



NEW SOUTH WALES OPTICAL DISPENSERS LICENSING BOARD

ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2006

OPTICAL DISPENSERS LICENSING BOARD

The Hon J Hatzistergos MLC
Minister for Health
Level 33
Governor Macquarie Tower
1 Farrer Place
SYDNEY NSW 2000

Dear Minister

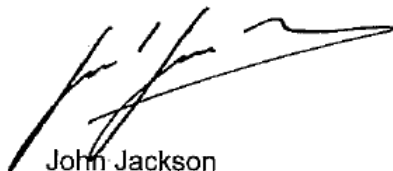
Pursuant to the provisions of the Annual Reports (Statutory Bodies) Act 1984, the Optical Dispensers Licensing Board of New South Wales has pleasure in submitting this, the twentieth Annual Report of the Board, for the period 1 July 2005 to 30 June 2006, for presentation to Parliament.

The Board is pleased to report significant progress during the period under review in the many areas within the scope of its activities. Of particular note is the commencement of the Health Legislation Further Amendment Act 2004 that restricts the sale of plano or novelty contact lenses. The Board looks forward to its ongoing involvement with the development of policy and guidelines to these items.

The President and Members of the Board are grateful for the support of the Board's staff.

In conclusion, I would like to draw your attention to the service of the Board members and thank them for their contribution during the past year.

Yours faithfully



John Jackson
President



David Wilson
Board Member

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1. CHARTER

The Optical Dispensers Licensing Board of New South Wales is constituted pursuant to the Optical Dispensers Act, 1963 (the Act) to exercise the powers, authorities, duties and functions imposed by the Act.

2. AIMS AND OBJECTIVES

The aims and objectives of the Board are:

- to issue, suspend or cancel licences under the Act and to annul any such suspension or cancellation
- to recommend the acceptable training and examination qualifications for the licensing of optical dispensers
- to arrange for the conduct of such course of training and examinations
- to achieve compliance with the Act and Regulations, through appropriate prosecution, disciplinary and other action.

3. ACCESS

The Optical Dispensers Licensing Board may be contacted through its Secretary by mail, telephone, facsimile or email. Its office is located at:

Level 6
477 Pitt Street
SYDNEY 2000

Correspondence should be addressed:

P.O. Box K599
HAYMARKET NSW 1238

Telephone: (02) 9219 0211 Hours of Business: 8.30 am – 4.30pm
Facsimile: (02) 9211 9318 Monday to Friday

E-mail opticalreg@hprb.health.nsw.gov.au
Website www.opticalreg.health.nsw.gov.au

4. MANAGEMENT AND STRUCTURE

4.1 Membership

Membership of the Board is prescribed pursuant to Section 6 and consists of seven members, of whom one is:

an officer of the Department of Health nominated by the Minister for Health;

Ms Rosemary Milkins

an optical dispenser nominated by the Australian Association of Dispensing Opticians (now known as the Australasian Dispensing Opticians Association);

Mr David Wilson

an optical dispenser nominated by the Guild of Dispensing Opticians (Australia) Ltd;

Mr John Jackson (President)

an optical dispenser nominated by the Association of Spectacle Makers Ltd;

Mrs Elizabeth Roberts-Jones

a registered medical practitioner practising as an Ophthalmologist nominated by the NSW Branch of the Australian Medical Association;

Dr Theo Keldoulis (appointed 7 December 2005)

a registered optometrist nominated by the Optometrists Registration Board;

Mr Albert Lee

a person nominated by the Minister for Health;

Mr Bernard Sharpe

The Board was appointed by the Governor for a term of three years on 23 June 2004 for the period 16 May 2004 until 15 May 2007.

4.2 Attendance at Board Meetings

The Board met on 11 occasions on the third Wednesday of each month during the reporting period. The Board did not meet in January 2006.

Name	Attendance
Mr John Jackson	8
Mr Bernard Sharpe	10
Mrs Elizabeth Roberts-Jones	8
Mr David Wilson	8
Mr Albert Lee	11
Ms Rosemary Milkins	9
Dr Theo Keldoulis (appointed 7/12/05)	5

4.3 Secretary/Assistant Secretary

Ms Melanie Faithfull acted as the Secretary throughout the reporting period. She has been assisted by Mrs Fay Murdoch.

4.4 Committees of the Board

Pursuant to s.20(d) of the Act the Board has both a power and duty to give approvals to persons to practise optical dispensing, for specified periods and subject to specified conditions.

The Board has delegated the power to grant *Approvals to Practise, Applications for a Licence and Applications for Restoration to the Register* to a Committee comprising the three (3) optical dispensers on the Board:

Mr John Jackson
Mr David Wilson
Mrs Elizabeth Roberts-Jones

5. SUMMARY REVIEW OF OPERATIONS

5.1 Fees

No fee increases occurred during the reporting period. The fees levied were as follows:

Registration (Licence)	\$90
Restoration	\$90
Renewal of Registration	\$70
Inspection of Register	\$10
Duplicate licence	\$20

Log Books

In order to keep up with the increased costs associated with the Board's logbook, the Board approved an increase in the price from \$6 to \$10 as of 1 January 2006.

5.2 Registration

The Board maintained a Register of Optical Dispensers as required by Section 21 of the Act. The following applications were approved during the reporting period.

Applications

Licences	80
Restorations to the Register	52
s22A(1) Provisional Licence	0
s22B(1) Approval to Practise	114
s22B(1) Renewals of Approval to Practise	125

Deletions

Deceased optical dispensers	0
Unfinancial optical dispensers	83

Change of name	15
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Number of Optical Dispensers licensed as at 30.6.06 1482

Within the 80 licences approved, 71 were granted based upon NSW qualifications (including 2 applicants who successfully completed the proficiency test at TAFE), 1 on interstate qualifications and 8 upon overseas qualifications. There were no applications for licence made under the mutual recognition legislation.

Applications for registration (licences) and approvals to practise under supervision were reviewed prior to each Board meeting by a Sub-Committee of the Board. The applications were then presented to the full Board for its consideration.

The application forms were reviewed during the reporting period and amendments made to the character reference requirements.

5.3 Education and Training

In recognition of the changing competencies for optical dispensers, the Board continues to monitor the standard of courses offered through the Sydney Institute of Technology and the Open Training and Education Network (OTEN). On 20 July 2005 the Board inspected OTEN's optical dispensing programs.

Trainee optical dispensers must gain 800 hours experience under supervision, prior to becoming licensed. In response to an inquiry by an optical dispenser seeking clarification of the requirements for supervision of a trainee, the Board reviewed the Supervision Guidelines and issued the amended version in September 2005.

The Board continued to monitor its policy regarding the granting of Approvals to Practise.

Approvals are granted on a yearly basis, with a requirement to renew all Approvals on or before 31 May each year. Trainee optical dispensers are required to make satisfactory progress in their course(s) of study, by completing a minimum of four (4) modules per year, or satisfying other criteria, which may be determined by the Board.

The Board initiated discussion between the Sydney Institute and OTEN regarding optical dispenser course outcomes. This culminated in a meeting of senior members of the two TAFE institutions and Board members in August 2005 where a decision to develop strategies to address the concerns of the Board was made. The Board monitored the progress of this issue.

5.3.1 Health Technicians Industry Reference Group

Mr John Jackson, President, continued to participate in the Health Technicians Industry Reference Group established to review the Health Training Package. Participation required a commitment for 12 months to attend meetings, undertake reading and review draft documents including national competency standards. The Industry Reference Group met throughout 2006. It is anticipated that the Health Training Package will be finalised by the latter half of 2006.

5.4 Mutual Recognition

The Board approved no application for licence pursuant to the Mutual Recognition Act 1992.

5.5 Compliance

The Board achieves compliance with the Act and Regulations through:

- random inspections throughout NSW by its authorised Inspector, checking compliance, disseminating information and issuing both warning and factual correspondence

- prosecution of persons operating in contravention of the Act
- the investigation of complaints of misconduct, habitual addictions/drunkenness, relevant criminal convictions and subsequent disciplinary proceedings and other actions considered to be inappropriate
- publication of information pamphlets and the posting of information and legislation links on its website.

The Board considered 1 complaint during the reporting period.

The Registrar of the Optometrists Registration Board forwarded advice regarding an anonymous complaint alleging non-qualified people are cutting lenses at certain, nominated businesses, which had been received by the Health Care Complaints Commission (HCCC). The Board took no action taken as the complaint was outside the jurisdiction of the Board. There is no legislative requirement for people cutting lenses to have qualifications.

No prosecutions or disciplinary inquiries were commenced by the Board during the period.

5.6 Overseas Applicants for Licence

To apply for a licence to practise in New South Wales as an optical dispenser, an applicant must provide evidence of a qualification from the country of origin and may be required to undertake a proficiency test and satisfy practical training requirements.

Throughout the reporting period, proficiency tests (theory and practical) were conducted by OTEN and the Sydney Institute of Technology. The Board referred 5 candidates for testing.

Additionally, the Board received applications from eight (8) overseas qualified applicants from the following countries:

Austria	2
Korea	2
United Kingdom	1
Serbia	1
Japan	1
Ireland	1

The Board publishes a brochure advising overseas applicants of the procedures for licence applications, including details concerning proficiency testing.

5.7 Promotion of the Board's Activities

The Board issues Newsletters periodically to registrants to inform them of changes to the Act and Regulations and other matters of importance to optical dispensers.

These Newsletters are accessible on the Board's website. There are also links to other sites such as the Health Care Complaints Commission and the Department of Health. The website address is www.opticalreg.health.nsw.gov.au.

The Optical Dispensers Licensing Board attends the annual graduation ceremony for optical dispensing students graduating from OTEN and the Sydney Institute each year. At the 25th graduation ceremony held on 7 April 2006 Mr Jackson formally accepted an award recognising his contribution to the optical dispensing profession during the last 25 years.

5.8 Publications

The Board publishes the following documents:

- A Summary of the Optical Dispensers Act 1963
- Requirements for Licence
- Requirements for Licence – Overseas Applicants
- Optical Dispensing Log Book

The first three of these documents are also posted on the Board's website. The Summary and Overseas Applicants were reviewed and amended in September 2005.

In March 2006 the Board reviewed the Code of Conduct.

5.9 Records of Optical Dispensers speaking a Community Language

During the period the Board resolved to commence recording particulars of registrants who speak a non-English language in its register of licences.

Applications for registration now include a questionnaire regarding second language skills and this practice will continue into the next period.

Such records create better access to the health system for ethnic groups and the Board welcomes enquiries by consumers of health services.

5.10 Overseas Travel

No overseas travel has been undertaken on behalf of the Board during the reporting period.

5.11 Legal Change

The Board considered the obligations an optical dispenser may have in relation to mandatory reporting requirements of children at risk of harm under section 27 of the *Children and Young Person's (Care and Protection Act) 1998*. Legal advice provided to the Board on this matter indicated that since optical dispensers' clients include children and the functions of optical dispensers constitute healthcare, optical dispensers fall within the definition of "mandatory reporter" for the purposes of this Act.

Further to this requirement, the Board has sought to have training in relation to mandatory reporting incorporated in to the national competencies for optical dispensers in the Certificate IV course for optical dispensing.

5.12 Coloured Contact Lenses – Restriction of sale

The *Health Legislation Further Amendment Act 2004* was passed by the New South Wales Parliament on 30 November 2004 and commenced on the 1 January 2005.

The passing of this legislation by the Parliament amends the *Optical Dispensers Act 1963* and restricts the sale of plano or novelty contact lenses to licensed optical dispensers and optometrists. The legislation also requires that purchasers of novelty contact lenses be provided with information in relation to the use and care of the lenses.

NSW Health formed a working party to develop policy and guidelines in relation to the formulation of consumer information relating to sale of plano or novelty contact lenses. The Group met in November 2005 and produced a Policy and Client Information sheet, which was approved by the Optometrists Registration Board and the Optical Dispensing Licensing Board in April 2006.

Copies of these documents are to be distributed to all licensed optical dispensers and will be available on the Board's website.

During the reporting period the Board has investigated ten (10) complaints regarding the sale of plano or novelty contact lenses.

A number of these involved Internet websites. In September 2005 the Board issued an information sheet on the restriction of sale of plano or novelty contact lenses to assist it in ongoing monitoring of compliance in this area.

5.13 Consultancies

The Board did not engage any consultants during the reporting year.

5.14 Freedom of Information Act, 1989

No FOI requests were made in the reporting period.

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 (HPRB) created by the following legislation:

- Chiropractors Act 2001
- Dental Technicians Registration Act 1975
- Nurses and Midwives Act 1991
- Optical Dispensers Act 1963
- Optometrists Act 2002
- Osteopaths Act 2001
- Physiotherapists Act 2001
- Podiatrists Act 2003
- Psychologists Act 2001

Under the provisions of their respective Acts, the Boards are established as the statutory bodies to deal with professional issues in New South Wales. The principle functions of the Boards include the determination of 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 with salaries and associated on-costs paid by the Health Administration Corporation. From 17 March 2006, the staff of the HPRB were transferred to the Government Service and are listed in Chapter 1A of the Public Sector Management Act 2002.

In accordance with legislation, the Health Administration Corporation paid the Boards' accounts from fees received and transmitted to the Corporation. Future expenditure for

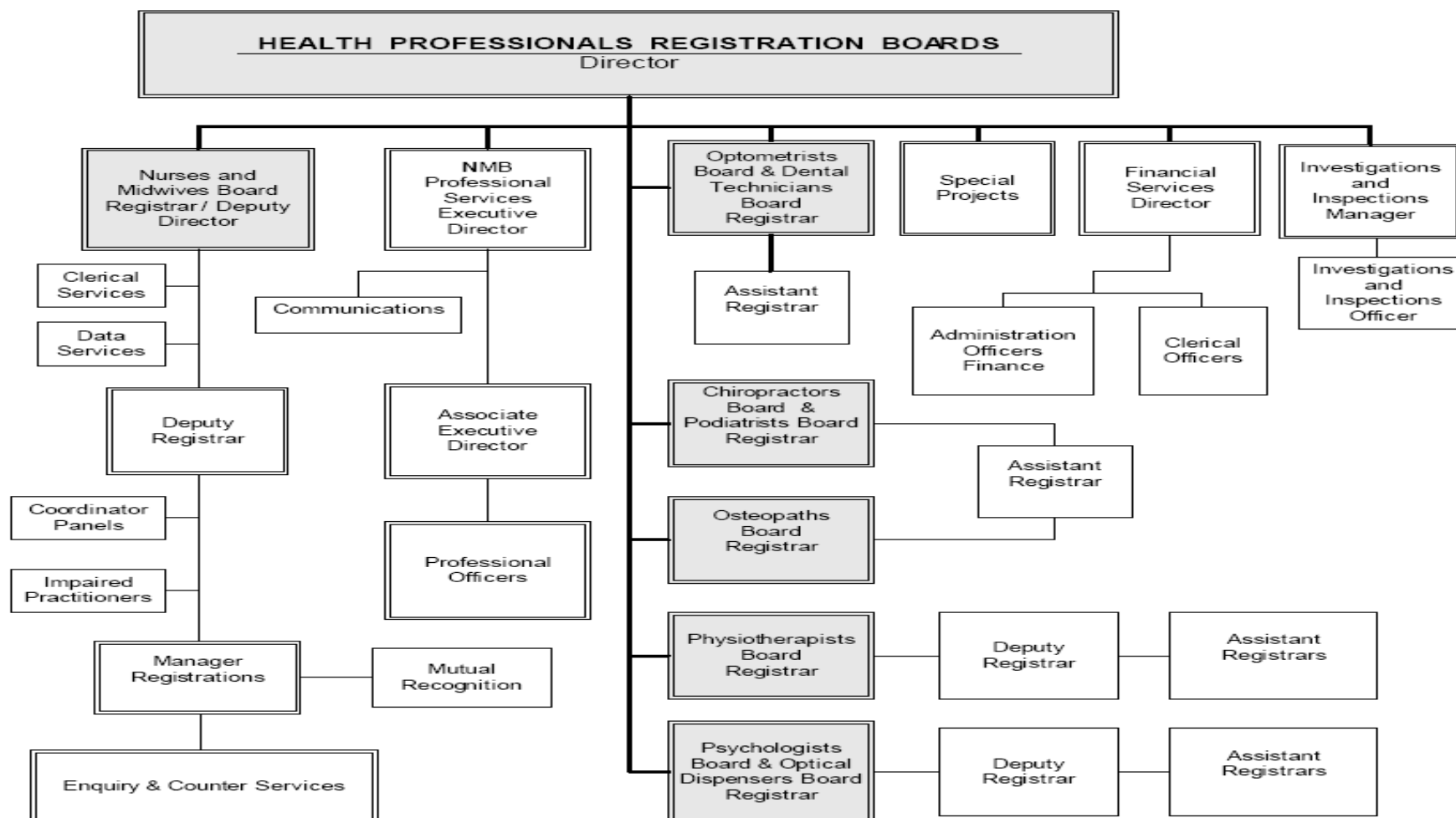
disciplinary costs, litigation and, where required, the election of Board members, has been taken into account within the Boards' accumulated funds.

The total administrative expenditure for all of the Boards during 2005/2006 was \$8,675,704. In the previous year 2004/2005 the total cost was \$7,443,721.

Staff of the Health Professionals Registration Boards filled the equivalent of 57 full-time positions. For the previous 2 years, staff establishment levels were equivalent to 55 and 53 full-time positions respectively.

As employees of the Corporation, HPRB staff operate within and benefit from the personnel policies of the Department of Health, including occupational practices. The Boards are managed for the Corporation by Mr J Tzannes, Director, and Mr R Dwyer, Deputy Director.

6.2 Organisational Chart



6.3 NSW Department of Health – Code of Conduct

Employees of the Boards comply with the Department of Health Code of Conduct, which provides direction in relation to standards of conduct and prevention of corruption, maladministration and waste. The Code, which was reviewed and re-issued in October 2005, is accessible to all HPRB employees via the Department of Health website (www.health.nsw.gov.au).

Staff Training

In keeping with the principles relating to professional standards that are set out in the Code of Conduct, the HPRB provided staff with the opportunity to enhance their skills, knowledge and competence through training courses. During the year, a total of 31 employees attended training at 28 different courses. In summary, approximately 62% of HPRB staff received additional training at a cost of approximately \$284 per staff member.

6.4 Ethnic Affairs Priorities Statement (EAPS)

The nine boards administered by the Health Professionals Registration Boards (HPRB), on behalf of the Health Administration Corporation, implement the principles of multiculturalism through two key ethnic affairs strategies and a number of initiatives. Under the provisions of the legislation that established the Boards, the primary responsibility of the boards is protection of the safety of the NSW public by granting registration to appropriately experienced and qualified persons of good standing. Thus, the key strategies for the Boards are:

- To promote the recognition and registration of overseas trained health professionals as provided for in the legislation, and
- To assist overseas trained applicants with the Board's registration and documentation requirements through the provision of information, interpreters and translation services, as appropriate.

The Boards jointly maintain initiatives developed to assist people from both culturally and linguistically diverse backgrounds, who make contact with the Board. These initiatives include:

- Promoting the recognition and registration of overseas trained health professionals,
- Assisting overseas trained applicants to register in NSW,
- Maintaining a range of bilingual health professionals/ staff employed by the HPRB,
- Ensuring ethnic media is used for community information circulated by the Board,

- Ensuring that the Board receives advice on matters within its jurisdiction relating to people of culturally diverse backgrounds,
- Promoting a culturally diverse workforce,
- Ensuring that the Board is aware of the Government's commitment to implementing the principles of multiculturalism.

During the year these key strategies and initiatives have continued to assist the Board's multicultural clients to access the services provided by it. The ongoing relevance and appropriateness of the strategies and supporting initiatives are considered as legislative and policy changes affecting the Board's operations occur.

Overseas Training and Recognition of Qualifications.

To apply for a licence to practise in New South Wales as an optical dispenser, an applicant must provide evidence of qualification from the country of origin and may be required to undertake a proficiency test and satisfy practical training requirements. The Board pays for interpreter services as required.

Throughout the reporting period, proficiency tests (theory and practical) were conducted by OTEN and the Sydney Institute of Technology.

Interpreter and Translation Services

During the year Board clients, who made contact either by telephone, mail, electronic media or in person, were able to access professional interpreters and translation services as required. In addition, HPRB staff members were available to provide assistance in the following languages:

Arabic Bangladeshi Filipino (Tagalog) French German Greek	Polish Romanian Russian Spanish Turkish Ukrainian
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Languages

The Board maintains statistical data from its annual registration renewal surveys on the languages and number of registrants per language spoken by its registrants. The following table records a total of 85 registrants speak a language other than English.

	2	4	1	1	8	4	1	2	1	2	1	1	9	4	2	1	2	2	1	8	5	1	3	
AFRIKAANS																								
ARABIC																								
ASSYRIAN																								
CANODIAN																								
CANTONESE																								
CHINESE																								
CROATIAN																								
CZECH																								
DUTCH																								
FARSI																								
FLIPINO																								
FRENCH																								
GERMAN																								
GREEK																								
HINDI																								
INDESIAN																								
ITALIAN																								
JAPANESE																								
KHMER																								
KOREAN																								
MANDARIN																								
MARATHI																								
PERSIAN																								
POLISH	1																							
ROMANIAN		1																						
RUSSIAN			1																					
SERBIAN				1																				
SLOVAK					1																			
SPANISH						5																		
SWEDISH							1																	
TAGALOG								3																
TELUGU									1															
TURKISH										1														
VIETNAMESE											5													
TOTAL																								

6.5 NSW Government Action Plan for Women

Through its Action Plan for Women, the NSW Government has sought to ensure that the principles of equality of access and rights of participation for women are central to the core business of all government agencies. The key objectives of the Action Plan are to eliminate violence against women, to improve the health and quality of life of women and to provide a responsive environment that enables women to participate fully in the economic, social and educational life of society.

One of the ways in which the Government has sought to advance the involvement of women is through its initiative of progressively increasing the number of women members on statutory boards and bodies to 50% board representation. In relation to the HPRB, nominations to boards are made by the Minister and nominating bodies or other mechanisms stipulated by the relevant legislation. Where vacancies occur or when membership nominations are requested for a new board, nominating bodies are advised of the Government's policy regarding female representation. As at 30 June 2006, the Optical Dispenser Board currently has 7 members with 2 female members.

With regard to access to the profession for women, the Board and HPRB are not responsible for influencing the participation levels of women. However, the Board's registration records provide an indication of the number of female registrants at the end of the financial year. At the time of reporting, the register records a total of 781 female registrants, being 53% of the total registrants, as compared to 749 female registrants representing 53% for the previous year. It should be noted that these figures

vary during the course of the year as the status of registrants alters within the renewal periods.

6.6 Waste Reduction and Purchasing Policy

The Waste Reduction and Purchasing Policy (WRAPP) introduced by the NSW Government requires all government agencies to implement plans to reduce waste and increase the purchase of recycled content materials. Agencies must also provide advice in their Annual Reports on the progress and achievements of these WRAPP plans.

With regard to its WRAPP plan activities, during the year the HPRB maintained the strategies that were developed to achieve improvements in waste reduction, volumes for recycling of paper products, consumables and office equipment and an increased ratio of consumables containing recycled content.

The following waste avoidance strategies continued to operate during 2005-2006:

- Use of email to communicate within HPRB, with Board members, other personnel and clients, where appropriate;
- Use of recycled paper as message pads and for note taking, extending the life of the material prior to recycling;
- Use of double sided printing where possible;
- Allocation of paper recycling containers at all workstations to divert paper from waste bins and landfill;
- Referral of clients to Board websites as the preferred alternative to supplying hard copy information packages;
- Direction of defunct office equipment for recycling.
- Re-use in-house of components and parts to maintain or extend the life span of current equipment, where possible.

Having relocated to new office premises in the previous reporting period, the HPRB has consolidated its waste management and recycling arrangements throughout the year. This has in part been through liaison with the building's management and involvement in schemes to divert cardboard and recyclable packaging material as well as certain types of beverage containers from the waste stream. The HPRB anticipates participation with other initiatives being developed for the building tenants, which aim to achieve an 80% recycling target for waste from the building.

In summary, for the 2005-2006 financial year, the HPRB:

- Purchased all A4 copy paper with 50% recycled content;
- Recycled more than 90% of its total waste paper;
- Directed 100% of cardboard and packaging materials for recycling;

- Provided “wheelie” bins throughout the office for recycled paper that could not be re-used within the office;
- Maintained desk-side recycling bins at all work-stations to promote active recycling;
- Diverted 90% of toner cartridges to a recycling service.

Over the past year, higher activity levels for the Boards and their associated Committees coupled with an increase in the number of training courses presented by the Boards has resulted in greater quantities of paper and toner cartridges being purchased and subsequently recycled. While it is anticipated that this trend will continue for the coming year, it is also expected that there will be some reduction in the activity rates.

7. FINANCE and BUDGET

7.1 FORMAT

The accounts of the Board's Administrative operations as well as Education & Research activities are contained in the independent audit report as set out in the annual report.

7.2 PERFORMANCE

The accounts in respect of the Board's administrative operating expenditure for the year show \$92,770. This is less than the budgeted operating expenditure of \$116,318 as contained in last year's annual report.

7.3 BUDGET

The Budget in respect of the administrative operation for the period 1 July 2006 to 30 June 2007 is as follows:

	\$
INCOME	
Fees	113,658
Interest	<u>31,255</u>
Total	<u>144,913</u>
 EXPENDITURE	
Salaries & Associated Staff Costs	64,988
Building Expenses	7,487
Subsistence & Transport	1,870
Members Fees	9,895
Fees for Service	65,406
Post & Communications	4,803
Printing & Stationery	14,028
Plant & Equipment	264
Education & Research	0
Miscellaneous	3,727
Depreciation	<u>2,581</u>
Total	<u>175,049</u>
 Operations Deficit	<u>(30,136)</u>

7.4 EXPENSES

The 2006/2007 year's budget includes salary oncost charges which reflect deferred liability provisions for superannuation.

7.5 PAYMENTS PERFORMANCE

A selected sample for each quarter of the year provided the following information in respect of the Board's administration operations:

Quarter	Accounts paid on time		Less Than 30 days overdue (%)	Between 30 to 60 days overdue (%)	More than 90 days overdue (%)
	Target %	Actual %			
September	100.00	60.34	37.55	2.12	0.00
December	100.00	48.45	42.52	8.93	0.00
March	100.00	79.26	12.86	7.37	0.00
June	100.00	31.23	67.80	0.97	0.00

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 5.04%p.a. on its daily bank balances. In addition an average rate of interest of 5.51%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 80 copies of the Annual Report at an approximate cost of \$3.13 per copy (includes GST).



GPO BOX 12
Sydney NSW 2001

INDEPENDENT AUDIT REPORT
OPTICAL DISPENSERS LICENSING BOARD

To Members of the New South Wales Parliament

Audit Opinion

In my opinion, the financial report of the Optical Dispensers Licensing Board (the Board):

- presents fairly the Board's financial position as at 30 June 2006 and its performance for the year ended on that date, in accordance with Accounting Standards and other mandatory financial reporting requirements in Australia, and
- complies with section 41B of the *Public Finance and Audit Act 1983* (the Act) and the *Public Finance and Audit Regulation 2005*.

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

Scope

The Financial Report and Board's Responsibility

The financial report comprises the balance sheet, income statement, statement of changes in equity, cash flow statement and accompanying notes to the financial statements for the Board, for the year ended 30 June 2006.

The members of the Board are responsible for the preparation and true and fair presentation of the financial report in accordance with the Act. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit Approach

I conducted an independent audit in order 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 Standards and statutory requirements, and I:

- assessed the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the Board in preparing the financial report, and
- examined a sample of evidence that supports the amounts and 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 Board members had not fulfilled their reporting obligations.

My opinion does *not* provide assurance:

- about the future viability of the 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.



M P Abood, CPA
Director, Financial Audit Services

SYDNEY
17 November 2006

OPTICAL DISPENSERS LICENSING BOARD

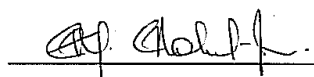
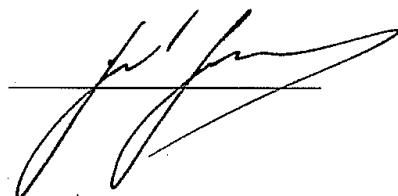
YEAR ENDED 30 JUNE 2006

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 Optical Dispensers Licensing 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 Optical Dispensers Licensing Board as at 30 June 2006 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 Interpretations, the Public Finance and Audit Act, 1983, the Public Finance and Audit (General) Regulation, 2005, 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.



OPTICAL DISPENSERS LICENSING BOARD

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2006

	Notes	2006 \$	2005 \$
Revenue			
Registration Fees		113,658	102,128
Interest	2	31,255	28,005
Total Revenue		144,913	130,133
Expenses			
Operating Expenses	10(a)&(b)	92,770	102,701
Total Expenses		92,770	102,701
Profit/(loss) for the year		52,143	27,432

The Income Statement should be read in conjunction with the accompanying notes.

OPTICAL DISPENSERS LICENSING BOARD

BALANCE SHEET

	Notes	2006 \$	2005 \$
Current Assets			
Cash and Cash Equivalents	3	640,313	589,068
Receivables	4	2,751	3,974
Total Current Assets		643,064	593,042
Non Current Assets			
Furniture and Fittings	5(a)	10,577	12,676
Plant and Equipment	5(a)	412	615
Total Non Current Assets		10,989	13,291
Total Assets		654,053	606,333
Current Liabilities			
Payables	6	6,600	6,729
Fees in Advance		94,222	98,183
Provision for Personnel Services	5(b)	7,196	7,529
Total Current Liabilities		108,018	112,441
Total Liabilities		108,018	112,441
Net Assets		546,035	493,892
Equity			
Accumulated Funds	7	546,035	493,892

The Balance Sheet should be read in conjunction with the accompanying notes.

OPTICAL DISPENSERS LICENSING BOARD

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2006

	Notes	2006 \$	2005 \$
Total Income and Expense Recognised Directly in Equity		-	-
Profit/(Loss) for the year		52,143	27,432
Total Income and Expense Recognised for the Year		52,143	27,432

The Statement of Changes in Equity should be read in conjunction with the accompanying notes.

OPTICAL DISPENSERS LICENSING BOARD

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2006

	Notes	2006 \$	2005 \$
Cash flows from operating activities			
Receipts			
Fees and other income		110,213	106,864
Interest received		31,961	25,945
Payments			
Operating Expenses		(90,697)	(104,171)
Net cash flows from operating activities	8	51,477	28,638
Cash flows from investing activities			
Payments for plant and equipment		(232)	(14,121)
Proceeds from sales of plant and equipment		-	-
Net Cash Flows from investing activities		(232)	(14,121)
Net increase/(decrease) in cash held		51,245	14,517
Cash and cash equivalents at the beginning of the financial year		589,068	574,551
Cash and cash equivalents at the end of the financial year	3	640,313	589,068

The Cash Flow Statement should be read in conjunction with the accompanying notes.

OPTICAL DISPENSERS LICENSING BOARD

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

1. ACCOUNTING POLICIES

a. Reporting Entity

The Optical Dispensers Licensing Board as a reporting entity performs the duties and functions contained in the *Optical Dispensers Licensing Act 1963*. The Board's financial affairs are administered by the Health Administration Corporation. These financial statements have been authorised for issue by the Board on 15 November 2006.

b. Basis of Preparation

The financial report is a general purpose financial report which has been prepared in accordance with applicable Australian Accounting Standards (which include Australian equivalents to International Financial Reporting Standards (AEIFRS)), and the requirements of the Public Finance and Audit Act and Regulation and the Treasurer's Directions. Plant and equipment, assets held for sale and financial assets held for trading and available for sale are measured at fair value. Other financial statement items are prepared in accordance with the historical cost convention.

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

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

c. Statement of Compliance

The Board's financial report complies with Australian Accounting Standards, which include the Australian equivalents to International Financial Standards (AEIFRS). This is the first financial report prepared based on AEIFRS and comparatives for the year ended 30 June 2005 have been restated accordingly, except as stated below.

In accordance with AASB 1 First-time Adoption of Australian Equivalents to International Financial Reporting Standards and Treasury Mandates, the date of transition to AASB 132 Financial Instruments: Disclosure and Presentation and AASB 139 Financial Instruments: Recognition and Measurement was deferred to 1 July 2005. As a result, comparative information for these two Standards is presented under the previous Australian Accounting Standards which applied to the year ended 30 June 2005. The basis used to prepare the 2004/05 comparative information for financial instruments under previous Australian Accounting Standards is discussed in Note 1d below.

Reconciliations of AEIFRS equity and surplus or deficit for 30 June 2005 to the balances reported in the previous AGAAP 2004/2005 financial report are detailed in Note 17.

OPTICAL DISPENSERS LICENSING BOARD

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

d. Financial Instruments Accounting Policy

Cash and cash equivalents are measured at fair value with interest revenue accrued as earned such that the fair value is reflected at no less than the amount payable on demand. Receivables are not quoted in an active market and are measured at fair value. This accounting treatment is identical to AGAAP which was the basis of preparation figures for 2004/05.

e. Capitalisation Thresholds

Non-current assets costing over \$5000 are capitalised.

f. Income Recognition

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

Registration Fees are progressively recognised as revenue by the Board as the annual registration period elapses.

Interest revenue is recognised as it is accrued, taking into account the effective yield on the financial asset.

g. Goods and Services Tax

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

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

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

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

h. Insurance

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

OPTICAL DISPENSERS LICENSING BOARD

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

i. Acquisitions of Assets

The cost method of accounting is used for the initial recording of all acquisitions of assets controlled by the Optical Dispensers Licensing Board. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of other Australian Accounting Standards.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and revenues at their fair value at the date of acquisition.

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

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

j. Impairment of Property, Plant and Equipment

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

k. Maintenance

The costs of 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.

l. 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 Board 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.

OPTICAL DISPENSERS LICENSING BOARD

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

m. Payables

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

n. Depreciation

Depreciation is provided for on a straight line basis for all depreciable assets so as to write off the depreciable amounts of each asset as it is consumed over its useful life to the Board.

Depreciation rates used are as follows:

Equipment 25%
Furniture and Fittings 16%

o. Accounting standards issued but not yet operative

At the reporting date, a number of Accounting Standards adopted by the AASB had been issued but are not yet operative and have not been early adopted by the Board. The following is a list of these standards:

- AASB 7 – Financial Instruments: Disclosure (issued August 2005)
- AASB 119 – Employee Benefits (issued December 2004)
- AASB 2004-3 – Amendments to Australian Accounting Standards (issued December 2004)
- AASB 2005-1 – Amendments to Australian Accounting Standards (issued May 2005)
- AASB 2005-5 – Amendments to Australian Accounting Standards (issued June 2005)
- AASB 2005-9 – Amendments to Australian Accounting Standards (issued September 2005)
- AASB 2005-10 – Amendments to Australian Accounting Standards (issued September 2005)
- AASB 2006-1 – Amendments to Australian Accounting Standards (issued January 2006)

The initial application of these standards will have no impact on the financial results of the Board. The Standards are operative for annual reporting periods beginning on or after 1 January 2006.

OPTICAL DISPENSERS LICENSING BOARD

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

2. INTEREST

	2006 \$	2005 \$
Interest Income	31,255	28,005

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 of all Health Professional Boards. 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 5.04% p.a. (4.83% p.a. in 2004/2005).

3. CASH AND CASH EQUIVALENTS

	2006 \$	2005 \$
Cash at Bank	90,313	289,068
Negotiable Certificates of Deposit	550,000	300,000
Total	640,313	589,068

4. RECEIVABLES

	2006 \$	2005 \$
Interest receivable	2,751	3,457
GST Entitlement	-	517
	2,751	3,974

5. (a) Furniture and Fittings

Plant and Equipment

Plant and equipment is not owned individually by the Board. The amount recognised in the financial report has been calculated based on the benefits derived by the Board.

(b) Provision for Personnel Services

Relates to the Annual Leave Provision.

OPTICAL DISPENSERS LICENSING BOARD

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

6. PAYABLES

	2006 \$	2005 \$
Salaries and Oncosts	4,251	5,021
General Purchases	2,349	1,708
Total	6,600	6,729

7. ACCUMULATED FUNDS

	2006 \$	2005 \$
Total accumulated funds at the beginning of the year	493,892	466,460
Profit/(Loss) for the year	52,143	27,432
Total accumulated funds at the end of the year	546,035	493,892

8. NOTES TO THE CASH FLOW STATEMENT

8.1 Reconciliation of profit/(Loss) for the year to cash flows from operating activities.

	2006 \$	2005 \$
Profit/(Loss) for the year	52,143	27,432
Depreciation	2,534	1,623
(Increase)/Decrease in receivables	1,224	(2,577)
(Decrease)/increase in Provision for Personnel Services	(335)	1,215
(Decrease)/Increase in payables	(128)	(4,307)
Increase/(decrease) in fees in advance	(3,961)	5,252
Net cash provided by/(used in) operating activities	51,477	28,638

8.2 For the purposes of the Cash Flow Statement, cash and cash equivalents include cash in the Bank and investments in Negotiable Certificates of Deposit with the Commonwealth Bank.

OPTICAL DISPENSERS LICENSING BOARD

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

9. EXPENDITURE MANAGED THROUGH THE HEALTH ADMINISTRATION CORPORATION

The Board's accounts are managed by the Health Administration Corporation. The Health Administration Corporation has determined the allocation of costs to the Board and the basis of allocation. The costs may not include all costs associated with running the Board.

Salaries and associated oncosts are paid by the Health Administration Corporation. As from 17th March 2006 the staff were transferred to the Government Service and are listed in Chapter 1A of the Public Sector Management Act 2002. The Health Administration Corporation continues to pay for the staff and associated oncosts.

Details of transactions accounted for through the Health Administration Corporation are detailed in Note 10.

10. EXPENDITURE ACCOUNTED FOR THROUGH THE HEALTH ADMINISTRATION CORPORATION

	2006 \$	2005 \$
Operating Expenses		
(a) Personnel Services		
Salaries & Associated Staff Costs	56,085	63,477
(b) General Expenses		
Building Expenses	9,454	6,155
Subsistence & Transport	1,819	1,474
Members Fees	9,625	16,533
Fees for Service	3,789	3,527
Post & Communications	4,672	3,085
Printing & Stationery	1,973	3,302
Plant & Equipment	257	1,230
Miscellaneous	3,626	2,519
Audit Fees (allocation)	1,470	1,399
Total General Expenses	36,685	39,224
Total Operating Expenses	92,770	102,701

OPTICAL DISPENSERS LICENSING BOARD

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

11. FINANCIAL INSTRUMENTS

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

In accordance with Australian Accounting Standard AAS33, information is disclosed regarding interest rate 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.

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

	2006	2005
	\$	\$
Cash at floating interest rates	90,313	289,068
Negotiable Certificates of Deposit at fixed rates	550,000	300,000
Receivables at non-interest bearing	2,751	3,974
Payables at non interest bearing	6,600	6,729

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

12. CONSULTANCY CHARGES

The Health Administration Corporation arranges for consultancy services on behalf of the boards it administers. During 2005/2006 consultancy costs was nil (\$2,467 2004/2005).

13. SUBSEQUENT EVENTS

None to report.

14. CONTINGENT LIABILITIES

None to report.

OPTICAL DISPENSERS LICENSING BOARD

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

15. COMMITMENTS

Rental Charges	\$ 2006	\$ 2005
Less than 1 year	7,798	6,614
Between 1 and 5 years	27,754	26,051
Later than 5 years	-	-
Total	<u>35,552</u>	<u>32,665</u>

The total commitments for 2005-06 include input tax credits of \$3,232 (\$2,970 in 2004-05).

16. BANK ACCOUNTS

The Board operates one bank account:

	\$ 2006	\$ 2005
Operating Account*	90,313	289,068
	<u>90,313</u>	<u>289,068</u>

* managed by the Health Administration Corporation on the Board's behalf

17. IMPACT OF ADOPTING AUSTRALIAN EQUIVALENTS TO IFRS

The Optical Dispensers Licensing Board has applied the Australian Equivalents to International Financial Reporting Standards (AIEFRS) from 2005/2006.

The Optical Dispensers Licensing Board has determined the key area where changes in accounting policies impact the financial report. Some of these impacts arise because AIEFRS requirements are different from previous AASB requirements (AGAAP). Other impacts arise from options in AIEFRS. To ensure consistency at the whole of government level, NSW Treasury has advised agencies of options it has mandated for the NSW Public Sector. The impacts disclosed below reflect Treasury's mandates and policy decisions.

The impacts of adopting AIEFRS on total equity and surplus/(deficit) as reported under previous AGAAP are shown below. There are no material impacts on the Board's cash flows.

OPTICAL DISPENSERS LICENSING BOARD

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

Reconciliation of equity under previous Standards (AGAAP) to equity under AEIFRS

	\$ 30 June 05	\$ 1 July 04
Total equity under AGAAP	493,892	466,460
Total Equity under AEIFRS	493,892	466,460

Reconciliation of surplus/(deficit) under previous standards (AGAAP) to profit/(loss) under AEIFRS:

Year ended 30 June 2005

	\$
Surplus/(deficit) under AGAAP	27,432
Profit/(loss) under AEIFRS	27,432

End of Audited Financial Statements

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