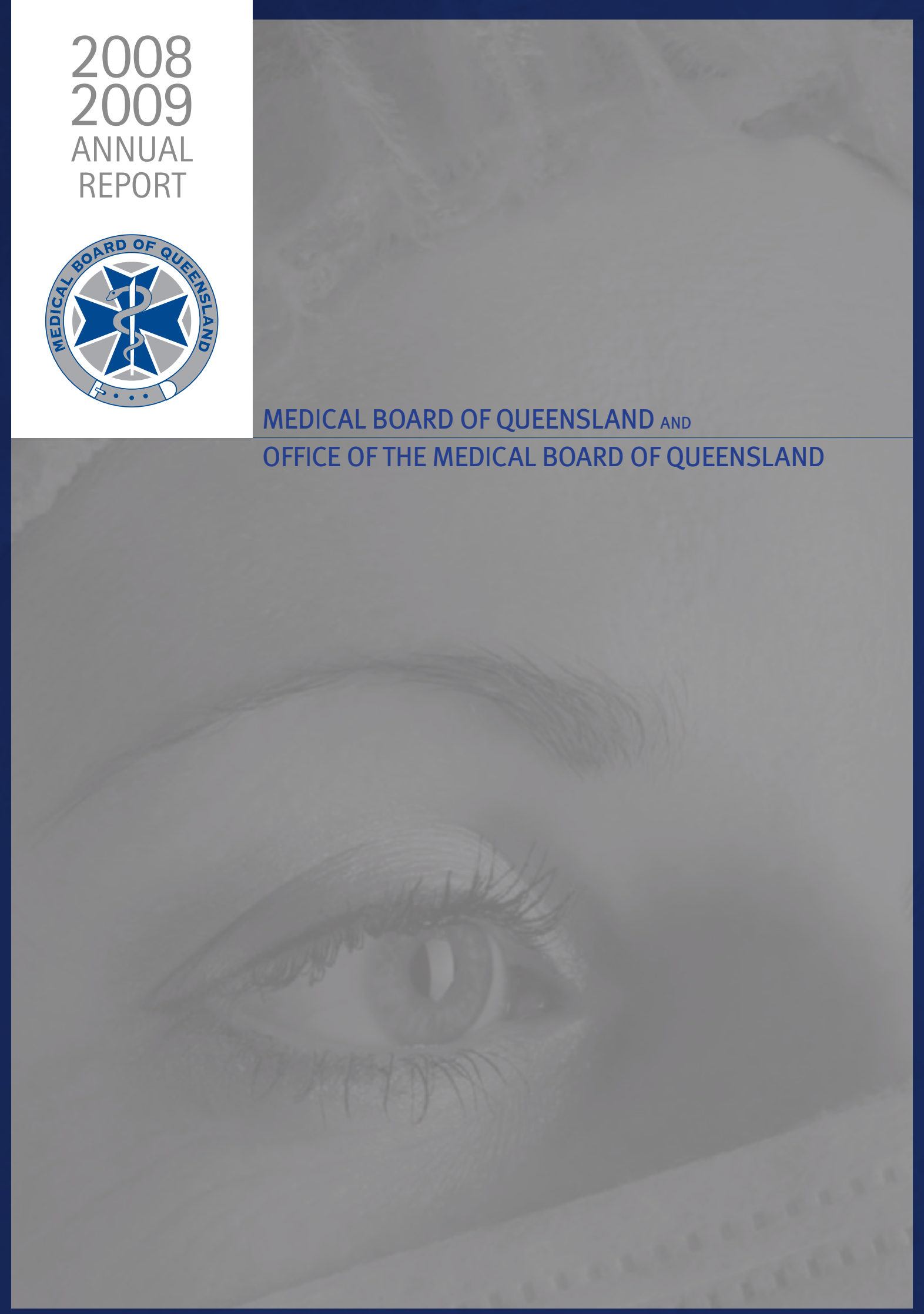
2008 2009 ANNUAL REPORT

MEDICAL BOARD OF QUEENSLAND AND OFFICE OF THE MEDICAL BOARD OF QUEENSLAND



OUR VISION

TO BE RECOGNISED AS A CONTEMPORARY REGULATORY AUTHORITY THAT UPHOLDS THE HIGHEST STANDARDS OF MEDICAL PRACTICE IN THE INTERESTS OF THE PUBLIC AND THE PROFESSION

OUR VALUES

- CLEAR AND TIMELY COMMUNICATION
- INDEPENDENT AND TRANSPARENT DECISION MAKING
- STRONG STAKEHOLDER RELATIONSHIPS
- INNOVATION AND CONTINUOUS IMPROVEMENT
- EFFICIENT MANAGEMENT OF RESOURCES

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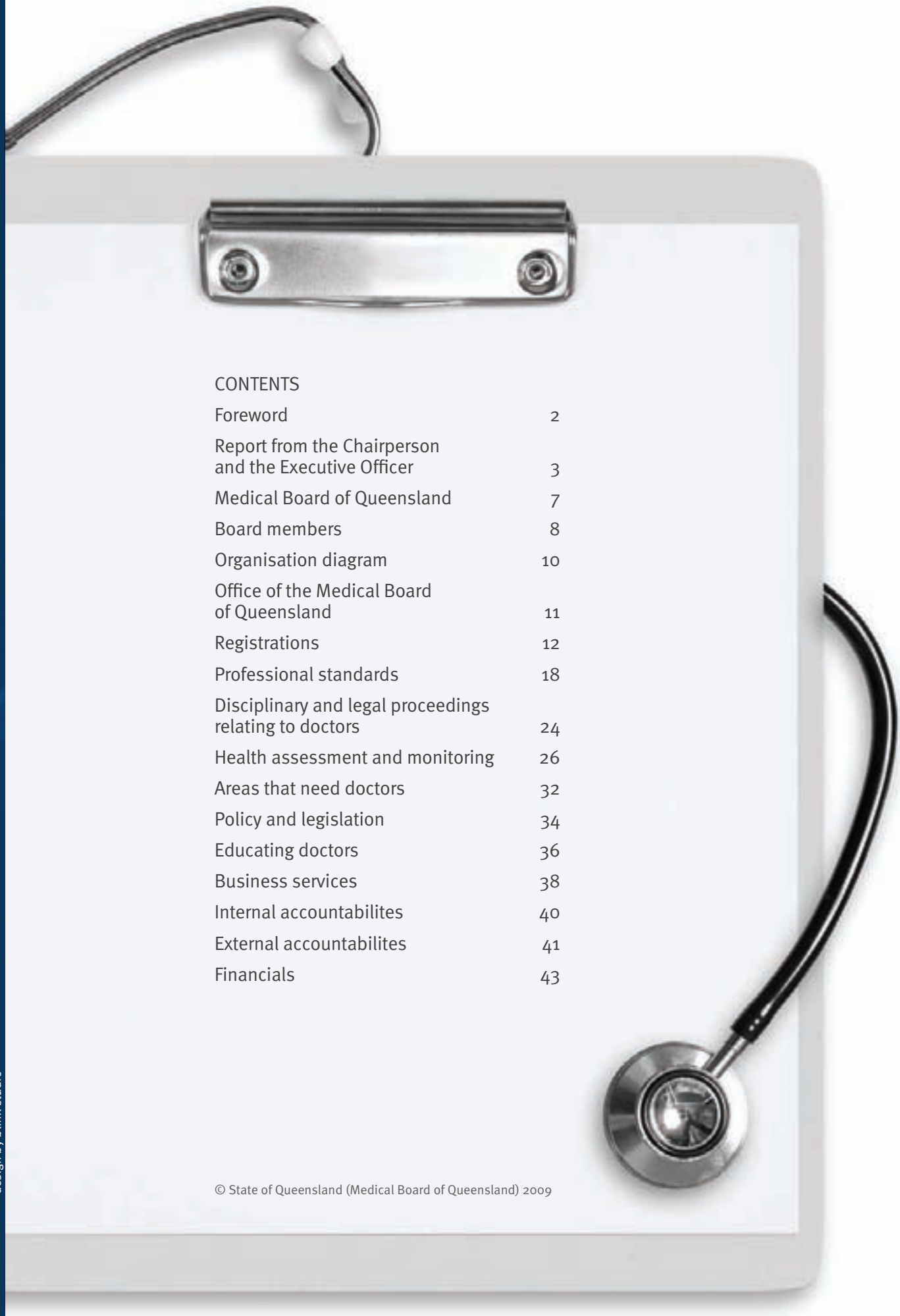

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FOREWORD

The Hon Paul Lucas MP
Deputy Premier and Minister for Health
Parliament House
BRISBANE QLD 4000

Dear Deputy Premier

We are pleased to present the Annual Report of the Medical Board of Queensland and the Office of the Medical Board of Queensland for the period 1 July 2008 to 30 June 2009.

This report meets our obligations under the *Financial Administration and Audit Act 1977*, as well as the *Medical Practitioners Registration Act 2001* and the *Health Practitioners (Professional Standards) Act 1999*.

The Board's and Office's audited financial statements form part of this report.

We would also like to take this opportunity to thank the Board members and the staff of the Office of the Medical Board for their continuing support and dedicated service to the public and the medical profession.

Yours sincerely

Dr E Mary Cohn
Chairperson
Medical Board of Queensland

Ms Kaye Pulsford
Executive Officer
Office of the Medical Board of Queensland

Dr Mary Cohn

Kaye Pulsford

REPORT FROM THE CHAIRPERSON AND THE EXECUTIVE OFFICER

The 2008-09 financial year was a period of consolidation and collaboration. It was the first full year of dedicated administrative support by the Office of the Medical Board to the Board and its Committees, and one that further strengthened the already close cooperation with other State and Territory Medical Boards, the Australian Medical Council, Australian specialist colleges and the Health Quality and Complaints Commission (HQCC).

In addition to our critical role in ensuring the safe and competent delivery of health care in the state, highlights of the year included:

National Registration and Accreditation Scheme

On 26 March 2008 the Council of Australian Governments executed an intergovernmental agreement to establish a single national registration and accreditation scheme for ten health professions, including the medical profession. The new scheme is due to commence on 1 July 2010.

As a result of this agreement it is expected that legislation will be passed during the forthcoming year which will repeal the legislation currently governing the Medical Board of Queensland.

Board members and Office staff have worked together with other State and Territory Medical Boards to develop consistent feedback on the new legislative proposals.

Nationally consistent registration requirements

On 1 July 2008 the Board implemented new nationally consistent registration requirements for international medical graduates (IMGs). These requirements have been adopted by all State and Territory Medical Boards and ensure IMGs applying for Special Purpose registration either hold an advanced standing certificate from the Australian Medical Council certifying they have held full registration with a 'Competent Authority' (e.g. the Medical Registration Authority in the United Kingdom, Ireland, Canada, New Zealand or the USA) or have sat and passed the Australian Medical Council multiple choice questionnaire, or have been assessed by an Australian specialty college as having qualifications, skills and experience which are 'substantially comparable' or 'partially comparable' to that of an Australian trained specialist.

National Medical Boards Conference 2008

This year's conference, hosted by the Queensland Medical Board, was aptly themed *Feeling the heat: medical regulation in a climate of change*. More than 100 delegates from throughout Australia and New Zealand shared their experiences regarding intense media scrutiny of the medical profession and the regulators' role in protecting public health and safety. The delegates also engaged in robust discussion about the move to national regulation and global future issues raised by Queensland futurist Dr Sohail Inayatullah who challenged them to consider the impact of shifts in technology, and social and environmental changes which may transform health services in the future.

Safe and Healthy Work Practices – Fatigue Guideline

A guideline was developed by the Board for medical practitioners, supervisors, employers, operators of health facilities and those responsible for medical education to raise awareness about fatigue-related risk in health care settings. The Safe and Healthy Work Practices – Fatigue Guideline was developed following wide consultation and its purpose is to highlight the need for the identification and active management of fatigue-related risks.

Medical Practitioners Treating Family, Friends, Colleagues and Self

The Board released a new policy cautioning medical practitioners who are considering treating themselves or treating someone close to them. The policy highlights the important advisory role a medical practitioner can play but warns of the potential risks associated with self assessment and treating family members; advocating for an independent treating doctor.

Development of the Disciplinary Policy

The Board formalised its Disciplinary Policy in May 2009 setting out the principles which guide their disciplinary decision-making process. The policy is available on the Board's website and outlines the factors and considerations taken into account when exercising its powers under the *Health Practitioners (Professional Standards) Act 1999*.

Online services for Doctors

New online services were developed to improve the annual registration renewal process. The online service available through the Board's website provided doctors with the option to renew their general and/or specialist registrations quickly and easily and to update personal contact details. The new service was embraced by Queensland doctors with over 60 per cent renewing their registrations via the website. The process also helped to introduce the site to a large group of registrants who may not have accessed it otherwise.

Queensland medical students numbers increase

In December 2008, members of the Medical Board attended the inaugural graduation ceremony of the Griffith Medical School attended by over 70 graduates. Next year, an estimated 590 medical students are expected to graduate from four Queensland Universities – Griffith, James Cook, University of Queensland and Bond.

Anniversary year

The Medical Board of Queensland will continue next year in its role of upholding the standards of the profession and protecting the public through the maintenance of transparent decision making, clear communication, and by strengthening stakeholder relationships and continually striving for improvement.

Next year is particularly significant in the history of medical regulation in this State as 2010 will mark the 150th anniversary of the establishment of the Medical Board of Queensland.

Thanks

Finally, the dedication and professionalism of the members of the Board and its Committees must be acknowledged. The time and effort they contribute is invaluable. Sincere thanks must also go to the staff for their constant search for improvement and their dedicated service to the Board, the public and the medical profession.

THE MEDICAL BOARD OF QUEENSLAND

The Board's main objective is to protect the public by ensuring doctors deliver health care in a professional, safe and competent way. It also aims to uphold the standards of practice and maintain public confidence in the medical profession.

The Board does this by:

- registering suitably qualified doctors and specialists *(Medical Practitioners Registration Act 2001)* and maintaining a register
- promoting good medical practice
- administering the provisions of the *Health Practitioners (Professional Standards) Act 1999* that deal with complaints, investigations and disciplinary proceedings involving general practitioners and specialists, and the management of impaired doctors

The Board is established under Part 2 of the *Medical Practitioners Registration Act 2001*.
It met 23 times in the 2008-09 financial year.

Membership

The Board is comprised of six to 10 members recommended by the Minister for Health and appointed by the Governor in Council for a period of up to four years, and the Chief Health Officer.

The appointed members can include up to six registered medical practitioners, one medical practitioner nominated by Queensland's educational institutions, a lawyer and two members of the public with an interest in, and knowledge of, consumer health issues, who have never held registration as a medical practitioner or nurse.

Medical Practitioners

- Dr Mary Cohn MB BS(Qld) Masters FamMed (Monash) (Chairperson)
- Dr Christopher Kennedy MB BS(Adel) DipObst(RACOG) FRACGP FRACMA GradDipHealthAdmin MPH and TM (Deputy Chairperson)
- Dr Vaidyanathan Kalyanasundaram MB BS (Madras) MRANZCP FRANZCP (until November 2008)
- Dr Susan Harbison MB BS (Qld) DPD (Cardiff)
- Dr Marian Sullivan MB BS(Qld) FRANZCP
- Dr Peter Woodruff MB BS (Adel) FRCS (Edin) CH M (Aberd) FACS FRACS
- Associate Professor Tarun Sen Gupta MB BS(Qld) FRACGP FACRRM PhD
- Dr Jeannette Young MB BS (Syd) FRACMA MBA Chief Health Officer

Public Members

- Dr Susan Gair ADCW BSW Hons PhD GCTT (On leave from the Board since Jan 2009)
- Mr Michael Clare MBA GradCertMgt

Lawyer

- Ms Fiona Chapman – BA LLB GDipCommun (Qld)(Since October 2008)

THE MEDICAL BOARD OF QUEENSLAND

Dr Mary Cohn

Chairperson

Dr Mary Cohn completed her Bachelor of Medicine/Bachelor of Surgery (MBBS) at the University of Queensland in 1968.

She received Fellowship of the Australian Medical Association in 1998 and went on to successfully complete a Master of Family Medicine in Monash in 1999.

Dr Cohn has been a member of the Medical Board of Queensland since April 1998. Between 2003 and 2004 she filled the position of Deputy Chairperson before being elected Chairperson in 2004.

In 2007 Dr Cohn received the Citation of the Queensland Branch of the Australian Medical Association.

She is a Director of the Australian Medical Council and has been the Deputy Director of the Professional Services Review Committee since 1997.

Dr Cohn currently works as a general practitioner and has done so for the last 30 years.

Dr Christopher Kennedy

Deputy Chairperson

Dr Christopher Kennedy qualified from Adelaide University in 1968 and achieved Fellowship of the Royal Australian College of General Practitioners during the six years he spent working on the remote islands of Papua New Guinea.

Dr Kennedy worked as a rural doctor for six years before becoming a Fellow of the Royal Australasian College of Medical Administrators and working full-time as Director of Medical Services at the Queen Elizabeth Hospital in South Australia.

He then ventured north once more to fulfil a combination of roles which, over the years, included hospital and district manager, teacher, health consultant in developing countries and manager of GP training.

In 2004 Dr Kennedy began his term as Deputy Chairperson of the Medical Board of Queensland. He has been the Director of Tropical Medical Training Ltd since 2006 and was recently appointed life member of Royal Australian College of General Practitioners.

Dr Vaidyanathan Kalyanasundaram

Dr Vaidyanathan Kalyanasundaram (Kaly) completed his medical studies in India. He has a Fellowship in Psychiatry from the Royal Australian and New Zealand College of Psychiatrists.

Dr Kaly works as a Senior Psychiatrist at Bayside/Metro South Health District and is also a Senior Lecturer within the Department of Psychiatry at the University of Queensland.

He has chaired the Ethics Committee at Bayside Health Services District for over five years and served as a member of the Medical Board from July 2002 to November 2008.

As a part-time clinical director of three different mental health services in South East Queensland he has strong interest in developing services that make a difference in the lives of people diagnosed with severe mental disorders. He is also very interested in teaching and conducting research to support people in their recovery from mental disorders.

Dr Sue Harbison

Dr Sue Harbison completed her medical studies at the University of Queensland. Since then she has worked in the area of general practice and for most of that time has worked in the capacity of General Practice Principal, in Brisbane.

Dr Harbison has chaired the Board's Complaints Advisory Committee since 2006.

Dr Harbison is a member of the Australian Medical Association, the Royal Australian College of General Practitioners, the Queensland Medical Women's Society, the Northside Medical Association and the local Division of General Practice - GP Partners.

Dr Marian Sullivan

Dr Marian Sullivan is a psychiatrist. She is in private practice but also has an appointment with the Royal Children's Hospital where she provides consultation through teleconferencing to central parts of Queensland.

Throughout her career she has taught medical students and registrars and served on a number of bi-national training accreditation committees.

Dr Sullivan has been a member of the Medical Board of Queensland since 2005 and sits as the Chair of the Board's Health Assessment and Monitoring Committee.

Her interests include doctor's health and child and adolescent psychiatry.

Dr Peter Woodruff

Dr Peter Woodruff was a Harvard Surgical Fellow in Boston and completed his surgical training in Aberdeen, Scotland, acquiring a Master of Surgery degree.

Throughout his career Dr Woodruff has contributed to the Royal Australasian College of Surgeons in roles ranging from State Chairman to Australasian Treasurer and then Vice President. As well as sitting

on the Medical Board of Queensland, Dr Woodruff has served as President of the Australian and New Zealand Society of Vascular Surgeons.

He is President of the Australian Council on Healthcare Standards and was recently admitted to the role of Fellow of the Australian Medical Association.

Dr Woodruff's field of expertise is vascular and renal transplant surgery. He is currently the Director of Vascular Surgery at the Princess Alexandra Hospital.

Associate Professor Tarun Sen Gupta

Associate Professor Tarun Sen Gupta completed his medical training at the University of Queensland. Between 1987 and 1993 he worked as Medical Superintendent with the Right to Private Practice in Richmond, Queensland.

Assoc Prof Sen Gupta is currently the Director of Medical Education at James Cook University and is also the Head of General Practice and Rural Medicine. He is co-Director of the Queensland Health Rural Generalist Program and is heavily involved in assessment at both undergraduate and postgraduate levels.

He was appointed to the Medical Board of Queensland in 2006 and chairs the Education Committee. Assoc Prof Sen Gupta holds a PhD in Medical Education and was awarded Fellowship of the Australian College of Rural and Remote Medicine and the Royal Australia College of General Practitioners.

He is interested in rural medicine, distance education, small group teaching and problem based learning.

Dr Jeannette Young

Dr Jeannette Young is the Chief Health Officer for Queensland, a role she has filled since August 2005. Prior to this she held the position of Executive Director of Medical Services at the Princess Alexandra Hospital and was the Director of Medical Services at Rockhampton Base Hospital.

Today she is responsible for such matters as disaster planning, population health services and mental health policy and legislation.

As well as sitting on Medical Board of Queensland and chairing the Registration Advisory Committee, Dr Young is a member of numerous committees and Boards throughout the state; some of which include the Queensland Institute of Medical Research Council and the Queensland Emergency Medical System Advisory Committee.

Dr Susan Gair

Dr Susan Gair is a public member of the Board. Currently she is the Acting Head of Department for Social Work and Community Welfare at James Cook University.

Dr Gair is also the Deputy Chair of the James Cook University Human Ethics Committee. Her professional background is in social work and she has conducted research on many social issues including attempted suicide, adoption and workplace violence.

Dr Gair has an interest in women's health, health and human ethics, Indigenous health and family violence.

Mr Michael Clare

Mr Michael Clare is a former senior public servant who has 27 years of experience working with Queensland Health.

During the 1990s, this organisation commenced a major program of legislative reform aimed at updating and modernising its legislative base. Mr Clare played a key role in several of these legislative reviews and policy development projects. A major contribution included the review of health practitioner registration legislation.

Since leaving the public sector, Mr Clare has worked with several non-profit community mental health organisations including the Schizophrenia Fellowship (now known as the Mental Illness Fellowship of Queensland), Richmond Fellowship Queensland and the Bayside Initiatives Group Inc (BIG).

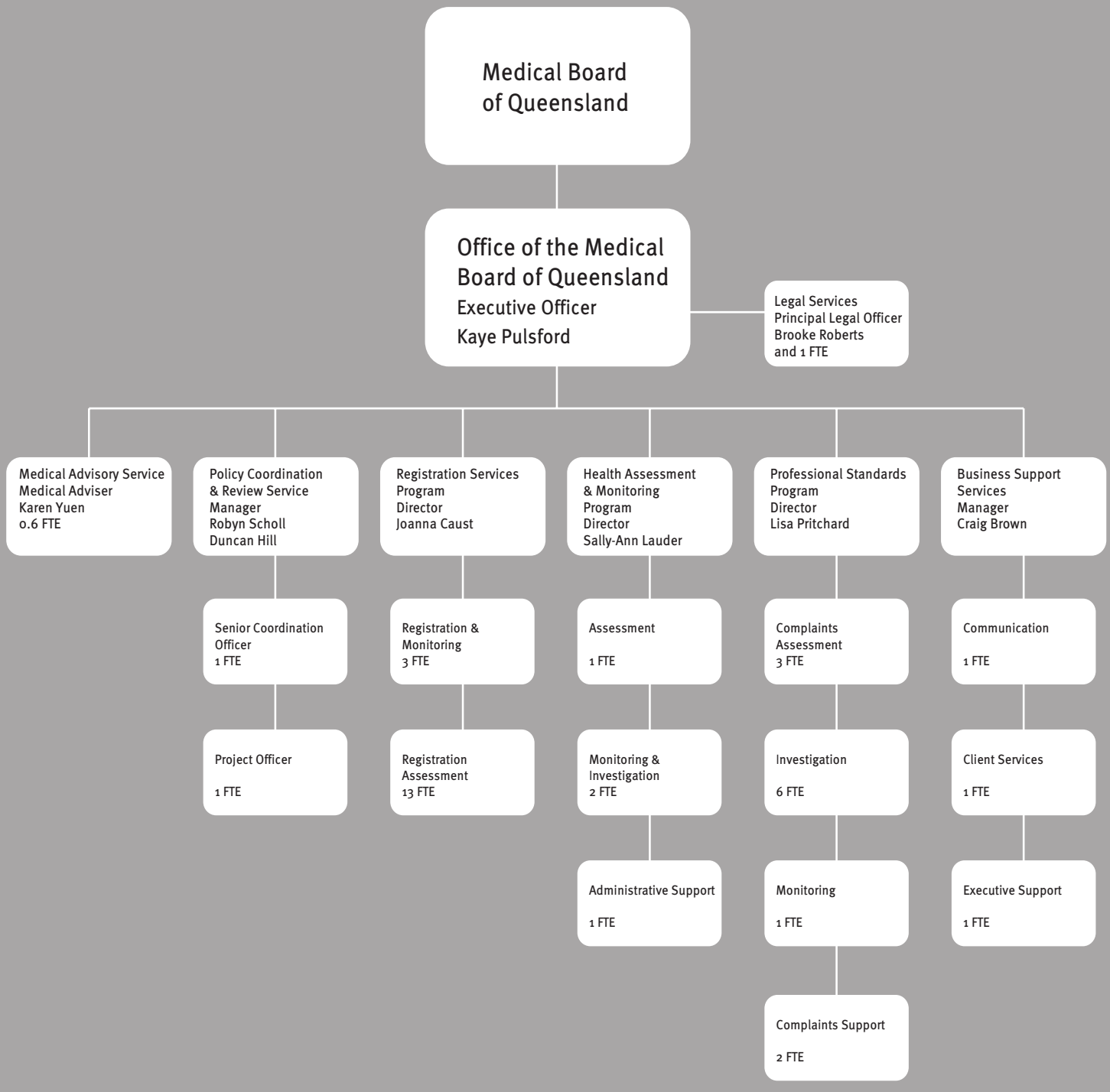
Currently he works for Lifeline Community Care Queensland in the area of disability support. Mr Clare has been a public member of the Board since 2002.

Ms Fiona Chapman

Ms Fiona Chapman is a solicitor in private practice in Brisbane and has served on the Board since October 2008. She has a Bachelor of Law and a Bachelor of Arts from the University of Queensland as well as a Graduate Diploma in Communication from the Queensland University of Technology.

Ms Chapman works as Special Counsel for Thynne & Macartney Lawyers. She specialises in medical and dental negligence and has over 11 years experience in professional indemnity claims.

Ms Chapman previously sat on the Cases Committee for the Australian Dental Association. Ms Chapman is a member of the Medico-Legal Society, the Australian Professional Indemnity Group and the Queensland Women's Lawyers Association.


Medical Board of Queensland
Office of the Medical Board of Queensland
Executive Officer
Kaye Pulsford
Legal Services
Principal Legal Officer
Brooke Roberts
and 1 FTE
Medical Advisory Service
Medical Adviser
Karen Yuen
0.6 FTE
Policy Coordination & Review Service
Manager
Robyn Scholl
Duncan Hill
Registration Services Program
Director
Joanna Caust
Health Assessment & Monitoring Program
Director
Sally-Ann Lauder
Professional Standards Program
Director
Lisa Pritchard
Business Support Services
Manager
Craig Brown
Senior Coordination Officer
1 FTE
Project Officer
1 FTE
Registration & Monitoring
3 FTE
Registration Assessment
13 FTE
Assessment
1 FTE
Monitoring & Investigation
2 FTE
Administrative Support
1 FTE
Complaints Assessment
3 FTE
Investigation
6 FTE
Monitoring
1 FTE
Complaints Support
2 FTE
Communication
1 FTE
Client Services
1 FTE
Executive Support
1 FTE

OFFICE OF THE MEDICAL BOARD OF QUEENSLAND

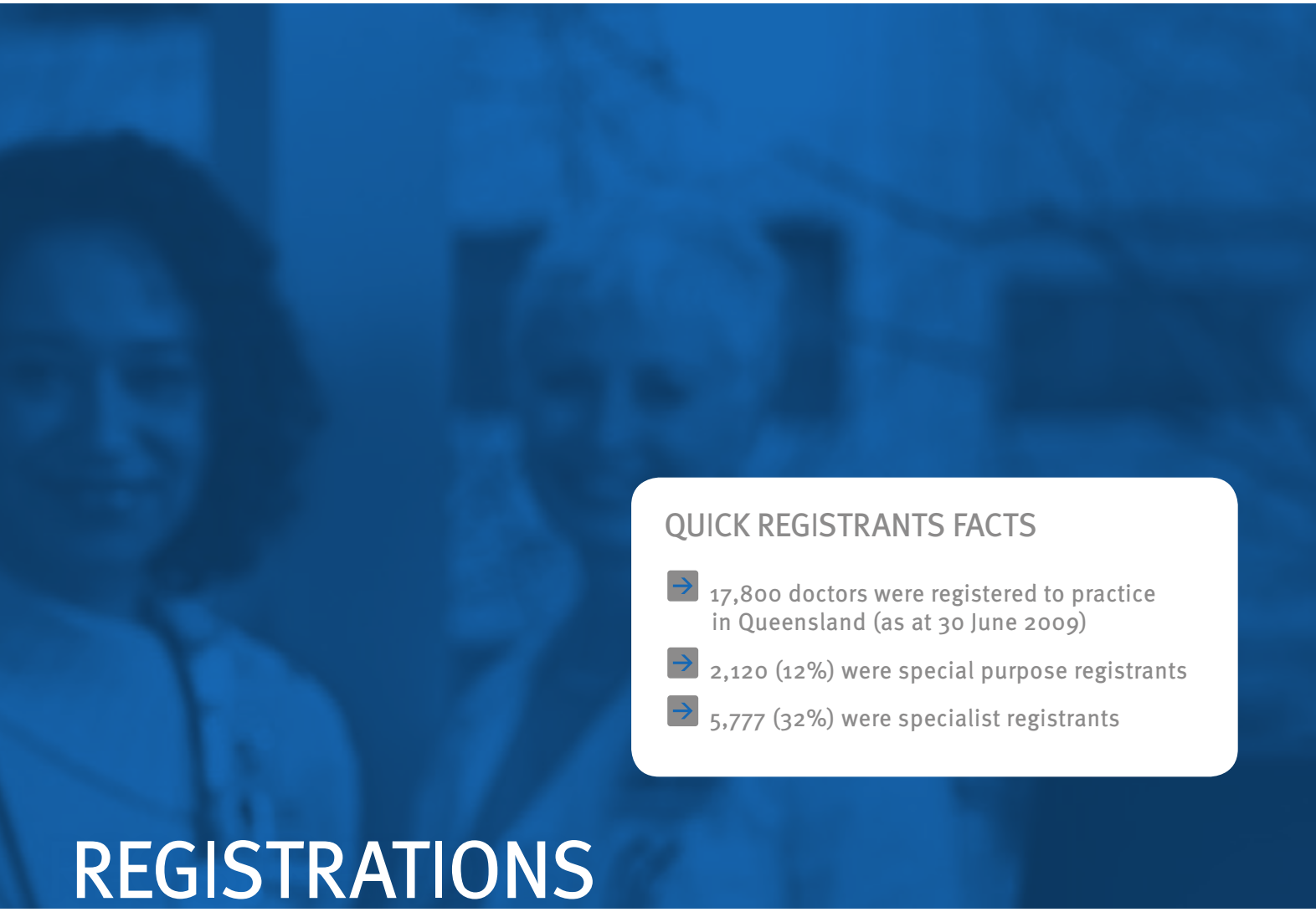
The Office provides administrative and operational support to the Medical Board of Queensland through five program areas: registrations, professional standards, health assessment and monitoring, policy coordination and review and business support.

The Office of the Medical Board:

- assists the Board to perform its legislative responsibility to protect the public by regulating the standards of practice of the medical profession and maintaining confidence in the profession
- consults and liaises with local, state, national and international agencies involved in training, accreditation, regulation and service provision in the health industry
- provides the Minister and the Board with authoritative policy advice on national and international developments in occupational regulation and regulation of the medical professional.

Executive Officer Kaye Pulsford heads the Office and is responsible for its efficient and effective administration and operation.

The cost of administrative services provided to the Board between 1 July 2008 and 30 June 2009 was $5, 686, 667.



QUICK REGISTRANTS FACTS

- 17,800 doctors were registered to practice in Queensland (as at 30 June 2009)
- 2,120 (12%) were special purpose registrants
- 5,777 (32%) were specialist registrants

REGISTRATIONS

Principal activities include determining applications for registration, maintaining the medical register, issuing certificates of registration and certificates of registration status and advising on registration policy.

To practise medicine in Queensland, all doctors must be registered by the Board and renew their registration annually. Registration ensures a doctor has appropriate qualifications and experience and has met the fitness to practise requirements.

Registration Advisory Committee (Board)

The Registration Advisory Committee assists the Board by considering registration policy issues and assessing and deciding registration applications. However, the committee does not have the power to refuse registration applications, cancel registration or remove conditions. These responsibilities, with the exception of the removal of internship conditions, remain with the Board. This committee met 23 times in the 2008-09 financial year.

Membership

Dr J Young (Chairperson)

Dr M Cohn

Mr M Clare

Dr K Yuen
(non-board member)

Mr M Demy-Geroe
(non-board member)

Registration Services Program (Office)

This area manages client services associated with applications in accordance with relevant legislation. These activities are undertaken by 17 staff including Joanna Caust, Director, a principal registration officer, two senior registration officers and 13 registration officers.

Key achievements

- Successfully implemented National Registration Pathways
- Educated stakeholders regarding new requirements and transitional arrangements for the implementation of the Pathways
- Improved communication with universities prior to the graduation of final year medical students to ensure issues related to 'fitness to practise' were managed early to allow for easier transition into the commencement of internship
- Implemented on-line renewal processing for general and specialist registration
- Maintained the highest standards of medical regulation
- Liaised with employers, recruiters, the Australian Medical Council and other State and Territory Medical Boards to improve application processes.

Future directions

- Commence criminal history screening of all new applicants
- Implement Pre-Employment Structured Clinical Interviews (PESCI) for new international medical graduates (IMGs) - the requirement to undertake a PESCI will be at the Board's discretion
- Continue to build relationships with external stakeholders through the provision of timely and accurate advice
- Increase monitoring of supervised practice plans, practice conditions and assessment reports
- Continue to enforce compliance with progress policy requirements
- Align internal processes with national registration process to ensure a seamless transition in 2010.

Overview of statistics

- 207 IMGs achieved General registration via the competent authority pathway
- 154 IMGs gained General registration via the Australian Medical Council examination pathway
- 430 Australian graduates achieved General registration with intern conditions
- Due to lack of or inappropriate experience or inability to meet mandatory requirements, 77 applications were refused during 2008-09
- Of the total number of doctors registered to practice in Queensland:
  - over 10,000 hold General or General Practice registration
  - nearly 6,000 hold Specialist registration and
  - over 2,000 hold Special Purpose registration
- IMGs with primary qualifications from India, the United Kingdom, South Africa and the Philippines make up 54 per cent of the total number of special purpose registrants.

Registrations

Total registrations for the past five years - category (as at 30 June 2009)

Registration category	2005	2006	2007	2008	2009
General registration only	7,494	8,030	8,447	8,983	9,601
Specialist registration[1]	4,372	4,704	5,083	5,445	5,777
Special Purpose registrations	1,502	1,646	1,883	2,025	2,120
• Postgraduate training (S132)	157	205	320	339	168
• AMC training (S133)	30	44	45	55	47
• Teaching/research (S134)	20	9	7	11	10
• Area of need (S135)	1,148	1,212	1,334	1,392	1,351
• Area of need deemed Specialists (S135 & 143A)	87	99	146	149	176
• Specialist training (S136)	2	7	11	6	19
• Public interest (S137)	2	1	0	0	0
General Practice (S138)	213	274	340	412	517
Non-practising	124	122	119	122	166
Total	13,649	14,717	15,852	16,914	17,832[2]

Notes
[1] Specialist registration includes those registrants who hold Specialist registration only; or who hold General and Specialist registration.
[2] 32 registrants hold more than one category of registration, therefore reducing the total number of registrants to 17,800.

Registrations - gender, age and location of doctors (as at 30 June 2009)

	Years					Total	%
Gender	‹25	25-34	35-44	45-54	55 ›		
Male	24	2,057	3,010	2,839	3,899	11,829	66.46
Female	40	1,821	1,819	1,400	891	5,971	33.54

Registered address	Total	%
Brisbane	7,310	41.07
South-East Queensland (excluding Brisbane)	2,814	15.81
Queensland (excluding South East Queensland)	2,849	16.01
Outside Queensland	4,827	27.12

Registration applications approved - (between 1 July 2008 - 30 June 2009)

	Approved
General Registration	90
General Registration - Intern	430
Mutual recognition	750
Competent Authority	207
Australian Medical Council (AMC)	154
Removal of conditions	59
Removal of intern conditions	362
Specialist 111(1) – (also has General registration)	373
Specialist 111(2) – (does not have General registration)	108
Non-Practising	32
Section 132 – postgraduate training	103
Section 133 – AMC training	33
Section 134 – teaching/research	11
Section 135 – area of need (AON)	526
Section 135 and 143A – AON deemed Specialists	78
Section 136 – Specialist training	17
Section 137 – public interest	0
Section 138 – General Practice	100
Special purpose registration renewals	1,659
Total	5,092[1]

Notes
[1] 3,356 new applications for registration were processed in the 08 / 09 financial year. In addition 77 were refused.

Special Purpose registrants – sources of primary qualification by country (as at 30 June 2009)

Source country – primary medical qualification	2007-08	2008-09
India	372	478
United Kingdom	290	368
South Africa	129	281
Philippines	93	115
Pakistan	47	96
Fiji	17	89
Iran	60	87
Germany	54	76
Ireland	52	67
Bangladesh	36	61
Nigeria	18	38
Netherlands	30	37
United States of America	22	32
Zimbabwe	16	32
Egypt	25	20
Russian Federation	19	20
Papua New Guinea	4	17
Iraq	10	15
Other	296	368
Total	**1,590**	**2,297**

Specialist registrants - area of specialty (as at 30 June 2009)

Specialty	Number
Anaesthetics	842
Diagnostic Radiology	580
Psychiatry	543
Internal Medicine	445
General Surgery	415
Obstetrics & Gynaecology	396
Paediatrics	308
Emergency Medicine	276
Orthopaedics	264
Cardiology	200
Pathology	179
Ophthalmology	171
Intensive Care	134
Gastroenterology	111
Thoracic Medicine	98
Otolaryngology - Head and Neck Surgery	95
Dermatology	79
Urology	79
Nuclear Medicine	75
Anatomical Pathology	73
Endocrinology	73
Medical Administration	70
Plastic & Reconstructive Surgery	63
Neurology	61
Renal Medicine	60
Others	743[1]
Total	6,433[2,3]

Notes
[1] Others includes 25 recognised specialties, each of which has less than 60 doctors registered.
[2] More than 600 registrants have multiple specialties.
[3] Does not include deemed specialists (international medical graduates with Special Purpose registration).

QUICK PROFESSIONAL STANDARDS FACTS

- 394 complaints were received
- 345 complaints were assessed
- 121 investigations were completed
- Complaints were received about less than 2 per cent of registered doctors

PROFESSIONAL STANDARDS

Principal activities include assessing and investigating complaints about the professional conduct of medical practitioners, monitoring medical practitioners whose registration is subject to conditions or undertakings arising from disciplinary action, and developing policy on the complaints, assessment and investigation process.

The Board works closely with the Health Quality and Complaints Commission (HQCC) to manage complaints about medical practitioners. A complaint can be made to either body, however the Board regulates medical practitioners' conduct whilst the HQCC has a greater focus on systemic health issues, providing consumers with assistance resolving and conciliating their complaints.

The Board and the HQCC consult on the initial assessment of complaints, and on the outcome of investigations to ensure they are managed appropriately.

Professional Standards Program (Office)

In January 2009 Lisa Pritchard was appointed Director of the Professional Standards Program (the Program) following the resignation of Erin Finn. This area manages processes associated with complaints and referrals made to the Board. Information received about the conduct or performance of doctors is assessed, and where necessary, investigated by officers who provide reports and recommendations to the Board, or the Complaints Advisory Committee, as appropriate for decision. It has 13 full-time employees comprised of six complaint investigators, three complaint assessors, one compliance and monitoring officer and administration support.

Key achievements

- Developed a more flexible and robust complaint assessment framework
- Dedicated increased resources to monitoring medical practitioners' compliance with undertakings and conditions imposed on their registration
- Formalised the Disciplinary Policy to ensure decision making regarding disciplinary proceedings against medical practitioners is consistent, transparent and fair.
- Finalised the Program's policy and procedures manual

Future directions

- Review and update information resources on complaints, assessment and investigation
- Improve resources to promote and facilitate the reporting of concerns about medical practitioners' conduct
- Establish a memorandum of understanding with Queensland Health to enable timely information exchange and referrals concerning official misconduct or clinical competence of medical practitioners
- Establish a memorandum of understanding with the HQCC to improve procedures and working arrangements in relation to receiving, assessing and managing complaints about medical practitioners.

Overview of statistics

- Around 10 per cent of referrals and complaints were lodged by colleagues and professional bodies in 2008-09.
- Patients, or patient representatives, were the most common source of complaints made to the Board during 2008-09. Complaints received by the HQCC and other sources, such as the Coroner or an employer, were the second and third most common sources of complaints.
- The number of allegations of inadequate treatment and poor communication by medical practitioners has remained steady over the last two reporting years and continue to be two of the most common reasons for complaint.
- By adopting alternatives to investigation, such as issuing warnings or negotiating undertakings with medical practitioners to address issues with performance or conduct, the Board has ensured that finite investigation resources are directed to investigating the most serious allegations relating to medical practitioners' conduct.
- Medical Boards across Australia regularly exchange complaint and investigation information about registered medical practitioners in the interests of protecting patient safety.
- In 2008-09, 39 per cent of investigations completed resulted in referrals for disciplinary proceedings.

Complaints Advisory Committee (Board)

The Complaints Advisory Committee assists the Board by assessing complaints, overseeing investigations of complaints and by providing direction and advice to complaint investigators. The Complaints Advisory Committee met 21 times in the 2008-09 financial year.

Membership

Dr S Harbison (Chairperson)

Dr V Kalyanasundaram

Dr P Woodruff

Dr S Gair

Dr D Henderson (non board member)

Dr T Ringrose (non board member)

Ms F Chapman

Complaints

New referrals - primary allegation in complaint (between 1 July 2008 and 30 June 2009)

Nature of allegation	Number
Treatment inadequate	77
Communication	42
Inappropriate professional conduct	24
Medico-legal (inc report – inadequate / incorrect)	25
Competence	22
Treatment incorrect	20
Diagnosis – incorrect	17
Inappropriate examination / treatment	16
Advertising	13
Access to medical records	11
Refusal to treat	10
Adverse treatment outcomes	9
Breach of confidentiality	9
Sexual assault/harassment	9
Inappropriate prescribing	9
Diagnosis – inadequate / incomplete	8
Sexual/inappropriate relationship	6
Fees	6
Holding out / misrepresentation	6
Conviction	5
Administrative practice	5
Records – inaccurate/poor quality	4
Physical assault	4
Inappropriate care	4
Dissatisfaction with process/outcome	4
Other (various)	29
Total	394

New referrals - source of complaint (between 1 July 2008 and 30 June 2009)

Source	Number
Patient/relative	177
HQCC	75
Other (e.g. Coroner, QPS, Employers, Medicare Australia)	50
Queensland Health (inc Drugs of Dependence Unit and Drugs & Poisons Regulation)	30
Colleague / Professional body	27
Allied Health Professional	25
Other registration Boards	10
Total	394

New referrals - registration type (between 1 July 2008 and 30 June 2009)

Source	Number of complaints[1]	% 2008-09	% 2007-08
General registrants	186	47	43
Specialist	154	39	41
Special purpose	54	14	16
Total	394	100	100

Note
[1] Some medical practitioners have been the subject of multiple complaints

New referrals - assessment outcomes (between 1 July 2008 and 30 June 2009)

At the commencement of the financial year there were 117 complaints on hand. Between 1 July 2008 and 30 June 2009 a further 394 complaints were received. During this period 345 complaints were assessed and in some instances dealt with by way of a warning or an undertaking.

Outcome	Number
Closed after assessment	147
Referred to Health Quality and Complaints Commission	113
Referred to Health Assessment and Monitoring Program	1
Referred to other entity	2
Referred for investigation	73
Disciplinary proceedings commenced	9
Continue to be assessed	166
Total	511

Investigations - (between 1 July 2008 and 30 June 2009)

At the commencement of the financial year there were 168 investigations on hand. 73 new investigations were commenced in 2008-09. 121 investigations were completed. This is an increase of seven from the last reporting year. At the end of 2008-09 120 investigations were ongoing.

Investigation costs

The total cost of investigations undertaken by the Board during 2008-09 was $628, 727. A total of $1, 355 was expended on seven investigations pursuant to the *Medical Practitioners Registration Act 2001* and the remaining $627, 372 was expended undertaking investigations pursuant to the *Health Practitioners (Professional Standards) Act 1999*.

Investigations - primary allegation (between 1 July 2008 and 30 June 2009)

Nature of allegation	Number
Treatment – inadequate, incorrect or adverse outcome	18
Sexual or otherwise inappropriate relationship	7
Sexual harassment	6
Other	6
Inappropriate professional conduct	5
Inappropriate examination/treatment	5
Competence	5
Diagnosis - incorrect	3
Financial inducement/advantage	2
Conviction/offence under legislation	2
Holding out / misrepresentation	2
Wrong/incorrect prescribing	1
Standards of care-hygiene	1
Sexual assault	1
Physical assault	1
Over-servicing	1
Mental/physical capacity	1
Falsification/fabrication/plagiarism	1
Experimental treatments	1
Diagnosis - inadequate/incomplete	1
Convictions	1
Commercial advertising	1
Breach of confidentiality	1
Total	73

Investigations - outcomes (between 1 July 2008 and 30 June 2009)

Outcome	Number
No further action taken	74
Board disciplinary proceedings commenced	27
Tribunal disciplinary proceedings commenced	16
Undertakings given by practitioner	3
Panel disciplinary proceedings commenced	1
Magistrates Court prosecution commenced	0
Total	**121**

MONITORING OF CONDITIONS AND UNDERTAKINGS

(between 1 July 2008 and 30 June 2009)

As at 30 June 2009, 71 (0.4 per cent) medical practitioners were being monitored as a result of their registration being suspended or cancelled (11 registrants) or being subject to conditions or undertakings (60 registrants).

Of the 71 Registrants subject to monitoring

- 40 hold or held General registration
- 23 hold or held General and Specialist registration
- 8 hold or held Special Purpose registration

KEY DISCIPLINARY STATISTICS

- 61 medical practitioners were the subject of completed disciplinary action
- Two medical practitioners had their registration cancelled
- Six medical practitioners had their registration suspended by the Health Practitioners Tribunal
- The majority of medical practitioners disciplined received an advice, caution or reprimand from the Board/Disciplinary Committee

DISCIPLINARY AND LEGAL PROCEEDINGS RELATING TO DOCTORS

Principal activities include managing disciplinary proceedings before the Board, Professional Conduct Review Panel and Health Practitioners Tribunal, summary prosecutions, judicial review proceedings and general litigation.

Disciplinary bodies (Board)

The disciplinary process follows an investigation when the Board decides there appears to be grounds for disciplinary action against a doctor. Depending on the nature of a matter, disciplinary proceedings are conducted by one of three disciplinary bodies including:

- the Board or a Disciplinary Committee comprised of members of the Board which deals with less serious matters that can be addressed by advising, cautioning, or reprimanding the medical practitioner; the Board may also enter into an undertaking with the medical practitioner about his/her professional conduct or practice;
- a Professional Conduct Review Panel which has the same powers as the Board with the additional ability to impose conditions on the medical practitioner's registration; and
- the Health Practitioners Tribunal which hears the most serious disciplinary matters likely to result in suspension or cancellation of a medical practitioner's registration; the Tribunal has power to impose the full range of sanctions including imposition of a fine.

Legal Service (Office)

Headed by Brooke Roberts, Principal Legal Officer, an in-house Legal service was established in December 2008 to manage disciplinary proceedings and other litigation conducted by the Board. The Legal service conducts, or instructs external legal providers, in disciplinary proceedings, summary prosecutions, judicial review matters and general litigation as well as providing general legal advice and support to the Board and Office. The Legal service is supported by one Legal Officer position.

Approximately $1.7 million was expended by the Board for external legal services in the year ending 30 June 2009. The majority of this amount relates to disciplinary proceedings conducted before the Health Practitioners Tribunal and Professional Conduct Review Panel. The in-house Legal service prepares and assists with all disciplinary proceedings before the Board/Disciplinary Committee and absorbs the costs of disciplinary action in this forum.

Key achievements

- Reviewed and updated Legal Service Standards for external legal providers
- Proactive management of external legal providers resulting in more effective, expeditious and cost effective carriage of litigation
- Developed decision-making guidelines to improve quality and ensure consistency of the exercise of the Board's powers under section 59 of the *Health Practitioners (Professional Standards) Act 2001*
- Developed and retained specialist legal knowledge and skills within the Board and Office
- Increased legal cost recovery activity resulting in receipt of $245, 000 during January to June 2009
- Coordinated Advanced Government Decision Making training provided by Clayton Utz to the Board members and all relevant Office staff to improve quality and effectiveness of the Board's administrative decisions and functions
- Maintained accurate and up to date disciplinary information on current registrants on the register and on the Board's website.

Future directions

- Develop a debt recovery policy and process to ensure optimal recovery of legal and investigation costs in a cost efficient manner
- Develop a policy and process to undertake and manage criminal history checking in relation to applicants for registration and current medical practitioners
- Develop a policy in relation to witness fees and expenses to manage the costs associated with expert and lay witnesses in disciplinary proceedings.

Primary allegation in complaints - disciplinary proceedings (between 1 July 2008 and 30 June 2009)

Primary Allegation	Tribunal	Panel	Board
Adverse treatment outcomes	20	2	4
Inappropriate professional conduct	8	-	6
Experimental/innovative treatments	8	-	2
Sexual misconduct	6	-	2
Inappropriate/inadequate Treatment	9	1	6
Sexual relationship	2	-	1
Competence	3	-	1
Unprofessional/unethical action	2	1	3
Statutory breaches	1	-	1
Standard of care	1	-	1
Prescribing	2	-	4
Acts of dishonesty	2	-	1
Diagnosis incorrect/incomplete	-	-	10
Breach of confidentiality	2	-	-
Administration	-	-	1

Outcomes of disciplinary proceedings - disciplinary action (between 1 July 2008 and 30 June 2009)

Disciplinary proceedings may involve more than one complaint about a single medical practitioner. For example, a medical practitioner is currently being disciplined by the Health Practitioners Tribunal in relation to nine individual patient complaints. The figures in the table below are representative of the number of medical practitioners before the relevant disciplinary body.

Outcome	Tribunal	Panel	Board	Total
Cancellation	2	-	-	2
Suspension	6	-	-	6
Conditions/undertakings	2	-	-	2
Advice/caution/reprimand	1	1	28	30
No further action	1	1	5	7
Other	3	-	-	3
Ongoing	15	2	10	27 [1]
Total	30	4	43	77

[1] Includes 11 completed tribunal matters with costs outstanding

QUICK HEALTH ASSESSMENT AND MONITORING FACTS

- 33 per cent increase in referrals
- 15 per cent increase in registrants being monitored
- Each month an average of 79 registrants being monitored
- Of the 73 doctors referred to the program 11 were found to be 'impaired' while 16 are having their assessments finalised
- 19 were discharged from the program, while two returned

HEALTH ASSESSMENT AND MONITORING

Principal activities include assessing doctors whose health conditions could affect their fitness to practise, establishing treatment and monitoring programs, providing expert advice and support to assist doctors to remain in the workforce and promoting doctor's health.

Like any member of our community medical practitioners may be affected by physical or mental illness, a condition or disorder, or substance abuse or dependence. A primary responsibility of the Board is to protect the public by monitoring doctors whose health affects, or is likely to affect, their ability to practice medicine safely.

The goal of the Health Assessment and Monitoring Program is to intervene with expert advice and assistance to help practitioners stay in the workforce, provided it can be done safely. The focus of the program is support and recovery for medical practitioners, and is separate from the Board's disciplinary procedures.

Health Assessment and Monitoring Committee (Board)

The Health Assessment and Monitoring Committee work towards protecting the public through appropriate management of doctors found to be 'impaired'. The Committee is responsible for reviewing the evidence and making decisions in relation to a medical practitioner's impairment. They also decide on the best program to assist impaired doctors whose careers may be threatened by illness or addiction. The Committee met 11 times in the 2008-09 financial year.

Membership

Dr M Sullivan (Chairperson)

Dr M Cohn

Dr C Kennedy

Health Assessment and Monitoring Program (Office)

In March 2009 Sally-Ann Lauder was appointed Director of the program, replacing Acting Director Bill Loveday. The area includes two senior monitoring officers, one assessment officer and one administration officer. The program manages the processes associated with impaired doctors and ensures complaints, or information received about doctors, are documented and assessed. The team negotiates health assessments and undertakings where appropriate, takes action with non-compliant doctors and ensures details are recorded accurately on the medical register.

The monitoring program also involves the regular review and follow-up of a doctor's health. Doctors voluntarily enter into undertakings with the Board which may include supervision requirements, restrictions on hours of work, attending treatment by a psychiatrist and/or GP and urine drug screening, alcohol breath-testing and blood testing.

During the 2008-09 period, the cost of health assessments for new referrals conducted under the *Health Practitioner's (Professional Standards) Act 1999* was $80, 778. This was a 50 per cent increase on the 2007-08 financial year. Additionally, the cost of assessments for doctors who require on-going monitoring was $82, 093. The costs associated with monitoring are reimbursed to the Board by the registrants. As at end of June 2009 $34, 585 had been reimbursed.

Key achievements

- Improved response time and action of new referrals
- All registrants being monitored have comprehensive monitoring plans in place
- Increased awareness and confidence in the program as evidenced through stakeholder feedback.

Future directions

- Continue to maintain high standards of health assessment and the monitoring of impaired doctors
- Further streamline assessment and monitoring processes
- Review current delegations to further improve response times
- Increase the number of appropriately qualified and skilled Board assessors
- Research projects to incorporate the best available evidence into the monitoring program.

Overview of statistics

- Mental health is the leading cause of 'impairment' diagnoses.
- The greatest source of referrals are self referrals (this figure includes mandatory disclosures) followed by referrals from employers.
- The greatest number of referrals were for people aged between 31-40 and 51-60.
- There were no females referred for the reasons of alcohol abuse, drug abuse, cognitive impairment or personality disorders.
- More than twice the number of males were referred compared to females (there are also more than twice the number of males registered).
- There were no females over the age of 60 referred, compared to 16 males.
- There were six males under the age of 30 referred compared to eight females under the age of 30 referred (there are more females than males registered in this age group).
- There was a steady increase in the number of registrants in monitoring in the 2008-09 financial year.
- There was a significant spike in referrals in the three months of September to November 2008.

Referral – nature (between 1 July 2008 and 30 June 2009)

Impairment	2008-09
Alcohol	1
Drug Use	
• Prescription	4
• Other (Illicit)	4
• Both	1
Mental Disorders	35
Dual Diagnosis	9
Cognitive Impairment	3
Other (eg physical incapacity, complaints etc)	16

Referral - age and gender (between 1 July 2008 and 30 June 2009)

Age	Male	Female	Total
‹ 30	6	8	14
31-40	9	7	16
41 – 50	6	4	10
51-60	13	3	16
61-70	11	0	11
›71	5	0	5
Unknown	1	0	1
Total	**51**	**22**	**73**

Referral - source

Source	2005-06	2006-07	2007-08	2008-09
Self [1]	13	37	24	26
Colleagues	3	1	11	5
Treating Practitioners	5	1	4	5
Employers	5	10	5	19
Patients [2]	1	-	2	10
Other agencies	9	4	4	2
Others [3]	8	4	5	6
Total	**44**	**57**	**55**	**73**

Note
[1] Self - includes unprompted referral, mandatory disclosure and other health related information received from registrations
[2] Patients - includes families and friends of patients
[3] Others - includes other health professionals

Results of health assessments and investigations

Finding	2005-06	2006-07	2007-08	2008-09
Impairment	14	14	11	11
No further action	30	39	23	37
Other action	0	0	2	9
Under assessment/ investigation	0	4	19	16
Total	44	57	55	73

Health impairment diagnosis

Impairment	2005-06	2006-07	2007-08	2008-09
Alcohol	3	1	2	0
Drug Use	6	7	5	3
Mental Disorder	8	7	11	6
Dual Diagnosis	4	2	5	2
Cognitive Impairment	-	-	-	0
Other (eg physical incapacity, complaints etc)	1	0	0	0

Methods by which impaired doctors were monitored

Activity	2007-08	2008-09
Urine drug screening	21	26
Breath-testing	3	5
Hair-testing	2	5
Supervised practice	22	50
Blood testing	-	15
Undertaking not to practice	8	3
Not currently in practicing in Qld	10	19

AREAS THAT NEED DOCTORS

Employers who have been unable to fill a vacant position with suitably qualified Australian doctors can seek Area of Need certification for the position. If an area of need is declared employers are able to employ an international medical graduate (IMG) who has had suitable training and experience for the position. The Executive Officer has been delegated the responsibility to manage this process on behalf of the Minister for Health.

Type of positions approved - (between 1 July 2008 to 30 June 2009)

General Practitioners	227
Junior Medical Officer (Private Hospitals only) [1]	1
Senior Medical Officer (Hospitals)	28
Medical Officer/ Medical Superintendent - Right of Private Practice (Hospitals)	7
Deemed Specialists (Hospitals)	107
Director (Hospitals)	1
Sub-Total Hospitals	144
Total [2]	371

Notes
There is a significant reduction in Area of Need approvals for the July 2008 to June 2009 due to a legislation amendment in March 2007 that enabled Area of Need applicants to obtain a four year operational period, instead of a one year operational period.
[1] Junior Medical Officer positions in Queensland Health facilities are not included in this table.
[2] Approval of a position does not guarantee a position will be filled.

Main Area of Need locations - General Practitioners (between 1 July 2008 to 30 June 2009)

Gold Coast	18
Townsville	12
Hervey Bay	6
Bundaberg	6
Mackay/Redcliffe/Ipswich	5

Main Area of Need locations - hospitals (between 1 July 2008 to 30 June 2009)

Bundaberg	16
Rockhampton	13
Cairns	10
Toowoomba	9
Gold Coast	8

Main Area of Need - specialities (between 1 July 2008 to 30 June 2009)

Anaesthetics	17
Internal Medicine	15
Obstetrics & Gynaecology	11
Emergency Medicine	10
Psychiatry	8

EDUCATING DOCTORS

Principal activities include assisting with matters relating to internship training and the accreditation of internship facilities.

Education Committee

The Committee provides advice to the Board in relation to its educational functions and liaises with Queensland Health and the Postgraduate Medical Council of Queensland on the education and training of junior doctors.

It also liaises with the Confederation of Postgraduate Medical Education Councils and the Australian Medical Council about the development of national training standards. This committee met five times in the 2008-09 financial year.

Membership

Associate Professor
T Sen Gupta (Chairperson)

Dr M Cohn

Dr J Young

The Board is represented on the Postgraduate Medical Council of Queensland by Associate Professor Sen Gupta.

Funding to support the education of doctors was provided as follows:

- $239, 000 grant paid to the Postgraduate Medical Education Council of Queensland for the accreditation of internship training programs
- $92, 324 paid to the Australian Medical Council to support its activities as a standards accreditation authority.

Key achievements

- Improved communication with the Postgraduate Medical Education Council of Queensland and Queensland Health to enable adequate planning to occur to accommodate the increasing number of medical graduates requiring placement in accredited intern training programs.
- Approved accreditation of internship terms in respect to 11 health facilities, one of which received accreditation for the first time.
- Approved accreditation of additions or modifications to accredited intern programs at three health facilities.
- Developed supervised practice plan guidelines and orientation checklist to assist assessors and supervisors of registrants.

Future directions

- Explore alternative avenues for the provision of accredited intern training to accommodate the increasing number of medical graduates.
- Identify national and international trends and developments in junior doctor training.

POLICY AND LEGISLATION

Principal activities include developing new policies to support national standards, researching and analysing policy proposals, negotiating amendments to statutes and subordinate legislation.

Policy, coordination and review program

Leadership of this area was shared by Duncan Hill and Robyn Scholl and during the reporting period it provided comprehensive policy support to the Board and other program areas. It also manages secretariat support for Board meetings and assists the Education Advisory Committee.

Key achievements

- Developed and implemented policies consistent with national registration pathways (Standard, Specialist and Competent Authority Pathway)
- Developed submissions in response to the five consultation papers relating to the national registration and accreditation scheme
- Developed the Safe and Healthy Work Practices – Fatigue Guideline
- Developed the Medical Practitioners Treating Family, Friends, Colleagues and Self Policy
- Initiated legislative amendment, and developed policy, to enable holders of the Fellowship of the Australian College of Rural and Remote Medicine to be registered to undertake practise in general practice
- Provided advice in relation to criminal history screening of medical practitioners
- Developed a client services complaints handling policy and process.

Future directions

- Finalise the pre-employment structured clinical interview (PESCI) process for international medical graduates seeking non-specialist special purpose registration
- Provide advice regarding proposed legislation for the national registration and accreditation scheme
- Review the Area of Need Certification Policy and associated procedures and application forms
- Finalise customer service standards
- Continue to provide advice on future legislative amendments.

BUSINESS SERVICES

Principal activities include ensuring the Board and the Office meet corporate governance and reporting requirements and managing the provision of efficient and timely finance, human resource, information management and IT services.

Business Support Program

Headed by Craig Brown, Manager, this area provides comprehensive business support to the Board and other programs on areas such as communications and marketing, client service initiatives and business improvement strategies. This area also provides administrative support for Board meetings, front-of-office telephone and counter support and assistance to the Executive Officer.

Corporate services for the Office are provided through a service agreement with the Office of Health Practitioner Registration Boards (OHPRB).

Key achievements

- Implemented on-line registration renewals and contact detail updates using a model provided by the OHPRB IT team, and then adapted it to meet Board business requirements and corporate style. This resulted in over 60 per cent of eligible Queensland doctors renewing their registrations on-line.
- Designed and implemented *The Pulse* - the Office of the Medical Board's intranet - as the primary information resource for all staff
- Revised the Board's chart of accounts to allow for closer monitoring of expenditure - particularly investigation and legal expenditure
- Received overwhelmingly positive feedback on the Board's hosting of the 2008 all Boards National Medical Conference *Feeling the heat: medical regulation in a climate of change* - particularly on the 'Hypothetical' style panel discussion
- Implemented new communication channels during the registration renewal period - SMS and email reminders – which contributed significantly to the 91 per cent of general and specialist doctors who renewed their registration on or before the due date.

Future directions

- Continue to enhance existing on-line services with the development of an on-line module for requests for Certificates of Registration Status
- Implement minor enhancements to the Office's software and reporting functions to improve data quality prior to the transition to national regulation
- Re-develop key communication fact sheets, website sections and other documents for the Professional Standards Program, the Health Assessment and Monitoring Program and Registrations.

Internal accountabilities

Ministerial directions

The Board/Office did not receive any Ministerial directions or authorisations during the year.

Expenditure on consultancies

The Board/Office did not expend any money on consultants during the year.

Overseas travel

8th International Conference on Medical Regulation 6-9 October 2008
Cape Town International Convention Centre (CTICC), South Africa

Dr Mary Cohn, Chair of the Medical Board of Queensland attended this convention on behalf of the Board. All travel expenses were met by the Board.

The theme of the convention was *Medical Professionalism: The Building Blocks*; with presentations and panel discussions aimed at addressing the idea of medical professionalism and its value and relevance in the 21st century.

Codes of conduct

In line with Queensland government requirements, our codes of conduct are based on five principles:

- respect for the law and system of government
- respect for persons
- integrity
- diligence
- economy and efficiency

The codes of conduct apply to Board members, committee members, Office employees and members of working parties.

External accountabilities

Annual report

The 2007-08 annual report was completed and tabled in Parliament by the Minister for Health within the required timelines.

External audit

In addition to an internal audit, the Board and Office are subject to an independent external audit by the Queensland Audit Office. The audit report and unqualified certificate are included at the back of the financial statements in this report.

Freedom of Information

The Board and Office received 48 Freedom of Information applications this financial year, 20 of which were requests for non-personal information.

Personal applications did not attract fees, but in other cases, an application fee applied and there may also have been charges for processing and photocopying.

Access to Board and Office documents was provided in accordance with the *Freedom of Information Act 1992* during the 2008-09 financial year. The *Right to Information Act 2009* and the *Information Privacy Act 2009* will replace the *Freedom of Information Act 1992* on 1 July 2009.

Written applications for information should be forwarded to:

Executive Officer
Medical Board of Queensland
GPO Box 1667
Brisbane, Queensland 4001

Judicial Review Act 1991

The Board did not receive any requests for 'statements of reason' regarding administrative decisions made during the year.

Legislation and standards

The Board is a self-funding statutory body which reports to Parliament through the Minister for Health. The operations of the Board and Office are managed in accordance with the:

- *Medical Practitioners Registration Act 2001*
- *Medical Practitioners Registration Regulation 2002*
- *Health Practitioners (Professional Standards) Act 1999*
- *Medical Board (Administration) Act 2006*

MEDICAL BOARD OF QUEENSLAND

Financial Report
for the year ended 30 June 2009

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Income statement for the year ended 30 June 2009

	NOTE	2009	2008
		$	$
REVENUE			
Registration and other fees	2	8,672,796	7,275,204
Legal cost recoveries		356,067	305,755
Interest revenue		273,114	347,950
Sale of registers and labels		2,450	-
Grant - Queensland Health		-	663,636
Other revenue	3	248,270	334,364
TOTAL REVENUE		**9,552,697**	**8,926,909**
EXPENSES			
Administration expenses	4	2,465,173	3,501,577
Service agreement expenditure	5	5,562,629	4,838,293
Impairment write-downs		-	927,943
Grant - Australian Medical Council		92,324	87,083
Grant - Postgraduate Medical Council of Queensland		289,000	150,000
Grants - Others		-	112,730
TOTAL EXPENSES		**8,409,126**	**9,617,626**
NET SURPLUS / (DEFICIT)		**1,143,571**	**(690,717)**

The accompanying notes form part of these financial statements.

Balance sheet for the year ended 30 June 2009

	NOTE	2009	2008
		$	$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	7,215,504	5,951,929
Trade and other receivables	7	344,576	310,754
Other current assets	8	4,573	-
TOTAL CURRENT ASSETS		7,564,653	6,262,683
TOTAL ASSETS		**7,564,653**	**6,262,683**
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	316,109	157,710
TOTAL CURRENT LIABILITIES		**316,109**	**157,710**
TOTAL LIABILITIES		**316,109**	**157,710**
NET ASSETS		**7,248,544**	**6,104,973**
EQUITY			
Retained surplus / (deficit)		7,248,544	6,104,973
TOTAL EQUITY		**7,248,544**	**6,104,973**

The accompanying notes form part of these financial statements.

Statement of changes In equity for the year ended 30 June 2009

	2009	2008
	$	$
BALANCE AT BEGINNING OF THE YEAR	6,104,973	6,795,690
Surplus / (Deficit) for the year	1,143,571	(690,717)
BALANCE AT END OF THE YEAR	7,248,544	6,104,973

Cash flow statement for the year ended 30 June 2009

	NOTE	2009	2008
		$	$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Receipts from customers		9,742,100	8,873,189
Interest received		276,444	347,950
GST input tax credits from ATO		825,526	772,395
		10,844,070	9,993,534
Payments			
Supplies and services		(9,580,495)	(9,677,565)
		(9,580,495)	(9,677,565)
NET CASH FROM OPERATING ACTIVITIES	16	1,263,575	315,969
Net increase / (decrease) in cash held		1,263,575	315,969
Cash at the beginning of the financial year		5,951,929	5,635,960
CASH AT THE END OF THE FINANCIAL YEAR	17	7,215,504	5,951,929

The accompanying notes form part of these financial statements.

Notes to the financial statements for the year ended 30 June 2009

OBJECTIVES OF THE BOARD

The Medical Board of Queensland is constituted under Part 2 of the *Medical Practitioners Registration Act 2001* as a body corporate with perpetual succession. The Board is subject to the provisions of the *Medical Practitioners Registration Act 2001*, the *Health Practitioners (Professional Standards) Act 1999* and the *Financial Administration and Audit Act 1977*.

The principal objectives of the Board are to protect the public by ensuring health care is delivered by registered practitioners in a professional, safe and competent way; upholding standards of practice within the profession; and maintaining public confidence in the profession.

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the material accounting policies adopted:

(a) Basis of Accounting

The financial report is a general purpose financial report that has been prepared in accordance with the *Financial Administration and Audit Act 1977, Financial Management Standard 1997* and Australian Accounting Standards (including Australian Interpretations).

Except where specifically stated, the financial report has been prepared on a going concern basis, under the historical cost convention and the accounting policies adopted are consistent with those of the previous year.

The accounting policies set out below have been consistently applied to all years presented.

(b) Revenue

Registration fees

Revenue from annual registration fees and other fees are recognised on receipt. Application fees and registration fees are levied in accordance with the *Medical Practitioners Registration Regulation 2002*. Under this legislation, the registration period finishes at 30 June each year for General and Specialist Registrants. Registrants who do not renew their registration are removed from the Board's register.

Interest revenue

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

Grant revenue

Grants that are non-reciprocal in nature are recognised as revenue in the year in which the Board obtains control over them.

(c) Employee Benefits

Employee benefits are recognised in the Office of the Medical Board (OMB) financial statements. The Board receives all administrative and operational support from the OMB and pays for this support on a bi-annual basis.

(d) Accommodation

The Board is located in premises rented by the OMB from the Department of Public Works. Accommodation costs are paid by the OMB and reimbursed by the Board through a service agreement.

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Cash and cash equivalents

For financial reporting purposes, cash includes all cash at bank, on hand and deposits at call with financial institutions.

(f) Trade and other receivables

Trade receivables are recognised initially at nominal value. The terms of trade are 60 days from the date of invoice. Collectability of debtors is reviewed on an ongoing basis. A provision for impairment is raised where doubt as to collection exists. Debts which are known to be uncollectable are written off.

(g) Acquisition of assets

All asset acquisitions are recorded at cost. Cost is determined as the value given as consideration plus costs incidental to the acquisition, including all other costs incurred in getting the assets ready for use. The carrying amounts of all non-current assets are reviewed at least annually and are not stated at amounts in excess of their recoverable amount.

(h) Trade and other payables

Trade and other payables are recognised as liabilities for goods and services provided to the Board prior to the end of the financial year and which are unpaid. The amounts are non-interest bearing, unsecured and are normally paid within 30 days of recognition.

(i) Taxation

The activities of the Board are exempt from Commonwealth taxation except for Fringe Benefits Tax (FBT) and Goods and Services Tax (GST). GST credits receivable from and GST payable to the Australian Taxation Office are recognised.

(j) Insurance

The Board has a WorkCover insurance policy for workers' compensation for the Board Members, Directors and Officers liability insurance.

(k) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. 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 in the Balance Sheet are shown inclusive of GST.

(l) Roundings and comparatives

Amounts included in the financial statements are in Australian dollars and have been rounded to the nearest dollar. Where required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(m) Judgements

The Board has made no estimates, assumptions or judgements which may cause material adjustments to the carrying amounts of assets and liabilities within the next reporting period.

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Intangibles

It has been determined that there is not an active market for any of the Board's intangible assets. As such, the assets are recognised at cost less accumulated amortisation and accumulated impairment losses.

Internal Use Software

Costs associated with the development of computer software have been capitalised and are amortised on a straight-line basis over the period of expected benefit to the Board, namely 10 years.

(o) Issuance of Financial Statements

The financial statements are authorised for issue by the Chairperson and the Executive Officer at the date of signing the Management Certificate.

(p) Financial instruments

The Board does not enter into transactions for speculative purposes, nor for hedging. Apart from cash and cash equivalents, the Board holds no financial assets classified at fair value through profit and loss. All other disclosures relating to the measurement and financial risk management of financial instruments held by the Board are included in Note 22.

	2009	2008
NOTE 2 REGISTRATION & OTHER FEES	$	$
Annual registration fees	7,774,145	6,609,966
Restoration fees	284,710	143,603
Application fees	613,941	521,635
	8,672,796	7,275,204

NOTE 3 OTHER REVENUE		
Certificate of good standing	-	27,555
FOI application fees and photocopying charges	31,713	5,518
Fines	2,000	-
Refund recreation leave liability from OHPRB	-	185,845
Sundry revenue	214,557	115,446
	248,270	334,364

NOTE 4 ADMINISTRATION EXPENSES	2009 $	2008 $
Legal expenses	1,821,187	1,615,214
Health assessment expenses	152,574	112,892
Investigation expenses	148,649	1,357,017
Board member expenses	162,307	157,206
General operating expenses	152,469	190,668
Conference expenses	22,979	46,056
Function costs	5,008	2,947
Bad and doubtful debts expense	-	19,577
	2,465,173	**3,501,577**

NOTE 5 SERVICE AGREEMENT EXPENDITURE		
Service agreement - Salaries	4,492,303	3,860,815
Service agreement - Non-Salaries	1,070,326	977,478
	5,562,629	**4,838,293**

NOTE 6 CASH AND CASH EQUIVALENTS		
Cash at bank	986,783	1,200,247
At call deposits	6,228,721	4,751,682
	7,215,504	**5,951,929**

NOTE 7 TRADE AND OTHER RECEIVABLES		
Trade receivables	31,890	51,422
Less: provision for impairment	(18,593)	(18,593)
Accrued interest	1,339	4,669
Receivable from OMB	299,535	-
Other Debtors	30,405	273,256
	344,576	**310,754**

	2009	2008
NOTE 8 OTHER CURRENT ASSETS	$	$
Prepayment of insurance	4,573	-

NOTE 9 INTANGIBLES

Software at Cost	-	927,943
Provision for impairment	-	(927,943)
	-	-
Movements of Carrying Amounts		
Carrying amount at start of year	-	927,943
Work in Progress additions	-	-
Impairment write-downs	-	(927,943)
Carrying amount at end of year	-	-

NOTE 10 TRADE AND OTHER PAYABLES

Payable to OMB	148,406	-
Trade payables	167,703	157,710
	316,109	157,710

NOTE 11 KEY MANAGEMENT PERSONNEL COMPENSATION

Names of board members who have held office during the financial year are:

Dr Mary Cohn	Dr Vaidyanathan Kalyanasundaram (Resigned 26/11/2008)
Mr Michael Clare	Dr Marian Sullivan
Dr Susan Gair	Dr Peter Woodruff
Ass. Prof. Tarun Sen Gupta	Dr Jeannette Young
Dr Susan Harbison	Ms Fiona Chapman (Appointed 29/10/08)
Dr Christopher Kennedy	

Remuneration of Key Management Personnel for the year ended 30 June 2009

Key management personnel comprise the members of the Board whom have authority and responsibility for planning, directing and controlling the activities of the Board. The remuneration paid to the Board Members are in the nature of short-term employee benefits and consist of meeting fees which are set by Governor in Council. In addition, Board Members may be reimbursed travel and accommodation costs incurred in the course of their duties as members of the Board.

Total short-term employee benefits paid, to all Board Members during the year was $108,676 (2008: $98,217). No other benefits were paid to or accrued by Board Members. Board Members who are Queensland Government employees do not receive any remuneration.

Transactions with Board Members as Registrants

The Board Members who are Registrants, paid registration fees to the Board which are within normal Registrants' relationships, on terms and conditions no more favourable than those which it is reasonable to expect would have been adopted if dealing with the Board Member at arm's length, in the same circumstances.

NOTE 12 COMMITMENTS

The Board had no commitments of a significant nature at 30 June 2009.

NOTE 13 CONTINGENT ASSETS

As at the 30 June 2009, the Board has potential contingent assets of $175,000 (2008: $440,000). The contingent asset amount is based on estimates by the Board's legal advisers of what would be receivable if the Board, as plaintiff, were to be successful in matters before the Health Practitioners Tribunal and have the Board's costs reimbursed by the defendant.

NOTE 14 CONTINGENT LIABILITIES

As at the 30 June 2009, the Board has potential contingent liabilities of $470,000 (2008: $409,000). The contingent liabilities amount is based on estimates by the Board's legal advisers of what would be payable if the Board, as plaintiff, were to be unsuccessful in matters before the Health Practitioners Tribunal and ordered to pay the costs of the defendants.

NOTE 15 EVENTS OCCURRING AFTER REPORTING DATE

On 26 March 2008 the Council of Australian Governments executed an Intergovernmental Agreement to establish a single national scheme encompassing the registration and accreditation functions for 10 health professions including medical, to commence 1 July 2010.

As a result of this agreement it is expected that legislation will be enacted during the forthcoming year which will repeal sections of the *Medical Practitioners Registration Act 2001*, which is the legislation governing the Medical Board of Queensland and will be replaced by the national scheme.

It is expected that this legislation will effect the transition on 1 July 2010 of services, assets and liabilities of the Medical Board of Queensland to the Medical Board of Australia which will be the body responsible for medical regulation in Australia.

At the date of this report the proposed administrative arrangements, including for the transfer of assets and liabilities, have not been fully determined and the required legislation has not been enacted.

NOTE 16 CASH FLOW INFORMATION	2009 $	2008 $
Reconciliation of Net surplus/(deficit) to net cash provided by operating activities:		
Net surplus / (deficit)	1,143,571	(690,717)
Non-cash flows in profit/(loss) from ordinary activities:		
Impairment write-downs	-	927,943
Change in assets and liabilities		
(Increase) / Decrease in receivables	(33,822)	192,215
(Increase) / Decrease in prepayments		
Increase / (Decrease) in payables		
Net cash provided by operating activities	**1,263,575**	**315,969**

NOTE 17 RECONCILIATION OF CASH AND CASH EQUIVALENTS

For the purpose of the Cash Flow Statement the Board considers cash to include cash on hand and at bank, and liquid investments. Cash at the end of the reporting period is reconciled to the related items in the Balance Sheet as follows:

Cash at bank	986,783	1,200,247
At call deposits	6,228,721	4,751,682
	7,215,504	**5,951,929**

NOTE 18 RELATED PARTY TRANSACTIONS

The Board paid expenses related to a service agreement with OMB amounting to $5,562,629 (2008: $4,838,293).

NOTE 19 CORPORATE INFORMATION

Principal Place of Business and Registered Office:
Level 11, Forestry House, 160 Mary Street, BRISBANE QLD 4000

No of Employees: 2009: Nil (2008: Nil)

NOTE 20 AUDITOR'S REMUNERATION

The auditor's remuneration is not directly paid by the Board. Remuneration is paid through a service level agreement with the Office of the Medical Board of Queensland (the service provider). For details of auditor's remuneration for the year ended 30 June 2009 refer to OMB's Financial Statements.

NOTE 21 NEW AND REVISED ACCOUNTING STANDARDS

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2009 reporting periods. The Board has decided against early adoption of these standards. The Board's assessment of the impact of these new standards and interpretations is set out below:

Revised AASB 101: *Presentation of Financial Statements*, AASB 2007-8: *Amendments to Australian Accounting Standards arising from* AASB 101, and AASB 2007-10: *Further Amendments to Australian Accounting Standards arising from* AASB 101 (all applicable to annual reporting periods commencing from 1 January 2009). The revised AASB 101 and amendments supersede the previous AASB 101 and:

Redefines the composition of financial statements by requiring the details of all non-owner changes in equity to be presented in a statement of comprehensive income with corresponding changes to the statement of changes in equity. The revised standard does not change the recognition, measurement or disclosure of transactions and events that are required by AASBs. The Total Comprehensive Income may be presented as a single statement of income or in an Income Statement and separate Statement of Comprehensive Income.

Requires inclusion of an additional statement of financial position (balance sheet) when an entity applies an accounting standard retrospectively, makes a retrospective restatement, or reclassifies items in its financial statements.

Requires disclosure of reclassification adjustments relating to components of other comprehensive income.

The revised standard is not expected to have a significant impact on the presentation of the Board's income and expenses that are currently presented in the Income Statement and the Statement of Changes in Equity. The Board has not yet determined whether a single Statement of Comprehensive Income or separate Income Statement and Statement of Comprehensive Income will be presented. Other changes to the standard will be prospectively applied to the financial statements of the Board.

All other Australian accounting standards and interpretations with future commencement dates are either not applicable to the Board or have no material impact on the Board.

NOTE 22 FINANCIAL INSTRUMENTS

The main risks arising from the Board's financial instruments are interest rate risk, credit risk and liquidity risk. The Board uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate risks and ageing analysis for credit risk. The Board reviews and agrees policies for managing each of these risks to maintain a consistent level of quality across the Board which includes the minimisation of risk. The policies for managing each of the Board's risks are summarised below and remain unchanged from the prior year.

The Board holds the following financial instruments:

	2009	2008
Financial assets	**$**	**$**
Cash and cash equivalents	7,215,504	5,951,929
Trade and other receivables	344,576	310,754
	7,560,080	6,262,683
Financial liabilities		
Trade and other payables	316,109	157,710

Credit risk

Credit risk is the risk of financial loss to the Board if a party or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Board's receivables. The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets as summarised above.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all suppliers requiring credit over a certain amount. The Board does not require collateral in respect of financial assets. Investments are allowed only in liquid securities and only with counterparties that have a credit rating equal to or better than an approved rating. There are no significant concentrations of credit risk within the Board.

The ageing of the Board's trade receivables at the reporting date was:

	2009	2008
	$	$
	Gross	Gross
Not past Due (current)	329,162	263,148
Past Due (30 day ageing)	735	3,026
Past Due (31 - 60 day ageing)	-	1,059
Past Due (60+ day ageing)	33,272	62,114
	363,169	329,347
Impairment	- 18,593	- 18,593
	344,576	310,754

Based on historic default rates, the Board believes that no impairment allowance is necessary in respect of receivables not past due or past due by up to 60 days. For those receivables outstanding more than 60 days each debtor has been individually analysed and a provision for impairment established accordingly as necessary.

Liquidity risk

Liquidity risk is the risk that the Board will not be able to meet its financial obligations as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying businesses, the Board aims to maintain flexibility in funding by keeping sufficient committed credit lines available to meet the Board's requirements.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

30 June 2009	Carrying amount	Contractual cash flows	Less than 1 year	1 - 5 years	Over 5 years
	$	$	$	$	$
Non-derivative financial liabilities					
Trade and other payables	316,109	316,109	316,109	-	-

30 June 2008	Carrying amount	Contractual cash flows	Less than 1 year	1 - 5 years	Over 5 years
	$	$	$	$	$
Non-derivative financial liabilities					
Trade and other payables	157,710	157,710	157,710	-	-

Market risk

(a) Foreign exchange risk

Foreign exchange risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the entity's functional currency. The Board is not exposed to foreign exchange risk.

(b) Interest rate risk

The Board manages its exposure to interest rate fluctuation by continuously monitoring its debt and interest cover ratio to ensure any significant movement would not have a material impact on the performance of the Board. The Board does not engage in any transactions which are of a speculative nature. At the reporting date the interest rate profile of the Board's interest-bearing financial instruments was:

Board	30 June 2009		30 June 2008	
	Effective Interest Rate	Balance $	Effective Interest Rate	Balance $
Variable rate instruments				
Cash assets	3.35%	7,215,504	7.67%	5,951,929

Interest rate sensitivity

The Board has quantified the impact on the 30 June 2009 and 30 June 2008 of a +/-50 basis points change in interest rates and determined that there would be no material impact on the surplus for those years.

Fair values

The carrying values of financial assets and liabilities are assumed to approximate their fair values due to their relatively short-term nature.

CERTIFICATE OF MEDICAL BOARD OF QUEENSLAND

This general purpose financial report has been prepared pursuant to section 46F(1) of the *Financial Administration and Audit Act 1977* (the Act), and other prescribed requirements. In accordance with section 46F(3) of the Act we certify that in our opinion:

1 (a) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and

(b) the statements have been drawn up to present, a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Medical Board of Queensland for the financial year ended 30 June 2009, and of the financial position of the Board at the end of the year.

2 In the Board's opinion, there are reasonable grounds to believe that the Medical Board of Queensland will be able to pay its debts as and when they become due and payable.

Kaye Pulsford

Executive Officer
Date: 31/08/2009

Mary Cohn

Chairperson
Date: 31/08/2009

INDEPENDENT AUDITOR'S REPORT

To the Medical Board of Queensland

Report on the Financial Report

I have audited the accompanying financial report of the Medical Board of Queensland which comprises the balance sheet as at 30 June 2009, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and certificates given by the Executive Officer and the Chairperson.

The Board's Responsibility for the Financial Report

The Board is responsible for the preparation and fair presentation of the financial report in accordance with prescribed accounting requirements identified in the *Financial Administration and Audit Act 1977* and the *Financial Management Standard 1997*, including compliance with applicable Australian Accounting Standards (including the Australian Accounting Interpretations). This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility to express an opinion on the financial report based on the audit is prescribed in the *Auditor-General Act 2009*. This Act, including transitional provisions, came into operation on 1 July 2009 and replaces the previous requirements contained in the *Financial Administration and Audit Act 1977*.

The audit was conducted in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. These auditing standards require compliance with relevant ethical requirements relating to audit engagements and that the audit is planned and performed to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of risks of material misstatement in the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control, other than in expressing an opinion on compliance with prescribed requirements. An audit also includes evaluating the appropriateness of accounting policies and the reasonableness of accounting estimates made by the Board, as well as evaluating the overall presentation of the financial report including any mandatory financial reporting requirements as approved by the Treasurer for application in Queensland.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

The *Auditor-General Act 2009* promotes the independence of the Auditor-General and QAO authorised auditors. The Auditor-General is the auditor of all Queensland public sector entities and can only be removed by Parliament.

The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

Auditor's Opinion

In accordance with s.40 of the *Auditor-General Act 2009* –

(a) I have received all the information and explanations which I have required; and

(b) in my opinion –

(i) the prescribed requirements in respect of the establishment and keeping of accounts have been complied with in all material respects; and

(ii) the financial report has been drawn up so as to present a true and fair view, in accordance with the prescribed accounting standards of the transactions of the Medical Board of Queensland for the financial year 1 July 2008 to 30 June 2009 and of the financial position as at the end of that year.

B S Clowes CPA
(as Delegate of the Auditor-General of Queensland)

Queensland Audit Office
Brisbane

AUDIT MANAGER
31 AUG 2009
QUEENSLAND AUDIT OFFICE

OFFICE OF THE MEDICAL BOARD OF QUEENSLAND

Financial Report
for the year ended 30 June 2009

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Income statement for the year ended 30 June 2009

	NOTE	2009	2008 (9 months)
		$	$
Revenue			
Salary income		4,492,303	3,022,490
Non-salary income		1,070,326	762,618
Interest revenue		93,395	47,283
Grant income - Area of Need funding	2	365,322	185,117
Other revenue		50,476	27,821
Total Revenue		**6,071,822**	**4,045,329**
Expenses			
Administration expenses	3	1,075,393	618,798
Employee benefits expense		4,547,118	3,166,037
Finance costs		64,156	47,284
Total Expenses		**5,686,667**	**3,832,119**
Net Surplus / (Deficit)		**385,155**	**213,210**

The accompanying notes form part of these financial statements.

Balance sheet for the year ended 30 June 2009

	NOTE	2009	2008 (9 months)
		$	$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	940,742	724,071
Trade and other receivables	5	293,138	187,611
Prepayments		114,858	-
TOTAL CURRENT ASSETS		1,348,738	911,682
TOTAL ASSETS		**1,348,738**	**911,682**
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	6	427,800	411,674
Employee provisions	7	322,573	286,798
TOTAL CURRENT LIABILITIES		**750,373**	**698,472**
TOTAL LIABILITIES		**750,373**	**698,472**
NET ASSETS		**598,365**	**213,210**
EQUITY			
Retained surplus / (deficit)		598,365	213,210
TOTAL EQUITY		**598,365**	**213,210**

The accompanying notes form part of these financial statements.

Statement of changes In equity for the year ended 30 June 2009

	NOTE	2009	2008 (9 months)
		$	$
BALANCE AT BEGINNING OF THE YEAR		213,210	-
Surplus / (Deficit) for the year		385,155	213,210
BALANCE AT END OF THE YEAR		**598,365**	**213,210**

Cash flow statement for the year ended 30 June 2009

	NOTE	2009	2008 (9 months)
		$	$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Receipts from customers		6,547,045	4,229,823
Interest received		92,910	47,283
GST input tax credits from ATO		(417,989)	(281,389)
		6,221,966	3,995,717
Payments			
Supplies and services		(6,005,295)	(3,271,646)
		(6,005,295)	(3,271,646)
NET CASH FROM OPERATING ACTIVITIES	11	216,671	724,071
Net increase / (decrease) in cash held		216,671	724,071
Cash at the beginning of the financial year		724,071	-
CASH AT THE END OF THE FINANCIAL YEAR	**12**	**940,742**	**724,071**

The accompanying notes form part of these financial statements.

Notes to the financial statements for the year ended 30 June 2009

OBJECTIVES OF THE OFFICE

The Office of the Medical Board was established on 1 October 2007 under the *Medical Board (Administration) Act 2006* and administers the *Medical Practitioners Registration Act 2001*, *Health Practitioners (Professional Standards) Act 1999* and is subject to the provisions of the *Financial Administration and Audit Act 1977*.

The primary objectives of the Office are to:

- Provide services to the Medical Board of Queensland which assist the Board perform its legislative responsibility to protect the public by regulating the standards of practice of the medical profession and maintaining confidence in the profession,
- Consult and liaise with local, state, national and international agencies involved in training, accreditation, regulation and service provision in the health industry, and
- Provide the Board and Minister for Health with authoritative policy advice on national and international developments in occupational regulation and regulation of the medical profession.

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the material accounting policies adopted:

(a) Basis of accounting

The financial report is a general purpose financial report that has been prepared in accordance with the *Financial Administration and Audit Act 1977*, *Financial Management Standard 1997* and Australian Accounting Standards (including Australian Interpretations).

The financial report has been prepared on a going concern basis, under the historical cost convention except where specifically stated. Except where specifically stated, the accounting policies adopted are consistent with those of the previous year.

The accounting policies set out below have been consistently applied to all years presented.

(b) Revenue

Service agreement revenue

The Office of the Medical Board provides administrative and operational support to the Medical Board of Queensland and receives a fee for service under the terms of a service level agreement.

Interest revenue

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

Grant revenue

Grants that are non-reciprocal in nature are recognised as revenue in the year in which the Office obtains control over them.

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Employee benefits

Wages and Salaries, Annual Leave

Wages, salaries and annual leave due but unpaid at reporting date are recognised in the Balance Sheet at the remuneration rates expected to apply at the time of settlement and include related on-costs such as payroll tax, WorkCover premiums, long service leave levies and employer superannuation contributions.

Long Service Leave

Under the Queensland Government's long service leave scheme a levy is made on the Office to cover this expense. Amounts paid to employees for long service leave are claimed from the scheme as and when leave is taken.

No provision for long service leave is recognised in the financial statements, the liability being held on a whole-of-Government basis and reported in the financial report pursuant to AASB 1049 - *Whole of Government and General Government Sector Financial Reporting*.

Superannuation

Employer superannuation contributions are paid to QSuper, the superannuation plan for Queensland Government employees at rates determined by the Treasurer on the advice of the State Actuary. The Government has full responsibility for the assets and liabilities of the superannuation scheme covering employees of the Office of the Medical Board. No liability is recognised for accruing superannuation benefits in the Office's financial statements, the liability being held on a whole-of-government basis and report in those financial statments pursuant to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

(d) Cash and cash equivalents

For financial reporting purposes, cash includes all cash at bank, on hand and deposits at call with financial institutions.

(e) Trade and other receivables

Trade receivables are recognised initially at nominal value. The terms of trade are 60 days from the date of invoice. Collectability of debtors is reviewed on an ongoing basis. A provision for impairment is raised where doubt as to collection exists. Debts which are known to be uncollectible are written off.

(f) Acquisition of assets

All asset acquisitions are recorded at cost. Cost is determined as the value given as consideration plus costs incidental to the acquisition, including all other costs incurred in getting the assets ready for use. The carrying amounts of all non-current assets are reviewed at least annually and are not stated at amounts in excess of their recoverable amount.

(g) Trade and other payables

Trade and other payables are recognised as liabilities for goods and services provided to the Office prior to the end of the financial year and which are unpaid. The amounts are non-interest bearing, unsecured and are normally paid within 30 days of recognition.

(h) Taxation

The activities of the Office are exempt from Commonwealth taxation except for Fringe Benefits Tax (FBT) and Goods and Services Tax (GST). GST credits receivable from and GST payable to the Australian Taxation Office are recognised.

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Insurance

The Office has a WorkCover insurance policy for staff and Queensland Government insurance for property and general liability of the Office.

(j) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. 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 in the Balance Sheet are shown inclusive of GST.

(k) Roundings and comparatives

Amounts included in the financial statements are in Australian dollars and have been rounded to the nearest dollar. Where required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year. The 2008 comparatives represent the period from the Office's inception on 1 October 2007 to 30 June 2008.

(l) Judgements

The Office has made no estimates, assumptions or judgements which may cause material adjustments to the carrying amounts of assets and liabilities within the next reporting period.

(m) Issuance of financial statements

The financial statements are authorised for issue by the Business Support Services Manager and the Executive Officer at the date of signing the Management Certificate.

(n) Financial instruments

The Office does not enter into transactions for speculative purposes, nor for hedging. Apart from cash and cash equivalents, the Office holds no financial assets classified at fair value through profit and loss. All other disclosures relating to the measurement and financial risk management of financial instruments held by the Office are included in Note 16.

NOTE 2 GRANT INCOME

The Executive Officer has been delegated the responsibility to manage the Area of Need process on behalf of the Minister for Health. This grant is received annually from Queensland Health to fund the administration of this process.

	2009	2008 (9 months)
NOTE 3 ADMINISTRATION EXPENSES	$	$
Accounting & audit fees	25,695	22,415
Computer expenses	10,554	33,852
Computer hardware	27,577	46,437
Conference & function costs	1,121	735
General operating expenses	579,018	269,129
Lease expenses	387,350	209,384
Other computer & communications expense	2,478	6,165
Retrieval expenses	41,600	30,681
	1,075,393	**618, 798**

NOTE 4 CASH AND CASH EQUIVALENTS		
	247,714	333,237
Cash at bank	693,028	390,834
At call deposits	940,742	724,071

NOTE 5 TRADE AND OTHER RECEIVABLES		
Trade receivables	13,268	187,611
Receivable from Medical Board of Queensland	148,406	-
Receivable from OHPRB	130,979	-
Accrued interest	485	-
	293,138	**187,611**

	2009	2008
		(9 months)
NOTE 6 TRADE AND OTHER PAYABLES		
Payable to the Medical Board of Queensland	299,535	-
Trade payables	128,265	411,674
	427,800	411,674
NOTE 7 EMPLOYEE PROVISIONS		
Employee benefits	322,573	286,798

NOTE 8 COMMITMENTS

The Office had no commitments of a significant nature at 30 June 2009.

NOTE 9 CONTINGENT LIABILITIES

As at 30 June 2009, the Office had no potential contingent liabilities.

NOTE 10 EVENTS OCCURRING AFTER REPORTING DATE

On 26 March 2008 the Council of Australian Governments executed an Intergovernmental Agreement to establish a single national scheme encompassing the registration and accreditation functions for 10 health professions to commence on 1 July 2010.

As a result of this Agreement, it is expected that legislation will be enacted during the forthcoming year which will repeal sections of each Act governing the effected Queensland Boards to facilitate replacement by the national scheme. The Medical Board of Queensland and the Office of the Medical Board are impacted by this change.

It is expected that this legislation will effect the transition on 1 July 2010 of services, assets and liabilities of the Board to the relevant National Board which will become the relevant regulatory authority in Australia.

At the date of this report the proposed administrative arrangements, including the transfer of assets and liabilities, have not been fully determined and the required legislation has not been enacted.

	2009	2008 (9 months)
NOTE 11 CASH FLOW INFORMATION	$	$
Reconciliation of Net surplus / (deficit) to net cash provided by operating activities:		
Net surplus / (deficit)	385,155	213,210
Non-cash flows in profit/(loss) from ordinary activities:		
Impairment write-downs	-	-
Change in assets and liabilities		
(Increase) / Decrease in receivables	(105,527)	(187,611)
(Increase) / Decrease in prepayments	(114,858)	286,798
Increase / (Decrease) in payables	16,126	411,674
Increase / (Decrease) in provisions	35,775	-
Net cash provided by operating activities	**216,671**	**724,071**

NOTE 12 RECONCILIATION OF CASH AND CASH EQUIVALENTS

For the purpose of the Cash Flow Statement the Office considers cash to include cash on hand and at bank, and liquid investments. Cash at the end of the reporting period is reconciled to the related items in the Balance Sheet as follows:

Cash at bank	247,714	333,237
At call deposits	693,028	390,834
	940,742	**724,071**

NOTE 13 CORPORATE INFORMATION

Principal Place of Business and Registered Office:
Level 11, Forestry House, 160 Mary Street, BRISBANE QLD 4000

No of Employees: 2009: 49 (2008: 45)

NOTE 14 AUDITOR'S REMUNERATION

Amounts due and receivable for the year ended 30 June 2009 by the auditors in respect of:

	2009	2008
- External Auditing services		
- Remuneration for audit of the financial report -		
Queensland Audit Office	10,000	10,000
	10,000	**10,000**

NOTE 15 NEW AND REVISED ACCOUNTING STANDARDS

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2009 reporting periods. The Office has decided against early adoption of these standards. The Office's assessment of the impact of these new standards and interpretations is set out below:

Revised AASB 101: *Presentation of Financial Statements,* AASB 2007-8: *Amendments to Australian Accounting Standards arising from* AASB 101, and AASB 2007-10: *Further Amendments to Australian Accounting Standards arising from* AASB 101 (all applicable to annual reporting periods commencing from 1 January 2009). The revised AASB 101 and amendments supersede the previous AASB 101 and:

- Redefines the composition of financial statements by requiring the details of all non-owner changes in equity to be presented in a statement of comprehensive income with corresponding changes to the statement of changes in equity. The revised standard does not change the recognition, measurement or disclosure of transactions and events that are required by AASBs. The Total Comprehensive Income may be presented as a single statement of income or in an Income Statement and separate Statement of Comprehensive Income.
- Requires inclusion of an additional statement of financial position (balance sheet) when an entity applies an accounting standard retrospectively, makes a retrospective restatement, or reclassifies items in its financial statements.
- Requires disclosure of reclassification adjustments relating to components of other comprehensive income.

The revised standard is not expected to have a significant impact on the presentation of the Office's income and expenses that are currently presented in the Income Statement and the Statement of Changes in Equity. The Office has not yet determined whether a single Statement of Comprehensive Income or separate Income Statement and Statement of Comprehensive Income will be presented. Other changes to the standard will be prospectively applied to the financial statements of the Office.

All other Australian accounting standards and interpretations with future commencement dates are either not applicable to the Office or have no material impact on the Office.

NOTE 16 FINANCIAL INSTRUMENTS

The main risks arising from the Office's financial instruments are interest rate risk, credit risk and liquidity risk. The Office uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate risks and ageing analysis for credit risk. The Office reviews and agrees policies for managing each of these risks to maintain a consistent level of quality across the Office which includes the minimisation of risk. The policies for managing each of the Office's risks are summarised below and remain unchanged from the prior year.

The Group and the parent entity hold the following financial instruments:

	2009	2008
		(9 months)
	$	$
Financial assets		
Cash and cash equivalents	940,742	724,071
Trade and other receivables	293,138	187,611
	1,233,880	911,682
Financial liabilities		
Trade and other payables	427,800	411,674

Credit risk

Credit risk is the risk of financial loss to the Office if a party or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Office's receivables.

The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets as summarised above.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all suppliers requiring credit over a certain amount. The Office does not require collateral in respect of financial assets. Investments are allowed only in liquid securities and only with counterparties that have a credit rating equal to or better than an approved rating. There are no significant concentrations of credit risk within the Office.

The aging of trade receivables at the reporting date was:

	2009	2008
		(9 months)
	$	$
	Gross	Gross
Not past Due (current)	291,163	176,481
Past Due (30 day ageing)	-	11,130
Past Due (31 - 60 day ageing)	1,975	-
Past Due (60+ day ageing)	-	-
	293,138	187,611

Based on historic default rates, the Office believes that no impairment allowance is necessary in respect of receivables not past due or past due by up to 60 days. For those receivables outstanding more than 60 days each debtor has been individually analysed and a provision for impairment established accordingly as necessary.

Liquidity risk

Liquidity risk is the risk that the Office will not be able to meet its financial obligations as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying businesses, the Office aims to maintain flexibility in funding by keeping sufficient committed credit lines available to meet the Office's requirements.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

30 June 2009	Carrying amount	Contractual cash flows	Less than 1 year	1-5 years	Over 5 years
	$	$	$	$	$
Non-derivative financial liabilities					
Trade and other payables	427,800	427,800	427,800	-	-

30 June 2008 (9 months)	Carrying amount	Contractual cash flows	Less than 1 year	1-5 years	5 years
	$	$	$	$	$
Non-derivative financial liabilities					
Trade and other payables	411,674	411,674	411,674	-	-

Market risk

(a) Foreign exchange risk

Foreign exchange risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the entity's functional currency. The Office is not exposed to foreign exchange risk.

(b) Interest rate risk

The Office manages its exposure to interest rate fluctuation by continuously monitoring its debt and interest cover ratio to ensure any significant movement would not have a material impact on the performance of the Office. The Office does not engage in any significant transactions which are of a speculative nature.

At the reporting date the interest rate profile of the Office's interest-bearing financial instruments was:

Board	30 June 2009		30 June 2008	
	Effective Interest Rate	Balance $	Effective Interest Rate	Balance $
Variable rate instruments				
Cash assets	3.02%	940,742	7.85%	724,071

Interest rate sensitivity

The Office has quantified the impact on the 30 June 2009 and 30 June 2008 of a +/-50 basis points change in interest rates and determined that there would be no material impact on the surplus / (deficit) for those years.

Fair values

The carrying values of financial assets and liabilities are assumed to approximate their fair values due to their relatively short-term nature.

CERTIFICATE OF THE OFFICE OF THE MEDICAL BOARD

This general purpose financial report has been prepared pursuant to section 46F(1) of the *Financial Administration and Audit Act 1977* (the Act), and other prescribed requirements. In accordance with section 46F(3) of the Act we certify that in our opinion:

1 (a) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and

(b) the statements have been drawn up to present, a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Office of the Medical Board of Queensland for the period ended 30 June 2009, and of the financial position of the Office at the end of the period.

2 In the Office's opinion, there are reasonable grounds to believe that the Office of the Medical Board of Queensland will be able to pay its debts as and when they become due and payable.

Kaye Pulsford
Executive Officer
Date: 31/08/2009

Craig Brown
A/ Manager, Business Support Services
Date: 31/08/2009

INDEPENDENT AUDITOR'S REPORT

To the Office of the Medical Board of Queensland

Report on the Financial Report

I have audited the accompanying financial report of the Office of the Medical Board of Queensland which comprises the balance sheet as at 30 June 2009, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and certificates given by the Executive Officer and the Acting Manager, Business Support Services.

The Board's Responsibility for the Financial Report

The Board is responsible for the preparation and fair presentation of the financial report in accordance with prescribed accounting requirements identified in the *Financial Administration and Audit Act 1977* and the *Financial Management Standard 1997*, including compliance with applicable Australian Accounting Standards (including the Australian Accounting Interpretations). This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility to express an opinion on the financial report based on the audit is prescribed in the *Auditor-General Act 2009*. This Act, including transitional provisions, came into operation on 1 July 2009 and replaces the previous requirements contained in the *Financial Administration and Audit Act 1977*.

The audit was conducted in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. These auditing standards require compliance with relevant ethical requirements relating to audit engagements and that the audit is planned and performed to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of risks of material misstatement in the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control, other than in expressing an opinion on compliance with prescribed requirements. An audit also includes evaluating the appropriateness of accounting policies and the reasonableness of accounting estimates made by the Board, as well as evaluating the overall presentation of the financial report including any mandatory financial reporting requirements as approved by the Treasurer for application in Queensland.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

The *Auditor-General Act 2009* promotes the independence of the Auditor-General and QAO authorised auditors. The Auditor-General is the auditor of all Queensland public sector entities and can only be removed by Parliament.

The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

Auditor's Opinion

In accordance with s.40 of the *Auditor-General Act 2009* –

(a) I have received all the information and explanations which I have required; and

(b) in my opinion –

  (i) the prescribed requirements in respect of the establishment and keeping of accounts have been complied with in all material respects; and

  (ii) the financial report has been drawn up so as to present a true and fair view, in accordance with the prescribed accounting standards of the transactions of the Office of the Medical Board of Queensland for the financial year 1 July 2008 to 30 June 2009 and of the financial position as at the end of that year.

B S Clowes CPA
(as Delegate of the Auditor-General of Queensland)

Queensland Audit Office
Brisbane

AUDIT MANAGER
31 AUG 2009
QUEENSLAND AUDIT OFFICE

Location

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