committees and participation in the Council’s regulatory activities
- maintaining ongoing commitment to the Principles of Multiculturalism and the requirements of relevant legislation and Government policy.

### Disability Action Plan

The Council supports the NSW Government’s Disability Policy Framework and the Principles outlined in Schedule 1 of the *Disability Services Act 1993*.

The HPCA maintains a range of strategies to implement these requirements including:

- workplace assessment and adjustments to support staff and members of Council and its adjudicating bodies with a disability
- assistance from external providers to prepare and coordinate return to work plans for staff with work related injuries and/or temporary disabilities
- provision of ergonomic furniture and equipment for all staff, including those requiring workplace adjustment
- access to disabled washrooms, including access for clients and others participating in Council business, hearings and Tribunals
- a TTY service available for the hearing impaired
- installation of a hearing loop in Tribunal hearing rooms.

### Waste Reduction and Purchasing Policy (WRAPP)

The HPCA manages implementation of the NSW Government’s WRAPP on behalf of the Council. During the year the HPCA maintained efforts to reduce waste, recycle paper products, consumables and equipment, and to purchase resources with recycled content, with the following results:

- purchased all A4 copy paper with 50% recycled content
- recycled 95% of total paper waste
- recycled 100% of paper/cardboard packaging; separated and directed packaging material to the building’s centralised recycling systems

- provided paper recycling containers at each workstation to divert paper from waste bins and landfill
- increased the number of wheelie bins for recycled paper placed throughout the office
- sent 100% of toner cartridges for recycling.

The following waste avoidance strategies are in place:

- scrap recycled paper diverted for use as message pads and notetaking
- increased use of email for internal communication and with Council members
- clients referred to Council websites for access to publications and other information as an alternative to providing hard copy documents
- increased use of double-sided printing where possible
- inclusion of “please consider the environment before printing” note on email communication.

From July 2011, the HPCA will participate in the Sydney Central Recycling Program, being implemented by the owners of the Pitt Street building. The Program aims to improve recycling activity with increased use of centrally located colour-coded bins.

### Consultants

The 10 health professional Councils together commissioned three consultancies to assist with the transition to the new regulatory regime and the distribution of financial and shared services being provided through the HPCA.

The Council made the following contribution to these consultancies:

Engagements costing less than \$50,000

Service Provided	No	Cost inc.GST \$
Financial management	2	5,086
Governance and administration	1	676
<b>Total</b>	<b>3</b>	<b>5,762</b>

## Insurance

The Council's insurance activities are conducted by the HPCA through the NSW Department of Health's insurance cover through the NSW Treasury Managed Fund, and include:

- legal liability - public liability, professional indemnity, product liability
- Comprehensive Motor Vehicle Insurance Policy
- Personal Accident Policy for volunteer workers
- property coverage
- workers compensation.

## Risk Management

Identification of risk for the HPCA and the Council has been a priority during the year. A risk register has been prepared and an internal audit plan developed for implementation from 2011/2012, which will focus on the HPCA's shared services.

NSW Treasury has granted the Council an exemption from the Internal Audit and Risk Policy (TPP09-05) on the grounds that it is a small agency for which the administrative and cost burden of full compliance would be prohibitive.

In November 2010, the Internal Audit Bureau (IAB) undertook a high level review of the HPCA's governance and policy processes. A comprehensive policy framework has been developed and ongoing monitoring of compliance and reporting is being implemented. The framework enables compliance risks to be managed and supports the Council in meeting these obligations.

Other risk management activities include:

- regular preventive maintenance programs on plant and equipment
- security entry and alarm system in place for access to HPCA premises
- computer system Disaster Recovery Plan
- back-up and off-site storage of computer data
- implementation of the TRIM records management system and a new case management system to better monitor and manage Council's regulatory responsibilities and hence improve public safety.

During 2011/2012 the HPCA will establish an Audit and Risk Committee with Council participation, with an independent Chair and representative membership.

## Annual Report Costs

The Council printed 60 copies of the Annual Report at an approximate cost of \$66 per copy (GST inc.).

## Financial Management

The HPCA provides financial management services to the Council including the payment of accounts, budget preparation and monitoring and coordination of regular financial reporting to the Council.

HPCA staff work with AHPRA on behalf of the Council to determine practitioner fees and the regulatory component of those fees paid to the Council to enable it to undertake its regulatory functions.

During 2011/2012 the HPCA will work with Councils to develop an overall funding model to ensure the equitable distribution of shared costs and staffing resources across all Councils.

## Format

The accounts of the Council's administrative operations, as well as Education and Research activities, together with the Independent Auditor's Report are set out in the Financial Statements included in this Annual Report.

## Performance

The accounts in respect of the Council's administrative operating expenditure for the year show expenditure of \$835,700.

## Investment Performance

The Council through a Special Interest Arrangement with the Commonwealth Bank of Australia earned an average of 4.25% p.a. on its daily bank balances. In addition an average rate of interest of 4.43% was earned on investments held in a Cash Deposit Account.

## Budget

The budget in respect of the administrative operation for the period 1 July 2011 to 30 June 2012 is as follows:

	\$
<b>Revenue</b>	
Fees	991,128
Education and Research transfer	400,000
<b>Total Revenue</b>	<b>1,391,128</b>
<b>Less Operating Costs</b>	
Bank charges	132
Labour costs	531,831
VR separation costs	75,990
Occupancy costs	80,508
Subsistence and transport	12,000
Sitting fees	246,658
Council fees	16,352
Computer services	18,044
Fees for services	32,880
Legal fees	120,000
Medical consultancy fees	14,400
Postage and communications	10,525
Printing and stationery	8,033
Room hire	1,000
Miscellaneous	8,380
Education and Research	400,000
Temporary labour	5,870
<b>Total Operating Costs</b>	<b>1,582,604</b>
<b>Gross Profit/(Loss)</b>	<b>(191,476)</b>
<b>Other Income/Expenses</b>	
Depreciation	(39,716)
Interest received	90,070
<b>Operating Profit/(Deficit)</b>	<b>(141,122)</b>

## Response to Audit Report Findings

The Council provides the following response to significant issues identified by the Audit Office of NSW in the audit of the Council's financial statements, in accordance with s 7(1)(iia) of the *Annual Reports (Statutory Bodies) Act 1984*.

### Financial statements submitted late

The financial statements were due for submission to the Audit Office of NSW on 11 August 2011 but were submitted on 16 August 2011, five days after the statutory deadline; however NSW Treasury granted the Council an extension to 18 August 2011.

### Recognition and Disclosure inadequacies

Following the abolition of the Psychologists Registration Board on 30 June 2010, its assets and liabilities were transferred to the Psychology Council. As a restructured entity the Council was required to present comparative accounts. One of the large accounting firms was engaged to assist the Council with preparation of the accompanying disclosure notes and financial statements for this first year. Specifically the firm was engaged to provide accounting advisory services in relation to certain transactions being:

1. Letter of advice regarding the accounting and disclosure implications of the restructuring of the Council on 1 July 2010; and
2. Accounting assistance in relation to various year-end matters including disclosure review of the Council's financial statements as at 30 June 2011; accounting treatment of building leases including related make good provisions; and review of cash flow disclosures in the 2011 financial statements in respect of specific transactions.

The Audit Office of NSW was not satisfied that the disclosure notes prepared by the accounting firm met required accounting standards in respect to the accounting and disclosure implications of the establishment of the Council on 1 July 2010. The accounting firm subsequently amended the equity transfer disclosure note to the Audit Office of NSW' satisfaction.

The auditors also identified seven instances of monetary misstatements which have been corrected in the financial statements as approved by the Council and published in this Annual Report.

The HPCA is currently reviewing processes to improve the quality of the 2012 financial statements.

#### Use of cash from other Councils to finance operations of other Councils

During its first financial year the HPCA followed the practice put in place by the former Health Professionals Registration Boards, whereby cash received by the HPCA on behalf of the Councils has been held in a common account. A full reconciliation was conducted at the end of the financial year. In future the HPCA will reconcile cash on a quarterly basis and seek formal approval under s 10 of the *Public Authorities (Financial Arrangements) Act 1987* if over the course of a financial year cash is required to finance operations of another Council.

#### Recognition of Assets

The 10 health professional Councils share and jointly pay for a common secretariat, premises (with the exception of the Medical Council) and a range of assets. The costs are apportioned across the Councils and the Councils with fewer registrants contribute comparatively smaller amounts to the overall costs. Where the total value of an asset is more than \$5,000, and where the Councils collectively meet the

cost of a single asset, the asset is consistently capitalised although the portion a smaller Council contributes to that asset may be less than \$5,000. The Audit Office of NSW has noted that amounts of less than \$5,000 are being recognised in financial statements. However it would be incorrect to simultaneously capitalise and expense the same assets across different statutory accounts. The only other alternative available to the Council is to recognise all assets, including items over \$5,000 as expenses in the financial statements. This would also be deemed to be a misstatement. The HPCA on behalf of the 10 health professional Councils, including the Psychology Council, will seek approval from the Chief Financial Officer of the Ministry of Health to vary the accounting policy for the treatment of shared assets.

#### Amortisation of intangible assets

In line with the comments made by the external auditors intangible assets will be amortised over a longer period of time.

#### The need for a Service Level Agreement

The Council and the HPCA agree with comments by the external auditor about the need to establish relevant service level agreements and will act on this advice.

## Accounts Payable Performance Report

The consolidated accounts payable performance report for the HPCA is as shown below:

#### Aged Analysis at end of Each Quarter

Quarter	Current (within due date) \$	Less than 30 days overdue \$	Between 30 to 60 days overdue \$	Between 60 to 90 days overdue \$	More than 90 days overdue \$
September	3,156,302	31,173	25,789	16,382	0
December	1,151,215	839,503	-218	248	0
March	1,454,399	7,080	0	1,645	0
June	1,282,574	1,001	0	-34	0

#### Accounts paid on time within each quarter

Quarter	Accounts paid on time			Total amount paid
	Target %	Actual %	\$	
September	100	97.7	3,156,302	3,229,647
December	100	57.8	1,151,215	1,990,748
March	100	99.4	1,454,399	1,463,124
June	100	99.9	1,282,574	1,283,542





## Independent Auditor's Report

### Psychology Council of New South Wales

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of the Psychology Council of New South Wales (the Council), which comprises the statement of financial position as at 30 June 2011, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

### Auditor's Opinion

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Council as at 30 June 2011, and of its financial performance for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B 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.

### The Council's Responsibility for the Financial Statements

The members of the Council are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the PF&A Act and for such internal control as the members of the Council determine is necessary to enable the preparation of the 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 the 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 controls 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 controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the members of the Council, as well as evaluating the overall presentation of the financial statements.

I believe that 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 Council
- that it has carried out its activities effectively, efficiently and economically
- about the effectiveness of its 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 Barnes  
Director, Financial Audit Services

21 November 2011  
SYDNEY

## PSYCHOLOGY COUNCIL OF NEW SOUTH WALES

YEAR ENDED 30 JUNE 2011

### STATEMENT BY MEMBERS OF THE COUNCIL

Pursuant to section 41C(1B) *Public Finance and Audit Act 1983*, and in accordance with the resolution of the members of the Psychology Council of New South Wales, we declare on behalf of the Council that in our opinion:

1. The accompanying financial statements exhibit a true and fair view of the financial position of the Psychology Council of New South Wales as at 30 June 2011 and financial performance for the year then ended.
2. The financial statements have been prepared in accordance with the provisions of Australian Accounting Standards, Accounting Interpretations, the *Public Finance and Audit Act 1983*, the *Public Finance and Audit Regulation 2010*, and the Treasurer's Directions.

Further, we are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

Council Member

Date: 15/11/2011

Council Member

Date: 16/11/2011



## Psychology Council of New South Wales

Statement of Comprehensive Income  
for the Year Ended 30 June 2011

	Notes	2011 \$
<b>EXPENSES</b>		
Personnel services	3	(376,664)
Other operating expenses	4	(459,036)
Education and Research expenses	5	<u>(366,845)</u>
<b>Total Expenses</b>		<b><u>(1,202,545)</u></b>
<b>REVENUE</b>		
Registration fees		1,362,085
Other revenue		134
Interest revenue	6	<u>107,303</u>
<b>Total Revenue</b>		<b><u>1,469,522</u></b>
Gain/(Loss) on disposal of assets		<u>604</u>
<b>Surplus/(Deficit) for the year</b>		<b><u>267,581</u></b>
Other comprehensive income		<u>-</u>
<b>Total comprehensive income for the year</b>		<b><u>267,581</u></b>

The accompanying notes form part of these financial statements.



## Psychology Council of New South Wales

Statement of Financial Position  
as at 30 June 2011

	Notes	2011 \$
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	7	1,795,917
Receivables	8	<u>215,639</u>
<b>Total Current Assets</b>		<b><u>2,011,556</u></b>
<b>Non-Current Assets</b>		
Leasehold improvements	9	13,121
Motor vehicles	9	3,879
Plant and equipment	9	18,388
Intangibles	10	<u>32,270</u>
<b>Total Non-Current Assets</b>		<b><u>67,658</u></b>
<b>Total Assets</b>		<b><u>2,079,214</u></b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Payables	11	159,325
Fees in advance		338,314
Provisions	12	<u>36,335</u>
<b>Total Current Liabilities</b>		<b><u>533,974</u></b>
<b>Non-Current Liabilities</b>		
Provisions	12	<u>26,839</u>
<b>Total Non-Current Liabilities</b>		<b><u>26,839</u></b>
<b>Total Liabilities</b>		<b><u>560,813</u></b>
<b>Net Assets</b>		<b><u>1,518,401</u></b>
<b>EQUITY</b>		
Accumulated funds		<u>1,518,401</u>
<b>Total Equity</b>		<b><u>1,518,401</u></b>

The accompanying notes form part of these financial statements.



## Psychology Council of New South Wales

### Statement of Changes In Equity for the Year Ended 30 June 2011

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	Notes	2011 \$
<b>TOTAL ACCUMULATED FUNDS</b>		
Balance at 1 July 2010		-
Transfer in of net assets due to restructure	19	1,413,922
Payment to Department of Health (As part of arrangement of structure)	19 (a)(i)	<u>(163,102)</u>
Restated transfer balance as at 1 July 2010		1,250,820
Surplus/(Deficit) for the year		267,581
Other comprehensive income		<u>-</u>
<b>Balance at 30 June 2011</b>		<b><u>1,518,401</u></b>

The accompanying notes form part of these financial statements.



## Psychology Council of New South Wales

Statement of Cash Flows  
for the Year Ended 30 June 2011

	Notes	2011 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Payments</b>		
Suppliers and employees		<u>(1,166,749)</u>
<b>Total Payments</b>		<u><b>(1,166,749)</b></u>
<b>Receipts</b>		
Receipts from members		232,631
Interest received		<u>104,539</u>
<b>Total Receipts</b>		<u>337,170</u>
<b>Net Cash Flows from Operating Activities</b>	13	<u><b>(829,579)</b></u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of plant and equipment		1,832
Purchases of plant and equipment		<u>(45,573)</u>
<b>Net Cash Flows from Investing Activities</b>		<u><b>(43,741)</b></u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from restructure of previously abolished Board	19	3,096,204
Australian Health Practitioner Regulation Agency as per Government Gazette no 90	19	(263,865)
Payment to NSW Department of Health (owner) as per Government Gazette no 90	19	<u>(163,102)</u>
<b>Net Cash Flows from Financing Activities</b>		<u><b>2,669,237</b></u>
<b>Net Increase/(Decrease) in cash</b>		<b>1,795,917</b>
Opening cash and cash equivalents		<u>-</u>
<b>Closing cash and cash equivalents</b>	7	<u><b>1,795,917</b></u>

The accompanying notes form part of these financial statements.

## Psychology Council of New South Wales

Notes to and Forming Part of the Financial Statements  
for the Year Ended 30 June 2011

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### a. Reporting Entity

The Psychology Council of New South Wales ("The Council") as a not-for-profit reporting entity with no cash generating units, performs the duties and functions contained in the *Health Practitioner Regulation National Law (NSW) No 86a*. The Council was established under Part 5A 41B of the *Health Practitioner Regulation National Law (NSW) No 86a*.

These financial statements have been authorised for issue by the Council on 16 November 2011.

The *Psychologists Act 2001* was repealed on 1 July 2010. As a result the Psychologists Registration Board was abolished on the same day. In accordance with the *Health Practitioner Regulation National Law (NSW) No 86a*, the assets and liabilities of the Board were transferred to the newly established Psychology Council of New South Wales as equity.

#### b. Basis of Preparation

The Council has adopted the going concern basis in the preparation of the financial statements.

The financial statements are general purpose financial statements and have been prepared in accordance with applicable Australian Accounting Standards (which include Australian Accounting Interpretations), and the requirements of the Public Finance and Audit Act and Regulation and the Treasurer's Directions. The financial statements have been prepared on the basis of historical cost.

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

All amounts are rounded to the nearest dollar and are expressed in Australian currency.

#### c. Statement of Compliance

The Council's financial statements and notes comply with Australian Accounting standards, which include Australian Accounting Interpretations.

#### d. Income Recognition

Income is measured at the fair value of the consideration or contribution received or receivable.

The National Registration and Accreditation Scheme for all health professionals commenced on 1 July 2010. The former registration Boards in NSW were all abolished and registration and accreditation functions became the responsibility of the new National Boards established under the National scheme. NSW opted out of the complaint handling component of the National scheme and the health professional Councils were established in NSW effective from 1 July 2010 to manage the complaints function in a co-regulatory arrangement with the NSW Health Care Complaints Commission.

Under Section 26A of the *Health Practitioner Regulation National Law (NSW)* the complaints element of the registration fees payable during 2011 by NSW health practitioners was decided by the Council established for that profession subject to approval by the Minister for Health.

The Council, under the *Health Practitioner Regulation National Law (NSW)*, shall receive fees on a monthly basis from the Australian Health Practitioner Regulation Agency (AHPRA) being the agreed NSW complaints element for the 2011 registration fee.

Fees are progressively recognised as income by the Council as the annual registration period elapses. Fees in advance represent deferred income at balance date.

Interest income is recognised as it is accrued, taking into account the effective yield on the financial asset as set out in AASB 139 *Financial Instruments: Recognition and Measurement*.

#### e. Accounting for the Goods and Services Tax (GST)

Income, expenses and assets are recognised net of the amount of GST, except where that amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated with the amount of GST included.

## Psychology Council of New South Wales

Notes to and Forming Part of the Financial Statements  
for the Year Ended 30 June 2011

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Cash flows are included in the statement of cash flow on a gross basis. The GST components of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the ATO are classified as operating cash flows.

### **f. Insurance**

The Council'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 experience.

### **g. Assets**

#### **i. Acquisitions of Assets**

All acquisitions of assets controlled by the Council are initially recorded at cost. Cost is the amount of cash or cash equivalents paid or the fair value of the 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.

The cost of assets recognised in the financial statements has been calculated based on the benefits expected to be derived by the Council.

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 arms-length transaction.

Where payment for an item 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.

#### **ii. Capitalisation Thresholds**

The Health Professional Councils Authority (HPCA) acquires all assets on behalf of the Council. Assets that cost over \$5,000 at the time of purchase by the HPCA are to be capitalised. These capitalised assets costs are then allocated to the Council using an appropriate allocation method.

#### **iii. Impairment of Property, Plant and Equipment**

As a not-for-profit entity with no cash generating units, the Council is effectively exempted from AASB 136 Impairment of Assets and impairment testing. This is because AASB 136 modifies the recoverable amount test to the higher of fair value less costs to sell and depreciated replacement cost. This means that, for an asset already measured at fair value, impairment can only arise if selling costs are material. Selling costs are regarded as immaterial.

#### **iv. Maintenance**

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

### **h. Intangibles**

Intangible assets that are acquired have finite useful lives and are measured at cost less accumulated amortisation and accumulated impairment losses.

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

Intangible assets are tested for impairment where an indicator of impairment exists. If the recoverable amount is less than its carrying amount the carrying amount is reduced to recoverable amount and the reduction is recognised as an impairment loss.

The Council recognises intangible assets only if it is probable that future economic benefits (synonymous with the notion of service potential) will flow to the Council and the cost of the asset can be measured reliably. Intangible assets are measured initially at cost. Where an asset is acquired at no or nominal cost, the cost is its fair value as at the date of acquisition.

## Psychology Council of New South Wales

### Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2011

All research costs are expensed. Development costs are only capitalised when certain criteria are met. The useful lives of intangible assets are assessed to be finite.

Intangible assets are subsequently measured at fair value only if there is an active market. As there is no active market for the Council's intangible assets, the assets are carried at cost less any accumulated amortisation.

The Council's intangible assets are amortised using the straight line method over a period of two to four years. In general, intangible assets are tested for impairment where an indicator of impairment exists. However, as a not-for-profit entity with no cash generating units, the Council is effectively exempted from impairment testing.

#### **i. Depreciation and Amortisation**

Depreciation and amortisation is provided for on a straight-line basis for all depreciable assets and amortisable intangible assets so as to write off the amounts of each asset as it is consumed over its useful life to the Council. Depreciation and amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Depreciation rates used are as follows:

- Plant and Equipment 25%
- Furniture and Fittings 16%
- Motor Vehicles range between 25% - 29%
- Leasehold Improvements 4%

Amortisation rates used are as follows:

- Software 50%

#### **j. Loans and Receivables**

Loans and receivables 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. Short-term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial. An allowance for impairment of receivables is established when there is objective evidence that the Council will not be able to collect all amounts due. The amount of the allowance is the difference between the assets carrying amount and the present value of the estimated future cash flows, discounted at the effective interest rate. Bad debts are written off as incurred.

#### **k. Payables**

These amounts represent liabilities for goods and services provided to the Council and other amounts, including interest. 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 rates are measured at the original invoice amount where the effect of discounting is immaterial.

#### **l. Provision for Personnel Services**

Personnel services are acquired from the Health Administration Corporation.

Liabilities for salaries and wages (including non-monetary benefits), annual leave and paid sick leave that fall due wholly 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.

Liabilities for annual leave are recognised and measured as the amount unpaid at the reporting date at current pay rates in respect of employees' service up to that date including appropriate oncosts.

Annual leave benefits, payable later than 12 months, have been measured at the present value of estimated cash flows to be made for those benefits in accordance with AASB 119 *Employee Benefits*.



## Psychology Council of New South Wales

Notes to and Forming Part of the Financial Statements  
for the Year Ended 30 June 2011

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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 benefits accrued in the future.

The outstanding amount of payroll tax, workers compensation and superannuation guarantee contributions, which are consequential to employment, are recognised as expenses where the employee entitlements to which they relate have been recognised.

All employees receive the Superannuation Guarantee levy contribution. All superannuation benefits are provided on an accumulation basis - there are no defined benefits. Contributions are made by the entity to an employee superannuation fund and are charged as an expense when incurred.

### **m. Provision for Make Good**

Provisions include the Council's proportionate liability of the estimated make good liability of the Psychology Council of New South Wales, discounted to today's present value.

### **n. Equity Transfers**

The transfer of net assets between NSW public sector agencies is designated as a contribution by owners by NSW Treasury Policy and Guidelines Paper TPP09-03 and recognised as an adjustment to 'Accumulated Funds'. This treatment is consistent with Australian Interpretation 1038 Contributions by Owners Made to Wholly-Owned Public Sector Entities.

Transfers arising from an administrative restructure between Government departments are recognised at the amount at which the asset was recognised by the transferor Government department immediately prior to the restructure. In most instances this will approximate fair value. All other equity transfers are recognised at fair value.

### **o. Adoption of New and Revised Accounting Standards**

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2011, and have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Psychology Council of New South Wales, except for AASB 9 *Financial Instruments*, which becomes mandatory for the 2014 financial statements and could change the classification and measurement of financial assets. The Council does not plan to adopt this standard early and the extent of the impact has not been determined.

## **2. EQUITY - ACCUMULATED FUNDS**

The accumulated funds include all current year funds and the transfer of net assets of the abolished Board due to the restructure.

## Psychology Council of New South Wales

Notes to and Forming Part of the Financial Statements  
for the Year Ended 30 June 2011

### 3. PERSONNEL SERVICES

Personnel services are acquired from the Health Administration Corporation and the cost is calculated as follows:

	2011 \$
Salaries and wages	321,834
Superannuation	37,384
Payroll taxes	17,357
Workers compensation insurance	89
	<u>376,664</u>

### 4. EXPENDITURE MANAGED ON BEHALF OF THE COUNCIL THROUGH THE HEALTH ADMINISTRATION CORPORATION

The Council's accounts are managed by the Health Administration Corporation. Executive and administrative support functions are provided by the Health Professional Councils Authority, which is an administrative unit of the Health Administration Corporation. The Health Administration Corporation has determined the basis of allocation of material costs to the Council.

Salaries and associated oncosts are paid by the Health Administration Corporation. The Health Administration Corporation continues to pay for the staff and associated oncosts.

Details of transactions managed on behalf of the Council through the Health Administration Corporation are detailed below:

	Notes	2011 \$
<b>(i) Personnel services</b>		
Personnel services	3	<u>376,664</u>
<b>(ii) Other operating expenses</b>		
Rent and building expenses		60,866
Subsistence and transport		28,908
Council fees		16,318
Sitting fees		64,101
Fees for service		77,189
Postage and communication		9,566
Printing and stationery		12,190
Depreciation and amortisation	9-10	42,176
Equipment and furniture		5,131
Contracted labour		110,314
General administration expenses		25,277
Auditor's remuneration		7,000
<b>Total expenditure</b>		<u><b>459,036</b></u>
<b>Total operating expenses</b>		<u><b>835,700</b></u>

## Psychology Council of New South Wales

Notes to and Forming Part of the Financial Statements  
for the Year Ended 30 June 2011

### 5. EDUCATION AND RESEARCH

The Council is responsible for the administration of the Education and Research account. The Minister for Health may determine that a set amount of funds out of the fees received to be transferred to the Education and Research account.

#### i. Education and Research expenses

	Notes	2011 \$
Grants		284,782
Other Expenses		<u>82,063</u>
<b>Total (excluding GST)</b>		<b><u>366,845</u></b>

#### ii. Education and Research account

	Notes	2011 \$
Opening balance		-
Transfer of assets due to restructure		480,731
Deposits		19,916
Interest		<u>16,299</u>
		516,946
Outgoings		<u>(397,115)</u>
<b>Closing balance</b>	7	<b><u>119,831</u></b>

### 6. INTEREST

	2011 \$
Interest revenue	108,454
Interest expense (discount unwind on make good)	<u>(1,151)</u>
	<b><u>107,303</u></b>

The interest received, was paid under a Special Interest Arrangement with the bank which applied to all daily balances of bank accounts administered on behalf of all health professional Councils by the Health Administration Corporation. In addition to daily balances receiving interest at a rate revised each week, the bank also waived normal bank fees payable such as transaction fees, dishonoured cheques fees, and charges applicable to overseas drafts.

	2011 %
Weighted Average Interest Rate	<u>4.43</u>

The interest expense is for the discount unwind on the make good provision during the year.

## Psychology Council of New South Wales

Notes to and Forming Part of the Financial Statements  
for the Year Ended 30 June 2011

### 7. CURRENT ASSETS - CASH AND CASH EQUIVALENTS

	2011 \$
Cash at bank	705,083
Short term deposits	333,041
Cash at bank - held by HPCA*	<u>757,793</u>
	<u><b>1,795,917</b></u>

\* This is cash held by the Health Professional Councils Authority, an administrative unit of the Health Administration Corporation, on behalf of the Council for its operating activities.

The Council operates the bank accounts shown below:

	NOTES	2011 \$
Operating account**		585,252
Education and Research account**	5	<u>119,831</u>
		<u><b>705,083</b></u>

\*\* managed by the Health Professional Councils Authority, an administrative unit of the Health Administration Corporation.

### 8. CURRENT ASSETS - RECEIVABLES

	2011 \$
Other receivables	16,866
Interest receivable	10,516
Trade receivables	<u>188,257</u>
	<u><b>215,639</b></u>

No receivables are considered impaired.

The trade receivables include monies that AHPRA has collected from registrants as at 30 June 2011 and has remitted the monies to HPCA in July 2011.

## Psychology Council of New South Wales

Notes to and Forming Part of the Financial Statements  
for the Year Ended 30 June 2011

### 9. NON-CURRENT ASSETS - PROPERTY, PLANT AND EQUIPMENT

The Council has an interest in property, plant and equipment used by all health professional Councils. Plant and equipment is not owned individually by the Council. The amounts recognised in the financial statements have been calculated based on the benefits expected to be derived by the Council.

	Leasehold Improvements 2011 \$	Motor Vehicles 2011 \$	Furniture & Fittings 2011 \$	Plant & Equipment 2011 \$	Total 2011 \$
<b>At 1 July 2010 - fair value</b>					
Transfer of net assets due to restructure	2,350	4,350	479	17,757	24,936
<b>Net carrying amount</b>	<b>2,350</b>	<b>4,350</b>	<b>479</b>	<b>17,757</b>	<b>24,936</b>
<b>At 30 June 2011 - fair value</b>					
Gross carrying amount	13,200	5,578	-	44,168	62,946
Accumulated depreciation and impairment	(79)	(1,699)	-	(25,780)	(27,558)
<b>Net carrying amount</b>	<b>13,121</b>	<b>3,879</b>	<b>-</b>	<b>18,388</b>	<b>35,388</b>

#### Reconciliation

A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the current reporting period is set out below:

	Leasehold Improvements 2011 \$	Motor Vehicles 2011 \$	Furniture & Fittings 2011 \$	Plant & Equipment 2011 \$	Total 2011 \$
<b>Year ended 30 June 2011</b>					
Net carrying amount at start of year	2,350	4,350	479	17,757	24,936
Additions	14,294	1,227	-	5,766	21,287
Disposals	-	(1,228)	-	-	(1,228)
Depreciation	(3,523)	(470)	(479)	(5,135)	(9,607)
<b>Net carrying amount at end of year</b>	<b>13,121</b>	<b>3,879</b>	<b>-</b>	<b>18,388</b>	<b>35,388</b>

## Psychology Council of New South Wales

Notes to and Forming Part of the Financial Statements  
for the Year Ended 30 June 2011

### 10. INTANGIBLE ASSETS

The Council has an interest in intangible assets used by all health professional Councils. The asset is not owned individually by the Council. The amounts recognised in the financial statements have been calculated based on the benefits expected to be derived by the Council.

	Work in progress 2011 \$	Intangibles 2011 \$	Total 2011 \$
<b>At 1 July 2010 - fair value</b>			
Transfer of net assets due to restructure	-	31,506	31,506
<b>Net carrying amount</b>	<b>-</b>	<b>31,506</b>	<b>31,506</b>
<b>At 30 June 2011 - fair value</b>			
Gross carrying amount	5,013	59,826	64,839
Accumulated amortisation and impairment	-	(32,569)	(32,569)
<b>Net carrying amount</b>	<b>5,013</b>	<b>27,257</b>	<b>32,270</b>
<b>Year ended 30 June 2011</b>			
Net carrying amount at start of year	-	31,506	31,506
Additions	5,013	28,320	33,333
Disposals	-	-	-
Amortisation	-	(32,569)	(32,569)
<b>Net carrying amount at end of year</b>	<b>5,013</b>	<b>27,257</b>	<b>32,270</b>

### 11. CURRENT LIABILITIES - PAYABLES

	2011 \$
Accrued personnel services	8,307
Other payables	7,061
Trade payables	<u>143,957</u>
	<b><u>159,325</u></b>



## Psychology Council of New South Wales

Notes to and Forming Part of the Financial Statements  
for the Year Ended 30 June 2011

### 12. CURRENT LIABILITIES - PROVISIONS

Personnel services are acquired from the Health Administration Corporation.

	2011 \$
<b>Current</b>	
Personnel Services	36,335
	<u>36,335</u>
<b>Non-Current</b>	
Make good	26,839
	<u>26,839</u>

### 13. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO NET COST OF SERVICES

	2011 \$
Net cash used on operating activities	267,581
Depreciation and amortisation	42,177
Net gain/(loss) on sale of plant and equipment	(604)
Changes in assets and liabilities:	
Decrease/(Increase) in receivables	(163,177)
Decrease/(Increase) in prepayments	(970,326)
Increase/(Decrease) in payables	2,937
Increase/(Decrease) in provisions	(8,167)
<b>Net Cash Flows from Operating Activities</b>	<u><b>(829,579)</b></u>

## Psychology Council of New South Wales

Notes to and Forming Part of the Financial Statements  
for the Year Ended 30 June 2011

### 14. FINANCIAL INSTRUMENTS

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

The Council has overall responsibility for the establishment and oversight of risk management and reviews and agrees on policies for managing each of these risks.

#### i. Financial instrument categories

Financial Assets	Note	Category	Carrying Amount 2011 \$
<b>Class:</b>			
Cash and Cash Equivalents	7	N/A	1,795,917
Receivables <sup>1</sup>	8	Loans and receivables (measured at amortised cost)	205,123
<b>Financial Liabilities</b>			
Financial Liabilities	Note	Category	Carrying Amount 2011 \$
<b>Class:</b>			
Payables <sup>2</sup>	11	Financial liabilities (measured at amortised cost)	152,264

Notes:

1. Excludes statutory receivables and prepayments (i.e. not within scope of AASB 7).
2. Excludes statutory payables and unearned revenue (i.e. not within scope of AASB 7).

#### ii. Credit risk

Credit risk arises when there is the possibility of the Council's debtors defaulting on their contractual obligations, resulting in a financial loss to the Council. 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 the financial assets of the Council, including cash, receivables, and authority deposits. No collateral is held by the Council. The Council has not granted any financial guarantees.

##### Cash

Cash comprises cash on hand and bank balances held by the Council and the HPCA on behalf of the Council. Interest is earned on the daily bank balances.

##### Receivables - trade debtors

All trade debtors are recognised as amounts receivable at balance date. Collectability of trade debtors is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. An allowance for impairment is raised when there is objective evidence that the entity will not be able to collect all amounts due. This evidence includes past experience, and current and expected changes in economic conditions and debtor credit ratings. No interest is earned on trade debtors. The Council is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors.

##### Authority deposits

The Council has placed funds on deposit with the Commonwealth Bank. These deposits are fixed term, the interest rate payable by the bank is negotiated initially and is fixed for the term of the deposit. The deposits at balance date were earning an interest rate of 4.65%, while over the year the weighted average interest rate was 4.43%. None of these assets are past due or impaired.

## Psychology Council of New South Wales

### iii. Liquidity risk

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 out in Treasurer's Direction 219.01. 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. Treasurer's Direction 219.01 allows the Minister to award interest for late payment.

All payables are current and will not attract interest payments.

### iv. Market risk

The Council does not have exposure to market risk on financial instruments.

## 15. COMMITMENTS

### i. Operating lease commitments

Future non-cancellable operating lease rentals not provided for and payable:

	2011
	\$
Less than 1 year	68,973
Between 1 and 5 years	337,008
<b>Total (including GST)</b>	<b>405,981</b>

### ii. Capital commitments

Aggregate capital expenditure for the acquisition of a Monitoring and Complaints System and leasehold improvements at Level 6 477 Pitt Street office contracted for at balance date and not provided for:

	2011
	\$
Less than 1 year	15,991
Between 1 and 5 years	-
<b>Total (including GST)</b>	<b>15,991</b>

## 16. RELATED PARTY TRANSACTIONS

The Council has only one related party, being the Health Professional Councils Authority (HPCA), an administrative unit of the Health Administration Corporation.

The Council's accounts are managed by the Health Administration Corporation. Executive and administrative support functions are provided by the HPCA, which is an administrative unit of the Health Administration Corporation. All accounting transactions are carried out by HPCA on behalf of the Council.

## 17. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There are no material unrecorded contingent assets and liabilities as at 30 June 2011.

## 18. AFTER BALANCE SHEET DATE EVENTS

In July 2011, a payment by the HPCA, on behalf of the Council, of agreed voluntary redundancy (VR) amounts to declared excess officers was made.

There was a condition of the VR separation cost that the excess officers sign their agreements by the end of July 2011, which existed after balance sheet date.

The financial effect of the VR for the Council was \$74,470.

## Psychology Council of New South Wales

### 19. EQUITY TRANSFERS

As a result of the commencement of the *Health Practitioner Regulation National Law (NSW) No. 86a*, assets and liabilities of the Psychologists Registration Board were transferred to the newly established Psychology Council of New South Wales on 1 July 2010, and the former Psychologists Registration Board was abolished.

The establishment of the Council and the transfer of assets and liabilities referred to above was classified as a restructure of administrative arrangements and accounted for in accordance with NSW Treasury's Accounting Policy: Contribution by owners made to wholly owned Public Sector Entities (TPP09-03) as a contribution by owners. Assets and liabilities were transferred at book values at 30 June 2010 per transferor entities as these book values were considered reasonable approximations of fair value to the Council, with a net credit to Equity of \$1,413,922.

Comparative disclosures are required by TPP09-03 to facilitate a comparison of the operating results and financial position to the previous year.

The comparative Statement of Comprehensive Income of the Council set out below includes adjustments to align the prior year's comparatives to the functions transferred to the Council.

#### Statement of Comprehensive Income

	30 June 2010*	Acquisition Adjustments		Total
	\$	\$		\$
Fees	1,795,852	(301,342)	(1)	1,494,510
Other income	150,637			150,637
Interest revenue	81,993			81,993
Personnel services expense	(604,942)	156,597	(2)	(448,345)
Other expenses	(537,703)			(537,703)
Education and Research expenses	(214,880)			(214,880)
<b>Surplus for the Year</b>	<b>670,957</b>	<b>(144,745)</b>		<b>526,212</b>

(\* per prior year statutory accounts)

#### Adjustments:

1. Adjustment to recognise fee revenue relating to registration function not transferred to new Council.
2. Adjustment to recognise expenses relating to registration function not transferred to new Council.



## Psychology Council of New South Wales

The comparative Statement of Financial Position at 30 June 2010 acquired by the Council on 1 July 2010 is set out below.

Statement of Financial Position	30-Jun-10* \$
<b>CURRENT ASSETS</b>	
Cash and cash equivalents	3,096,204
Trade and other receivables	52,462
Leasehold improvements	2,350
Motor vehicles	4,350
Furniture and fittings	479
Plant and equipment	24,329
Intangibles	24,934
<b>TOTAL CURRENT ASSETS</b>	<b>3,205,108</b>
<b>NON-CURRENT ASSETS</b>	
<b>TOTAL NON-CURRENT ASSETS</b>	<b>-</b>
<b>TOTAL ASSETS</b>	<b>3,205,108</b>
<b>CURRENT LIABILITIES</b>	
Trade and other payables	156,388
Fees in advance	1,572,505
Make good provisions	16,640
Short-term provisions	45,653
<b>TOTAL CURRENT LIABILITIES</b>	<b>1,791,186</b>
<b>NON-CURRENT LIABILITIES</b>	
Long-term provisions	-
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>	<b>1,791,186</b>
<b>NET ASSETS</b>	<b>1,413,922</b>
<b>EQUITY</b>	
Accumulated funds	1,413,922
<b>TOTAL EQUITY</b>	<b>1,413,922</b>

(\* per prior year statutory accounts)

Transactions and adjustments recognised on 1 July 2010 as a result of the restructure were as follows:

- a) The New South Wales Government Gazette No 90, dated 2 July 2010 ordered that the Council make the following payments:
  - i) An amount of \$163,102 to the NSW Department of Health in respect of an unrecorded liability for the Council's contribution towards the national registration implementation costs. This was treated as a transaction with owners and debited to Equity, and subsequently paid on 2 September 2010; and
  - ii) An amount of \$263,865 to the Australian Health Practitioner Regulation Agency being the estimated registration fees component of total fees received in advance by the former Board as at 30 June 2010. This amount was reclassified from Fees in Advance to Trade and Other Payables, and subsequently paid on 14 March 2011.
- b) Net adjustments to increase make-good provisioning by \$6,217 in respect of the fair value of leasing arrangements acquired.

**End of Audited Financial Statements**

# Index

	Page		Page
Access	inside cover	Languages other than English	16
Access to Information (GIPA)	15	Learning and Development	16
Accounts Payable	20	Legislative Changes	5
Administration	15	Letter to the Minister	1
AHPRA	3, 7, 8, 12, 13, 15, 18	Management	15
Aims and Objectives	3	Management and Structure of the Council	3
Annual Report Costs	18	Mandatory Notifications	8
Appeals	12	Membership, Council	3
Assessment Committee	5,10	Monitoring	12
Attendance at Council Meetings	4	Multicultural Policies and Services Program	16
Audit	18	National Registration and Accreditation Scheme	3,
Audit Office Findings, Response to	19	New South Wales Psychologists	3, 12, 13, 19
Australian Health Practitioner Regulation Agency (AHPRA)	3, 7, 8, 12, 13, 15, 18	Registration Board	29
Australian Research Council	13	Notes to Financial Statements	8
Budget	19	Notifications	8
Charter	3	Occupational Health and Safety	16
Code of Conduct	16	Organisation Chart	15
Committees	4	Overseas Travel	13
Complaints Management	8	Payments Performance	20
Complaints Statistics	7	Performance Issues	9
Conditions of Registration	11	Performance Assessment	10
Conduct Issues	10	Performance Review Panel	11
Consultants	17	President of the Council	3
Council Activities, Promotion of	13	Principles of Multiculturalism	16
Council Committees	4	Privacy Management	15
Council Inquiries	10	Promotion of Council Activities	13
Council Management and Structure	3	Prosecutions	12
Council Membership	3	Protective Orders	11
Counselling	10	Psychologists Registration Board	3, 12, 13, 19
Deputy President of the Council	3	Psychology Assessment Committee	5,10
Disability Action Plan	17	Psychology Board of Australia	7, 12
Education and Research	4,13	Psychology Council of New South Wales	3
Education and Research Committee	4	Psychology Tribunal of New South Wales	4,11
Equal Employment Opportunity (EEO)	16	Registration Statistics	7
Executive Officer	5,15	Regulatory Activities	7
Finance Committee	4	Remuneration	4
Financial Management	18	Review of Operations	7
Financial Statements	25	Risk Management	18
Government Information (Public Access) Act 2009 (GIPA)	15	Rural and Remote Mentoring Scheme	13
Heads of Departments, Senior Public Sector and Area Health Service Psychologists meeting (HODSPA)	13	Section 150	11
Health Care Complaints Commission (HCCC)	3, 7, 8-12, 15	Shared Services	15
Health Issues	9	Staff Training	16
Health Practitioner Regulation National Law (NSW)	3,5	Statement by Members of the Council	23
Health Practitioner Regulation (New South Wales) Regulation 2010	3,5	Statistics	7
Health Professional Councils Authority (HPCA)	15	Statutory Committees	4
Human Resources	15	Translating and Interpreter Services	16
Impaired Registrants Panel	10	Tribunal	4,11
Independent Auditor's Report	16	Waste Reduction and Purchasing Policy (WRAPP)	17
Industrial Relations	16	Website	13
Inquiries at Meetings of the Council	10		
Insurance	18		
International Congress on Licensure, Certification and Credentialing of Psychologists	13		
Interpreter and Translation Services	16		
Investment Performance	20		
Investigation	9		



