



Psychology Council of New South Wales

Annual Report 2012

Psychology Council of New South Wales

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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 (Council), we are pleased to submit the Council's Annual Report and Financial Statements for the year ended 30 June 2012 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.

Throughout the reporting period, the Council maintained a productive relationship with its primary stakeholders, namely, the Health Care Complaints Commission, the Psychology Board of Australia and the Australian Health Practitioner Regulation Agency. The Council wishes to acknowledge their collective contribution in assisting the Council to meet its charter of protecting the public health and safety through managing concerns about the performance, conduct and health of registered psychologists.

It is satisfying to report from a fiscal perspective that the Council exercised its functions and met its statutory and regulatory obligations within budget and finished the year with a slight operating profit.

Yours sincerely

Caroline Hunt
President

Michael Kiernan
Deputy President

Contents

About the Council	3
Regulatory Activities	7
Management and Administration	15
Financial Statements	22
Appendix 1 - Legislative Changes	45
Appendix 2 - GIPA Statistics	47
Appendix 3 - Members of Tribunals, Committees and Panels	50
Appendix 4 - Tribunal Decisions	51
Glossary	52
Index	56

About the Council

The Psychology Council of New South Wales (Council) is a statutory body established to manage notifications (complaints) about conduct, performance and health matters concerning registered psychologists practising in New South Wales (NSW).

The Council undertakes its regulatory functions in partnership with the Health Care Complaints Commission (HCCC), which is a separate statutory authority, established under the *Health Care Complaints Act 1993*.

The Psychology Council is one of 10 Councils operating in NSW. The Health Professional Councils Authority (HPCA) provides secretariat support to the NSW health professional Councils to assist them in carrying out their regulatory responsibilities.

Charter

The Council is constituted pursuant to the *Health Practitioner Regulation National Law (NSW) No 86a* (the Law) to exercise the powers, authorities, duties and functions imposed by the Law.

Aims and Objectives

The role of the Council is to act in the interests of the public by ensuring that registered psychologists are competent to practise. The Council manages a range of programs, services and procedures to achieve those objectives. As a result, members of the public can be assured that registered psychologists are required to maintain appropriate standards of conduct and professional performance.

Council Membership

Clause 9 of Schedule 5C of the Law prescribed that there were nine members of the Council appointed by the Governor.

Two members retired during the reporting period: Mrs Irene Hancock on 5 September 2011 and Mr David McGrath on 21 December 2011. Six members held their positions for the full year of the reporting period. There was one vacant position for a psychologist, which was vacant for the entire year.

- (a) one person nominated by the Minister, being an officer of the Department of Health, clause 9(2)(a):

- Mr David McGrath BSc(PsychHons) MBA
(until 21 December 2011)

- (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
BA(Hons)(Psych) MA(Philosophy) MPsych(Clin)
PhD DipLaw (LPAB) (*Deputy President*)

- Ms Wendy McCartney
BA MA(Hons)(USyd) DipCrim FAPS

- Vacant position

- (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
BSc(Psych) MPsych(Clin) PhD (*President*)

- (d) one psychologist nominated by the Minister, clause 9(2)(d):

- Associate Professor Michael Kiernan
BSc(Hons)(Psych) MPsych(Clin)(Hons) PhD

- (e) two persons, who are not psychologists, nominated by the Minister to represent the community, clause 9(2)(e):

- Mrs Irene Hancock
GradDipLaw GradDipHSM DNE RN RM
(until 5 September 2011)

- Ms Margo Gill DMU MAppSc MBA

- (f) one Australian lawyer nominated by the Minister, clause 9(2)(f):

- Mr Geoffrey Graham LLB

The term of office for all Council members expired on 30 June 2012. The Council began the process of identifying members to recommend for appointment from 1 July 2012, early in 2012.

The President and Deputy President positions are prescribed pursuant to Part 2, Schedule 5C of the Law. Associate Professor Caroline Hunt was President of the Council and the Deputy President was Associate Professor Bill Warren.

As at 30 June 2012, the Council had six members, including three female members.

Remuneration

Remuneration for members of the Council was as follows:

President	\$2,336 per annum
Deputy President	\$1,752 per annum
Members	\$1,752 per annum

Additionally, Council members may receive sitting fees of \$256 per day or \$128 per half day for the conduct of Inquiries at a meeting of the Council if it is held on a day other than on the scheduled Council meeting date. The same fees apply if a Counselling Committee is convened to conduct counselling on a day other than the scheduled Council meeting date.

Council members are reimbursed for expenses incurred only when travelling on official business at Council direction.

Members of Council committees, panels, Tribunals and other regulatory activities also receive remuneration and reimbursement of expenses.

Attendance at Council Meetings

The Council met on the second Tuesday of each month and met 11 times during the reporting period. The Council did not meet in January 2012.

Attendance at meetings was as follows:

Name	Meetings Attended	Leave Of Absence Granted
Associate Professor Caroline Hunt	10	1
Associate Professor Bill Warren	10	1
Associate Professor Michael Kiernan	11	0
Ms Wendy McCartney	9	2
Mrs Irene Hancock	2	1
Ms Margo Gill	10	1
Mr Geoffrey Graham	9	2
Mr David McGrath	1	0

Committees of the Council

Section 41F of the Law provides that the Council may establish committees to assist it

with the exercise of its functions. Members of committees need not be Council members.

The following committees operated throughout the reporting period to support the Council.

Education and Research Committee

Section 41S of the Law allows the Council to establish an Education and Research Account. The Council may expend these funds for education and research purposes relevant to its regulatory functions, and for meeting any associated administrative costs incurred.

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 was comprised as follows:

Associate Professor Caroline Hunt
(Council President)

Mrs Irene Hancock (Council Member)

Dr Vida Bliokas (Nominee of NSW Health)

Associate Professor Graham Tyson
(Psychology Academic)

Finance Committee

The Finance Committee provides to the Council advice and recommendations about financial and budget issues relevant to the Council's work. The Committee met twice during the reporting period.

The Finance Committee was comprised as follows:

Associate Professor Caroline Hunt

Associate Professor Bill Warren

Mr Geoffrey Graham

Regulatory Committees, Panels and Disciplinary Bodies

Part 8 of the Law prescribes the committees, panels and disciplinary bodies that support the Council in undertaking its regulatory activities. The activities and decisions of these bodies are reported in the section *Regulatory Activities* below.

Psychology Tribunal

The Psychology Tribunal of New South Wales 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. Two are psychology professionals and one is a community representative.

The Tribunal deals with serious matters 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.

Matters may be referred to the Tribunal either by the Council or the HCCC Director of Proceedings.

The Tribunal concluded four matters during the year: two prosecutions and two appeals against decisions of the Council. One decision with interim orders was handed down.

Refer to the *Regulatory Activities* section for further details.

Tribunal members for 2011/2012 are listed in Appendix 3.

Psychology Assessment Committee

The Assessment Committee is established under s 172A and Schedule 5E of the Law and comprises four members appointed by the Minister. Three members are registered psychologists, and one is a person who is not a registered health practitioner.

Assessment Committee members are listed in Appendix 3.

Two matters were considered by the Psychology Assessment Committee during the reporting period.

Impaired Registrants Panel

Impaired Registrants Panels (IRPs) are established under s 173 of the Law to deal with matters concerning practitioners who suffer from a physical or mental impairment which affects or is likely to affect their capacity to practise. The Panel consists of two or three members appointed by the Council. At least one member must be a registered medical practitioner and at least one member must be a registered psychologist. Panelists are drawn from a pool of members who are usually experienced in working with practitioners demonstrating health

problems.

The members of the IRPs are listed in Appendix 3.

Ten matters were considered by IRPs during the year.

Performance Review Panels

Performance Review Panels (PRPs) are established under s 174 of the Law to review the professional performance of a registered health practitioner. Three members are appointed to each Panel: two must be psychologists and one is a lay person representing the community.

The members of the PRPs are listed in Appendix 3.

Two matters were considered by PRPs during the year.

Executive Officer

Under s 41Q of the Law there is to be an Executive Officer of the Psychology Council who is responsible for the affairs of the Council subject to any directions of the Council.

Ms Myra Nikolich is the Executive Officer to the Council.

Meetings and Conferences

The Council was represented at the following meetings and conferences 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 this annual meeting on 8 November 2011 at The Sebel, Surry Hills.

Rural and Remote Mentoring Scheme

The Rural and Remote Mentoring Scheme commenced in July 2010. The project had been approved by the former NSW Psychologists Registration Board and funding had been provided in previous reporting periods. 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 which could continue beyond the life of the project and enhance training and supervision opportunities

for RRP. The Council approved an application in August 2011 to fund the continuation of the Scheme for another year, with a payment of \$150,000.

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

Overseas Travel

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

Promotion of Council Activities

The Council's website (www.psychologycouncil.nsw.gov.au) is updated on a regular basis and is the principal medium for communicating with the public and the profession and disseminating information to psychologists.

The Council's Annual Report for 2010/2011 and Annual Reports for previous years of the former Board are accessible on the website.

Other Council Activities

The Council joined a number of other health profession Councils to instigate and fund the development of a newsletter which it anticipates will be finalised in 2012.

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 met and consulted with:

- 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 positions of:

- Director of the Australian Psychology Accreditation Council

- Deputy President of the Australian Clinical Psychology Association.

Associate Professor Bill Warren has consulted with:

- APAC as part of an accreditation team, which made a site visit to the University of Tasmania.

Complaints Received About Council Administrative Processes

The Council acknowledges that the trust and confidence of the public are essential to its role and values all forms of feedback. The Council has established a complaint handling policy and procedures for addressing complaints regarding its administrative processes or about its activities, staff, service delivery and processes. No complaints were received from members of the public or external organisations.

Legislative Changes

During the reporting period the NSW Parliament passed a number of minor amendments to the *Health Practitioner Regulation National Law (NSW)*, and the Governor made an order which amended ss 41B and 165. The Governor also approved a number of amendments to the *Health Practitioner Regulation (New South Wales) Regulation 2010*. Details of the legislative changes are at Appendix 1.

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 psychologists practising in New South Wales (NSW).

This section details the Council's regulatory programs and results for the year.

National Registration

New South Wales health professionals are registered under the National Registration and Accreditation Scheme. Through the Scheme, the Psychology Board of Australia (National Board) is responsible for registering health practitioners and for determining the requirements for registration.

The National Board approves accredited programs of study which provide the necessary qualifications for registration. It also develops and approves standards, codes and guidelines for the profession which inform the Council's regulatory activities.

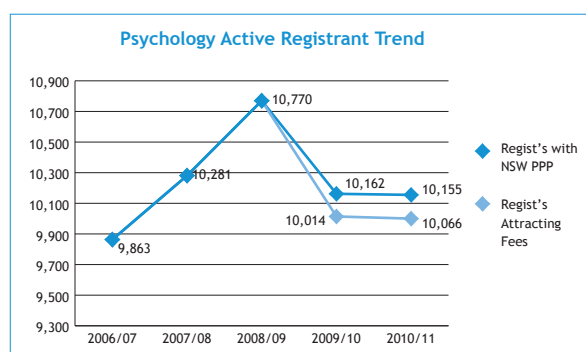
Further information about the operations of the National Board can be obtained on the Australian Health Practitioner Regulation Agency (AHPRA) website (www.ahpra.gov.au).

Registrations in NSW

Information about registration and registrant numbers included in this Report provides context for the Council's regulatory activities and functions. Registration data is supplied by AHPRA.

At 30 June 2012, there were 10,066 registered psychologists whose principal place of practice was in NSW. This represents 34% of the total number of psychology practitioners registered under the Scheme across Australia.

The graph below provides information about the number of psychologists registered in NSW from 2007/2008 to 2011/2012. There was a 0.5% increase in 2011/2012 (52 practitioners) compared with 2010/2011.



Registrations by type as at 30 June 2012 were as follows:

Registration Type	Principal Place of Practice (PPP) in NSW	NSW Share of registrants with no PPP listed	Registrants for whom fees were paid to NSW (PPP + no PPP)
General	8,580	80	8,660
Provisional	1,097	0	1,097
Non-Practising	389	9	398
Total	10,066	89	10,155

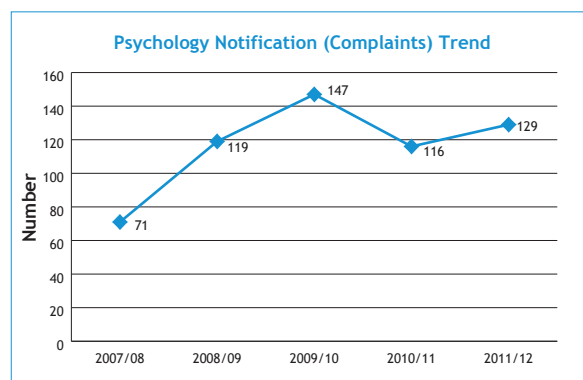
Notifications (Complaints) Received

Any person may make a notification (complaint) against a registered psychologist. Notifications (complaints) may relate to the conduct, health or performance of a registered psychologist. A notification (complaint) may be made to the HCCC, the Council or AHPRA.

The *Health Care Complaints Act 1993* requires the Council and the HCCC to advise each other about notifications (complaints) received and to consult concerning the course of action to be taken. A notification (complaint) made to the Council is deemed to be also made to the HCCC, and vice versa.

There were 129 new notifications (complaints) during the reporting period.

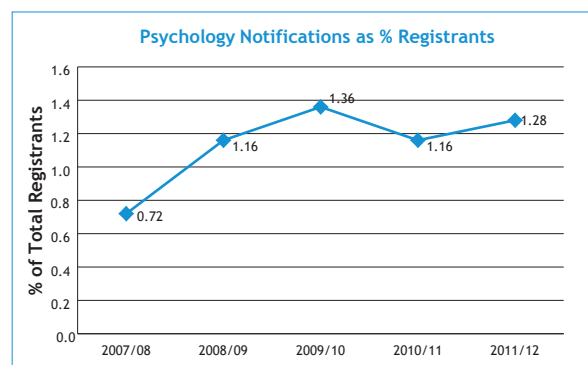
The following graph indicates the trend in new notifications received since 2007/2008 and shows an increase in the past year. There is no apparent reason to explain the increase in volume in 2009/2010 and during 2011/2012.



Note:

- Notifications received up to 1 July 2010 have been adjusted to exclude matters not covered by the Law such as advertising issues and unregistered persons holding out to be a psychologist.
- Notifications data vary from the data published in the AHPRA Annual Report (130). An error was identified subsequent to the submission of data to AHPRA.

The graph below shows the level of notifications (complaints) as a percentage of the number of registered psychologists in NSW, which in 2011/2012 is less than 1.3%.



A more accurate measure is the percentage of psychologists about whom a notification was received, that is, a psychologist with more than one notification is only counted once in the calculation. These data are only available since 1 July 2010. On this basis, the percentage of notifications (complaints) received on psychologists with a principal place of practice in NSW was 1.13% for the year.

	2010/2011	2011/2012	Variance
% of psychologists with notifications received	1.03%	1.13%	0.10

Of the psychologists with a notification (complaint) in 2011/2012, four practitioners had one earlier notification (complaint), three had two earlier notifications (complaints) and three had three earlier notifications (complaints).

The notifications (complaints) managed by the Council in 2011/2012 were as follows:

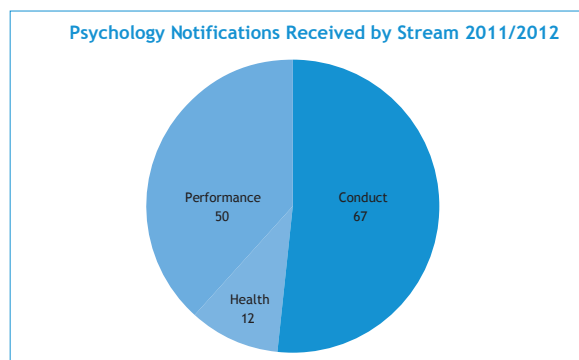
Case volume open* at 1/7/2011	52
New notifications received in 2011/2012	129
Notifications closed in 2011/2012	125
Case volume open* at 30/6/2012	56
Total case volume managed in 2011/2012	181

* See Glossary for definition of open matters.

Note: Data vary from the data published in the AHPRA Annual Report. An error was identified subsequent to the submission of data to AHPRA.

When notifications (complaints) are received, they are classified to the conduct, health or performance stream, depending on the nature of the matter. In some instances, more than one stream may be applicable however one stream is identified as the primary stream based on the seriousness of the matter. The volumes of new

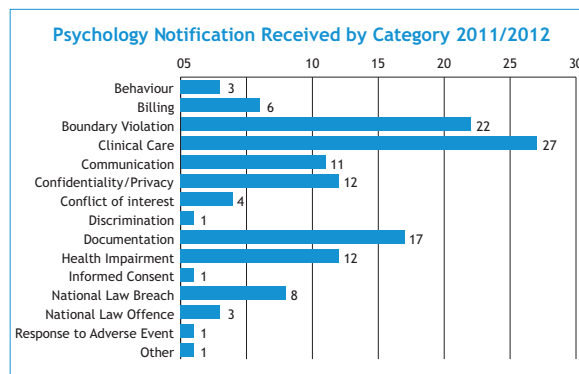
notifications by the primary stream for each notification were as follows:



Note: Data vary from the data published in the AHPRA Annual Report. An error was identified subsequent to the submission of data to AHPRA.

Notifications are also allocated to an issue category. The Council has adopted the issue categories that have been developed by AHPRA, which facilitates reporting across all jurisdictions.

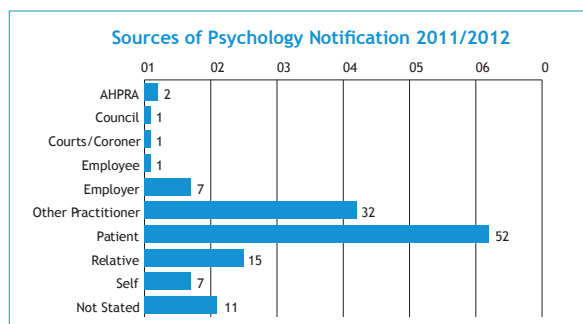
The notification volumes received by the issue category were as below. The issue categories adopted are developed by AHPRA.



Note: Data vary from the data published in the AHPRA Annual Report. An error was identified subsequent to the submission of data to AHPRA.

The issues referred to in notifications mostly related to clinical care issues and boundary violations, followed by documentation issues. The majority of notifications about clinical care related to inadequate or inappropriate treatment and procedure (19), followed by incorrect diagnosis (6). Just over half of the notifications about boundary violations referred to inappropriate non-sexual relationships (13), while the others were of an inappropriate sexual nature. Notifications about documentation related to inadequate or inaccurate reports (10) and the remainder were about misleading reports or records (7).

The sources of notifications received in 2011/2012 were:



Note: Data vary from the data published in the AHPRA Annual Report. An error was identified subsequent to the submission of data to AHPRA.

Of the 181 notifications (complaints) managed by the Council in 2011/2012, 56% (101) were primarily related to the conduct of psychologists, 10% (19) to health matters and 34% (61) to performance issues.

Mandatory Notifications

The Law requires health practitioners, employers and education providers to make mandatory notifications to AHPRA if they believe the registered psychologist has behaved in a way that constitutes notifiable conduct, i.e.:

- the practice of the profession while intoxicated by alcohol or other drugs, engaging in sexual misconduct in connection with practise, placing the public at substantial harm because the practitioner has an impairment or placing the public at risk because the practitioner has practised in a way that constitutes a significant departure from accepted professional standards.

AHPRA then refers the matter to the Council for management.

There were 20 mandatory notifications about practitioners during the reporting period:

Mandatory Notifications	Number
Sexual misconduct	4
Alcohol or other drugs	1
Impairment	1
Departure from standards	14

Note: Data vary from the data published in the AHPRA Annual Report. An error was identified subsequent to the submission of data to AHPRA.

Mandatory notifications represent 16% of all notifications received in the reporting period. Sixteen notifications were made by other health practitioners and four by employers. One mandatory notification resulted in the Council taking immediate action under s 150 of the Law.

Notifications (Complaints) Management

A decision is made by the Council (in consultation with the HCCC) about which agency will manage the matter. Sometimes this decision is deferred until further assessment or investigation is carried out. Information on the processes for making and managing complaints is available on the Council's website (www.psychologycouncil.nsw.gov.au).

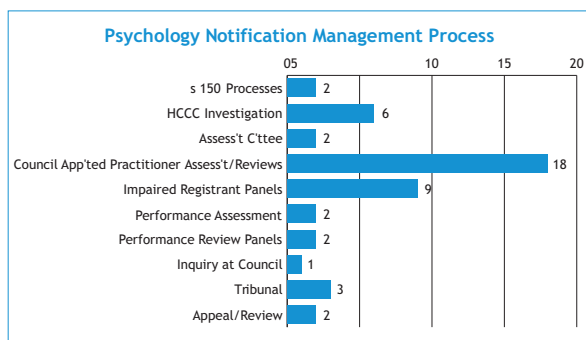
Following an assessment of each notification (complaint), the HCCC and the Council determine if the matter should be dismissed or whether the matter requires some form of action. A notification (complaint) may be dismissed if the matter falls outside the jurisdiction of the Council or the HCCC; if it does not raise issues of sufficient seriousness to warrant further action, or the parties resolved the matter.

Further assessment or investigation occurs when it is decided that action is required. Some matters may also be referred for further inquiry by a Tribunal, Panel or Committee.

Following consultation with the HCCC, the majority of matters were either discontinued or referred to the Council for further management. Other outcomes included:

- referral to the HCCC for investigation
- referral to another body such as AHPRA where the matter was outside the jurisdiction of the Council or HCCC
- resolution of the matter during the assessment process
- withdrawal of the complaint.

Of the 181 notifications managed in 2011/2012, 26% (47) were referred for management to other legislated committees or adjudication bodies other than regular Council meetings. The volume of notifications by management process was as follows:



Protective Orders - Immediate Action under s 150 of the Law

The Council must exercise its powers to either suspend a psychologist's registration, or impose conditions on their 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, the Council exercised its protective powers on two occasions. The issues related to matters of confidentiality and impairment. One immediate action matter arose from a mandatory notification. The immediate actions resulted in interim conditions imposed on the registration of both practitioners. Interim outcomes remain in place until the matter is disposed of through investigation or other processes outlined elsewhere in the report.

Assessment Committee

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

The Committee must investigate complaints referred to it and encourage the complainant and the practitioner to settle the complaint by consent. A complainant and the practitioner are not entitled to be legally represented at an appearance before a Committee.

The Committee 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 Committee 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 matter was carried over from the previous year and one new matter was referred to the Committee during the year. The Committee considered both matters; one matter related to a breach of the Law and the other related to professional boundaries and inadequate treatment. In both instances the Committee recommended that the matters be dealt with by a Council Inquiry.

Health

The object of the Council's health program is to protect the public, while maintaining the high standards the public is entitled to expect, and enabling psychologists with an impairment to remain in practice when it is safe to do so.

During the reporting period, the Council dealt with 12 new health matters and seven health matters carried over from the last reporting period. The majority of psychologists in the health stream were experiencing mental health issues (17), three related to alcohol dependence/abuse and two had a physical impairment.

Council Approved Practitioner Assessments

The Council may refer a psychologist who is the subject of a notification (complaint), for a health assessment to determine whether the person has an impairment. This may include a medical, physical, psychiatric or psychological examination or testing.

During the reporting period, 18 health assessments were undertaken for the Council, of which two were reassessments. The focus of the assessments was related to psychiatric illnesses. The outcomes of these assessments were that 15 matters were referred to an IRP and three matters did not require further action as the practitioners did not have an impairment.

Impaired Registrants Panel

The Law provides for the convening of Impaired Registrants Panels (IRPs) 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.

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 public. The Panel's role is to inquire into and assess the matter, obtaining reports and other information from any source it considers appropriate, and to make recommendations to the Council.

The Panel may counsel the psychologist, or recommend that the Council imposes conditions on their registration, or suspend registration for a period if the Council is satisfied the psychologist has voluntarily agreed to the conditions or suspension.

The status of IRP inquiries related to notifications was as follows:

Status of IRP Inquiries	Number
Matters referred to an IRP but not completed at 1/7/2011	6
Matters referred for an IRP in 2011/2012	4
Matters finalised by an IRP in 2011/2012	8
Matters referred for an IRP but not completed at 30/6/2012	2
Total case volume managed in 2011/2012	10

This excluded IRPs which reviewed practitioners as part of the monitoring program (see the section on Monitoring and Compliance of Orders and Conditions).

The matters referred to an IRP in 2011/2012 relate to the following issues:

Issue	Number
Drug Abuse/Dependence	2
Impairment	4

*Note: There may be more than one issue for each matter.

The outcomes of eight matters finalised by an IRP recommended to the Council that conditions be imposed on the psychologist's registration.

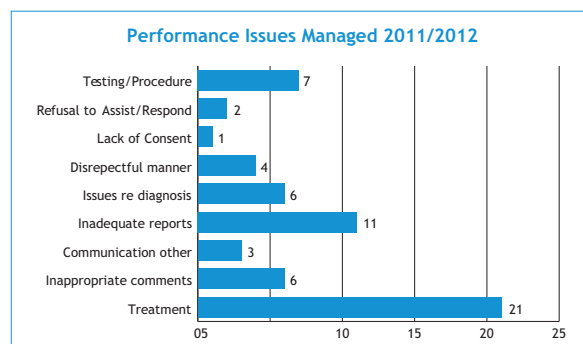
Performance

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

The Council's performance program provides an avenue for education and retraining where inadequacies in competency are identified, while at all times ensuring that the public is appropriately protected. The program aims to address patterns of practice rather than one-off

incidents unless a single incident is thought to be demonstrative of a broader problem.

A total of 61 psychologists were managed in the performance stream in 2011/2012. The majority were identified with primary performance issues related to clinical care. Some psychologists had more than one issue of concern about their performance.



Performance Assessments

The Council may require a psychologist to participate in a performance assessment to assist it in determining a course of action. The aim of such an assessment is to establish whether the psychologist's performance is at a standard expected of a similarly trained or experienced practitioner. Consequently, assessments are intended to be broad-based and not limited to the substance of the matter that triggered it.

The assessment is generally conducted in the psychologist's own practice environment by assessors appointed by Council who are familiar with the relevant area of psychology practice.

During the reporting period, the Council referred two matters for a performance assessment both of which were concluded in 2011/2012. The matters related to clinical judgment and assessment of clients.

The outcomes for completed assessments after Council consideration were that both matters were referred to a Performance Review Panel.

Performance Review Panel

If a performance assessment finds that the professional performance of a psychologist is unsatisfactory, the Council may decide to refer the matter to a Performance Review Panel (PRP). The PRP's role is to review the professional performance of the psychologist by examining the evidence placed before it to establish whether the psychologist's practice

meets the standard reasonably expected of a psychologist of ‘an equivalent level of training or experience’ at the time of the review.

Where deficiencies are identified, the psychologist is required to undertake remediation tailored to their individual needs. This may entail attending courses, undertaking supervision or engaging in additional continuing professional development. Conditions on practice may also be required to ensure the public is protected while the practitioner is undertaking remediation.

There were two PRPs convened during the reporting period. The outcomes of both matters were that the Panel imposed conditions on the psychologist’s practice.

Conduct

Conduct issues generally relate to behavioural acts or omission and often go to the question of character and may be categorised as unsatisfactory professional conduct or professional misconduct.

The total number of psychologists managed in the conduct stream in 2011/2012 was 101; 34 matters carried over from the previous period and 67 new matters were received in 2011/2012. The conduct issues for notifications received in the period were:



Investigations by the Health Care Complaints Commission (HCCC)

During 2011/2012, a number of matters were investigated by the HCCC resulting in the following outcomes:

- referred to the Director of Proceedings for consideration of prosecution before a Tribunal
- referral to the Council for further management.

Council Inquiry

Complaints may be dealt with by way of disciplinary proceedings held at a meeting of the Council conducted under Part 8 Division 3 Subdivision 5 of the Law. The resulting action taken may include a caution or reprimand, imposition of conditions on registration, referral for assessments or some other action.

During the reporting period, one complaint of unsatisfactory professional conduct was heard by way of Inquiry in a meeting of the Council. The matter related to professional boundaries and inadequate treatment.

The Inquiry found that the complaint was proved and conditions were imposed on the psychologist’s registration.

Psychology Tribunal

The Psychology Tribunal deals with serious complaints 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.

Status of Tribunal Inquiries	Number
Matters referred to a Tribunal but not completed at 1/7/2011	4
Matters referred to a Tribunal in 2011/2012	2
Matters finalised by the Tribunal in 2011/2012	4
Matters referred to a Tribunal but not completed at 30/6/2012	2
Total case volume managed in 2011/2012	6

During the reporting period, the Tribunal finalised four matters (including two appeals) and issued interim orders in one other matter, which are summarised at Appendix 4.

The Reasons for Decisions of the Tribunal are published in full on the Australasian Legal Information Institute website (www.austlii.edu.au) or may be accessed via the Council’s website.

Reviews

Psychologists who have had conditions placed on their practice or registration by a Tribunal may request a review of those conditions.

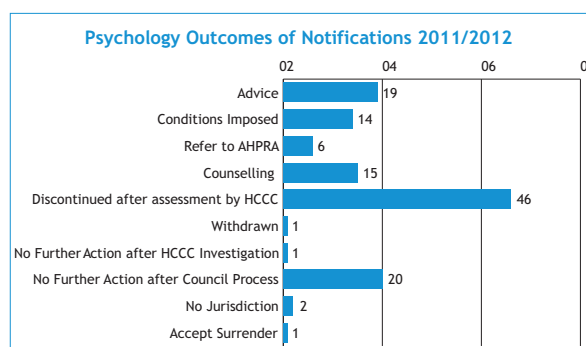
There were no applications for review carried over from the previous period, nor were there any applications received for reviews in 2011/2012.

Appeals to the Supreme Court

Psychologists may appeal a decision made by the Tribunal to the Supreme Court. There were no such appeals in 2011/2012.

Notifications (Complaints) Outcomes

The outcomes of the 125 notifications closed in 2011/2012 are summarised below. The majority of matters were discontinued after assessment by the HCCC, followed by matters not requiring action by the Council, advice provided to the psychologist by the Council, counselling of the psychologist by the Council and the imposition of conditions on the psychologist's registration.



The reasons for closing the 20 matters which did not require further action by the Council were as follows:

Reason for No Further Action	Number
Complaint not substantiated	18
Issue not within the jurisdiction of the Council	2

The stage at which the matter was closed is as follows:

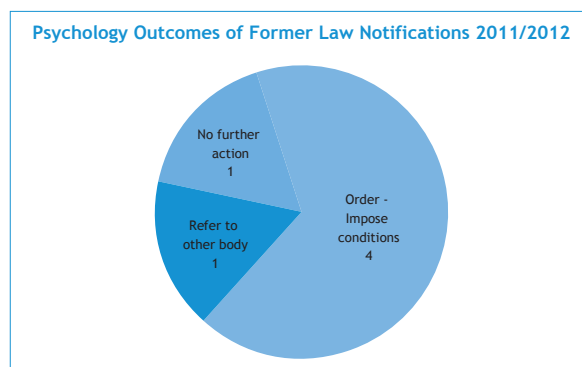
Stage* at Closure of Notification	Number
Assessment	89
Health	3
Performance	0
Investigation	19
Panel (IRP, PRP)	10
Tribunal	4
Appeal / Court	0

*See Glossary for description of each stage.

Analysis of Notifications Received Under Former Psychologists Act 2001

Status of Matters	Number
Matters under former law not completed at 1/7/2011	11
Matters under former law closed in 2011/2012	6
Matters under former law open at 30/6/2012	5

The outcomes of these matters were as follows:



Of the matters completed in 2011/2012, two were closed at the assessment stage, two at a panel hearing and two at the Tribunal (see Glossary for description of each stage).

Of the five matters remaining open under the former law, two matters are under consideration by the HCCC Director of Proceedings, one matter has been referred to a Council Inquiry, one matter was scheduled to be heard by the Tribunal in the next reporting period and the final orders of the other matter were not handed down by the end of the period.

Counselling

Under the Law, the Council may direct a psychologist to attend for counselling. Counselling is a non-disciplinary process that enables a Council to address performance or conduct concerns in an informal but sound and influential manner. Counselling may be conducted by two or three Council members.

During the reporting period, the Council dealt with 23 notifications by directing the practitioner to attend for counselling. There were seven matters carried over from the former reporting period, 16 new matters referred to counselling and eight matters finalised in 2011/2012. There were 15 carried over to the next reporting period.

Some of the issues dealt with by counselling were professional boundaries, inappropriate treatment, inappropriate behaviour, breach of confidentiality, assessment and report writing.

Matters Referred to the HCCC for Assisted Resolution and Conciliation

The Council may refer a notification to the HCCC for assisted resolution or conciliation to be dealt with under the *Health Care Complaints Act 1993*. In 2011/2012, there were no matters referred to the HCCC for either of these actions.

Matters Referred to Another Entity

During the reporting period, the Council referred seven matters to another entity as follows:

Entity	Reasons(s) for Referral	Number
National Board / AHPRA	Outside of the Council jurisdiction	8

Outcomes of Mandatory Notifications

The outcomes of the 16 mandatory notifications completed in the reporting period were as follows:

Outcome	Number
Conditions imposed on practice	4
Council interview	4
No further action following advice	3
No further action by Council	3
Discontinued after assessment by HCCC	1
Suspension	1

Monitoring and Compliance of Orders and Conditions

The Council is responsible for monitoring compliance with orders made and conditions imposed by the Psychology Tribunal, a Council Inquiry, a Performance Review Panel, an immediate action (s 150) decision, or conditions following an Impaired Registrants Panel.

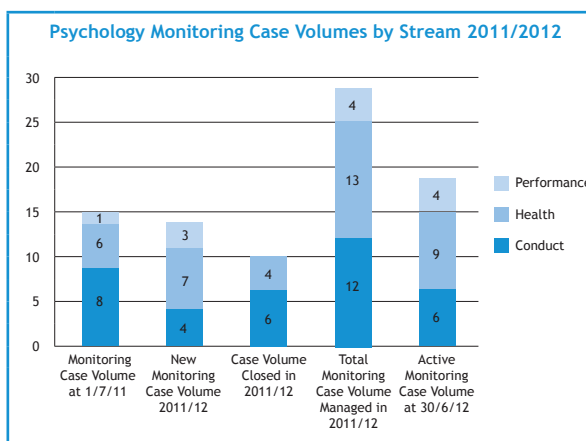
Conditions fall into two categories:

- practice conditions, which are published on the AHPRA website (www.ahpra.gov.au) or
- health conditions, which are not published.

During 2011/2012, effective working relationships with AHPRA facilitated compliance monitoring across both organisations.

Psychology Monitoring Case Volume by Stream

During the year 29 cases were monitored, and 19 remain active as at 30 June 2012. Monitoring volumes by stream were as follows:



*Note: There may be more than one issue for each matter.

During the reporting period, there were 10 IRP hearings to review practitioners. There were 10 practitioners discharged from the monitoring program and of these:

- two practitioners were discharged from the health program following the Council's consideration of the recommendations of an IRP
- two practitioners surrendered their registration
- the monitoring of one practitioner transferred to another jurisdiction
- one practitioner's registration was cancelled by the Tribunal
- four practitioners fulfilled the conditions on their registration and the conditions were lifted.

Management and Administration

Shared Services

The Health Professional Councils Authority (HPCA) is an administrative unit of the Health Administration Corporation (HAC) which provides shared executive and corporate services to the NSW health professional Councils to support their regulatory responsibilities.

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

The 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 obligations 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 Ministry of Health on human resource matters 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.

A service level agreement (SLA) between the Council and the HPCA has been developed for implementation next financial year. The SLA articulates the services the HPCA provides and key performance indicators against which to assess performance. It provides certainty and a shared understanding for the Council and

the HPCA on the range and quality of services provided. This addresses one of the significant matters raised by the Audit Office of NSW in the audit of the 2010/2011 financial statements.

Access to Information - GIPA

The Council is committed to the principles of the *Government Information (Public Access) Act 2009* (GIPA Act) and provides access to policies, publications and information through the website that comprises open access and proactively released information. The Publication Guide (now called Agency Information Guide) was updated and has been revised as required under amendments to the GIPA Act.

Staff participated in training provided by the Office of the Information Commissioner (OIC).

Review of proactive release program - Clause 7(a)

In accordance with s 7(3) of the GIPA Act, the Council reviewed its program for the release of government information to identify the kinds of information that can be made publicly available.

The Council's program for the proactive release of information involves ensuring that new and revised policies and other information are progressively released to provide psychologists, complainants and the public with access to information relevant to regulation and the notification (complaint) management process.

During the reporting period, this program was reviewed by maintaining a policy register and monitoring the completion and approval of relevant information. As a result of this review, the Council released the following information proactively: policy documents related to subpoenas; policy management; dealing with administrative complaints, and gifts and benefits. These have been made available on the website, as well as links to relevant NSW Health policies and National Board policies.

Additions to the website include a section for the public to lodge a notification (complaint) about a psychologist and access to information on scheduled hearings and the decisions made by Tribunals.

Number of access applications received - Clause 7(b)

During the reporting period, the Council received no formal access applications (including withdrawn applications but not invalid applications).

Number of refused applications for Schedule 1 information - Clause 7(c)

No applications for Schedule 1 information were refused during the reporting period.

The Council's GIPA statistics are reported in Appendix 2.

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*.

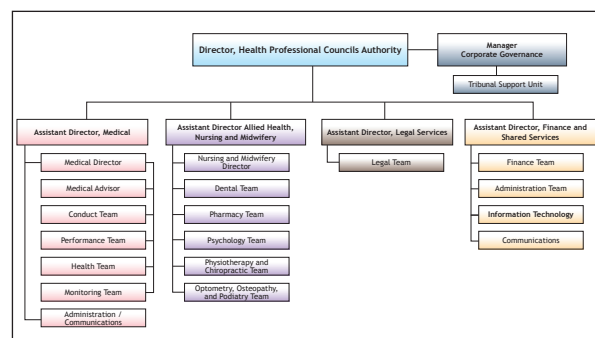
No complaints regarding privacy matters were received during the reporting period and a privacy management plan will be developed in 2012/2013.

Human Resources

The HPCA staff who support the Council are employed under Chapter 1A of the *Public Sector Employment and Management Act 2002*.

As at 30 June 2012 there were 89 permanent full-time and nine temporary full-time positions of whom four FTE provided secretariat support directly to the Council.

HPCA Organisation Chart as at 30 June 2012



The HPCA adopts NSW Ministry of Health personnel policies and practices and ensured that staff had access to these policies through the Ministry intranet. All staff signed the new NSW Health Code of Conduct and had the opportunity to discuss it at staff meetings.

During the year the HPCA commissioned a review of the organisational structure to determine the best allocation of staffing resources and opportunities to streamline some services that are shared across all of the Councils.

Learning and Development

The HPCA provided learning and development opportunities for staff that were aligned with Council and corporate priorities, and that met staff individual training needs identified through the Coaching and Performance System (CAPS).

Members of the Occupational Health and Safety Committee received training in the requirements of the *Work Health and Safety Act (NSW) 2011* and the *Work Health and Safety Regulation (NSW) 2011* which came into effect on 1 January 2012. From this date the Committee became the Work Health and Safety Committee.

During the year staff attended a range of courses, including Speed Reading Macroreading, Ministerial Correspondence Writing, Writing Clear Procedures and Writing in the Public Sector.

The introduction of the TRIM records management system and Monitoring and Complaints System (MaCS) for case management included intensive training, development of procedure manuals and ongoing support following implementation. The Council aims to ensure that all staff and members understand the provisions of the Law and its administration.

Priorities for 2012/2013 include induction of members joining the Council from 1 July 2012 and a focus on developing knowledge of the Law, Council's regulatory responsibilities and processes to protect the public. Legal information sessions for staff are being developed as part of an ongoing program of continuous learning and education.

Public Interest Disclosures

The Council is subject to the provisions of the *Public Interest Disclosures Act 1994* and the reporting requirements of the *Public Interest Disclosures Regulation 2011*. The Council has endorsed an internal reporting policy and has provided a report to the NSW Ombudsman's online reporting tool.

Staff and Council members are aware of the policy and information is available on the requirements and processes for making and managing disclosures.

There were no public interest disclosures (PIDs) made by staff or Council members during the year:

	January 2012 - June 2012
Number of public officials who made PIDs	0
Number of PIDs received	0
Of PIDs received, number primarily about:	
Corrupt conduct	0
Maladministration	0
Serious and substantial waste	0
Government information contravention	0
Local government pecuniary interest contravention	0
Number of PIDs finalised	0

Note: The number of PIDs finalised only refers to PIDs that have been received since 1 January 2012.

Industrial Relations Policies and Practices

The HPCA implemented the Ministry of Health industrial relations policies and practices, and maintained a harmonious industrial environment throughout the year.

Audit and Risk Management

NSW Treasury has granted the Council an exemption from the Internal Audit and Risk Management Policy for the NSW Public Sector (TPP09-05) on the grounds that it is a small agency for which the administrative and cost burden of full compliance would be prohibitive. However the Council has appropriate internal audit and risk management practices in place in line with the core requirements of TPP09-05, in particular:

- the HPCA has established a Health Professional Councils Audit and Risk Committee comprising three members, with a majority of independent members and an independent chair
- developed an Audit and Risk Committee charter consistent with the content of the 'model charter'
- established and maintained an enterprise risk management process including a Risk Register and three year rolling internal audit plan, which covers the operation of all of the Councils.

Due to the Councils' small budgets the HPCA has not established a specific Chief Audit Executive role. To meet this requirement, IAB is commissioned to undertake the internal audits nominated in the internal audit plan and the HPCA Manager, Corporate Governance provides

the secretariat to the Audit and Risk Committee and ensures that audit outcomes and risk management activities are regularly reported to and monitored by the Committee.

Since its inception in January 2012 the Audit and Risk Committee reviewed the 2011/2012 Risk Register, monitored internal audits and reviews and the Council's financial and management reports.

During the year the HPCA paid particular attention to implementing the recommendations arising from the Audit Office of NSW audit of the 2010/2011 financial statements. In addition, the HPCA updated the Risk Register, developed a fraud risk assessment tool and initiated work on a business continuity plan.

The IAB conducted an internal audit of the financial controls over payments to Council, committee and panel members. The audit found no evidence of fraud but recommended a number of policy and control measures to improve internal processes and the development of a policy and procedures. All of the review's recommendations were accepted and are being addressed.

A proposed audit of information and records management was postponed to enable the scope to be revised to focus on the content and accessibility of records. This review will be rescheduled during 2013 and development of a business continuity plan has been initiated.

Information Management Systems

A priority this year was to improve information systems and the management of information, which is one of the Council's key assets. This has enabled information to be more readily shared and has improved the accuracy, reliability and security of corporate and regulatory information.

The TRIM records management system was implemented for corporate and Council records, with particular focus on electronic document management to improve version control and document tracking. A business classification scheme was developed and TRIM was linked to the case management system to reduce double handling and recording of practitioner related information.

A new case management system, called Monitoring and Complaints System (MaCS) was also launched. It included practitioner records related to Council decisions and conditions imposed on practice by the Psychology Tribunal.

MaCS enables standardised information about practitioners and the progress and outcomes of matters to be recorded and monitored. It also improved the accuracy and timeliness of statistical reporting.

Documentation of an IT disaster recovery plan began and will be completed as part of the business continuity plan.

Exemptions from the Reporting Provisions

As a small statutory body, the Council is exempt from certain reporting provisions and provides a triennial report in relation to multicultural policies and services programs; disability services; equal employment opportunity; occupational health and safety and waste management (WRAPP). The Council last reported on these provisions in the 2010/2011 Annual Report and will next report in 2013/2014.

The Council continued to meet its compliance obligations with regard to each of these matters and remains committed to implementing the relevant policy requirements.

Consultants

The 10 health professional Councils together commissioned consultancies related to system improvements, governance and the ongoing development of the HPCA's shared services to Councils.

The Council made the following contribution to these consultancies:

Engagements costing less than \$50,000

Service Provided	No.	Cost inc. GST \$
Financial management	3	4,901
Governance	3	3,416
Administration	2	1,178
Information management and systems	1	2,445
Total	9	11,940

Insurance

The Council's insurance activities are conducted by the HPCA through the NSW Ministry of Health's insurance cover with 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.

Annual Report Costs

The Council printed 60 copies of the 2011/2012 Annual Report at an approximate cost of \$25.88 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 worked with the 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.

A new model for the allocation of costs across the Councils is being developed to ensure the equitable distribution of shared costs and staffing resources across all Councils. It will be implemented from 2012/2013 once the impact of the methodology across 13 Councils has been tested.

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 Council's accounts performance as reported in the Financial Statements is as follows:

	\$
Revenue	1,052,281
Operating expenditure	1,109,019
Education and research expenditure	171,968
Net Profit/(Loss)	(228,437)
Net cash reserves (cash and cash equivalents minus current liabilities)*	1,133,762
* Included in the net cash reserves is Education and Research bank account balance of:	27

Investment Performance

The Council, through a Special Interest Arrangement with the Commonwealth Bank of Australia earned an average of 3.65% p.a. on its daily bank balances. In addition, an average rate of interest of 4.20% was earned on investments held in a Cash Deposit Account.

Payments Performance

The Council's accounts are managed by the Health Administration Corporation. The HPCA is in the process of identifying small business suppliers as required by NSW Treasury Circular TC11/21. The consolidated accounts payable performance report for the HPCA is as shown below:

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 \$
All suppliers					
September	1,932,856	1,094	0	74	0
December	2,007,267	23,963	0	0	0
March	1,152,270	89	0	0	0
June	1,437,800	31,854	0	0	0
Small business suppliers					
September					
December					
March					
June					

Measure	Sept	Dec	Mar	Jun
All suppliers				
Number of accounts due for payment	116	122	132	108
Number of accounts paid on time	113	92	131	107
Actual percentage of accounts paid on time (based on number of accounts)	97.4	75.4	99.2	99.1
Dollar amount of accounts due for payment	1,934,024	2,031,230	1,152,359	1,469,654
Dollar amount of accounts paid on time	1,932,856	2,007,267	1,152,270	1,437,800
Actual percentage of accounts paid on time (based on \$)	99.9	98.8	100	97.8
Number of payments for interest on overdue accounts				
Interest paid on overdue accounts				

Measure	Sept	Dec	Mar	Jun
Small business suppliers				
Number of accounts due for payment				
Number of accounts paid on time				
Actual percentage of accounts paid on time (based on number of accounts)				
Dollar amount of accounts due for payment				
Dollar amount of accounts paid on time				
Actual percentage of accounts paid on time (based on \$)				
Number of payments for interest on overdue accounts				
Interest paid on overdue accounts				

Budget 2012/2013

The budget for the period 1 July 2012 to 30 June 2013 is as follows:

Revenue	1,053,267
Operating expenditure	(995,345)
Education and research expenditure	-
Net Profit/(Loss)	(57,922)

The 2012/2013 budget is subject to revision.



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 comprise the statement of financial position as at 30 June 2012, 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.

Opinion

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Council as at 30 June 2012, and of its financial performance and its cash flows 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 of the financial statements that give a true and fair view in accordance with Australian Accounting Standards and the PF&A Act, and for such internal control as the members of the Council determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including 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 control relevant to the Council's preparation of the financial statements that give a true and fair view in order to design audit procedures appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. 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 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 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 roles by the possibility of losing clients or income.



Peter Boulous CA
Director Financial Audit Services

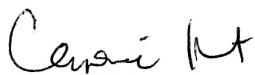
18 October 2012
SYDNEY

PSYCHOLOGY COUNCIL OF NEW SOUTH WALES**YEAR ENDED 30 JUNE 2012****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:

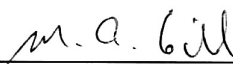
1. The accompanying financial statements exhibit a true and fair view of the financial position of the Psychology Council of New South Wales as at 30 June 2012 and financial performance for the year then ended.
2. The financial statements have been prepared in accordance with the provisions of Australian 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: 14/10/12



Council Member

Date: 12/10/12

Psychology Council of New South Wales

Statement of Comprehensive Income
for the Year Ended 30 June 2012

	Notes	2012 \$	2011 \$
EXPENSES EXCLUDING LOSSES			
Operating expenses			
Personnel services	2(a)	(459,966)	(376,664)
Other operating expenses	2(b)	(447,646)	(260,073)
Depreciation and amortisation	2(c)	(30,264)	(42,176)
Finance costs	2(d)	(916)	(1,151)
Other expenses	2(e)	(170,227)	(156,787)
Education and research expenses	3	<u>(171,968)</u>	<u>(366,845)</u>
Total Expenses Excluding Losses		<u>(1,280,987)</u>	<u>(1,203,696)</u>
REVENUE			
Registration fees		967,876	1,362,085
Other revenue		1,677	134
Interest revenue	5	<u>82,728</u>	<u>108,454</u>
Total Revenue		<u>1,052,281</u>	<u>1,470,673</u>
Gain/(Loss) on disposal	6	<u>268</u>	<u>604</u>
Net Result		<u>(228,437)</u>	<u>267,581</u>
Other Comprehensive Income		<u>-</u>	<u>-</u>
Total Comprehensive Income		<u>(228,437)</u>	<u>267,581</u>

The accompanying notes form part of these financial statements.

Psychology Council of New South Wales

Statement of Financial Position as at 30 June 2012

	Notes	2012 \$	2011 \$
ASSETS			
Current Assets			
Cash and cash equivalents	7	1,814,231	1,795,917
Receivables	8	51,754	215,639
Total Current Assets		1,865,985	2,011,556
Non-Current Assets			
Plant and equipment	9		
Leasehold improvements		63,390	13,121
Motor vehicles		1,428	3,879
Furniture and fittings		15,119	-
Other		19,776	18,388
Total Plant and equipment		99,713	35,388
Intangibles	10	32,490	32,270
Total Non-Current Assets		132,203	67,658
Total Assets		1,998,188	2,079,214
LIABILITIES			
Current Liabilities			
Payables	11	241,993	195,660
Fees in advance	12	438,476	338,314
Total Current Liabilities		680,469	533,974
Non-Current Liabilities			
Provisions	13	27,755	26,839
Total Non-Current Liabilities		27,755	26,839
Total Liabilities		708,224	560,813
Net Assets		1,289,964	1,518,401
EQUITY			
Accumulated funds		1,289,964	1,518,401
Total Equity		1,289,964	1,518,401

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 2012

	Notes	Accumulated Funds \$
Balance at 1 July 2011		1,518,401
Changes in accounting policy		-
Correction of errors		-
Restated Total Equity		1,518,401
 Net Result for the Year		 (228,437)
Other comprehensive income		-
Balance at 30 June 2012		1,289,964
 Balance at 1 July 2010		 -
Transfer in of net assets due to restructure	19	1,413,922
Payment to Ministry of Health	19	(163,102)
Restated transfer balance as at 1 July 2010		1,250,820
 Net Result for the Year		 267,581
Other comprehensive income		-
Balance at 30 June 2011		1,518,401

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 2012

	Notes	2012 \$	2011 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Personnel services		(447,199)	(385,982)
Finance costs		-	-
Other		(760,898)	(780,767)
Total Payments		(1,208,097)	(1,166,749)
Receipts			
Receipts from registration fees		1,233,436	232,497
Interest received		85,838	104,539
Other		1,677	134
Total Receipts		1,320,951	337,170
Net Cash Flows from Operating Activities	17	112,854	(829,579)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of plant and equipment		3,795	1,832
Purchases of plant and equipment		(98,336)	(45,573)
Net Cash Flows from Investing Activities		(94,540)	(43,741)
CASH FLOWS FROM FINANCING ACTIVITIES			
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	-	(163,102)
Net Cash Flows from Financing Activities		-	2,669,237
Net Increase/(Decrease) in Cash		18,314	1,795,917
Opening cash and cash equivalents		1,795,917	-
Closing Cash and Cash Equivalents	7	1,814,231	1,795,917

The accompanying notes form part of these financial statements.

Psychology Council of New South Wales

Notes to the Financial Statements

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 Law).

These financial statements for the year ended 30 June 2012 have been authorised for issue by the Council on 14 October 2012.

b. Basis of Preparation

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

The Council's financial statements are general purpose financial statements and have been prepared in accordance with:

- applicable Australian Accounting Standards (which include Australian Accounting Interpretations)
- the requirements of the *Public Finance and Audit Act 1983* and Regulation and
- the Financial Reporting Directions published in the Financial Reporting Code for NSW General Government Sector Entities or issued by the Treasurer.

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. Insurance

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

d. Accounting for the Goods and Services Tax (GST)

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

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

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

e. 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. 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 Law, the complaints element of the registration fees payable during 2012 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 Law, receives fees on a monthly basis from the Australian Health Practitioner Regulation Agency (AHPRA) being the agreed NSW complaints element for the 2012 registration fee.

As a result of the commencement of the Law, the assets and liabilities of the former Psychologists Registration Board were transferred to the Council on 1 July 2010. The assets transferred to the Council

Psychology Council of New South Wales

Notes to the Financial Statements

included registration and renewal fees received in advance. The receipts received from registration and renewals paid in advance are included in the proceeds from the restructure of the previously abolished Board as shown in the Statement of Cash Flows and referred to in note 19, Equity Transfers. Registration and renewal fees relating to the year ended 30 June 2011 but received after 30 June 2010, are shown separately in the statement of cash flows as receipts from registration fees.

The Victorian Auditor-General's Office were engaged to provide an opinion on the effectiveness of the control procedures at AHPRA for the years ending 30 June 2011 and 30 June 2012 in relation to registration fees paid to Health Professional Councils Authority (HPCA).

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

f. Personnel Services

All employees of the Council reside with the Ministry of Health (MOH). Staff costs are shown in the Statement of Comprehensive Income as personnel services in the financial statements of the Council. Provisions in the Statement of Financial Position represent amounts payable to the MOH in respect of personnel services.

g. Interest Revenue

Interest revenue is recognised using the effective interest method as set out in AASB 139 *Financial Instruments: Recognition and Measurement*.

h. 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. Assets

i. Acquisitions of Assets

The cost method of accounting is used for the initial recording of all acquisitions of assets controlled by the Council. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the 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 at their historical cost at the date of acquisition.

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

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

ii. Capitalisation Thresholds

The HPCA acquires all assets on behalf of the Council. Shared use assets that cost over \$5,000 at the time of purchase by the HPCA are capitalised. These capitalised shared use assets are then allocated to the Council using an appropriate allocation method. The minimum capitalisation threshold limits applied to the Council for the asset are \$314.50 (all Council shared use asset), or \$382 (Pitt Street shared use asset), whichever is applicable.

iii. Impairment of Plant and Equipment

As a not-for-profit entity with no cash generating units, AASB 136 *Impairment of Assets* effectively is not applicable. AASB 136 modifies the recoverable amount test to the higher of fair value less costs to

Psychology Council of New South Wales

Notes to the Financial Statements

sell and depreciated replacement cost. This means that, where an asset is already measured at fair value, impairment can only arise if selling costs are material. Selling costs for the entity are regarded as immaterial.

iv. Depreciation of Plant, Equipment and Leasehold Improvements

Depreciation and amortisation is provided for on a straight-line basis for all depreciable 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 20% - 25%

Furniture and fittings 16% - 20%

Motor vehicles 25% - 29%

Leasehold improvements 1.7% - 4%

v. Revaluation of Plant and Equipment

There has been no revaluation on any of the Council's plant and equipment as they are non-specialised assets. Non-specialised assets with short useful lives are measured at depreciated historical cost as a surrogate for fair value.

vi. 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.

vii. Intangible Assets

The Council recognises intangible assets only if it is probable that future economic benefits will flow to the entity 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.

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 entity's intangible assets, the assets are carried at cost less any accumulated amortisation.

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's intangible assets are amortised using the straight line method over a period of 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.

viii. 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.

Psychology Council of New South Wales

Notes to the Financial Statements

j. Liabilities

i. Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Council and other amounts. Payables are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method. Short-term payables with no stated interest rates are measured at the original invoice amount where the effect of discounting is immaterial.

ii. Personnel Services - Ministry of Health

Personnel services are acquired from the Ministry of Health (MOH). As such the MOH accounting policy is below.

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

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

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

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.

iii. Provision for Make Good

Provisions include the Council's proportionate liability (allocated to the Council using an appropriate allocation method), of the estimated make good liability, discounted to today's present value.

k. Equity Transfers

Accumulated Funds

The category 'Accumulated Funds' includes all current and prior period funds.

l. Comparative information

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

Comparative amounts, where applicable (in Notes 2b and 2e), are reclassified for the purpose of comparability with the current year figures.

m. New Australian Accounting Standards issued but not effective

There are no new Accounting Standards applicable this financial year.

Psychology Council of New South Wales

Notes to the Financial Statements

2. EXPENSES EXCLUDING LOSSES

a. Personnel services expenses

Personnel services expenses are acquired from the MOH and comprise the following:

	2012 \$	2011 \$
Salaries and wages (including recreation leave)	398,739	321,834
Superannuation	31,858	37,384
Payroll taxes	25,507	17,357
Workers compensation insurance	3,862	89
	<u>459,966</u>	<u>376,664</u>

b. Other operating expenses include the following:

	2012 \$	2011 \$
Auditor's remuneration	7,000	7,000
Rent and building expenses	75,248	62,340
Council fees	11,984	16,318
Sitting fees	172,553	64,101
Contracted labour	180,861	110,314
	<u>447,646</u>	<u>260,073</u>

c. Depreciation and amortisation expense

	2012 \$	2011 \$
Depreciation		
Motor vehicles	757	470
Furniture and fittings	-	479
Other	7,100	5,135
	<u>7,857</u>	<u>6,084</u>
Amortisation		
Leasehold improvements	1,678	3,523
Intangible assets	20,728	32,569
	<u>22,406</u>	<u>36,092</u>
Total Depreciation and Amortisation	<u>30,264</u>	<u>42,176</u>

Psychology Council of New South Wales

Notes to the Financial Statements

2. EXPENSES EXCLUDING LOSSES (Continued)

d. Finance costs

	2012 \$	2011 \$
Unwinding of discount rate on make good provision	916	1,151
	916	1,151

e. Other expenses

	2012 \$	2011 \$
Subsistence and transport	22,922	28,908
Fees for service	108,561	78,151
Postage and communication	5,945	9,566
Printing and stationery	14,506	12,238
Equipment and furniture	904	5,131
General administration expenses	17,389	22,793
	170,227	156,787

3. EDUCATION AND RESEARCH

i. Education and Research Expenses

	2012 \$	2011 \$
Grants	171,968	284,782
Other expenses	-	82,063
Total (excluding GST)	171,968	366,845

ii. Education and Research Account Reconciliation

	Notes	2012 \$	2011 \$
Opening balance 1 July 2011		119,831	-
Transfer of assets due to restructure		-	480,731
Deposits		-	19,916
Interest		5,246	16,299
		125,077	516,946
Outgoings		(125,050)	(397,115)
Closing Balance 30 June 2012	7	27	119,831

Psychology Council of New South Wales

Notes to the Financial Statements

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 HPCA, 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 MOH. The MOH continues to pay for the staff and associated oncosts. These costs are reimbursed by the Council to the MOH.

Details of transactions managed on behalf of the Council through the Health Administration Corporation are detailed above in notes 2 to 11.

5. INTEREST REVENUE

	2012 \$	2011 \$
Interest revenue from financial assets not at fair value through profit or loss	82,728	108,454
	82,728	108,454

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 cheque fees and overseas draft fees.

	2012 %	2011 %
Weighted Average Interest Rate	3.65	4.43

6. GAIN/(LOSS) ON DISPOSAL

	2012 \$	2011 \$
Plant and equipment		
Net book value disposed during the year	(3,527)	(1,228)
Proceeds from sale	3,795	1,832
Total Gain on Disposal	268	604

Psychology Council of New South Wales

Notes to the Financial Statements

7. CASH AND CASH EQUIVALENTS

	2012 \$	2011 \$
Cash at bank and on hand	608,844	705,083
Short-term bank deposits	333,041	333,041
Cash at bank - held by HPCA*	872,346	757,793
	<u>1,814,231</u>	<u>1,795,917</u>

* This is cash held by the HPCA, 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	2012 \$	2011 \$
Operating account**		608,817	585,252
Education and research account**	3	27	119,831
		<u>608,844</u>	<u>705,083</u>

** managed by the HPCA, an administrative unit of the Health Administration Corporation.

8. RECEIVABLES

	2012 \$	2011 \$
Other receivables	21,489	16,866
Interest receivable	7,406	10,516
Trade receivables	22,859	188,257
	<u>51,754</u>	<u>215,639</u>

No receivables are considered impaired.

The trade receivables include monies that AHPRA has collected from registrants as at 30 June 2012 and has remitted the monies to HPCA in July 2012.

Psychology Council of New South Wales

Notes to the Financial Statements

9. PLANT AND EQUIPMENT

The Council has an interest in 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 \$	Motor Vehicles \$	Furniture & Fittings \$	Other \$	Total \$
At 1 July 2011					
Gross carrying amount	13,200	5,578	-	44,168	62,946
Accumulated depreciation and impairment	(79)	(1,699)	-	(25,780)	(27,558)
Net Carrying Amount	13,121	3,879	-	18,388	35,388
At 30 June 2012					
Gross carrying amount	63,679	1,833	15,119	49,347	129,978
Accumulated depreciation and impairment	(289)	(405)	-	(29,571)	(30,265)
Net Carrying Amount	63,390	1,428	15,119	19,776	99,713

Reconciliation

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

	Leasehold Improvements \$	Motor Vehicles \$	Furniture & Fittings \$	Other \$	Total \$
Year Ended 30 June 2012					
Net carrying amount at start of year	13,121	3,879	-	18,388	35,388
Additions	51,947	1,833	15,119	8,488	77,387
Disposals	-	(3,527)	-	-	(3,527)
Depreciation	(1,678)	(757)	-	(7,100)	(9,535)
Net Carrying Amount at End of Year	63,390	1,428	15,119	19,776	99,713

Psychology Council of New South Wales

Notes to the Financial Statements

9. PLANT AND EQUIPMENT (Continued)

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

Reconciliation

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

	Leasehold Improvements \$	Motor Vehicles \$	Furniture & Fittings \$	Other \$	Total \$
Year Ended 30 June 2011					
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)
Net Carrying Amount at End of Year	13,121	3,879	-	18,388	35,388

Psychology Council of New South Wales

Notes to the Financial Statements

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.

	Software Work in Progress \$	Software \$	Total \$
At 1 July 2011			
Cost (gross carrying amount)	5,013	59,826	64,839
Accumulated amortisation and impairment	-	(32,569)	(32,569)
Net Carrying Amount	5,013	27,257	32,270

At 30 June 2012			
Cost (gross carrying amount)	1,209	87,887	89,096
Accumulated amortisation and impairment	-	(56,606)	(56,606)
Net Carrying Amount	1,209	31,281	32,490

	Software Work in Progress \$	Software \$	Total \$
Year Ended 30 June 2012			
Net carrying amount at start of year	5,013	27,257	32,270
Additions	1,209	19,739	20,948
Transfer	(5,013)	5,013	-
Disposals	-	-	-
Amortisation	-	(20,728)	(20,728)
Net Carrying Amount at End of Year	1,209	31,281	32,490

Psychology Council of New South Wales

Notes to the Financial Statements

10. INTANGIBLE ASSETS (Continued)

	Software Work in Progress \$	Software \$	Total \$
At 1 July 2010			
Transfer of net assets due to restructure	-	31,506	31,506
Net Carrying Amount	-	31,506	31,506

	Software Work in Progress \$	Software \$	Total \$
At 30 June 2011			
Cost (gross carrying amount)	5,013	59,826	64,839
Accumulated amortisation and impairment	-	(32,569)	(32,569)
Net Carrying Amount	5,013	27,257	32,270

	Software Work in Progress \$	Software \$	Total \$
Year Ended 30 June 2011			
Net carrying amount at start of year	-	31,506	31,506
Additions	5,013	28,320	33,333
Disposals	-	-	-
Amortisation	-	(32,569)	(32,569)
Net Carrying Amount at End of Year	5,013	27,257	32,270

11. PAYABLES

	2012 \$	2011 \$
Personnel services - Ministry of Health	57,409	44,642
Trade and other payables	184,584	151,018
	241,993	195,660

Psychology Council of New South Wales

Notes to the Financial Statements

12. FEES IN ADVANCE

	2012 \$	2011 \$
Fees in advance	438,476	338,314
	<u>438,476</u>	<u>338,314</u>

Unearned revenue from NSW Regulatory Fees received on behalf of the Council by the HPCA from the AHPRA.

13. PROVISIONS

	2012 \$	2011 \$
Non-Current		
Make good	27,755	26,839
	<u>27,755</u>	<u>26,839</u>

Movement in provisions (other than personnel services)

Movements in each class of provision during the financial year, other than personnel services, are set out below:

	Make good 2012 \$
Carrying amount at the beginning of financial year	26,839
Additional provisions recognised	-
Amount used	-
Unused amounts reversed	-
Unwinding/change in discount rate	916
Carrying amount at the end of financial year	<u>27,755</u>

14. COMMITMENTS FOR EXPENDITURE

i. Capital Commitments

Aggregate capital expenditure for the acquisition of audio visual equipment and furniture at Level 6 477 Pitt Street office contracted (2011 acquisition of a Monitoring and Complaints System and leasehold improvements) for at balance date and not provided for:

	2012 \$	2011 \$
Not later than one year	1,777	15,991
Later than one year and not later than five years	-	-
Total (including GST)	<u>1,777</u>	<u>15,991</u>

Psychology Council of New South Wales

Notes to the Financial Statements

14. COMMITMENTS FOR EXPENDITURE (Continued)

ii. Operating Lease Commitments

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

	2012 \$	2011 \$
Not later than one year	82,164	68,973
Later than one year and not later than five years	303,472	337,008
Total (including GST)	385,636	405,981

15. RELATED PARTY TRANSACTIONS

The Council has only one related party, being the 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 the HPCA on behalf of the Council.

16. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There is a contingent liability of \$2,663 for disputed amounts owing to a supplier for leasehold improvement work carried out at Level 6, 477 Pitt Street, Sydney as at 30 June 2012.

There are no known contingent assets as at 30 June 2012.

17. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO NET RESULT

	2012 \$	2011 \$
Net result	(228,437)	267,581
Depreciation and amortisation	30,264	42,177
(Decrease)/Increase in receivables	163,885	(163,177)
Increase/(Decrease) in fees in advance	100,162	(970,326)
Increase/(Decrease) in payables	46,333	2,937
Increase/(Decrease) in provisions	916	(8,167)
Net gain/(loss) on sale of plant and equipment	(268)	(604)
Net Cash used on Operating Activities	112,854	(829,579)

Psychology Council of New South Wales

Notes to the Financial Statements

18. 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 2012 \$	Carrying Amount 2011 \$
Class				
Cash and Cash Equivalents	7	N/A	1,814,231	1,795,917
Receivables ¹	8	Loans and receivables (measured at amortised cost)	30,265	205,123
Financial Liabilities	Note	Category	Carrying Amount 2012 \$	Carrying Amount 2011 \$
Class				
Payables ²	11	Financial liabilities (measured at amortised cost)	241,993	195,660

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 3.40%, while over the year the weighted average interest rate was 4.07%. None of these assets are past due or impaired.

Psychology Council of New South Wales

Notes to the Financial Statements

iii. Liquidity Risk

Liquidity risk is the risk that the Council will be unable to meet its payment obligations when they fall due. The HPCA on behalf of the Council continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets.

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.

19. EQUITY TRANSFERS

As a result of the commencement of the Law, 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.

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 AHPRA 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.

20. EVENTS AFTER THE REPORTING PERIOD

There are no events after the reporting period to be included in the financial statements as of 30 June 2012.

End of Audited Financial Statements

Appendix 1 - Legislative Changes

The following amendments were made to the *Health Practitioner Regulation National Law (NSW)* and the *Health Practitioner Regulation (New South Wales) Regulation 2010*.

Health Practitioner Regulation National Law (NSW)

1. Amendments made by the *Health Services Amendment (Local Health Districts and Boards) Act 2011* (commenced 1 July 2011):

Amendments were made to Schedule 5C of the Law to reflect the replacement of Local Health Networks with Local Health Districts.

2. Amendments made by the *Health Legislation Amendment Act 2012* (commenced 21 June 2012):

An amendment was made to s 6A of the *Health Practitioner Regulation (Adoption of National Law) Act 2009* to remove impaired registrants panels from the definition of *adjudication body*.

Amendments to the *Health Practitioner Regulation National Law (NSW)*:

- Inclusion of s 3A which provides that in exercising a function under a NSW provision of the Law public protection is the paramount consideration.
 - Inclusion of s 143A which provides that a mandatory notification made to AHPRA is to be taken as a notification (complaint) for the purposes of Part 8 of the Law and for the purposes of the *Health Care Complaints Act 1993*.
 - Amendments to a range of sections to clarify that a Council may refer a person for psychological counselling in addition to medical and other types of counselling.
 - Amendments to a range of sections to provide that where a committee, panel or Tribunal is required to include a lay person, that person is to be someone who has never been registered as a practitioner or student in the relevant profession.
 - Amendment to s 159 to clarify that an appeal to the Tribunal from a decision by the Council is a hearing de novo.
 - Amendment to s 163 to provide that the Chairperson of the Tribunal may determine in a particular case that the Council is the “appropriate review body”.
 - Amendment to s 163A to provide that a disciplinary order of a Council may be reviewed.
 - Amendment of s 163B to clarify that a practitioner who receives a “reinstatement order” from the Tribunal must still meet the registration requirements of the National Board.
 - A range of minor consequential amendments flowing from the above amendments were also made.
 - Section 41B to include the Aboriginal and Torres Strait Islander Health Practice Council, the Chinese Medicine Council, the Medical Radiation Practice Council and the Occupational Therapy Council in the table of Councils established by that section.
3. Amendments made by the *Health Practitioner Regulation National Law (NSW) Amendment (Health Professions) Order 2012* (commenced 1 July 2012):

Amendments were made to s 41B to include the Aboriginal and Torres Strait Islander Health Practice Council of New South Wales, the Chinese Medicine Council of New South Wales, the Medical Radiation Practice Council of New South Wales and the Occupational Therapy Council of New South Wales in the table of Councils established by that section.

Amendments were made to s 165 to include the Aboriginal and Torres Strait Islander Health Practice Tribunal of New South Wales, the Chinese Medicine Tribunal of New South Wales, the Medical Radiation Practice Tribunal of New South Wales and the Occupational Therapy Tribunal of New South Wales in the table of Tribunals established by that section.

Health Practitioner Regulation (New South Wales) Regulation 2010

1. Amendments made by the *Statute Law (Miscellaneous Provisions) Act 2011* (commenced 8 July 2011):
An amendment to clause 24 of a savings and transitional nature.
2. *Health Practitioner Regulation (New South Wales) Amendment (Savings and Transitional) Regulation 2011* (commenced 22 July 2011):
An amendment of a savings and transitional nature to ensure that a person who became a member of a State Board of the National Board by virtue of the transitional provisions in the Law did not cease to hold that office due to the expiry of their former term of office as a member of the local Registration Board.
3. *Health Practitioner Regulation (New South Wales) Amendment Regulation 2012*
An amendment to insert Clause 3A to the Regulation, setting out the membership of the four new Professional Councils established on 1 July 2012 (commenced 3 February 2012).
A consequential amendment to Clause 4 of the Regulation flowing from the insertion of Clause 3A (commenced 1 July 2012).
4. *Health Practitioner Regulation (New South Wales) Amendment (Health Professional Councils) Regulation 2012* (commenced 1 July 2012):
Amendments to include Clause 4A and Schedules 1A and 1B to the Regulation to provide for the membership of the Dental, Medical, Nursing and Midwifery, Pharmacy, Physiotherapy and Psychology Councils.

Appendix 2 - GIPA Statistics

Government Information (Public Access) Act 2009

Table A: Number of applications by type of applicant and outcome*

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

* More than one decision can be made in respect of a particular access application. If so, a recording must be made in relation to each such decision. This also applies to Table B.

Table B: Number of applications by type of application and outcome

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Personal information applications*	0	0	0	0	0	0	0	0
Access applications (other than personal information applications)	0	0	0	0	0	0	0	0
Access applications that are partly personal information applications and partly other	0	0	0	0	0	0	0	0

* A *personal information application* is an access application for personal information (as defined in Clause 4 of Schedule 4 to the Act) about the applicant (the applicant being an individual).

Table C: Invalid applications

Reason for invalidity	No of applications
Application does not comply with formal requirements (s 41 of the Act)	0
Application is for excluded information of the agency (s 43 of the Act)	0
Application contravenes restraint order (s 110 of the Act)	0
Total number of invalid applications received	0
Invalid applications that subsequently became valid applications	0

Table D: Conclusive presumption of overriding public interest against disclosure: matters listed in Schedule 1 to Act

	Number of times consideration used*
Overriding secrecy laws	0
Cabinet information	0
Executive Council information	0
Contempt	0
Legal professional privilege	0
Excluded information	0
Documents affecting law enforcement and public safety	0
Transport safety	0
Adoption	0
Care and protection of children	0
Ministerial code of conduct	0
Aboriginal and environmental heritage	0

* More than one public interest consideration may apply in relation to a particular access application and, if so, each such consideration is to be recorded (but only once per application). This also applies in relation to Table E.

Table E: Other public interest considerations against disclosure: matters listed in table to s 14 of Act

	Number of occasions when application not successful
Responsible and effective government	0
Law enforcement and security	0
Individual rights, judicial processes and natural justice	0
Business interests of agencies and other persons	0
Environment, culture, economy and general matters	0
Secrecy provisions	0
Exempt documents under interstate Freedom of Information legislation	0

Table F: Timeliness

	Number of applications
Decided within the statutory timeframe (20 days plus any extensions)	0
Decided after 35 days (by agreement with applicant)	0
Not decided within time (deemed refusal)	0
Total	0

Table G: Number of applications reviewed under Part 5 of the Act (by type of review and outcome)

	Decision varied	Decision upheld	Total
Internal review	0	0	0
Review by Information Commissioner*	0	0	0
Internal review following recommendation under s 93 of Act	0	0	0
Review by ADT	0	0	0
Total	0	0	0

* The Information Commissioner does not have the authority to vary decisions, but can make recommendations to the original decision-maker. The data in this case indicates that a recommendation to vary or uphold the original decision has been made by the Information Commissioner.

Table H: Applications for review under Part 5 of the Act (by type of applicant)

	Number of applications for review
Applications by access applicants	0
Applications by persons to whom information the subject of access application relates (see s 54 of the Act)	0

Appendix 3 - Members of Tribunals, Committees and Panels 2011/2012

Psychology Tribunal

Chairperson

Ms Joanne Muller

Deputy Chairperson

Ms Phillipa Gormly

Professional members

Dr David Bright

Dr Lizabeth Tong

Mr Brian Sheridan

Mr Chris Willcox

Ms Elisabeth Shaw

Mr Peter Champion

Ms Kristin Young

Dr Megan Brock

Ms Margaret Crowley

Performance Review Panel

Dr Jenny Wells (*Psychologist*)

Dr Jill Duffield (*Psychologist*)

Ms Jennie Burrows
(*Community Representative*)

Ms Cinzia Gagliardi (*Psychologist*)

Performance Assessors

Professor Alex Blaszczyński

Ms Gail Purkis

Dr Emma Collins

Assessment Committee

Mr Christopher Willcox (*Chairperson*)

Dr Lizabeth Tong

Dr Judith Kennedy

Ms Maree Turner

Impaired Registrants Panel

Professional members

Associate Professor Wayne Reid

Dr Lizabeth Tong

Registered Medical Practitioners

Dr Michael Diamond

Dr Mary-Anne Friend

Appendix 4 - Psychology Tribunal Decisions 2011/2012

Name	Date of Decision	Process (complaint, review, appeal etc)	Outcome
Carlos Camacho	30 September 2011	Appeal	Reprimand, orders and conditions
Ross Colquhoun	25 November 2011	Appeal	Orders and conditions
Stephen Kreft	25 January 2011	Complaint	6 months suspension, reprimand, conditions and orders
James Donnelly	2 February 2012	Complaint	Registration cancelled for 18 months and prohibition orders
Stephen Whyte (part heard)	1 February 2012 (Findings) 16 February 2012 (Interim Orders)	Complaint	Interim Orders; final orders pending as at 30 June 2012

Glossary

Adjudication Body

A panel, Tribunal or Court can be declared an adjudication body for the purposes of the Law

Cancellation

- A Council may recommend the suspension or cancellation of a practitioner's registration if the practitioner does not have sufficient physical and mental capacity to practice the practitioner's profession
- A Council may recommend the suspension or cancellation of a student's registration if the student has an impairment

Complainant

A person who makes a notification (complaint) to a health complaint entity:

- Health Professional Councils Authority (HPCA)
- Health Care Complaints Commission (HCCC)
- Australian Health Practitioner Regulation Agency (AHPRA)

Conciliation

The Council may refer a complaint to the HCCC for conciliation, whereby the parties involved can negotiate a resolution

Caution

A caution is a formal warning intended to act as a deterrent to a practitioner not to repeat conduct. This is a less serious outcome than a reprimand

Condition

A condition aims to restrict a practitioner's practice in some way, to protect the public

Notification

A notification (complaint) can be either a voluntary notification or a mandatory notification.

A voluntary notification is about behaviour which presents a risk but is not as serious as a mandatory notification

Notifiable Conduct / Mandatory Reporting

Notifiable conduct includes practising whilst intoxicated, engaging in sexual misconduct, placing the public at risk of substantial harm due to an impairment or a departure from accepted professional standards

Open Matter

A notification (complaint) remains open until such time as a final outcome/decision has been determined by the Council or other decision-making entity under the Law, such as a Tribunal, Professional Standards Committee, Performance Review Panel or Court. This decision disposes of the matter

Order

An order is a decision, condition or restriction placed on a practitioners registration or practice

Professional Misconduct

Unsatisfactory professional conduct of a sufficiently serious nature to justify suspension or cancellation of the practitioner's registration

Reprimand

A reprimand is a formal rebuke or chastisement for inappropriate and unacceptable conduct and appears on a practitioner's registration

Stage

This refers to the stage at which a matter has been closed. These include:

- Assessment
- Conduct
- Health
- Performance
- Investigation
- Panel (IRP, PRP, PSC)
- Tribunal
- Appeal/Court

Stream

Health: a practitioner who may have a physical or mental impairment, disability, condition or disorder that detrimentally affects, or is likely to detrimentally affect their capacity to practise their profession

Conduct: behaviour by a practitioner that may be categorised as professional misconduct or unsatisfactory professional conduct

Performance: professional performance that is considered unsatisfactory because it is below the standard reasonably expected of a practitioner of an equivalent level of training or experience

Supervision

Supervision is the performing of one's duties or practice under the supervision of another similarly qualified practitioner

Unsatisfactory Professional Conduct

Conduct which is significantly below reasonable standards, in contravention of the Law or regulations or conditions of registration, failure to comply with order/decision of Committee or Tribunal by:

- accepting benefit for referral or recommendation to health provider or health product,
- engaging in over servicing,
- failure to disclose pecuniary interest or offering a benefit for referral or recommendation
- supervision of assistants, or
- other unethical or improper behaviour

Abbreviations

AABS
Australian Accounting Standards Board

AHPRA
Australian Health Practitioner
Regulation Agency

ARC
Australian Research Council

ATO
Australian Taxation Office

AustLII
Australasian Legal Information Institute

CAPS
Coaching and Performance System

CPI
Consumer Price Index

DP
Director of Proceedings

DPP
Director of Public Prosecutions

EEO
Equal Employment Opportunity

FTE
Full-time Equivalent

GIPA Act
Government Information (Public Access)
Act 2009

GST
Goods and Services Tax

HAC
Health Administration Corporation

HCCC
Health Care Complaints Commission

HPCA
Health Professional Councils Authority

IAB
Internal Audit Bureau

IRP
Impaired Registrants Panel

MOH
Ministry of Health

NB
National Board

NRAS
National Registration and Accreditation
Scheme

PA
Performance Assessment

PRP
Performance Review Panel

RRPs
Rural and Remote Psychologists

SLA
Service level agreement

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

TRIM
Total Records Information Management

WRAPP
Waste Reduction and Purchasing Policy

Index

	Page		Page
Abbreviations	52	Impaired Registrants Panel (IRP)	10, 14, 45, 50, 52
Access	Inside Front Cover	Independent Auditor's Report	18, 22
Access to Information (GIPA)	15, 47	Information Management Systems	17
Administration	15	Industrial Relations	17
Aims and Objectives	3	Insurance	18, 29, 32, 33
Annual Report Costs	18	Investment Performance	18
Appeals	5, 12, 13		
Assessment Committee	5, 10, 50	Learning and Development	16
Attendance at Council Meetings	4	Legislative Changes	6, 45
Audit	17	Letter to the Minister	1
Audit and Risk Committee	17		
Audit Office of New South Wales	15, 17	Mandatory Notifications	9
Australian Health Practitioner Regulation Agency (AHPRA)	6, 7, 8, 9, 13, 14, 15, 18, 28, 29, 35, 40, 43, 44, 50, 51	Membership, Council	3
Australian Research Council	6, 51	Membership, Tribunal	5, 50
		Ministry of Health (MOH)	15, 16, 17, 18, 27, 30, 32, 40, 52
		Monitoring and Compliance	14
Budget	20		
		National Registration and Accreditation Scheme	7, 29, 52
Charter	3	Notes to Financial Statements	29
Code of Conduct	16, 47	Notifications (Complaints) Management	9
Complaints Received About Council Administrative Processes	6	Notifications (Complaints) Outcomes	13
Conditions of Registration	52	Notifications (Complaints) Received	7
Conduct Program	12	Notifications Received under the Former Act	13
Consultants	18		
Council Activities, Promotion of	6	Organisation Chart	16
Council Approved Practitioner Assessments	10	Other Council Activities	6
Council Committees	4	Overseas Travel	6
Council Membership	3		
Counselling	4, 13, 45	Payments Performance	18
		Performance Assessment	11, 52
		Performance Program	11
Education and Research	4, 18	Performance Review Panel (PRP)	5, 11, 14, 50, 51, 52
Executive Officer	5	Privacy	16
Exemptions from the Reporting Provisions (EEO, OHS, WRAPP, multicultural and disability)	18	Promotion of Council Activities	6
Expenditure	18, 34, 41, 42	Protective Orders	10
		Psychologists Registration Board of New South Wales	5, 29, 44
Financial Management	18	Psychology Board of Australia	7
Financial Statements	25	Psychology Council of New South Wales	3, 5, 15, 24, 29, 44, 46
Format	18	Psychology Tribunal of New South Wales	5, 12, 14, 17, 50
		Public Interest Disclosures	16
Government Information (Public Access) Act 2009 (GIPA)	15, 47	Registration	7
Glossary	51	Regulatory Committees	4
		Remuneration	4
Health Care Complaints Commission (HCCC)	3, 15, 16, 17, 18, 19, 29, 34, 35, 41, 42, 50, 51	Reviews	12
Health Practitioner Regulation National Law (NSW)	3, 6, 28, 44, 51	Risk Management	17
Health Practitioner Regulation (NSW) Regulation 2010	6		
Health Professional Councils Authority (HPCA)	3, 15, 16, 17, 18, 19, 29, 34, 35, 41, 42, 50, 51	Section 150	10
Health Program	10	Shared Services	15
Human Resources	16	Statement by Members of the Council	24
		Tribunal	5, 12, 14, 17, 50
		Website, Council	6, 9, 12
		Work Health and Safety Committee	16

