

**NEW SOUTH WALES
OSTEOPATHS
REGISTRATION BOARD**

**ANNUAL REPORT FOR THE YEAR ENDED
30 JUNE 2004**



NEW SOUTH WALES

OSTEOPATHS REGISTRATION BOARD

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The Hon. Morris Iemma, MP
Minister for Health
73 Miller Street
NORTH SYDNEY NSW 2060

Dear Mr Iemma,

Pursuant to the provisions of the *Annual Reports (Statutory Bodies) Act 1984* and the *Public Finance and Audit Act 1983*, we have pleasure in submitting this Annual Report of the New South Wales Osteopaths Registration Board for the year ended 30 June 2004 for presentation to Parliament.

Yours faithfully

Robert Fendall
PRESIDENT

Suzanne McCleary
Board Member

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1. CHARTER

The Osteopaths Registration Board is established pursuant to the provisions of the Osteopaths Act 2001 (the Act) to exercise the powers, authorities, duties and functions imposed on it by the Act.

2. AIMS AND OBJECTIVES

The Board has the following objectives:

- protect the health and safety of the public by providing mechanisms to ensure that osteopaths are fit to practise
- maintain the Register of appropriately qualified osteopaths
- maintain a high standard of osteopath practice within a registration system, by ensuring that practitioners meet minimum competence and practice standards
- contribute to the aim of NSW Health to provide a sustainable health system for the people of NSW

Within these aims and objectives its role is to:

- grant, suspend or cancel registration, annul such suspension or cancellation and apply practice conditions as appropriate
- recommend the courses of study and training to be undertaken as acceptable qualifications for registration
- maintain a code of professional conduct and relevant guidelines, to ensure observance of ethical best practice in respect of the public and the profession
- undertake inquiries into professional conduct, osteopathy care, practitioner impairment and other complaints and reportable issues, by way of Board inquiries, Osteopathy Care Assessment Committees, Impaired Registrant Panels and other resolution procedures
- achieve compliance with the legislation
- advise the Minister for Health on matters relating to registration, standards of practice and other matters arising under the Act or Regulations.

3. ACCESS

The Board is located at the following address:

Level 2
28-36 Foveaux Street
SURRY HILLS NSW 2010

Correspondence
PO Box K599
HAYMARKET NSW 1238

Telephone: 02 9219 0233
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E-mail: osteoreg@doh.health.nsw.gov.au
Website: www.osteoreg.health.nsw.gov.au

Hours 8.30 a.m. – 5.00 p.m. Monday to Friday
Cashier services close at 4.30 p.m.

4. MANAGEMENT AND STRUCTURE

4.1 BOARD MEMBERSHIP

MEMBERSHIP OF THE BOARD
Seven members of the Board are nominated by the Minister for Health and appointed by the Governor pursuant to section 87 of the Osteopaths Act 2001, as follows.
<ul style="list-style-type: none">One is an officer of the Department of Health or an employee of an area health service, statutory health corporation, or affiliated health organisation within the meaning of the Health Services Act 1997, pursuant to section 87(2)(a) of the Act
Ms Kim Stewart
<ul style="list-style-type: none">Two are registered osteopaths nominated from a panel of osteopaths nominated by the Australian Osteopathic Association, New South Wales, and such other bodies representing osteopaths as may be determined by the Minister, pursuant to section 87(2)(b) of the Act
Mr Robert Fendall President Ms J. Louise Adam
<ul style="list-style-type: none">One is a registered osteopath involved in the tertiary education of persons for qualification in NSW as osteopaths, pursuant to section 87(2)(c) of the Act
Mr Peter Green
<ul style="list-style-type: none">One is a registered osteopath of the Minister's own choosing, pursuant to section 87(2)(d) of the Act
Ms Suzanne McCleary
<ul style="list-style-type: none">One is a person (not being a registered osteopath) to represent the community, pursuant to section 87(2)(e) of the Act
Ms Nicola Ballenden
<ul style="list-style-type: none">One is a legal practitioner, pursuant to section 87(2)(f) of the Act
Mr Terence Stern
The Board was appointed for the balance of a four-year term on and from 3 July 2002 expiring on 19 December 2005

4.2 ATTENDANCE AT MEETINGS

During the reporting period the Board met on 10 occasions, usually on the first Tuesday of each month. The Board did not meet in January or June 2004.

NAME	ATTENDANCE
Mr Robert Fendall	10
Ms Kim Stewart	7
Ms J Louise Adam	10
Mr Peter Green	9
Ms Suzanne McCleary	9
Ms Nicola Ballenden	6
Mr Terence Stern	7

4.3 REMUNERATION OF PART-TIME MEMBERS OF BOARD AND COMMITTEES IS AS FOLLOWS:-

	Current fee
	\$
Chairperson	2200.00 p.a.
Members	1650.00 p.a.

5. SUMMARY REVIEW OF OPERATIONS

5.1 REGISTRATION STATISTICS

The Board maintained the Register of osteopaths as required under the provisions of Schedule 1 Part 4 Clause 21(1) of the Osteopaths Act 2001.

	<i>As at 30/06/03</i>	<i>As at 30/06/04</i>
Registered osteopaths	443	488
Applications		103
Re-Registrations		14
Provisional Registrations		23
Mutual recognition		6
Additional qualifications		1
Temporary Registration		59

5.2 FEES

The schedule of fees charged for the Board's services were as follows:

Registration	
Application for Registration:	\$300.00
Application for Temporary Registration:	\$300.00
Annual Registration:	
Osteopath Only:	\$285.00
Chiropractor and Osteopath (<i>registered on 1/8/02</i>)	\$200.00
Re-Registration:	
Osteopath Only	
Under three months	\$285.00
Over three months	\$570.00
Chiropractors and Osteopaths	
Re-registration osteopath unfinancial under three months	\$200.00

5.3 APPEALS AGAINST DECISIONS OF THE BOARD REGARDING REGISTRATION

There were no appeals lodged against a decision of the Board, pursuant to Section 17 of the Act.

5.4 AUSTRALASIAN CONFERENCE OF OSTEOPATHS REGISTRATION BOARDS

A delegation from the Board, Mr. Robert Fendall (President), Ms. Louise Adam, Mr. Peter Green, Ms. Suzanne McCleary and the Registrar Mr Michael Walsh attended the 2003 ACORB meeting that was held Sydney, on Sunday 24 August 2003, hosted by the NSW Board.

The conference inter alia resolved

- To establish a Task Force, for the assessment of overseas trained osteopaths, comprising of nominees of the NSW, Victoria and Western Australia Boards, subject to agreement by the Western Australia Board, with Ms Adam as Chairperson and to be co-ordinated by the Victoria Board.
- To recommend that each constituent Board advise Mr Walsh in the event of any changes to their recognised or prescribed courses for registration purposes.
- Upon each receipt of each Task Force's final report and recommendations, a teleconference of ACORB be convened for the express purpose of considering that report.
- To adopt the following position with respect to recognition of prior learning:
 1. Applications for mature are entry who had not completed the VEC of HSC equivalent must have passes at year 12 level in the prescribed prerequisites of the course.
 2. Applicants for recognition of equivalent subjects studied in a science, health science, or medical degree must complete osteopathic diagnosis and practise.

3. Applicants for recognition of prior study of osteopathic diagnosis and practise and osteopathic clinical practicum must complete a minimum of two years study in the osteopathic course.
- That ACORB as a National forum of osteopathic registering authorities endorse the development of a National accreditation policy and
 - i. Approves the accreditation of the osteopathic courses offered by RMIT, VUT, and UWS, which have been undertaken by the Osteopaths Registration Board of NSW and the Osteopaths Registration Board of Vic.
 - ii. And for the purposes of ACORB's assessment of overseas graduates it delegates the holding of examinations to the Osteopaths Registration Board of Victoria and the Osteopaths Registration Board of NSW.

During the reporting period the Board received an interim report of the ACORB Accreditation Task Force and noted the taskforce was finalising the national comprehensive package.

5.5 COMPLIANCE

THE BOARD SEEKS TO ACHIEVE COMPLIANCE WITH THE ACT AND REGULATIONS THROUGH:

- random inspections throughout NSW by its authorised Inspector, checking compliance, disseminating information and issuing warnings,
- prosecution of persons operating in contravention of the Act
- the resolution of complaints concerning the professional conduct of and provision of osteopathy services by, registered osteopaths (see "Legal Change" at section 6 of this report for a description of complaint resolution procedures)
- publication of information pamphlets and the posting of information and legislation links on its website

An important part is also played in compliance in general, through the maintenance of a *Code of Professional Conduct*, detailing the parameters for the professional conduct of osteopaths and their practices.

5.5.1 CODE OF PROFESSIONAL CONDUCT

The Board carried forward as its own draft of the Osteopath Code of Professional Conduct the pre-existing professional code (with amendment deleting references to chiropractors) approved by the joint Chiropractors & Osteopaths Registration Board and exhibited it in accordance with section 19 of the Osteopaths Act 2001 for public comment during the reporting period. In accordance with the Act, the Board's draft code with details of public comment received and accompanied by a regulatory impact statement will be forwarded to the Minister for consideration and approval.

5.5.2 COMPLAINT COMMITTEES AND COMPLAINTS

The provisions of both the Act and the Health Care Complaints Act 1993, require the Board and the Health Care Complaints Commission (HCCC) to advise each other of complaints received and consult concerning resolution.

The Complaints Committee assists the Board by considering complaints lodged with the Board. The Committee has the delegated authority of the Board to make decisions regarding complaints.

The Complaints Committee considers complaints regarding alleged contraventions of the Act or Regulation.

The Committee met on three (3) occasions and considered four (4) complaints during the reporting period.

The nature of the complaints and the action taken are as follows:

Alleged inadequate treatment/explanation 3

Outcome: 1 referred to Health Care Complaints Commission for investigation.
1 was closed, as the complainant did not provide the requested additional information regarding the complaint.
The other was closed, as the complainant would not identify the osteopath.

Alleged sexual assault in course of practice as osteopath 1

Outcome: Referred to the Health Care Complaints for investigation.

5.5.3 INVESTIGATIONS/INSPECTIONS BY BOARD'S INVESTIGATORS/INSPECTORS

The Health Professionals Registration Boards Investigation and Inspections Unit had two matters under investigation relating to possible breaches of the Act or Regulations. The matter related to practice by an unregistered practitioner (investigation continuing) and professional practice (investigation closed).

5.5.4 SPINAL MANIPULATION

In addition to the above matter, the Board was involved in the prosecution of one unregistered practitioner, in the local court, under the Chiropractors and Osteopaths Act 1991, for practising spinal manipulation in breach of the Act.

The unregistered person was found convicted on five counts of breaches of the Chiropractors and Osteopaths Act 1991, and released upon entering a good behaviour bond for 12 months.

The offence for spinal manipulation is now under section 10 AC of the Public Health Act 1991 and is as follows.

Part 2A 10AC Spinal manipulation not to be practised by unregistered person

- (1) A person must not engage in spinal manipulation in the course of providing a health service (as defined in the *Health Care Complaints Act 1993*) unless the person:
 - (a) is a registered chiropractor, or
 - (b) is a registered medical practitioner, or
 - (c) is a registered osteopath, or
 - (d) is a registered physiotherapist.

Part 2A 10AC (4) "spinal manipulation" means the rapid application of a force (whether by manual or mechanical means) to any part of a person's body that affects a joint or segment of the vertebral column.

5.5.5 OSTEOPATHS TRIBUNAL

No matters were referred during the reporting period.

5.5.6 REFERRAL OF COMPLAINTS TO OSTEOPATHY CARE ASSESSMENT COMMITTEE

No matters were referred during the reporting period.

5.5.7 BOARD INQUIRIES

No matters were referred during the reporting period.

5.6 PROFESSIONAL INDEMNITY INSURANCE

It is a requirement under Principle 17 of the draft Osteopaths Code of Professional Conduct, that osteopaths in practice maintain \$10,000,000.00 in professional indemnity insurance coverage.

The Board continued to notify osteopaths in practice, including educators within the profession, of the requirement that they maintain professional indemnity insurance coverage while practising in New South Wales and for a period of 7 years after they cease practising. Compliance is monitored through the annual returns, which are completed and returned with the registrants' annual renewal documentation discussed below.

5.7 REPORTING OF CONVICTIONS AND CRIMINAL FINDINGS

Section 21 of the Osteopaths Act requires an osteopath to advise the Board in writing within 7 days in the event of being convicted of a criminal offence in NSW or elsewhere.

Part 3, Division 2 of the Act makes provision for the self-reporting of (inter alia) convictions and criminal findings, in annual returns to the Board.

5.8 ANNUAL RETURN TO BE SUBMITTED

Section 20 of the Act provides for the annual return in writing of the following information:

- (a) details of any conviction of the osteopath for an offence in this State or elsewhere during the return period (together with details of any penalty imposed for the offence),
- (b) details of the making of a sex/violence criminal finding against the osteopath for an offence, in this State or elsewhere, during the return period (together with details of any penalty imposed for the offence),
- (c) details of the making of a criminal finding against the osteopath for an offence committed in the course of the practice or purported practice of osteopathy, in this State or elsewhere, during the return period (together with details of any penalty imposed for the offence),
- (d) details of any criminal proceedings pending against the osteopath at the end of the return period, in this State or elsewhere, for a sex/violence offence alleged to have been committed in the course of the practice or purported practice of osteopathy.
- (e) details of any criminal proceedings pending against the osteopath at the end of the return period, in this State or elsewhere, for a sex/violence offence alleged to have been committed against a minor or to involve child pornography (whether or not alleged to have been committed in the course of the practice or purported practice of osteopathy),

- (f) details of any significant illness (physical or mental) from which the osteopath suffered at any time during the return period and that may reasonably be thought likely to detrimentally affect the osteopath's physical or mental capacity to practise osteopathy,
- (g) details of any suspension of, cancellation of, or imposition of conditions on, the registration of the osteopath as a osteopath in another jurisdiction (either within Australia or elsewhere) during the return period,
- (h) details of any suspension of, cancellation of, or imposition of conditions on, any registration of the osteopath under a health registration Act during the return period,
- (i) a statement as to whether the osteopath is registered under a health registration Act as at the date of the return,
- (j) a statement as to whether the osteopath has been refused registration as a osteopath in another jurisdiction (either within Australia or elsewhere) during the return period,
- (k) details of any continuing professional education undertaken by the osteopath during the return period,
- (l) details of professional indemnity insurance held.

5.9 OSTEOPATH EDUCATION AND RESEARCH ACCOUNT

During the reporting period there were no applications for funding under the OERA provisions.

5.10 EDUCATION COMMITTEE

The functions of the committee are inter-alia to advise the Board on issues submitted relating to osteopathy education, including entry levels, post graduate and continuing professional education.

In the reporting period the committee noted and made recommendations relating to the overall management of osteopathy programs.

5.11 POLICY COMMITTEE

The Policy Committee during the reporting period was requested to review and where appropriate develop guidelines on the following matters for the Board's consideration:

- Advertising
- Competence
- Making and keeping records
- Professional boundaries

5.12 EXAMINATION COMMITTEE

The Board established an Examination Committee to inter-alia process applications for examination and advise on performance in the examinations.

5.13 OVERSEAS TRAVEL

Board members did not undertake any overseas travel during the reporting period.

5.14 PUBLICATIONS

Publications available from the Board and the Board's website:

- Osteopaths Regulation 2002
- Osteopaths Act 2001
- Registration of Osteopaths in New South Wales
- Re-registration of Osteopaths in New South Wales
- Health Care Complaints Act 1993
- Mutual Recognition (NSW) Act 1992
- Trans-Tasman Mutual Recognition (NSW) Act 1996
- Osteopath Impact Assessment Statement
- Interim Code of Professional Conduct

5.15 FREEDOM OF INFORMATION

There were no applications made pursuant to the Freedom of Information Act for information held by the Board.

5.16 LEGAL CHANGE

Following from the partial commencement of the Act on 1 February 2002, the remaining provisions commenced on 1 August 2002. Those provisions broadly concerned:

- Registration
- Practice
- Complaints & Disciplinary Proceedings
- Impairment
- Appeals & Review of Disciplinary Action
- Functions & Delegations (Board)
- Osteopathy Care Assessment Committee (OCAC)
- Impaired Registrants Panel
- Osteopaths Tribunal
- Registration Procedures (Schedule 1), OCAC provisions (Schedule 4), Proceedings of the Tribunal (Schedule 5), Amendment of other Acts (Schedule 6), Savings & Transitional Provisions (Schedule 7)

In summary, the commencement of the above provisions provided a framework for the Board to achieve the legislative objective of protecting public health and safety. The initiatives from the Act are as follows:

1. Applicants for registration must be competent to practise. The Board may refuse registration or impose practice conditions, when not satisfied on competence. Provisions permit the Board to conduct an inquiry into competence
2. Annual returns to be submitted by practitioners upon renewal of registration. Reportable matters cover criminal convictions/findings, character, refusal of registration in another jurisdiction, suspension/cancellation of registration, imposition of conditions in another jurisdiction or by another health registration board in NSW and continuing educational activities.

3. Provisions for Boards to be notified (eg. by Courts) regarding practitioners who are convicted of criminal offences or made the subject of criminal findings, regarding sex or violence offences.
4. A two (2) tier definition of misconduct to include “professional misconduct” and “unsatisfactory professional conduct”. This permits the Board to deal with serious and less serious matters in the most appropriate way.
5. a strengthened complaint handling system including:
 - *Osteopaths Tribunal* – handling serious complaints that may lead to suspension or deregistration, appeals against Board decisions regarding disciplinary matters, registration and restoration matters
 - *Osteopathy Care Assessment Committee* – dealing with less serious complaints made by consumers of osteopath services, through conciliation and consensual agreement between the complainant and the subject osteopath. The Committee may require the registrant to undergo skills testing.
 - *Board inquiries* – disciplinary proceedings held at a Meeting of the Board and attaching powers to caution/reprimand, impose practice/ reporting conditions, order the withholding or refund of payment for osteopathic services and order the attendance of educational courses or the obtaining of practice management advice
 - *Impaired Registrants Panel* – assisting osteopaths with complaint-reported and self-reported impairment problems, to be managed in the registration system in a non-disciplinary way, through registration conditions and impairment management solutions
6. general increase in the transparency and flexibility of the registration system, including revised processes for accreditation of courses
7. provision for the establishment of a *osteopathy education and research account* and for the Board to issue guidelines regarding voluntary continuing education
8. appointment of an Inspector with a diverse range of investigative and other powers and prohibition of the use of the title “Doctor”, except for qualified medical practitioners and persons otherwise holding an appropriate university qualification which confers that title
9. powers to delegate functions and to establish committees, thereby facilitating effective administration and efficiency

The *Osteopaths Regulation 2002* commenced on 1 August 2002 and detailed:

- procedures for Board meetings
- provisions concerning certain forms of advertising of osteopathic services
- specific information required in annual returns and excluded offences
- provisions regarding notification of mental incapacity of registered chiropractors
- procedures regarding appeals on a point of law, where the Board deals with a complaint by way of an inquiry at a Board meeting.

5.17 CONSULTANTS

The Board did not engage consultants during the reporting year.

6 ADMINISTRATION

6.1 MANAGEMENT AND STRUCTURE

The Health Administration Corporation manages the accounts and employs the staff required to administer the Health Professionals Registration Boards established by the following Acts: -

- Chiropractors Act 2001
- Dental Technicians Registration Act 1975
- Nurses and Midwives Act 1991
- Optical Dispensers Act 1963
- Optometrists Act 2002
- Osteopaths Act 2001
- Podiatrists Act 1989
- Physiotherapists Registration Act 2001
- Psychologists Act 2001

The Boards as statutory bodies deal with professional issues under their respective Acts. The functions of the Boards include the determination of health professional standards, qualifications and experience required for registration and the maintenance of professional and ethical standards through the administration of disciplinary provisions.

The Boards are self funding and performed within their commitment of service. Registration notices were issued expeditiously and routine renewals were processed within five (5) days of receipt.

In accordance with legislation the Boards' accounts were paid by the Health Administration Corporation from fees received and transmitted to the Corporation.

Within the Boards' accumulated funds recognition has been given for future expenditure for refurbishment and relocation, the election of Board members (where required) litigation and disciplinary costs.

The total administrative expenditure for all the above Boards in 2003/2004 was \$6,430,981 compared with \$6,631,435 in 2002/2003.

For the reporting year the staff of the Health Professionals Registration Boards filled the equivalent of 53 full time positions (including one executive officer position at level 2). For each of the preceding 2 years the staff establishment was the equivalent of 52 full-time positions.

Staff as employees of the Corporation derive the benefits of the personnel policies of the Department of Health including occupational practices and are subject to the Department's Code of Conduct.

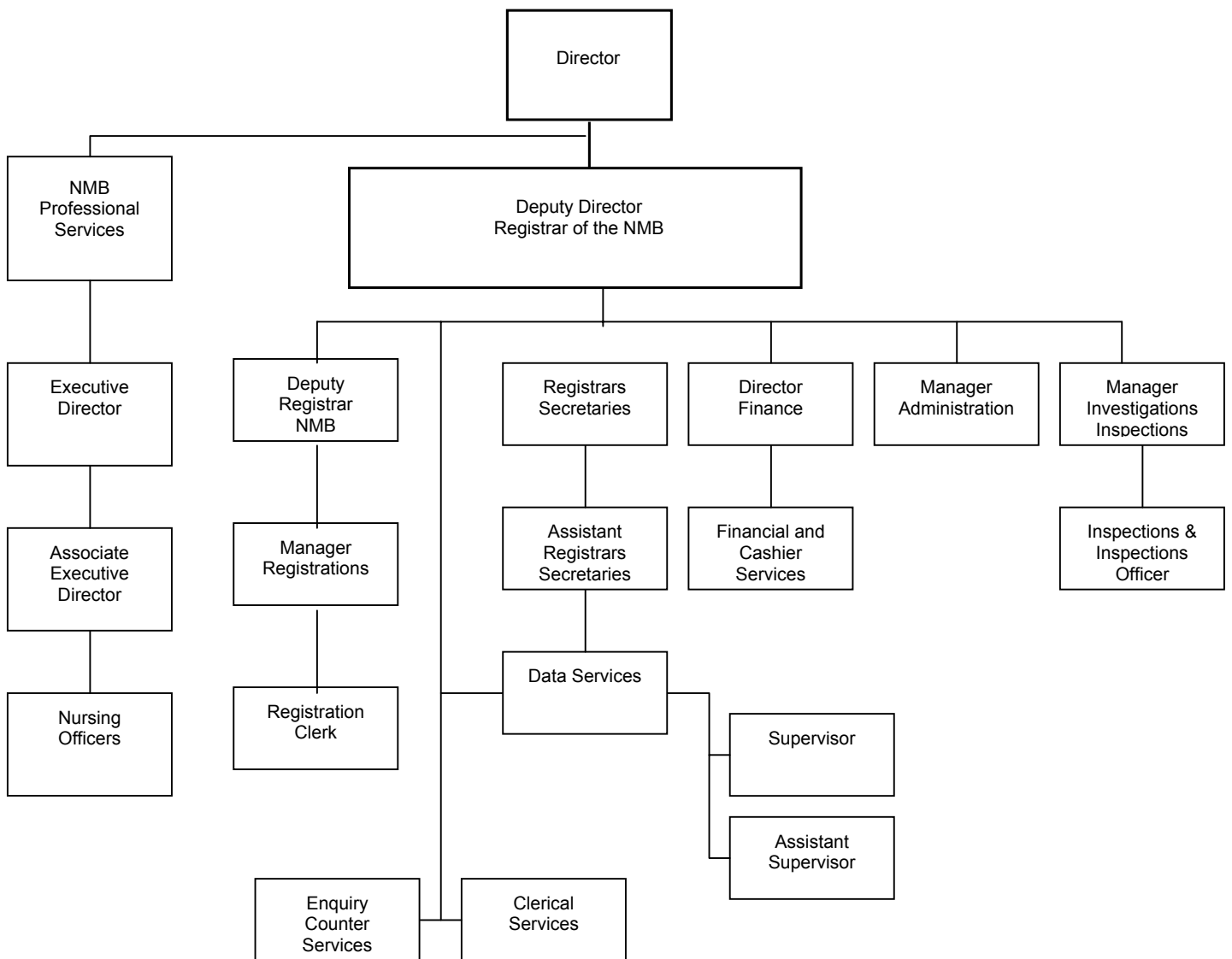
The performance of the Corporation in respect of the Boards' staff relating to: -

- (i) personnel policies
- (ii) industrial relations policies/procedures
- (iii) occupational health and safety including details of work related injuries

is reported in the Department of Health's Annual Report.

The Boards are managed by Mr J Tzannes (Director) and Mr R Dwyer (Deputy Director) for the Corporation.

6.2 HEALTH PROFESSIONALS REGISTRATION BOARDS ORGANISATION CHART



6.3 NSW DEPARTMENT OF HEALTH CODE OF CONDUCT

INTRODUCTION

The people of New South Wales have the right to expect that staff employed by the Department of Health demonstrate fairness, integrity and sound professional and ethical practice at all times in every respect of their employment. Just as importantly, you have the right to a workplace free of any form of bullying, harassment or unfair discrimination. Ensuring these rights requires a professional standard of behaviour that demonstrates respect for the rights of the individual and the community as well as promoting and maintaining public confidence and trust in the work of government agencies.

The purpose of this Code of Conduct is to provide an ethical framework for your decisions and actions. It is not possible for this Code to address all ethical questions or behaviour that you may encounter. You need to be aware of and comply with relevant legislation and departmental circulars, policies and guidelines as they relate to your work. Managers will assist you in maintaining an awareness of departmental standards of conduct and in resolving ethical dilemmas. However, this does not remove your responsibility to be accountable for your own actions and decisions.

This Code of Conduct covers all staff members working in the NSW Department of Health including managers, contractors, consultants and students. Members of the Chief Executive Service and Senior Executive Service are covered by a separate Code of Conduct and are also required to meet all requirements of this Code.

STATEMENT OF VALUES

Values define our organisation. They underpin how you and your colleagues deal with each other, with other organisations and the public. They also form the basis for our Vision, planning and priorities. The Department's Values are

Fairness - striving for an equitable health system and being fair in all our dealings

Respect - recognising the worth of individuals through trust, courtesy, sensitivity and open communication

Integrity - achieving ends through ethical means, with honesty and accountability.

Learning and creativity - seeking new knowledge and understanding, and thinking with innovation

Effectiveness - pursuing quality outcomes.

PERSONAL AND PROFESSIONAL BEHAVIOUR

To demonstrate your commitment to the highest ethical standards you are required to:

- perform your duties impartially, with professionalism, objectivity and integrity
- work effectively, efficiently and economically
- behave fairly and honestly, including reporting others who may be behaving dishonestly

- avoid conflicts of interest and act in the best interests of the people of NSW
- accept instructions from managers and supervisors
- obey any lawful direction from managers/senior executives. If you have a dispute about carrying out a direction you may appeal through existing grievance procedures follow departmental policies, guidelines and procedures
- avoid any form of exploitation or power imbalances in personal relationships in the workplace.

FAIRNESS AND EQUITY

You should undertake your work and make decisions consistently, promptly and fairly. This involves dealing with matters in accordance with approved procedures, in an impartial, non-discriminatory manner and in line with the principles of administrative good conduct outlined by the NSW Ombudsman.

You should apply the principles of procedural fairness/natural justice and reasonableness when exercising statutory or discretionary powers. Staff members or clients adversely affected by a decision must be informed of their rights to object, appeal or obtain a review.

CONFLICTS OF INTEREST

You must avoid any financial or other interest that could compromise or be perceived to influence the impartial performance of your duties. Conflicts of interest that lead to biased decision making may constitute corrupt conduct.

Conflicts of interest might occur where you (and at times your family)

- have financial interests in a matter the Department is involved with
- are Board members, directors or employees of outside organisations, such as Non-Government Organisations in which the Department has a financial interest
- hold personal beliefs or attitudes that influence your impartiality
- have personal relationships with people the Department is dealing with or investigating which go beyond the level of a professional working relationship
- are involved in secondary employment, business, commercial, or other activities outside the workplace which impact on the Department, its clients or staff
- are involved in party political activities, which could be perceived as you using your official role to gain influence or where you find yourself in conflict in serving the current government. (If you are an election candidate special arrangements apply)
- have access to information that could be used for personal gain
- participate in outside activities including volunteer work, which could adversely affect your ability to do your work.

It is your responsibility to disclose any potential or actual conflict of interest to your manager or other senior officer. Managers will assist you in resolving the conflict through solutions such as divestment of the interest, your withdrawing from the conflict situation and declaring or documenting the interest.

BRIBES, GIFTS, BENEFITS, TRAVEL AND HOSPITALITY

You must not accept any gifts, hospitality, travel or benefits that might in any way tend to influence, or appear to influence, your ability to act impartially. You should also ensure that partners and family members are not recipients of benefits that could be seen to indirectly influence you or secure favourable treatment.

In deciding whether to accept any gift or benefit you should consider the relationship of the Department to the donor, the primary business of the donor and any possible adverse

consequences for the Department. Approval of your manager is required prior to accepting any gift or benefit. You may accept unsolicited gifts of a token and insignificant nature or moderate acts of hospitality. Accepting them is a matter of judgement and you must be satisfied that neither you nor the Department is in any way compromised.

You must not solicit or accept any bribe, or other improper inducement. Any approaches of this nature are to be reported to senior management.

OUTSIDE EMPLOYMENT

If you are a full time employee you must have approval from a delegated officer to engage in any secondary employment or business activity, including participation in a family company. If you work part-time you must advise of any real or potential conflict of interest between your employment in the Department and any other employment. Managers are responsible for monitoring and following up on any impact of secondary employment on the quality and effectiveness of an individual's work.

USE OF DEPARTMENTAL RESOURCES

All departmental resources including funds, staffing, computers, photocopiers, equipment, stationery, travel and motor vehicles must be used effectively and economically on work related matters. You must seek approval to use departmental resources for non-official purposes (eg to aid in a charitable event). If authorised, you are responsible for safeguarding, repairing and replacing, if lost, the Department's property.

USE OF COMPUTER, EMAIL AND INTERNET FACILITIES

To use the Department's computer, internet and email facilities you must agree to the conditions of access. These require that the facilities be used for work activities in a responsible, ethical and legal manner. Unacceptable use includes violation of the rights of others; commercial use; breach of copyright or intellectual property; illegal activity or gambling; use for harassment, threat or discriminatory acts; storing or conveying inappropriate or objectionable material such as nudity, sexual activity, drug misuse, crime, cruelty or violence.

You must safeguard your password access. The Department monitors the network, programs and usage to ensure the integrity of the system and maintains records of activities.

CORRUPTION, MALADMINISTRATION AND SERIOUS AND SUBSTANTIAL WASTE

You must not engage in corrupt conduct, maladministration or serious and substantial waste. Corrupt conduct is defined in the ICAC Act 1988; the key notion being the misuse of public office. Corruption can take many forms including bribery and blackmail; unauthorised use of confidential information; fraud and theft. Maladministration is action or inaction of a serious nature that is contrary to law; unreasonable, unjust, oppressive or improperly discriminatory; or based on improper motives. Serious and substantial waste refers to any uneconomical, inefficient or ineffective use of funds or resources, which results in significant wastage.

You have a duty to report any possible corrupt conduct, maladministration and serious and substantial waste of public resources to your senior manager. You may wish to report suspected incidents to an external organisation with corruption being reported to the ICAC, maladministration to the Ombudsman and waste to the Auditor-General. The Protected Disclosures Act, 1994 provides certain protection against reprisals for any staff member

who voluntarily reports possible corruption, maladministration or serious/substantial waste. Managers must ensure staff members have information about reporting these matters.

PUBLIC COMMENT

Although you have the right as a private citizen to express your personal views through public comment on political and social issues you must not make or appear to make statements on behalf of the Department. Public comment includes public speaking engagements, comments in the media, views expressed in letters to newspapers, online services (such as Internet bulletin boards) or in publications.

You may make an official comment when you are authorised to do so or when giving evidence in court. The Department's media guidelines must be followed in any dealings with the media. When undertaking speaking engagements you must comply with the Department's policy and guidelines on participation in external seminars.

You must not access, use, disclose or release any internal departmental documents or privileged information unless you need to do so in the course of your work or are authorised to do so. You must protect the privacy of client information as required by the Department's Privacy Code of Practice.

SECURITY OF OFFICIAL INFORMATION

Confidential information must not be disclosed other than in the course of your work, when required by the law or when authorised. You must ensure that confidential information in any form (e.g. documents, computer files) cannot be accessed by unauthorised persons. It should be securely stored overnight or when unattended. Confidential information must not be discussed except in the course of your work and must not be misused by you to gain personal advantage.

Information about NSW Health staff or clients is subject to the Department's Privacy Code of Practice, privacy legislation and guidelines. In some instances information regarding your employment will be provided to external bodies (eg: NSW Superannuation Board and the Australian Taxation Office) and the Department will confirm details held by financial institutions if you have applied for a loan/credit.

INTELLECTUAL PROPERTY/COPYRIGHT

Intellectual property includes rights relating to scientific discoveries, industrial designs, trademarks, service marks, commercial names and designations, inventions and from activity in the industrial, scientific, literary or artistic fields. The Department is the owner of intellectual property created by you in the course of your work unless a specific agreement with the Director-General has been made to the contrary.

EMPLOYMENT SCREENING

The Department is committed to safeguarding the welfare of its staff and protecting the interests of those who rely on our services. Criminal record checks are undertaken on all recommended applicants for permanent, temporary or seconded employment. Where a pending charge or conviction is identified the relevance and implications of this is carefully assessed taking into account such factors as the nature and number of offences, the severity of punishment, age and mitigating circumstances.

Staff members are required to notify the Department's Corporate Personnel Services in writing if they are charged with or convicted of a serious criminal offence.

DISCRIMINATION, HARASSMENT AND BULLYING

You must not harass or discriminate against colleagues or clients for any reason including gender, physical appearance, pregnancy, age, race, sexual preference, ethnicity or national origin, religious or political conviction, marital status, physical or intellectual disability. The principles of Equal Employment Opportunity apply in the workplace.

Bullying is the repeated less favourable treatment of a person by another in the workplace and can include verbal abuse, sarcasm, criticising people in front of others or in private and creating work overload. The Department does not tolerate bullying.

If you witness discrimination, harassment or bullying you should do something to stop it if possible and report it to your manager. Direct intervention by senior management may be used to resolve the issue. Grievance procedures are available if you believe you have been subject to discrimination, harassment or bullying.

The use of obscenities or offensive language is unacceptable in the workplace.

OCCUPATIONAL HEALTH AND SAFETY

Managers must ensure that their work area provides for the health, welfare, physical and psychological safety of their staff and clients. Specifically managers are responsible for providing safe systems of work; a safe work environment; supervision and information; safe equipment and facilities; identifying and controlling risks; responding to staff members' reports of issues.

You also share a responsibility for occupational health and safety by following safety and security directives, using security and safety equipment provided, keeping your work area tidy and safe and raising potential safety issues promptly.

DRUGS AND ALCOHOL

The misuse of alcohol and other drugs can affect staff members' work performance and jeopardise the safety and welfare of colleagues. You must not perform your work, remain in the workplace or undertake work-related activities if you are impaired by alcohol or other drugs.

POST EMPLOYMENT

Staff members should not misuse their position to gain opportunities for future employment nor allow themselves to be influenced in their work by plans for or offers of outside employment. Staff members leaving the Department are required to return all documentation and equipment and should respect the confidentiality of information obtained during their employment and not use it for gain until it has become publicly available. Be careful in dealings with former staff members to make sure that you do not give, nor appear to give, favourable treatment or access to privileged information.

LEGISLATIVE FRAMEWORK

This Code of Conduct does not stand alone nor take the place of any Act or Regulation. Important laws that apply include:

Anti-Discrimination Act 1977

Crimes Act 1900

Commission for Children and Young People Act 1998

Freedom of Information Act 1989

Health Care Complaints Act 1993

Health Services Act 1997

Independent Commission Against Corruption Act 1988
Occupational Health and Safety Act 1983
Ombudsman Act 1974
Privacy and Personal Information Protection Act 1998
Protected Disclosures Act 1994
Public Sector Management Act 1988

BREACHES OF THE CODE OF CONDUCT

You are required to comply with this Code of Conduct. If you breach this Code you will be subject to a range of administrative actions which include disciplinary action as set out in the Public Sector Management Act, 1988. Breaches of certain sections may also be punishable under other legislation.

TRAINING AND DEVELOPMENT

The Department's Corporate Personnel Services includes training on the Code of Conduct in its induction program. It also offers a range of training in areas including occupational health and safety, ethics, equity, harassment and grievance handling of direct relevance to the Code. Managers have a responsibility to provide their staff with training on this Code.

FURTHER INFORMATION AND FEEDBACK

If you need further information on the Code of Conduct consult your manager or contact Corporate Personnel Services. Feedback on the Code is also welcomed and should be sent to the Director, Executive and Corporate Support.

6.4 ETHNIC AFFAIRS PRIORITIES STATEMENT

The Osteopaths Registration Board is one of nine health professional boards administered by the Health Professionals Registration Boards (HPRB) on behalf of the Health Administration Corporation. The Board in conjunction with the HPRB undertakes a number of initiatives to support our culturally diverse population under the key areas of social justice, economic and cultural opportunities.

These initiatives include to:

- (i) promote the recognition and registration of overseas trained health professionals
- (ii) assist overseas trained applicants to register
- (iii) increase the number and range of bilingual health professionals employed by HPRB
- (iv) ensure ethnic media is used in any information languages sponsored by the Board
- (v) ensure the Board receives advice on matters relating to people of culturally diverse backgrounds
- (vi) promote use of culturally diverse workforce
- (vii) ensure the Board is aware of the Government's commitment to implementing the principles of multiculturalism as set out in section 3 of the Community Relations Commission and Principles of Multiculturalism Act 2000

Overseas Training - Recognition of Qualifications

The Board arranges for examination to be conducted and successful overseas-trained applicants are eligible to apply to be registered. The Board continued the development of a competency based assessment system in consultation with the other Australian and New Zealand registration Boards, and relevant stakeholders.

recognised that not all nominations to Boards are made by the Minister. Nominating bodies are advised of the Government's policy in relation to female representation when vacancies occur or when nominations for a new Board are requested.

Of the seven (7) members, the Osteopaths Registration Board currently has four (4) female members.

Whilst the Board is not responsible for the promotion of access to the profession for women it is in a position to indicate the number of women who have satisfied registration requirements and who currently hold an authority to practise.

The number of female registrants for 2003-2004 was 157 (32.2% of total registrants), as compared with 109 (28.4% of total registrants for 2002-2003).

These figures vary during the reporting period in line with the changing status of registrants during renewal periods.

6.6 WASTE REDUCTION AND PURCHASING POLICY

Throughout the reporting period, the Health Professionals Registration Boards (HPRB) strived to reduce waste, purchased consumables containing increased amounts of recycled content, and recycled its paper products and consumables and office equipment.

During the reporting period, HPRB :

- Purchased all white paper with 60% recycled content and all envelopes with at least 70% recycled content;
- Recycled 88% of total paper waste;
- Recycled 100% of paper/cardboard packaging;
- All toner cartridges were sent for recycling.

Avoidance of waste was ensured through various Board practices including :

- Message and note taking on scrap recycled paper;
- Increased use of internal emails;
- Paper recycling containers at all desks for later transfer to recycling bins, avoiding usage of waste paper baskets and decreasing waste to landfill;
- Double sided printing;
- Promotion of website usage to clients, as an alternative to hard copy information packages.

During the reporting period, HPRB sent 11 computers (CPUs) and 7 monitors for recycling in accordance with environmental requirements and as per the NSW Government's ReConnect.nsw Computer Program guidelines.

NSW Waste Avoidance & Resource Recovery Strategy 2003, that was introduced towards the end of previous reporting period, was implemented during this reporting period. HPRB is committed to achieving sustainable waste minimisation and resource recovery targets by:

- Critically considering waste management issues associated with the Boards' operational responsibilities; and

- Monitoring facilities, product and usage patterns, to enable strategic updates to the Boards' plan.

7 FINANCE AND BUDGET

7.1 FORMAT

In order to comply with statutory and audit requirements the Board's fees received and transmitted to the Health Administrative Corporation are shown as entries in the Statement of Income and Expenditure. The income and expenditure for administrative purposes appear in the accounts of the Department of Health for the Health Administration Corporation. Details of the administrative operations are also contained in the notes to the audited accounts set out in the annual report.

7.2 PERFORMANCE

The accounts in respect of the Board's administrative operating expenditure for the year show \$93,049. This compared to the budgeted operating expenditure of \$100,811 (after adjusting for the Education and Research allocation) as contained in last year's annual report.

7.3 BUDGET

The budget in respect of the administrative operation for the period 1 July 2004 to 30 June 2005 is as follows:-

INCOME	\$
Fees	112,259
Interest	4,840
Total	<u>117,099</u>
 EXPENDITURE	
Salaries & Associated Staff Costs	67,446
Building Expenses	1,382
Subsistence & Transport	2,163
Members Fees	17,752
Fees for Service	8,985
Post & Communications	2,316
Printing & Stationery	1,871
Plant & Equipment	817
Education & Research	7,000
Miscellaneous	1,000
Depreciation	869
Total	<u>111,601</u>
 Operations Surplus	 <u>5,498</u>

7.4 EXPENSES

The 2004/2005 year's budget includes salary oncost charges which reflect deferred liability provisions for superannuation.

7.5 PAYMENTS PERFORMANCE

The payments in respect of the Boards' administration expenditure is included in the accounts of the Health Administration Corporation. A selected sample for each quarter of the year provided the following information: -

Quarter	Accounts paid on time		Less Than 30 days overdue (%)	Between 30 to 60 days overdue (%)	Between 60 to 90 days overdue (%)	More than 90 days overdue (%)
	Target %	Actual %				
September	100.00	20.37	79.01	0.23	-	0.19
December	100.00	42.00	34.32	23.68	-	-
March	100.00	5.10	61.85	32.57	0.49	-
June	100.00	88.55	8.08	2.63	0.12	0.62

No interest was paid on late payments.

In regard to the payments made out of the Education and Research Account administered by the Board, the total expenditure performance is as follows: -

Accounts paid on time within each quarter

Quarter	Total Accounts Paid on time	
	Target %	Actual %
September	-	-
December	-	-
March	-	-
June	100.00	100.00

No interest was paid on late payments.

7.6 INVESTMENT PERFORMANCE

The Board through a Special Interest Arrangement with the Commonwealth Bank of Australia earned an average of 4.55%p.a. on its daily bank balances. In addition an average rate of interest of 5.06%p.a. was earned on investments held in Negotiable Certificates of Deposit.

7.7 INSURANCE AND RISK MANAGEMENT

Insurance activities were undertaken by the Department of Health Insurance cover, as follows:

- Industrial Special Risks Policy to cover all buildings, plant and contents;
- Comprehensive Motor Vehicle Insurance Policy;
- Public/Liability Insurance Policy;
- Personal Accident Policy.

Risk Management were as follows:-

- Regular preventive maintenance programs on all plant and equipment;
- Security alarm system for premises occupied by the Board;
- Security entry system for access to the Board's building during office hours;
- Disaster Recovery Plan for the computer system;
- Off site back-up of computer data.

7.8 ANNUAL REPORT COSTS

This year the Board has planned to publish 500 copies of the Annual Report at an approximate cost of \$2.46 per copy (includes GST).



GPO BOX 12
SYDNEY NSW 2001

INDEPENDENT AUDIT REPORT

Osteopaths Registration Board

To Members of the New South Wales Parliament

Audit Opinion

In my opinion, the financial report of the Osteopaths Registration Board:

- (a) presents fairly the Osteopaths Registration Board's financial position as at 30 June 2004 and its financial performance and cash flows for the year ended on that date, in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia, and
- (b) complies with section 41B of the *Public Finance and Audit Act 1983* (the Act).

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

The Board's Role

The financial report is the responsibility of the Board of the Osteopaths Registration Board. It consists of the statement of financial position, the statement of financial performance, the statement of cash flows and the accompanying notes.

The Auditor's Role and the Audit Scope

As required by the Act, I carried out an independent audit to enable me to express an opinion on the financial report. My audit provides *reasonable assurance* to Members of the New South Wales Parliament that the financial report is free of *material* misstatement.

My audit accorded with Australian Auditing and Assurance Standards and statutory requirements, and I:

- evaluated the accounting policies and significant accounting estimates used by the Board in preparing the financial report, and
- examined a sample of the evidence that supports the amounts and other disclosures in the financial report.

An audit does *not* guarantee that every amount and disclosure in the financial report is error free. The terms 'reasonable assurance' and 'material' recognise that an audit does not examine all evidence and transactions. However, the audit procedures used should identify errors or omissions significant enough to adversely affect decisions made by users of the financial report or indicate that the Board had not fulfilled their reporting obligations.

My opinion does *not* provide assurance:

- about the future viability of the Osteopaths Registration Board,
- that it has carried out its activities effectively, efficiently and economically, or
- about the effectiveness of its internal controls.

Audit Independence

The Audit Office complies with all applicable independence requirements of Australian professional ethical pronouncements. The Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General, and
- 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 are not compromised in their role by the possibility of losing clients or income.

P.K. Brown

P.K. Brown FCPA
Director of Audit

SYDNEY
14 October 2004

OSTEOPATHS REGISTRATION BOARD


YEAR ENDED 30 JUNE 2004


STATEMENT BY MEMBERS OF THE BOARD

Pursuant to the Public Finance and Audit Act, 1983, and in accordance with the resolution of the members of the Osteopaths Registration Board, we declare on behalf of the Board that in our opinion:-

1. The accompanying financial statements exhibit a true and fair view of the financial position of the fees received on behalf of the Health Administration Corporation as at 30 June 2004 and transactions for the year then ended.
2. The statements have been prepared in accordance with the provisions of Australian Accounting Standards, Urgent Issues Group Consensus views, other authoritative pronouncements for the Australian Accounting Standards Board, the Public Finance and Audit Act, 1983, the Public Finance and Audit (General) Regulation, 1995, 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.


Date 12.10.04


Date 12/10/04

STATEMENT OF FINANCIAL POSITION
OSTEOPATHS REGISTRATION BOARD

AS AT 30 JUNE 2004

	NOTES	2004 \$	2003 \$
Current Assets			
Cash	9	27,719	19,809
Accrued expenses to be paid by Health Administration Corporation	9	12,519	20,472
Receivables	5 & 9	99	64
Total Current Assets		40,337	40,345
Total Assets		40,337	40,345
Current Liabilities			
Accrued expenses	9	12,519	20,472
Total Liabilities		12,519	20,472
Net Assets		27,818	19,873
Equity			
Accumulated Funds	1.1 & 6	27,818	19,873
Total Equity		27,818	19,873

The statement of financial position should be read in conjunction with the accompanying notes.

OSTEOPATHS REGISTRATION BOARD

STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2004

	NOTES	2004 \$	2003 \$
Income			
Value of Services provided and costs met by Health Administration Corporation	8	93,049	75,524
Contributions by Health Administration Corporation for Education & Research	3	7,000	1,871
Interest	4	945	740
		100,994	78,135
Expenditure			
Expenses from ordinary activities excluding Education & Research activities	8	93,049	75,524
Surplus for the year from ordinary activities		7,945	2,611
Total revenues, expenses and valuation adjustments other than with owners as owners		-	-
Total changes in equity other than those resulting from transactions with owners as owners	6	7,945	2,611

The statement of financial performance should be read in conjunction with the accompanying notes.

OSTEOPATHS REGISTRATION BOARD

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2004

	NOTES	2004 \$	2003 \$
Cash flows from operating activities			
Allocation from Fees		7,000	3,742
Interest Received		910	726
GST Received		-	402
Transferred from Joint Board	1.1	-	14,939
		<hr/>	<hr/>
Net cash flows provided by operating activities	7	7,910	19,809
Cash at the beginning of the financial year		19,809	-
		<hr/>	<hr/>
Cash at the end of the financial year		<u>27,719</u>	<u>19,809</u>

The statement of cash flows should be read in conjunction with the accompanying notes.

OSTEOPATHS REGISTRATION BOARD

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

1. ACCOUNTING POLICIES

- 1.1 The Osteopaths Registration Board performs the duties and functions contained in the Osteopaths Act 2001 and its financial affairs are administered by the Health Administration Corporation.
- 1.2 The Board's financial report is a general purpose financial report which has been prepared in accordance with Accounting Standards, Urgent Issues Group Consensus views, other authoritative pronouncements of the Australian Accounting Standards Board, Public Finance and Audit Act, 1983, and the Treasurer's Directions. An accrual basis of accounting has been adopted. The Statement of Financial Position has been prepared on an historical cost basis and does not take into account changing money values.
- 1.3 The Board only holds the assets of the Education and Research Account in its name and is responsible only for the liabilities arising from the operation of the Education and Research Account. All other assets and liabilities relating to the Board are recorded in the financial statements of the Department of Health (Health Administration Corporation).
- 1.4 All income and expenditure of the Board's operations, including those transactions accounted for through the Health Administration Corporation (HAC) (See Note 8), are prepared on an accrual basis.

The expenses paid by HAC on behalf of the Board, are not included in the Statement of Cashflows as they are not a cashflow of the Board.

2. TRANSMISSION OF FEES

The Osteopaths Registration Board is required by statute to collect fees from its registrants and transmits the monies to the Health Administration Corporation. The Corporation may pay out from such monies the amounts required to meet the costs incurred in the administration or execution of the Act establishing the Board. An amount of \$111,389 (\$105,519 in 2003) was transmitted. The figures relate to actual receipts as distinct from accrual figures.

3. FEES FOR EDUCATION AND RESEARCH PURPOSES

The Osteopaths Registration Board is responsible for the administration of the Education and Research Account.

The Minister for Health may determine that a set amount out of the fees received from Osteopaths be transferred to the Education and Research Account. An amount of \$7,000 (\$1,871 in 2002/2003) was transferred.

OSTEOPATHS REGISTRATION BOARD

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

4. INTEREST

	2004	2003
	\$	\$
Commonwealth Bank of Australia	<u>945</u>	<u>740</u>

The interest received from the Commonwealth Bank of Australia, 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 boards by the Health Administration Corporation. In addition to daily balances receiving interest at a rate revised each week, the Bank also waived normal bank fees payable such as transaction fees, dishonoured cheques fees and charges applicable to overseas drafts.

The average interest rate earned for the year was:
Special interest arrangement 4.55% p.a. (4.25% p.a. in 2003)

5. RECEIVABLES

	2004	2003
	\$	\$
Interest receivable - Commonwealth Bank of Australia	99	64
	<u>99</u>	<u>64</u>

6. TOTAL ACCUMULATED FUNDS RECONCILIATION

	2004	2003
	\$	\$
Total accumulated funds at the beginning of the year	19,873	17,262
Total changes in equity other than those resulting from transactions with owners as owners – (Note 1.1)	-	-
Surplus for the year from ordinary activities	7,945	2,611
	<u>27,818</u>	<u>19,873</u>

OSTEOPATHS REGISTRATION BOARD

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

7. NOTES TO THE STATEMENT OF CASH FLOWS

7.1 For the purpose of the statement of cash flows, cash relates to cash in the Bank.

7.2 Reconciliation of net cash flows from operating activities to surplus for the year.

	2004	2003
	\$	\$
Surplus for the year from ordinary activities	7,945	2,611
Increase in receivables	(35)	(64)
Transfer of equity from joint Board	-	17,262
Net Cash flows provided by/(used in) operating activities	<u>7,910</u>	<u>19,809</u>

8. EXPENDITURE ACCOUNTED FOR THROUGH THE HEALTH ADMINISTRATION CORPORATION

Expenditure in respect of the Board's operations form part of the accounts of the Department of Health for the Health Administration Corporation. The Health Administration Corporation has determined which costs are allocated to the Board and the basis of allocation. The costs may not include all costs associated with running the Board.

OSTEOPATHS REGISTRATION BOARD

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

Details of transactions accounted for through the Health Administration Corporation are as follows:

	2004	2003
	\$	\$
Expenditure		
Salaries & Associated Staff Costs	58,886	58,287
Building Expenses	1,055	748
Subsistence & Transport	1,647	3,136
Members Fees	17,404	5,026
Fees for Service	6,909	2,036
Post & Communications	2,271	2,137
Printing & Stationery	1,834	1,302
Plant & Equipment	163	83
Miscellaneous	980	936
Audit Fees (allocation)	1,900	1,833
Total	93,049	75,524

As at 30 June 2004 the Health Administration Corporation recorded cash and investments of \$130,589 (\$120,019 in 2002/2003) held in relation to this Board.

9. FINANCIAL INSTRUMENTS

Financial instruments give rise to positions that are a financial asset of either the company or its counterpart and a financial liability (or equity instrument) of the other party. They include cash at bank, receivables and creditors. All classes of financial instruments, including revenue, expenses or other cash flows arising from instruments, are recognised at cost on an accrual basis.

In accordance with Australian Accounting Standard AAS33, information is disclosed regarding interest risk and credit risk of financial instruments. All amounts are carried in the accounts at net fair value which is considered to be the same as the carrying amount in the balance sheet.

Interest rate risk affects cash at bank and investments where the value of these instruments is subject to fluctuation due to changes in market interest rates.

OSTEOPATHS REGISTRATION BOARD

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

The board's exposure to interest rate risk and the effective interest rates of financial instruments at year end are:

	2004	2003
	\$	\$
Cash all at floating interest rates	27,719	19,809
Receivables all at non-interest bearing	99	64
Accrued expenses Health Administration Corporation all at non-interest bearing	12,519	20,472
Accrued expenses all at non-interest bearing	12,519	20,472

It is considered that the receivables are not subject to a credit risk.

10. CONSULTANCY CHARGES

The Health Administration Corporation arranged for consultancy services on behalf of the boards it administered during the year. The Osteopaths Registration Board's share of these consultancy costs was nil (nil in 2003).

11. SUBSEQUENT EVENTS

None to report.

12. TRANSITION TO AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (AIFRS)

1. Management of Transition

The Health Administration Corporation (HAC) will apply the Australian Equivalents to International Financial Reporting Standard (AIFRS) from the reporting period beginning 1 July 2005.

The HAC is managing the transition to the new standards by allocating internal resources and/or engaging consultants to analyse the pending standards and Urgent Issues Group Abstracts to identify key areas regarding policies, procedures, systems and financial impacts affected by the transition.

As a result of this exercise, the Health Service has taken the following steps to manage the transition to the new standards:-

- The HAC Finance Staff is overseeing the transition.
- The following phases that need to be undertaken have been identified:
 - determination of opening values as at 1 July 2004 and full year comparatives for 2004/05
 - preparation of 2005/06 accounts in accordance with AIFRS
 - determination of specific policy changes and the accounting effect thereof

Work in each of these phases will be progressed in accordance with timetables to be advised by NSW Health.

NSW Treasury is assisting agencies to manage the transition by developing policies, including mandates of options; presenting training seminars to all agencies; providing a website with up-to-date information to keep agencies informed of any new developments; and establishing an IAS Agency Reference Panel to facilitate a collaborative approach to manage the change.

2. Key Differences in Accounting Policies

The HAC is aware of a number of differences in accounting policies that may arise from adopting AIFRS. Some differences arise because AIFRS requirements are different from existing AASB requirements. Other differences could arise from options in AIFRS. To ensure consistency at the whole of government level, NSW Treasury has advised the options it is likely to mandate, and will confirm these during 2004-05. This disclosure reflects these likely mandates.

The HAC accounting policies may also be affected by a proposed standard designed to harmonise accounting standards with Government Finance Statistics (GFS). This standard is likely to change the impact of AIFRS and significantly affect the presentation of the income statement. However, the impact is uncertain, because it depends on when this standard is finalised and whether it can be adopted in 2005-06.

Based on current information, the following key differences in accounting policies are expected to arise from adopting AIFRS:

- □ *AASB 1 First-time Adoption of Australian Equivalents to International Financial Reporting Standards* requires retrospective application of the new AIFRS from 1 July 2004, with limited exemptions. Similarly, *AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors* requires voluntary changes in accounting policy and correction of errors

to be accounted for retrospectively by restarting comparatives and adjusting the opening balance of accumulated funds. This differs from current Australian requirements, because such changes must be recognised in the current period through profit or loss, unless a new standard mandates otherwise.

- □ AASB 117 *Leases* requires operating lease contingent rentals to be recognised as an expense on a straight-line basis over the lease term rather than expensing in the financial year incurred.
- □ AASB 1004 *Contributions* applies to *not-for-profit entities* only. Entities will either continue to apply the current requirements in AASB 1004 where grants are normally recognised on receipt, or alternatively apply the proposals on grants included in ED 125 *Financial Reporting by Local Governments*. IF the ED 125 approach is applied, revenue and/or expense recognition will be delayed until the agency supplies the related goods and services (where grants are in-substance agreements for the provision of goods and services) or until conditions are satisfied.

End of Audited Financial Statements

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