

THE PSYCHOLOGISTS BOARD OF WESTERN AUSTRALIA

**Twenty-seventh Annual Report and
Audited Financial Statements**

Year Ended 30 June 2005

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THE PSYCHOLOGISTS BOARD OF WESTERN AUSTRALIA
TWENTY-SEVENTH ANNUAL REPORT
Year Ended 30 June 2005

1. STATUTE

The Psychologists Board of Western Australia is established by the Psychologists Registration Act 1976 (the Act) assented to on 13 December 1976. The Board is a body corporate and exercises the powers, authorities, duties and functions imposed on it by the Act and Rules determined from time to time.

The preamble to the Act states:

“An Act to make provision for the registration of Psychologists and the regulation of the practice of psychology, the protection of the public from certain harmful practices and for matters incidental thereto.”

2. FUNCTIONS OF THE BOARD

The Board is primarily responsible for the conduct and administration of the Act for the protection of the interests of the public by:

- a) the registration and the professional discipline of psychologists and approved hypnotists;
- b) exercising a general oversight over the standards of psychological practice;
- c) monitoring the standards of practice and training available to those seeking registration as psychologists;
- d) the investigation and prosecution of summary offences under the Act; and
- e) exercising the other functions assigned to it by or under the Act.

3. BOARD MEMBERSHIP

The following Members and Deputy Members of the Board were appointed under Sections 9(1) and 12(1) of the Psychologists Registration Act 1976.

BOARD MEMBERS & DEPUTIES

- a) A person who gives instruction in psychology at a university or other tertiary educational institution, nominated by the Minister from amongst persons registered under the Act.

Member	Professor Alison Garton	Appointed May 2003	Until May 2006
Deputy	Dr Janet Fletcher	Appointed May 2003	Until May 2006

- b) A psychiatrist nominated by the Royal Australasian and New Zealand College of Psychiatrists.

Member	Dr Oleh Kay	Appointed May 1999	Until May 2006
Deputy	Dr Peter Wynn Owen	Appointed March 2000	Until May 2006

- c) Two persons nominated by the Australian Psychological Society (WA Branch).

Member	Mr Leslie Harrison	Appointed June 1996	Until May 2006
Deputy	Dr John Manners	Appointed May 1999	Until May 2006
Member	Dr Deborah Wilmoth	Appointed September 2002	Until May 2007
Deputy	Mr Alan Plumb	Appointed May 2004	Until May 2007

- d) One person nominated by the Minister from amongst persons who are practitioners within the meaning of the Legal Practitioners Act, 1983.

Member	Mr Stephen Crooks	Appointed June 1996	Until May 2007
Deputy	Ms Jennifer Hawkins	Appointed September 2002	Until May 2007

4. MEETINGS OF THE BOARD

The Board conducted 11 regular meetings during the year. A meeting was not held in January 2005. Regular meetings are held on the first Tuesday of the month.

Attendance of Members and Deputies at meetings:

Members	
Mr L Harrison	*9
Professor A Garton	11
Dr D Wilmoth	**8
Mr S Crooks	11
Dr O Kay	10

Deputies	
Dr J Manners	1
Ms J Hawkins	0
Dr J Fletcher	0
Dr P Wynn-Owen	0
Mr A Plumb	2

*As Chair

** 2 as Chair

Mr Harrison, Professor Garton, Dr Wilmoth, Dr Manners, Dr Fletcher, Ms Hawkins and Mr Plumb have each sat on one of the following Sub-Committees on a monthly basis:

Complaints Sub-Committee
Registrations Sub-Committee

5. ADMINISTRATIVE ARRANGEMENTS

The day to day administration work of the Board is undertaken by the Registrar, Assistant Registrar and other secretarial support provided on a fully serviced office basis. Other specialist consultation services are determined as required by the Board.

The majority of telephone enquiries received are able to be resolved by the administration staff. However, on the occasions where further expertise is sought, the calls are passed to a member of the Board.

All items pertaining to the registration of psychologists are dealt with by the Board at the monthly meetings, eg new registrations, withdrawals from the Register, changes to supervision/employment arrangements for those psychologists under supervision. On average the Board dealt with 16 new registrations and between 56 and 114 registration matters each month.

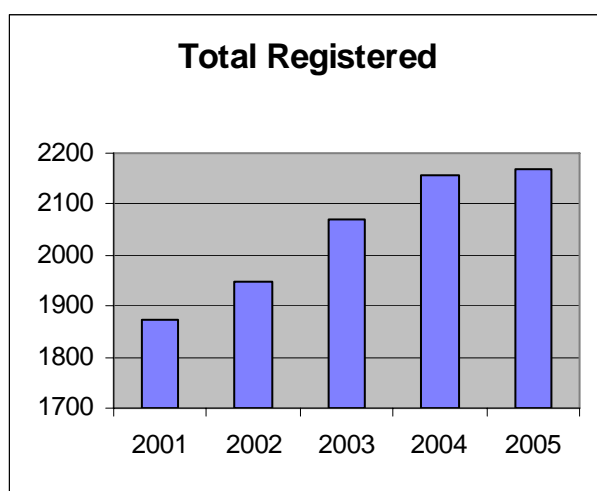
The Board's office is located on 2nd Floor, 15 Rheola Street, West Perth WA 6005. The office is open weekdays during the hours 9.00 am to 5.00 pm. Contact can be made by telephone on (08) 9321 8499 or facsimile (08) 9481 4940 or e-mail on psychboard@hlbwa.com.au.

The website (www.psychboard.wa.gov.au) contains information relating to registration, complaints and registration fees.

6. REGISTRATION FEES

The Registration fees for the year were \$175.00. The registration fee continues to be exempt from the Goods and Services Tax.

7. REGISTRATION STATISTICS

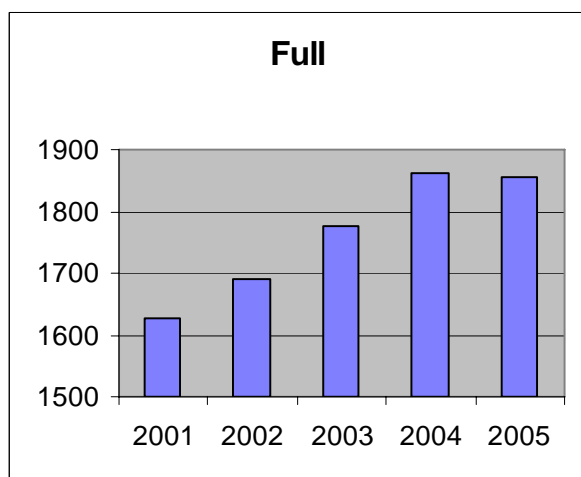


2001	1,872
2002	1,949
2003	2,071
2004	2,156
2005	2,169

These figures include fully and provisionally registered psychologists, together with those psychologists registered under the Mutual Recognition Act, hypnotists and those psychologists who have registered a business name.

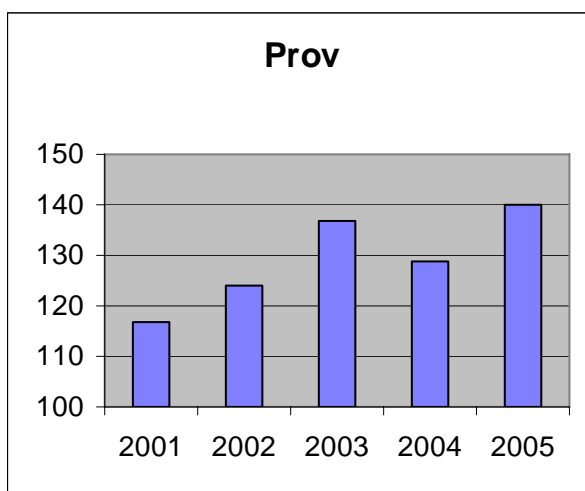
Table 1: Total Number of Registrations as at 30 June

As indicated in Table 1, the number of registrations increased by 13 during the year, being an increase of 0.6%.



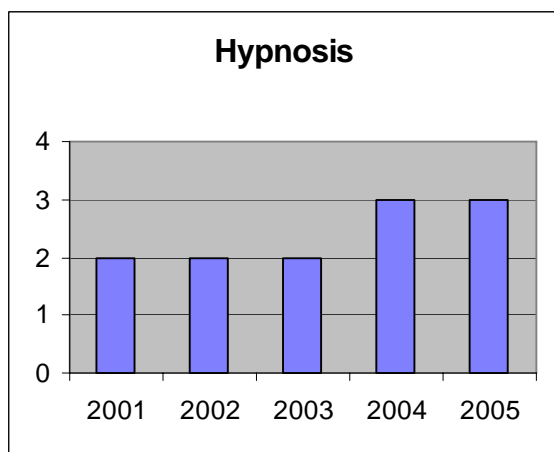
2001	1,626
2002	1,689
2003	1,777
2004	1,861
2005	1,855

Table 2: No of Fully Registered Psychologists as at 30 June



2001	117
2002	124
2003	137
2004	129
2005	140

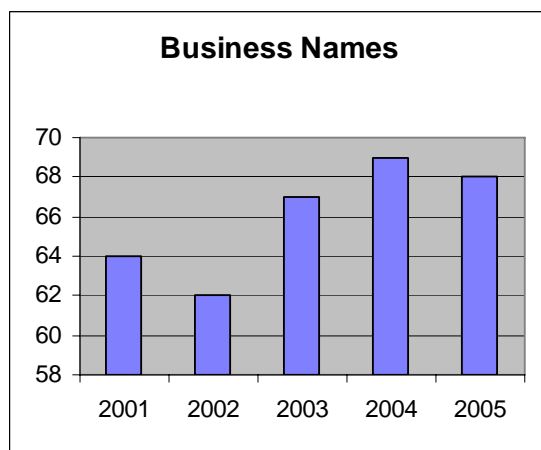
Table 3: No of Provisionally Registered Psychologists as at 30 June



2001	2*
2002	2*
2003	2*
2004	3*
2005	3*

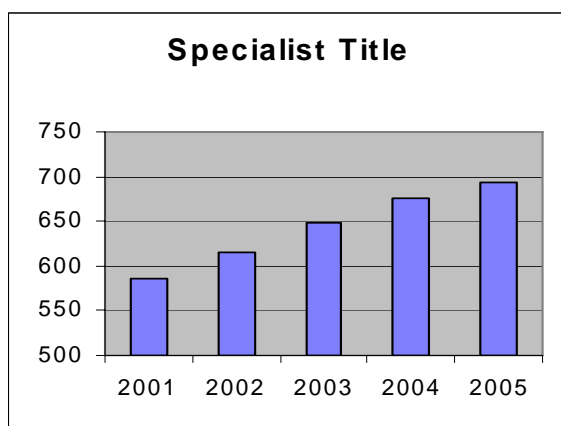
* This figure includes one licence to practice hypnosis – the remainder are restricted to entertainment work only.

Table 4: No of Registered Hypnotists as at 30 June



2001	64
2002	62
2003	67
2004	69
2005	68

Table 5: Total Number of Registered Business Names



2001	586
2002	616
2003	648
2004	675
2005	693

Table 6: No of Psychologists who hold a Specialist Title

8. OVERSEAS QUALIFICATIONS

Fifteen applications with overseas qualifications were dealt with by the Board during the year. The results of these assessments are shown below:

Country of Qualifications	Assessed as equivalent to:		Not equivalent	Total
	4 years	6 years		
South Africa	2	1	2	5
United Kingdom	-	3	1	4
USA	-	2	-	2
India	-	1	-	1
Netherlands	-	-	1	1
Canada	-	1	-	1
Poland	1	-	-	1
TOTAL	3	8	4	15

9. SPECIALIST TITLE

The following table shows the number of psychologists who hold an approved specialist title:

Approved Titles:	2001	2002	2003	2004	2005
Clinical	470	493	508	531	555
Counselling	36	44	55	59	59
Educational	14	14	14	13	13
Educ & Developmental	9	11	12	13	12
Clinical Neuropsychological	7	5	7	7	8
Organisational	22	22	24	23	20
Sport	4	4	4	4	3
Forensic	19	19	20	22	20
Other	5	4	4	3	3
TOTAL	586	616	648	675	693

10. INQUIRIES

One inquiry held in April and August 1994 related to a complaint that the psychologist had acted improperly. The charges against the psychologist were found to be proven (in September 1994). The Board's decision, upheld by the Supreme Court, was subject to an Appeal by the psychologist to the Full Court. This appeal was dismissed. The psychologist appealed to the High Court and this was subsequently dismissed. The psychologist is still continuing action through the Courts at considerable cost to the Board.

No formal Inquiries were conducted during the year.

11. COMPLAINTS

It is a legal requirement that a copy of any complaint received by the Board be forwarded to the Office of Health Review.

All complaints received by the Board are subject to Freedom of Information legislation.

The Board received 20 new complaints for investigation during the year under review, it had 13 already under investigation at the start of the year and 18 were settled during the year.

There are 15 matters outstanding and currently 6 are being investigated for referral by Inquiry before The State Administrative Tribunal.

Below is a summary of these 18 complaints concluded during the year.

No Formal Inquiries were conducted.

No cases were found against the psychologists requiring discipline, however 6 referred to SAT may include penalties in the coming year.

Of the complaints 2 emanated from Family Law Court Actions and dissatisfaction with the Psychologist and the expert report presented to Court. As a result of receipt of an unfavourable decision delivered to the complainant by the Court allegations were made that included bias, discrimination, misrepresenting facts, professional incompetency. In both instances the Board found there was no case to answer. However, after meeting and on discussion with the psychologists recommendations as to changing procedures, case management, consultation style and format of report writing were suggested as these were areas identified as requiring improvement to assist in reducing conflict.

Of the matter carried forward to next year for resolution over 30% relate to or arise out of Family Court Actions.

The 18 complaints determined during the year can be classified into the following broad areas of allegations.

8	Professional Competency
5	Improper Conduct
2	Holding Out to be a Psychologist
3	Advertising

Cases involving allegations of lack of professional competency included issues relating to usage of inappropriate tests, working beyond the psychologist's experience and qualifications, bias, discrimination, style and format of reporting, assault, missed diagnosis, scope of services provided by the psychologist and to whom, and misappropriation of property resulting from an alleged professional relationship. One case, where the complaint was lodged by a relative of the minor client, was withdrawn when the full circumstances were obtained. In the cases alleging lack of professional competency no findings were made against the psychologists, and the cases were closed.

The improper conduct allegations included going beyond psychologist/client professional boundaries, psychologist supervisor and supervisee boundaries and over servicing. Of the 5 cases one complaint was withdrawn part way through the investigation on realisation of misunderstanding. In the remaining 4 cases upon investigation by the Board and seeking further supportive information to proceed there was insufficient reliable evidence that would result in the allegations being able to be proved beyond reasonable doubt. The cases were closed.

Three cases related to advertising. One resulted in no case to answer, another concluded with the psychologist modifying the advertisement on instruction from the Board and the other the psychologist agreed the action was inappropriate, was highly embarrassed. This was a one off occurrence only and the Board accepted this was not a recurring concern.

In both cases concerning allegations of "holding out" the Board concluded the persons, who were not registered psychologists, were not providing psychological services or 'holding out' as being psychologists; one was providing counselling services but had psychology academic qualifications that were displayed but did not describe themselves as a psychologist.

12. AMENDMENTS TO THE ACT & RULES

The revision of the Psychologists Registration Act 1976 is included as one of the Health Registration Bills.

The Board has had the opportunity to review a draft bill and this is scheduled to go before Parliament in the next financial year.

13. THE MUTUAL RECOGNITION (WA) ACT 2001

The Mutual Recognition Act (WA) Act 2001 facilitates the registration of psychologists throughout the whole of Australia. The current Act expires on 28 February 2011.

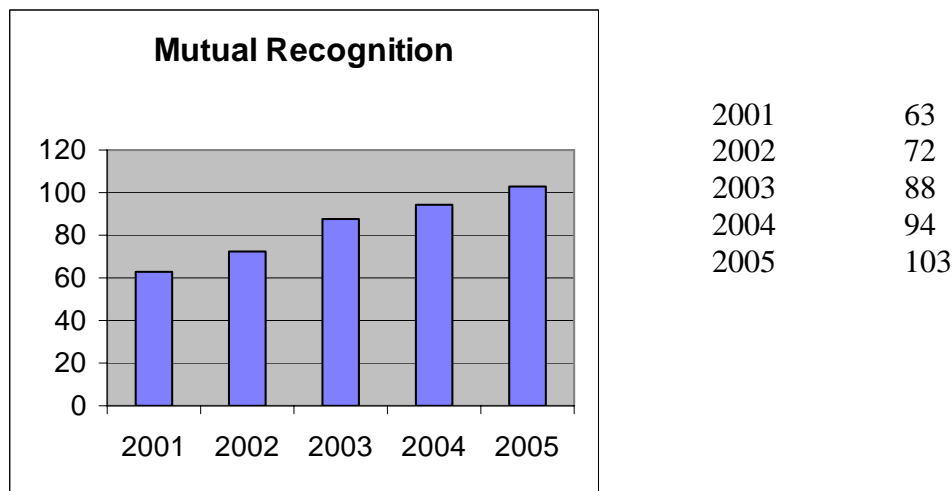


Table 7: No of Psychologists Registered under The Mutual Recognition (WA) Act 2001

14. INTERACTION WITH THE PUBLIC

Many enquiries were received at the office of the Board during the year, both in writing and by telephone. Major areas of enquiry included:

- registration requirements for full and provisional registration;
- checks to ascertain the registration status of specific persons;
- the Board's requirements on supervision and specialist titles;
- potential registration status of recent or intending immigrants;
- legitimacy or otherwise of certain practices;
- queries regarding overseas qualifications;
- complaints against persons not registered as psychologists; and
- complaints against registered psychologists.

Since information relating to registration was placed on the Board's website, the numbers of requests to the office for documentation to be posted out have reduced greatly.

The majority of enquiries are dealt with by the Registrar and the Assistant Registrar. Enquiries which cannot be dealt with under established policies and procedures are passed to the Chairperson and subsequently dealt with at a Board meeting.

15. GENERAL

Newsletters

The Board has continued to disseminate any relevant information to the profession by way of the *Psychologists Bulletin*. The *Bulletin* is produced on an ad hoc basis by the Board with one being produced for the year.

Policies

Details of any policies adopted by the Board during the year have been notified to psychologists in the *Bulletin*.

Freedom of Information

No requests for release of information under the Freedom of Information Act have been received by the Board during the year.

Web Site

A web site is now up and running and contains information relating to registration, specialist title supervision, Board policy statements, forms to download for registration and other information. The website also contains the facility to search the Register for a psychologist's details. The website address is www.psychboard.wa.gov.au.

State Records Act 2000

The State Records Act 2000 came into effect on 1 December 2001. The Board is subject to the principles and standards contained within the Act and a Record Keeping Plan for the Board has been produced and approved by the SRO.

The Board's Record Keeping Plan forms part of the induction programme for new employees and training has been conducted for all existing employees.

The Board's Record Keeping Plan is subject to review in 2006.

State Administrative Tribunal (SAT)

The State Administrative Tribunal legislation came into effect in January 2005.

The Board currently has 6 matters under investigation which may be dealt with through the SAT.

Information regarding the SAT can be found on the website www.sat.justice.wa.gov.au.

Fitness to Practice

The Board has produced guidelines to deal with matters concerning fitness to practice issues relating to registered psychologists.

Assessment of Overseas Qualifications

The Board has independent status advisers who review details of overseas qualifications of potential applicants to determine their equivalency. The number of assessments undertaken each year remains constant and provides the advisers with a large amount of work.

The services of the Board's independent advisers are given free of charge and greatly assist the Board in maintaining the educational standard of registrants in Western Australia.

Registration Fees

The annual registration fee for registered psychologists is due, as per the Act, on 1 June each year and those registrants whose fees remain unpaid as at 1 July should be removed from the Register. The Board, however, allowed some leeway to registered psychologists this year and allowed payment to be received by 31 July.

16. ACKNOWLEDGEMENTS

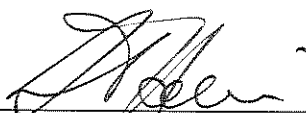
I would like to thank all those current Board Members and Deputies for their tireless contributions to the Board during the last year.

The time and expertise given by all Members and Deputies sitting on the Board and Sub-Committees is given generously and their efforts are much appreciated.

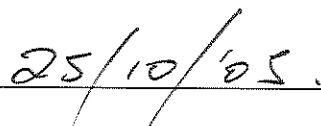
During the year the Board has also sought the services of registered psychologists to assist them in their deliberations on various matters. Those individuals gave their time, knowledge and expertise willingly and their assistance was much appreciated.

The Board also wishes to acknowledge the work of its Registrar, Mr Trevor Hoddy, and Assistant Registrar, Mrs Kim Firth. Both provide an indispensable service in maintaining an efficient and effective administrative service to the Board.

Signed for and on behalf of the Board by resolution.



CHAIR



DATE

**PSYCHOLOGISTS BOARD
OF
WESTERN AUSTRALIA**

FINANCIAL REPORT

FOR THE YEAR ENDED

30 June 2005

**PSYCHOLOGISTS BOARD
OF WESTERN AUSTRALIA
FINANCIAL REPORT**
For the year ended 30 June 2005


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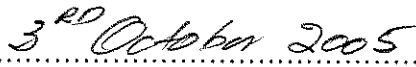
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PSYCHOLOGISTS BOARD OF WESTERN AUSTRALIA
STATEMENT BY REGISTRAR

I, Trevor Hoddy, the Registrar of the Psychologists Board of WA, hereby state that in my opinion:

- (a) the accompanying Statement of Financial Performance for the year ended 30 June 2005 gives a true and fair view of the Board's surplus for the financial year;
- (b) the accompanying Statement of Financial Position at 30 June 2005 gives a true and fair view of the Board's state of affairs as at the end of the financial year; and
- (c) at the date of this statement, there are reasonable grounds to believe that the Board will be able to pay its debts as and when they fall due.


.....
TREVOR HODDY
REGISTRAR


.....
Date



**Chartered Accountants
& Advisers**

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PO Box 7426 Cloisters Square Perth WA 6850
Tel: (61 8) 9360 4200
Fax: (61 8) 9481 2524
Email: bdo@bdowa.com.au
www.bdo.com.au

PSYCHOLOGISTS BOARD OF WESTERN AUSTRALIA
INDEPENDENT AUDIT REPORT TO THE MEMBERS OF THE BOARD

Scope

We have audited the attached financial report, being a general purpose financial report, of Psychologists Board of Western Australia for the year ended 30 June 2005 as set out pages 5 to 17.

The Members of the Board are responsible for the financial report. We have conducted an independent audit of the financial statements in order to express an opinion to the members of Psychologists Board of Western Australia.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of significant accounting policies and accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Australian Accounting standards, other mandatory professional reporting requirements in Australia and statutory requirements so as to present a view which is consistent with our understanding of the entity's financial position, and its performance as represented by the results of its operations and cash flows.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In our opinion, the financial report presents fairly in accordance with the applicable accounting standards, other mandatory professional reporting requirements in Australia and the Psychologists Registration Act 1976 as amended, the financial position of the Psychologists Board of Western Australia as at 30 June 2005 and the results of its operations and its cash flows for the year then ended.

BDO
Chartered Accountants & Advisers

Michelle Shafizadeh
Partner

Dated: 13 October 2005
Perth, Western Australia



Business
Quality
Partner
Company
Australia

BDO is a national association of
business partnerships and entities

Geoff Brayshaw FCA, Brad McVeigh CA, Sherif Andrawes CA, Lyall Bear CA, Robert Casamento CA,
Ron Gamble CA, Grant Burgess CPA (Affiliate ICAA), Matt Giles FCCA (Affiliate ICAA).

Advisors to growing businesses

**PSYCHOLOGISTS BOARD OF
WESTERN AUSTRALIA
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 June 2005**

	<i>Note</i>	2005 \$	2004 \$
REVENUE			
<i>Ordinary activities:</i>			
Registration fees		379,261	368,980
Interest	3(b)	21,825	18,176
Trust Distributions Received – ASGARD		11,153	9,728
Unrealised Gains (Losses) - ASGARD		21,878	21,461
		<hr/> 434,117	<hr/> 418,345
EXPENSES			
Secretarial and administration fees		310,104	250,000
Legal, Inquiry and Complaint Costs		70,691	52,077
Printing, postage and stationery		15,031	13,951
Other expenses from ordinary activities		31,012	30,546
		<hr/> 426,838	<hr/> 346,574
Surplus from ordinary activities before income tax expense		7,279	71,771
Income tax expense - 2005	1(b)	-	-
		<hr/>	<hr/>
Net surplus attributable to the Board	3(a)	7,279	71,771
		<hr/>	<hr/>

The accompanying notes form part of this financial statement

**PSYCHOLOGISTS BOARD OF
WESTERN AUSTRALIA
STATEMENT OF FINANCIAL POSITION AS AT 30 June 2005**

	<i>Note</i>	2005 \$	2004 \$
CURRENT ASSETS			
Cash assets	4	575,907	566,327
Receivables	5	14,199	10,918
Other	6	6,390	7,965
TOTAL CURRENT ASSETS		596,496	585,210
NON-CURRENT ASSETS			
Other financial assets	7	275,947	246,827
Property, plant and equipment	8	157	179
Intangibles	9	301	1,733
TOTAL NON-CURRENT ASSETS		276,405	248,739
TOTAL ASSETS		872,901	833,949
CURRENT LIABILITIES			
Payables	10	402,936	371,263
TOTAL CURRENT LIABILITIES		402,936	371,263
TOTAL LIABILITIES		402,936	371,263
NET ASSETS		469,965	462,686
EQUITY			
Accumulated surplus	3(a)	469,965	462,686
TOTAL EQUITY		469,965	462,686

The accompanying notes form part of this financial statement

**PSYCHOLOGISTS BOARD OF
WESTERN AUSTRALIA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 June 2005**

	<i>Note</i>	2005 \$	2004 \$
Cash flows from operating activities			
Receipts from registrants		403,625	404,214
Interest received		23,610	16,131
Distributions received		11,153	9,728
Payments to suppliers		(459,238)	(362,327)
Goods and services tax recovered		37,672	31,815
Net cash provided by operating activities	11(a)	16,822	99,561
Cash flows from investing activities			
Investment purchases		(7,242)	(9,990)
Proceeds from sale of investments		-	-
Intangible Purchases		-	(326)
Net cash used by investing activities		(7,242)	(10,316)
Net increase in cash held		9,580	89,245
Cash at the beginning of the financial year		566,327	477,082
Cash at the end of the financial year	11(b)	575,907	566,327

The accompanying notes form part of this financial statement

**PSYCHOLOGISTS BOARD OF
WESTERN AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2005**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Urgent Issues Group Consensus views and other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the Psychologists Registration Act 1976.

The financial report covers the Psychologists Board of Western Australia as an individual entity. The Board is incorporated in Western Australia under the Psychologists Registration Act 1976.

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets, see Note 1 (l) for the accounting measurement of portfolio investments held by the Psychologists Board. Cost is based on the fair values of the consideration given in exchange for assets.

The following is a summary of the material accounting policies adopted by the Board in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

a) Income and Expense Recognition

Licence fees are brought to account as income on a time expiry basis under the accruals method of accounting.

Expenses are brought to account under the accruals method of accounting in the year incurred.

b) Taxation

The income of the Psychologists Board of Western Australia is exempt from tax pursuant to Section 24AQ of the Income Tax Assessment Act 1997.

c) Goods and Services Tax

Revenue and expenditure is stated net of the amount of the goods and services tax (GST).

The Australian Taxation Office has advised and ruled that registration fees are exempt from GST. The Board, however, pays GST on its supplies and obtains credit refunds quarterly upon lodgement of its Business Activity Statement.

d) Secretarial and Administration Fees Expense

This expenditure represents the Board's administration and secretarial fees budgeted and approved by the Board and paid as a retainer for year ended 30 June 2005. It includes the provision of fully serviced office facilities such as management and administration together with accounting, secretarial staff, typing, computer facilities, telephone attendance, reception, public access, rental for office space and meeting facilities, newsletter, educational presentations, attendance at registration and complaint management and other services required by the board, professional conventions and sub-committee meetings. The increase for the year ended 30 June 2005 includes additional service costs in the above and special

**PSYCHOLOGISTS BOARD OF
WESTERN AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2005**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued....)

meetings as required. It also reflects substantially greater administration activity due to specialist title supervision requirements, registrations, the number of complaints submissions and complexities with associated legalities and other matters in comparison to previous years including SAT Legislation.

e) Abnormal Administration Fees Approved by Board

These costs reflect additional amounts approved and paid by the Board during the year. It includes above normal budgeted costs for increased work load and specific activities approved by the Board.

In the 2005 Financial Statements, Abnormal Administration Fees Approved have been separated into the year for which each expense relates. The additional disclosure is due to the fact that the 2005 Financial Statements reflect the expense for the 2004 and 2005 financial years. This disclosure appears in the Detailed Income and Expenditure Statement.

f) Subscription expense

This cost reflects the subscription amounts for 2005 towards the Council of Psychologists Registration Boards (Australasia) Inc.

g) Registration fees income

The registration fees received for this year reflect an increase in the number of registrants.

h) Legal, inquiry & complaint costs

These costs represent fees paid by the Board for legal services associated with matters arising from complaints lodged with the Board and attending to various continuing court appeals including one made by a registrant to an Inquiry held by the Board in 1994.

i) Reconciliation of Cash

For the purposes of the Statement of Cash Flows, cash includes cash at banks and investments in money market instruments.

j) Plant & Equipment

Plant and equipment are measured on the cost basis.

k) Depreciation

The depreciable amount of plant and equipment are depreciated on a diminishing value method over their useful lives to the entity commencing from the time the asset is held ready for use.

Plant and Equipment consists of 5 filing cabinets depreciated at the following rates:

Cabinet Identification	Depreciation rate
Filing cabinet 1	7.50%
Filing cabinet 2	13.50%
Filing cabinet 3	13.50%
Filing cabinet 4	20.00%
Filing cabinet 5	20.00%

**PSYCHOLOGISTS BOARD OF
WESTERN AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2005**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continue....)

l) Investments

Non-current investments are measured on the market value basis, which is given in the ASGARD report as at 30 June 2005. The gains or losses, whether realised or unrealised, are included in profit from ordinary activities. The carrying amount of investments is reviewed annually by the Board to ensure it is not in excess of the recoverable amount of these investments. The recoverable amount is assessed from the quoted market value for the units held in the portfolio or the underlying net assets for other non-listed trusts. The expected net cash flows from the investments have not been discounted to their present value in determining the recoverable amounts.

m) Website Costs

Costs incurred in relation to the creation of the website have been capitalised over a two and a half year period. These costs will be amortised over the two and a half year period at a rate of 40% per year.

2. AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (AIFRSs)

For years ending on or after 30 June 2006, all general purpose financial reports prepared in accordance with Australian Accounting Standards, Urgent Issues Group Consensus views and other authoritative pronouncements of the Australian Accounting Standards Board will be required to comply with Australian equivalents to International Financial Reporting Standards (AIFRSs) instead of Australian Accounting Standards presently on issue. Comparative financial statements must also be presented in accordance with Australian equivalents to AIFRS for the year ending 30 June 2005.

Evaluation of the new standards issued to date has shown that the application of AIFRS will impact on the classification of unrealised gains and losses relating to the ASGARD investment at year end. The ASGARD investment is classified as being available for sale and measured at fair value, accordingly, changes in fair value will be recognised directly in equity until the underlying asset is derecognised. These changes will be reflected in the financial statements for the year ended 30 June 2006.

**PSYCHOLOGISTS BOARD OF
WESTERN AUSTRALIA**

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 June 2005

	<i>2005</i> \$	<i>2004</i> \$
3. ACCUMULATED SURPLUS		
(a) Accumulated surplus at the beginning of the financial year	462,686	390,915
Net surplus attributable to the year	7,279	71,771
Accumulated surplus at the end of the financial year	469,965	462,686
(b) Interest revenue from:		
- other parties	21,825	18,176
(c) Expenses:		
- Depreciation of Property, plant and equipment	1,454	1,388
4. CASH ASSETS		
Cash at bank – Cheque Account	178,755	211,321
Cash at bank – ASGARD	7,152	5,006
Cash at bank – Term Deposit	390,000	350,000
	575,907	566,327
5. RECEIVABLES		
Goods and services tax recoverable	13,965	10,918
Other debtors	234	-
	14,199	10,918
6. OTHER ASSETS		
Prepayments	5,067	4,857
Accrued interest	1,323	3,108
	6,390	7,965
7. OTHER FINANCIAL ASSETS		
ASGARD Investment at net market value	275,947	246,827
	275,947	246,827
8. PROPERTY, PLANT & EQUIPMENT		
Plant & Equipment – at cost	1,482	1,482
Less accumulated depreciation	(1,325)	(1,303)
	157	179

**PSYCHOLOGISTS BOARD OF
WESTERN AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2005**

	<i>2005</i>	<i>2004</i>
	\$	\$
8. PROPERTY, PLANT & EQUIPMENT CONTINUED		
Movements in the carrying amounts Plant & Equipment between the beginning and the end of the current financial year:		
Balance at the beginning of the year	179	205
Depreciation expense	(22)	(26)
Carrying amount at the end of the year	<u>157</u>	<u>179</u>
9. INTANGIBLES		
Website Costs -		
Balance at the beginning of the year	1,733	2,769
Website expenditure during the year	-	326
Depreciation expense	(1,432)	(1,362)
Carrying amount at the end of the year	<u>301</u>	<u>1,733</u>
10. PAYABLES		
Creditors and accruals	49,406	42,097
Income in advance	353,530	329,166
	<u>402,936</u>	<u>371,263</u>
11. CASH FLOW INFORMATION		
(a) RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES TO THE NET SURPLUS ATTRIBUTABLE TO THE BOARD		
Net surplus to the board	7,279	71,771
Non cash flows in surplus from ordinary activities:		
Depreciation	1,454	1,388
Unrealised gains on investments	(21,878)	(21,461)
Changes in assets and liabilities:		
Decrease/(increase) in receivables	(1,706)	(3,179)
(Decrease)/increase in payables	31,673	51,042
Net cash provided by operating activities	<u>16,822</u>	<u>99,561</u>

**PSYCHOLOGISTS BOARD OF
WESTERN AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2005**

11. CASH FLOW INFORMATION CONTINUED

(b) RECONCILIATION OF CASH

2005
\$

2004
\$

Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the statement of Financial position as follows:

Cash at bank – Cash Management A/C	178,755	211,321
Cash at bank – ASGARD	7,152	5,006
Cash at bank – Term Deposit	390,000	350,000
	<u>575,907</u>	<u>566,327</u>

12. AUDITORS' REMUNERATION

Audit of the financial report	2,720	2,725
Other services		

13. RELATED PARTY INFORMATION

- (a)** The names of the persons who were members of the Psychologists Board of Western Australia at any time during the financial year are:-

Mr L Harrison	Dr J Manners
Professor A Garton	Dr J Fletcher
Mr S Crooks	Ms J Hawkins
Dr O Kay	Dr P Wynn-Owen
Dr D Wilmoth	Mr A Plumb

(b) Remuneration

Aggregate income received, or due and receivable by the members of the Board from the Board

5,538

3,976

=====

=====

Number of Board members whose income From the Board was within the following bands:
\$0 - \$9,999

No.
5

No.
11

14. SEGMENT REPORTING

The Board operates as a statutory registration body within Western Australia.

**PSYCHOLOGISTS BOARD OF
WESTERN AUSTRALIA**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2005**

15. FINANCIAL INSTRUMENTS

a) Interest Rate Risk

The Board's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities, is as follows:

	<i>Weighted Average Effective Interest Rate</i>		<i>Floating Interest Rate</i>		<i>Fixed Interest Rate Maturing Within 1 Year</i>	
	<i>2005</i>	<i>2004</i>	<i>2005</i>	<i>2004</i>	<i>2005</i>	<i>2004</i>
	<i>%</i>	<i>%</i>	<i>\$</i>	<i>\$</i>	<i>\$</i>	<i>\$</i>
FINANCIAL ASSETS						
Cash	3.45	3.30	185,907	216,326	-	-
Short Term Deposits	5.47	5.40	-	-	390,000	350,000
Financial Investments	-	-	275,947	246,827	-	-
TOTAL FINANCIAL ASSETS			461,854	463,153	390,000	350,000
FINANCIAL LIABILITIES						
Payables	-	-	-	-	402,936	371,263
TOTAL FINANCIAL LIABILITIES			-	-	402,936	371,263
NET FINANCIAL ASSETS			461,854	463,153	(12,936)	(21,263)

b) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount, net of any provisions for doubtful debts, as disclosed in the statement of financial position and notes to the financial statements.

The Board does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Board.

c) Net Fair Values

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial statements.

**PSYCHOLOGISTS BOARD OF
WESTERN AUSTRALIA**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2005**

16. EMPLOYEES	<i>Number</i>	<i>Number</i>
Number of employees at balance date	0	0

17. BOARD DETAILS

The principal place of business of the Board is:

2nd Floor
15 Rheola Street
WEST PERTH WA 6005

18. PRINCIPAL ACTIVITIES

The Board is primarily responsible for the conduct and administration of the Act for the protection of the interests of the public by:

- the registration and the professional discipline of psychologists and approved hypnotists;
- exercising a general oversight over the standards of psychological practice;
- monitoring the standards of practice and training available to those seeking registration as psychologists;
- the investigation and prosecution of summary offences under the act; and
- exercising the other functions assigned to it by or under the Act.

19. CONTINGENT LIABILITIES

The Psychologists Board of WA has been served with a Writ in July 2002 by a registered Psychologist making various claims in relation to disputes concerning the outcome of a Board Inquiry determined in January 1994. The Board's legal advisers are intending to have the writ struck out and the insurers have been advised. The quantum and extent of potential damages is unknown and unspecified as at 30 June 2005.

The registered Psychologist is also appealing two court decisions whereby the court upheld penalties ordered by the Board against the Psychologist and are ongoing as at 30 June 2005.

The Psychologists Board of WA, as part of the Board's role, receives complaints by the public against registrants. Complaints are investigated to determine whether the matter should go to full inquiry. There are legal costs incurred in this determination process.

As at 30 June 2005, there were six possible inquiry cases being investigated for possible referral to SAT. There will be administration and legal costs incurred as a result of this process and the extent of costs is unknown as at 30 June 2005.

20. EVENTS OCCURRING AFTER BALANCE DATE

There are no known post balance sheet events as at 30 June 2005.

**PSYCHOLOGISTS BOARD OF
WESTERN AUSTRALIA
DETAILED INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 June 2005**

	<i>2005</i>	<i>2004</i>
	\$	\$
INCOME		
Interest	21,825	18,176
Registration fees	379,261	368,980
Trust distributions received – ASGARD	11,153	9,728
Unrealised Gains (Losses) – ASGARD	21,878	21,461
	434,117	418,345
Less:		
EXPENSES		
Abnormal administration fees approved - 2003	-	40,000
Abnormal administration fees approved - 2004	39,425	-
Abnormal administration fees approved - 2005	10,679	-
Auditors' Remuneration	2,720	2,725
Bank charges	3,447	4,688
Board member fees	5,538	3,976
Conference expenses	-	2,434
Depreciation	1,454	1,388
Fees & charges – ASGARD	2,076	1,876
General expenses	3,535	2,580
Qualification assessments	1,600	1,600
Insurance	6,540	5,284
Legal, inquiry & complaint costs	70,691	52,077
Printing, postage & stationery	15,031	13,951
Registrars fees	50,000	50,000
Serviced office administration fees retainer	210,000	160,000
Subscriptions	3,008	2,868
Telecommunications	1,094	1,127
	426,838	346,574
OPERATING SURPLUS FOR THE YEAR	7,279	71,771