



NEW SOUTH WALES OPTICAL DISPENSERS LICENSING BOARD

ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2004

OPTICAL DISPENSERS LICENSING BOARD

The Hon M. Iemma MP
Minister for Health
Level 33
Governor Macquarie Tower
1 Farrer Place
SYDNEY NSW 2000

Dear Mr Iemma,

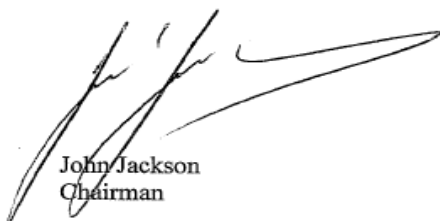
Pursuant to the provisions of the Annual Reports (Statutory Bodies) Act 1984, the Optical Dispensers Licensing Board of New South Wales has pleasure in submitting this, the eighteenth Annual Report of the Board, for the period 1 July 2003 to 30 June 2004, for presentation to Parliament.

The Board is pleased to report significant progress during the period under review in the many areas within the scope of its activities in particular changes to renewals of Approvals to Practise which are based on the successful completion of a minimum of four (4) modules (subjects) per year. This improvement ensures that students make satisfactory progress throughout their course of study.

The President and Members of the Board are grateful for the contribution made by 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 co-operation during this past year.

Yours faithfully,



John Jackson
Chairman

12-10-04



David Wilson
Board Member

12/10/04

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ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2004

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

- 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 2
28-36 Foveaux Street
SURRY HILLS 2010

Correspondence should be addressed:

P.O. Box K599
HAYMARKET NSW 1238

Telephone: (02) 9219 0211
Facsimile: (02) 9281 2030

Hours of Business: 8.30 am – 4.30pm
Monday to Friday

E-mail opticalreg@doh.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;

Mr David Wilson

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

Mr John Jackson (Chairman)

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

Mrs Elizabeth Roberts-Jones (from October 2003)

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

Dr Frances Booth

- a registered optometrist nominated by the Board of Optometrical Registration;

Ms Malinda Halley (resigned May 2004)

- 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 16 May 2001 until the 15 May 2004

4.2 Attendance at Board Meetings

The Board met on 9 occasions on the third Wednesday of each month during the reporting period. No meetings were held in January, May and June 2004.

The term of appointment of the Board expired on the 15 May 2004. No Board meetings took place in May and June 2004 as the Board was awaiting re-appointment by the Governor.

Name	Attendance
Mr John Jackson	8
Mr Bernard Sharpe	8
Mrs Elizabeth Roberts-Jones (commenced October 2003)	5
Mr David Wilson	8
Ms Malinda Halley (resigned May 2004)	2
Ms Rosemary Milkins	4
Dr Frances Booth	5

4.3 Secretary/Assistant Secretary

Ms Mary Shanahan was the Secretary throughout the reporting period. She has been assisted by Ms 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

5.2 Registration

The Board maintained a Register of Optical Dispensers as required by Section 21 of the Act.

Number of Licences approved	61
Mutual Recognition Applications	2
Restorations	33
Deceased optical dispensers	0
Unfinancial optical dispensers	84

Number of Optical Dispensers as at 30.6.04	1402
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Within the 61 licence approvals, 53 were granted based upon NSW qualifications, 3 on interstate qualifications and 5 were based upon overseas qualifications.

The Board also approved the following:

Section 22A(1) Provisional Licence	0
Section 22B(1) Approval to Practise	129
Section 22B(1) Renewals- Approval to Practise	12

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.

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).

Trainee optical dispensers must gain 800 hours experience under supervision, prior to becoming licensed.

The Board has revised its policy regarding the granting of Approvals to Practise to:

- reduce the standard period of approval from 3 years to one year, with a requirement to renew all Approvals on or before 31 May each year, and
- require trainee optical dispensers 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.

5.4 Mutual Recognition

The Board approved 2 applications for licences 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 received three complaints in the reporting period.

One matter was referred to a patient support officer with the Health Care Complaints Commission for conciliation, one matter resulted in a random inspection in a regional area of NSW and one matter is still ongoing. No other matters were referred to the Commission in the reporting period.

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

5.6 Overseas Applicants for Licence

The Board has continued to utilise the facilities of the Sydney Institute of Technology in relation to proficiency testing of overseas qualified optical dispensers. The Board referred 10 applicants to the Institute for a proficiency test.

During the reporting period, the Board updated its policy concerning the provision of interpreters during proficiency testing. The Board will organise and pay for the use of an interpreter to assist the applicant during the proficiency test.

Additionally, the Board received applications from fifteen (15) overseas qualified applicants from the following countries:

South Africa	2
Germany	1
United Kingdom	1
Sweden	1
Austria	1

China	1
Netherlands	1
Philippines	2
South Korea	4
Yugoslavia	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 has continued to issue information bulletins periodically to registrants to inform them of changes to the Act and Regulations and other matters of importance to optical dispensers.

These information bulletins are also 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 each year. The function for 2003-2004 arranged by the Guild of Dispensing Opticians, was held in April 2004.

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

These documents are also posted on the Board's website.

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

No other legislation, subordinate legislation or judicial decisions have impacted on the Board in the reporting period.

5.12 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 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:

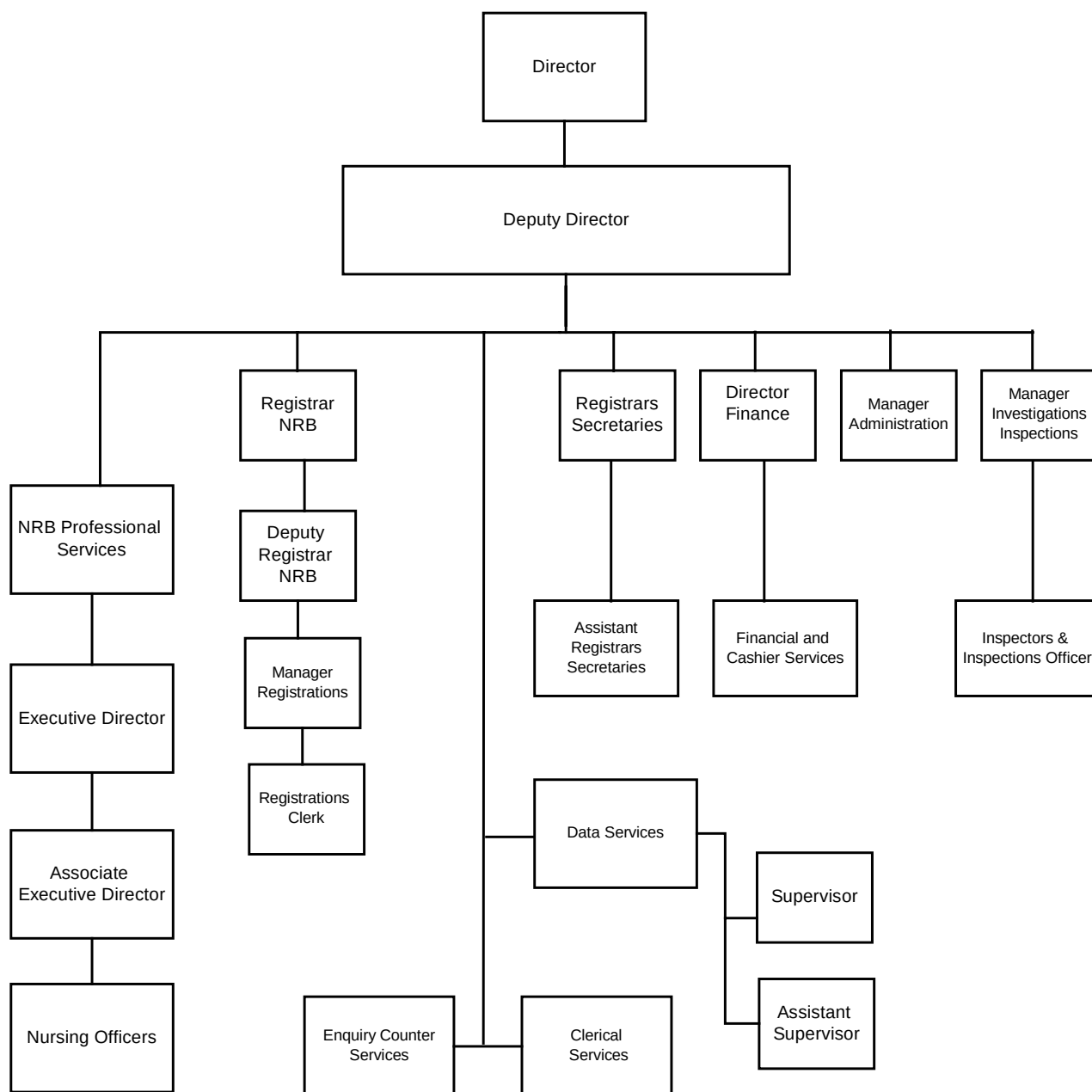
- (i) personnel policies
- (ii) industrial relations policies/procedures
- (iii) occupational health and safety including details of work related injuries

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 Organisational Chart

Health Professionals Registration Boards



6.3 NSW Department of Health – Code of Conduct

The Board's staff adheres to the Department of Health Code of Conduct which remains unchanged from previous reporting periods.

6.4 Ethnic Affairs Priorities Statement

The Optical Dispensers Licensing 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

To apply for a licence to practise in New South Wales as an optical dispenser, an applicant must provide evidence of qualification from 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.

The proficiency tests (theory and practical) are conducted by the Sydney Institute of Technology twice yearly or as required.

Interpreter and Translation Services

Professional interpreters and translation services are made available on an as required basis. HPRB staff are also able to provide assistance in the following languages:

Arabic, French, German, Greek, Filipino (Tagalog), Romanian, Russian, Singhalese, Spanish, Turkish, Cantonese, Hokkien, Hindi and Punjabi.

The Board has recorded 56 registrants as speaking languages other than English. The languages (and number of registrants per language) are set out in the following table.

Key Strategies

Within the legislative framework pathways for the registration of overseas trained professionals were applied.

- (i) promote the recognition and registration of overseas trained health professionals as provided for in legislation
- (ii) assist overseas trained applicants through the provision of information, interpreters and translation services, as required, to register.

The focus is on women with the least access to social and economic resources. The key objectives are to eradicate violence against

women, to improve the health and quality of life of women and to provide the responsive environment for women to participate fully in the economic social and educational life of our society.

The Government is committed to ensuring that membership of Boards reflects the broader community and that in filling current vacancies consideration is given, inter-alia, to the nomination of female representatives. It is the Government's intention to progressively increase the number of women on Boards to 50% of Board representation. It is 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. As at 30 June 2004 of the seven (7) members, three (3) are female.

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.

For the reporting year 2003-2004 the number of female registrants was 726 (51.8% of total registrants) as compared with 710 (51.4% 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 and 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 \$85,914. This is less than the budgeted operating expenditure of \$103,883 as contained in last year's annual report.

7.3 BUDGET

The Budget in respect of the administrative operation for the period 1 July 2003 to 30 June 2004 is as follows:-

	\$
INCOME	
Fees	101,882
Interest	25,242
Total	<u>127,124</u>
 EXPENDITURE	
Salaries & Associated Staff Costs	79,349
Building Expenses	3,981
Subsistence & Transport	1,137
Members Fees	7,298
Fees for Service	2,273
Post & Communications	3,795
Printing & Stationery	4,204
Plant & Equipment	2,374
Education & Research	-
Miscellaneous	1,742
Depreciation	<u>2,513</u>
Total	<u>108,666</u>
 Operations Surplus	<u>18,458</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.

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 200 copies of the Annual Report at an approximate cost of \$3.21 per copy (includes GST)



GPO BOX 12
SYDNEY NSW 2001

INDEPENDENT AUDIT REPORT

Optical Dispensers Registration Board

To Members of the New South Wales Parliament

Audit Opinion

In my opinion, the financial report of the Optical Dispensers Registration Board:

- (a) presents fairly the Optical Dispensers 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 Optical Dispensers 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 Optical Dispensers 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

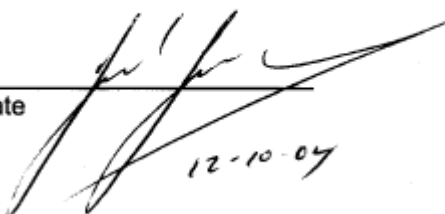
**OPTICAL DISPENSERS LICENSING BOARD
YEAR ENDED 30 JUNE 2004**

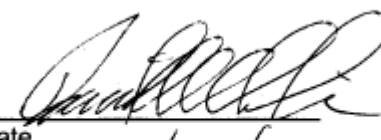
STATEMENT BY MEMBERS OF THE BOARD

Pursuant to the Public Finance and Audit Act, 1983, and in accordance with the resolution of the members of the 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 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

OPTICAL DISPENSERS LICENSING BOARD

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2004

Current Assets	Notes	2004 \$	2003 \$
Accrued expenses to be paid by Health Administration Corporation	1.4 & 4	11,036	25,849
Total Assets		<u>11,036</u>	<u>25,849</u>
Current Liabilities			
Accrued expenses	1.4 & 4	11,036	25,849
Total Liabilities		<u>11,036</u>	<u>25,849</u>
Accumulated Funds		<u>-</u>	<u>-</u>
Total Equity		<u><u>-</u></u>	<u><u>-</u></u>

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

**OPTICAL DISPENSERS LICENSING 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	3	85,914	82,129
		85,914	82,129
Expenditure			
Expenses from ordinary activities	3	85,914	82,129
		85,914	82,129
Surplus/(Deficit) for the year from ordinary activities		-	-
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		-	-

The statement of financial performance 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 2004

1. ACCOUNTING POLICIES

- 1.2 The Optical Dispensers Licensing Board performs the duties and functions contained in the Optical Dispensers Licensing Act 1963 and its financial affairs are administered by the Health Administration Corporation.
- 1.3 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 assets held by the Board represent a commitment by Health Administration Corporation to pay expenses on behalf of the Board and the liability represents expenses incurred but not yet paid by Health Administration Corporation. Both assets and liabilities relating to the Optical Dispensers Licensing 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 3), 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 Optical Dispensers Licensing Board is required by statute to collect fees from its registrants and transmit 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 \$105,996 (\$97,933 in 2003) was transmitted. The figures relate to actual figures as distinct from accrual figures.

OPTICAL DISPENSERS LICENSING BOARD

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

3. 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 Boards and the basis of allocation. The costs may not include all costs associated with running the Boards.

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

	2004 \$	2003 \$
Expenditure		
Salaries & Associated Staff Costs	61,980	50,374
Building Expenses	3,370	2,869
Subsistence & Transport	1,115	397
Members Fees	7,156	11,638
Fees for Service	896	5,385
Post & Communications	3,721	4,518
Printing & Stationery	4,121	2,747
Plant & Equipment	515	325
Miscellaneous	1,707	1,876
Audit Fees (allocation)	1,333	2,000
Total	<u>85,914</u>	<u>82,129</u>

As at 30 June 2004 the Health Administration Corporation recorded cash and investments of \$577,859 (\$546,662 in 2003), held in relation to this Board.

OPTICAL DISPENSERS LICENSING BOARD

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

4. 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. The financial asset of the Board is a receivable of \$11,036 (\$25,849 in 2003). The financial liability represents accrued expenses of \$11,036 (\$25,849 in 2003).

There is no interest rate risk on the above items.

5. CONSULTANCY CHARGES

The Health Administration Corporation arranged for consultancy services on behalf of the boards it administered during the year. The Optical Dispensers Licensing Board's share of these consultancy costs was \$nil (\$nil in 2003/2004).

6. SUBSEQUENT EVENTS

None to report.

7. 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.

OPTICAL DISPENSERS LICENSING BOARD

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

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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