# MEDICAL BOARD OF WESTERN AUSTRALIA

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WESTERN AUSTRALIA

WEB PAGE

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29 December 2006

The Hon Jim McGinty, MLA Minister for Health 4th Floor, London House 216 St Georges Terrace PERTH WA 6000

Dear Minister

The Medical Board of Western Australia is pleased to submit this Annual Report to the Minister for Health for the period 1 July 2005 to 30 June 2006. The report fulfills the requirements of Section 21G of the Medical Act 1894 (WA).

Forming part of the Report are the audited financial statements of the Board.

Yours sincerely

PROFESSOR C MICHAEL AO

Con. Mihare

President

# MEDICAL BOARD OF WESTERN AUSTRALIA



# 2006 ANNUAL REPORT

**30 JUNE 2006** 



# Medical Board of Western Australia

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19th Annual Report of the

# Medical Board of Western Australia

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Yours sincerely

PROFESSOR C MICHAEL AO

Michael

President

# 1. PRESIDENT'S REPORT

On 19 January 2006, the research report, Australia's Health Workforce, was released by the Productivity Commission. The report presented the findings of the Council of Australian Governments (COAG) commissioned study to examine issues impacting on the health workforce including the supply of, and demand for, health workforce professionals and propose solutions to ensure the continued delivery of quality healthcare over the next 10 years.

In its report, the Productivity Commission has made recommendations relating to national registration and national accreditation of medical practitioners which would have significant impact on the function of the Board. These recommendations include the:

- Establishment of a multi-professional national registration system to cover the nine regulated health professions through a single multi-professional registration board. The new national board would assume responsibility for the consolidated national health practitioner registration scheme and the professions would provide expert input on professional matters through profession specific committees, panels or other mechanisms.
- Establishment of a national scheme for the accreditation of health professions
  education and training administered by a single cross-profession national
  accreditation authority. A process would be established to facilitate expert input on
  professional matters for professions covered by the scheme.

COAG was to consider the recommendations made by the Productivity Commission in July 2006. COAG's support of the recommendations may impact the implementation of a number of nationally consistent registration and assessment initiatives that the Board is developing in conjunction with the Joint Medical Board Advisory Committee (JMBAC).

JMBAC, which represents all State and Territory Medical Board's, will prepare a submission to COAG outlining the issues and challenges that would be faced should the reform recommendations be implemented.

Other significant developments in the registration process considered by the Board during the year include:

# National Portability of Registration

The Australian Health Ministers have committed State and Territory Medical Boards to implement a scheme of portable medical registration by July 2007. In Western Australia, there will be a need for legislative change to implement this scheme.

Portability would enable medical practitioners who have general registration or registration in the "Recognised Specialist Qualifications and Experience" category, to practice in any other jurisdiction without having to:

- undertake any formal process to obtain registration;
- pay a separate application fee; or
- notify the medical boards of the other jurisdictions before commencing to practice in those jurisdictions (except where there have been conditions placed on their registration).

Those medical practitioners whose registration has been cancelled or suspended in one jurisdiction or is made subject to conditions will automatically be "affected in the same way" in all the jurisdictions.

Overseas Trained Doctors (OTD's) who have not completed the requirements for unconditional registration or recognised specialist qualifications will continue to be registered only by individual Boards.

For a national scheme of portable registration to work effectively, consistent notification and information sharing between medical boards is essential. This will be facilitated by the Australian Index of Medical Practitioners.

# Australian Index of Medical Practitioners (AIMP)

The AIMP will provide a data/information interchange facility between the eight State and Territory Medical Boards each operating under separate statutory jurisdictions, with different authorities and governance structures and widely differing sophistication of systems and processes. It will be a web based index that would also allow the community to access current and comprehensive information about medical practitioners.

Unlike the portability scheme, the AIMP does not require legislative change in order for it to be implemented.

The Board is currently assessing its information technology system and activities for connectivity to the AIMP in July 2007.

# Competent Authorities Model

In March 2006, the Australian Health Ministers Advisory Council, agreed to develop fast-tracking the assessment and registration of Overseas Trained Doctors (OTD's) who had already satisfied the examination process or accredited training program of overseas "competent authorities" designated by the Australian Medical Council (AMC) for the purposes of registration or licensure.

A number of countries, such as the United Kingdom, Canada, USA and Ireland have been identified as having similar screening examinations as those conducted by the AMC for registration and would qualify as being competent authorities.



It is proposed that OTD's who have completed the registration examination or an undergraduate medical course by an overseas competent authority accredited by the AMC and completed internship would be considered exempt for further assessment through the AMC examination process.

These OTD's would then undergo a period of work place-based supervision and assessment of their clinical performance prior to being considered eligible for unconditional general registration.

Various models are currently being considered and developed to implement this process.

# **Assessment of Overseas Trained Doctors**

Overseas Trained Doctors have become an increasingly important component of the medical workforce. They have helped meet the increasing demand for general practitioners, hospital medical officers and specialists in the community. This is especially so in general practice in rural and remote communities and in other areas of workforce need.

The Board is a member of a national working group, established by the Department of Health and Ageing, to review the quality and national consistency of current procedures used in the assessment of OTD's, in particular, those entering general practice.

A Position Description Form which has been developed by the working group is to be trailed in Western Australia for 6 months commencing 1 July 2006. The form will provide information that will assist the Boards to determine whether an OTD meets the standard specified for the position and is suitable for registration.

At the conclusion of the trial, feedback from sponsoring organisations and employers will be considered by the working group and incorporated into the final form.

# Certificate of Registration Status

Over time, State and Territory Medical Boards have varied the contents of their Certificates of Good Standing as well as increasing the number of certificates issued to indicate varying information. This has resulted in different information being provided or the same information being provided in a different manner.

The Board has agreed in principle to adopt a nationally consistent model of validation of a registrants standing in the jurisdiction in which they have been registered.

It is proposed that one certificate called the "Certificate of Registration Status" (CORS) be adopted.

The significance of the CORS is that it will contain information that related to the applicants registration status, their right to practice, any conditions that may be attached to their right of practice and any information which relates to their professional conduct.

# Regulation of Medical Practice

During the year under review, 220 complaints were received by the Board, an increase of 51 complaint's from the preceding year.

In order to deal with this 30% increase in the number of complaint 's received and address concerns that may arise regarding a backlog of outstanding complaint's and the time taken to assess and investigate complaints, the Board reviewed its complaint's handling processes.

One of the outcomes of the review was to increase the number of complaint case managers from an equivalent of 1.6 FTE's to 3.0 FTE's. This increase in staffing should ensure that complaint investigations are conducted in a timely manner for the benefit of all parties involved.

When the State Administrative Tribunal (the SAT) and the Professional Standards Committee (PSC) commenced operations in January 2005, they were both given the objective to deal with matters fairly, speedily and with as little formality as is practicable. Mediation, where deemed appropriate by the State Administrative Tribunal (SAT), is regarded as an opportunity to resolve a matter prior to resorting to a final adversarial hearing.

The use of mediation has impacted on the management of Board matters referred to the SAT. To ensure that the Board is directly involved in the mediation process, a delegate of the Board is nominated as its representative with specific instructions on how it the matters should proceed and the outcome sought by the Board. One of the benefits the Board has been able to derive from mediation is reflected in the cost savings from not having to proceed to a full inquiry.

During the year the Board continued to assess its PSC procedures and documents as it obtains more experience in the process. This is to ensure that it adopts the best way of dealing with hearings in order to meet its objectives.

I wish to thank the Board members and the secretariat staff for their support and commitment in dealing with the high volume of work during the year and their contribution in ensuring the successful operation of the Board.

leu. Michael

PROFESSOR CON MICHAEL AO President



# 2. BOARD MEMBERSHIP AND OFFICE

Professor Con Michael, (President), AO. MD, MBBS (West Aust), FRCOG, FRANZCOG, DDU, M.AcMed (Hon) Malaysia, F.AcMed (Hon) Singapore.

Mr Patrick Walker, FIMM, FAIM.

**Professor Geoff Riley**, MBBS (West Aust), MRC Psych, FRACGP, FRANZCP (resigned 30 June 2006).

Ms Ann White.

Professor Louis Landau, AO, MBBS (Melb), FRACP; MD (Melb) (to 10 June 2006).

Professor Bryant Stokes, AM, RFD, MBBS (West Aust), FRACS, FRCS.

Dr Felicity Jefferies, MBBS (West Aust), FACRRM.

Ms Penelope Giles BA LLB (Hons).

Mr Nicholas Mullany, LLB (Hons) (West Aust), BCL (Oxon).

Dr Peter Wallace, OAM, MBChB (Edinburgh) FRACGP, FACRRM, Dip Obst RCOG (to 10 June 2006, reappointed 19 June 2006).

Dr Rosanna Capolingua, MBBS (West Aust).

Dr Neale Fong, MBBS (West Aust).

Dr Michael McComish, MBBS (West Aust) (from 19 June 2006).

### 3. **BOARD MEMBERS' ATTENDANCES**

Provided below is a summary of the Board Member attendances for the year ended 30 June 2006.

Member	Board Meetings	Sub- Committee	Special Meetings	Other Meetings	Board Proceedings	SAT Proceedings	PSC Full Day	PSC Half Day	PSC Part Day	AMC
Prof C Michael	12 (12)	16	3	41	4	1	2	1	6	9**
Ms P Giles	11 (12)	7	2	3	2	0	2	0	5	0
Prof L Landau	8 (11)	8	3	0	3	0	0	0	1	0
Dr F Jefferies	7 (12)	10	1	2	1	0	0	0	0	0
Prof G Riley	9 (12)	11	2	2	2	0	0	1	4	0
Prof B Stokes	10 (12)	22	1	7	2	0	0	0	4	0
Mr P Walker	9 (12)	0	3	0	1	0	0	0	1	0
Ms Ann White	12 (12)	12	3	8	3	1	2	1	3	0
Mr N Mullany	8 (12)	9	2	0	2	1	0	2	7	0
Dr P Wallace	9 (12)	8	1	2	2	0	2	0	0	0
Dr R Capolingua	7 (12)	13	2	0	1	0	0	2	0	0
Dr N Fong	0 (12)	0	0	0	0	0	0	0	0	0
Dr M McComish	0 (1)	0	0	0	0	0	0	0	0	0

Figures in brackets represent possible number of Board Meeting attendances.
\*\* Includes attendance at National Medical Board's Seminar.



# 4. OFFICE OF REGISTRAR

REGISTRAR

Mr Frank Fiorillo

**OFFICE** 

Level 8, London House, 216 St Georges Terrace, Perth, Western Australia 6000.

Australian Business Number 25 271 541 367

Website: www.wa.medicalboard.com.au

# SOLICITORS FOR THE BOARD

Dwyer Durack Lawyers 10<sup>th</sup> Floor 40 St Georges Terrace PERTH WA 6000

Kott Gunning Lawyers Level 8, AMP Building 140 St Georges Terrace PERTH WA 6000

Liscia & Tavelli Legal Consultants PO Box 8193, Perth Business Centre PERTH WA 6849

McCallum Donovan Sweeney 2nd Floor, Irwin Chambers 16 Irwin Street, PERTH WA 6000

Redding and Associates Level 4 40 St Georges Terrace PERTH WA 6000



Sparke Helmore Lawyers Level 12, The Quadrant 1 William Street PERTH WA 6000

Tottle Partners Lawyers Level 40, Bankwest Tower 108 St Georges Terrace PERTH WA 6000

Willers & Co Level 3, Centrepoint Tower 123 Colin Street WEST PERTH WA 6005



# 5. OVERVIEW OF OPERATIONS

# REGISTRATION SUB COMMITTEE

- Professor Bryant Stokes (Chairperson)
- Professor Louis Landau (to 10 June 2006)
- Dr Felicity Jefferies
- Dr Peter Wallace

# 5.1 Registration

### **OVERVIEW**

A total of 7,643 individual medical practitioners were registered in Western Australia as at 30 June 2006.

# GENERAL REGISTRATION

	30 June 2006	30 June 2005	30 June 2004
General Registration	6,465	6,238	6 107

# CONDITIONAL REGISTRATION

Conditional registration is granted to applicants who do not meet all the requirements of general registration under Section 11 of the Medical Act 1894 (As amended).

Conditional Registration	30 June 2006	30 June 2005	30 June 2004
Internship	141	131	137
Supervised Clinical Practice	17	30	33
Postgraduate Training	54	64	61
Medical Teaching	3	2	5
Medical Research	7	4	4
Unmet Areas of Need	538	443	429
General Practice in Remote and Rural Western Australia	75	60	70
Recognised Specialist Qualifications and Experience	330	263	198
Foreign Specialist Qualifications and Experience – Further Training	2	8	14
Temporary Registration in the Public Interest	10	22	6
Special Continuing	1	1	1
TOTAL	1178	1028	958
Other Registration			
Medical Call Services	3	3	3
Body Corporate	208	181	141

The categories of conditional registration are defined as follows:

### **INTERNS**

A graduate from an accredited Australian or New Zealand University who has been offered an Internship position in a Teaching Hospital is eligible for registration for the purpose of completing the twelve month period of internship.

### SUPERVISED CLINICAL PRACTICE

A medical practitioner who has successfully completed both the multiple choice questionnaire and clinical component of the Australian Medical Council examinations is eligible for registration pursuant to this category. Registration will be granted for a period of twelve months, following which and subject to satisfactory performance, the medical practitioner is eligible for transfer to general (unconditional) registration.

### POSTGRADUATE TRAINING

A medical practitioner whose primary medical degree was not obtained from an accredited Australian or New Zealand Medical School may be eligible for registration for the purpose of undertaking postgraduate training in Western Australia. Ongoing registration is subject to annual satisfactory performance reports to the conclusion of the postgraduate training program.

# MEDICAL TEACHING

A medical practitioner may be eligible for conditional registration for the purposes of undertaking a medical teaching position in Western Australia if he or she has qualifications that the Board recognises for that purpose. Registration is generally limited to visiting overseas specialists who require short periods of registration

# MEDICAL RESEARCH

A medical practitioner may be eligible for conditional registration for the purposes of undertaking a medical research position if he or she has qualifications that the Board recognizes for that purpose. Registration is generally restricted to short periods.

# UNMET AREAS OF NEED

An overseas trained medical practitioner working in a position for a limited period of time in an area having been declared an Unmet Areas of Need by the Minister for Health and approved by the Board.

# GENERAL PRACTICE IN REMOTE AND RURAL WESTERN AUSTRALIA

A medical practitioner who has qualifications and experience obtained overseas but is otherwise competent to practise as a general practitioner and undertakes to abide by the conditions in Section 11AG(2) of the Medical Act may be eligible for registration in this category. The conditions are:

- person can only practise as a General Practitioner;
- person must practise in remote and rural WA for five years after registration; and
- must become a fellow of the Royal Australian College of General practitioners within two years of registration.

# RECOGNISED SPECIALIST QUALIFICATIONS AND EXPERIENCE

An overseas-trained specialist who has been awarded Fellowship (or be deemed equivalent to an Australian trained specialist) to a recognised Australian Medical College.

# FOREIGN SPECIALIST QUALIFICATIONS AND EXPERIENCE - FURTHER TRAINING

A medical practitioner, whose specialist qualifications and experience were obtained outside Australia, may be eligible for registration in this category for the purpose of undertaking further specialist training or examination in order to achieve Fellowship to a recognised Australian Medical College.

# PUBLIC INTEREST

Registration is granted at the Board's discretion on a temporary basis if it is deemed in the public interest to do so.

### MEDICAL CALL SERVICE

A locum service primarily providing after hours and short-term locum appointments.

# REGISTRATION OF PRACTICE NAMES AND BODY CORPORATE

A medical practitioner intending to advertise his/her medical practice by a name other than that by which the practitioner is registered must have that practice name approved by the Board. A medical practitioner who provides services through a company is required to make application to the Board for registration of the body corporate as a medical practitioner.



# 5.2 Complaints

# COMPLAINTS SUB COMMITTEE

- Ms Ann White (Chairperson)
- Professor Con Michael
- Ms Penelope Giles
- Professor Geoff Riley
- Mr Nicholas Mullany
- Dr Rosanna Capolingua

# THE COMPLAINTS PROCESS

The Medical Board of Western Australia (the Board) is an independent statutory authority. The principal aim of the Board is to ensure that the people of Western Australia receive the highest possible standard of medical care through the fair and effective administration of the *Medical Act 1894 WA* (the Act). This aim is achieved by ensuring that appropriate standards of entry onto the Medical Register are maintained, and that instances of misconduct, incompetence, or impairment are dealt with in a timely and appropriate manner.

In order to take action against a medical practitioner, pursuant to the Act, the Board must resolve that, on the evidence available, a breach of the Act has occurred.

The complaints process need not be initiated by a patient. Complaints are sometimes made by a family member or other interested party. Complaints made by one practitioner against another, which do not involve a health service provided to the complainant, can also be investigated by the Board. Board policy generally requires confirmation of the complaint by way of a completed Complaints Form. Particulars of the complaints process and the Complaints Form can be obtained from the Medical Board Website <a href="www.wa.medicalboard.com.au">www.wa.medicalboard.com.au</a> or from the Board 's office.

Where practicable, complainants are encouraged to resolve matters at the level of patient and practitioner. If that is not possible, complainants are advised that the Board may be able to deal with the complaint but it can only act on complaints that involve a breach of the Act. If a complaint fails to meet this threshold, the Board is unable to proceed with disciplinary action.

Where a complaint may not involve a breach of the Act, it may be referred to the Office of Health Review (OHR) which is a independent State Government agency that deals with complaints where a health provider has acted unreasonably in the way a health service has been provided, provided a health service that was not suitable or adequate for the users needs, acted unreasonably by denying or restricting the users access to records, breached confidentiality, charged an excessive fee or acted unreasonable about a fee.

A complainant can approach the OHR themselves or ask the Board to refer their complaint on to the OHR.



During the year under review, 220 new complaints were received by the Board, an increase of 51 from the preceding year.

The following is a summary of the status of the complaints considered as at 30 June 2006:

Statistics	30 June 2006	30 June 2005	30 June 2004
Total number of new complaints received by the Board	220	169	185
Complaints where insufficient grounds to proceed to Inquiry or no further action	67	85	120
Outstanding Complaints	117	65	27

Complaints received during 2006 were classified according to the nature of the allegations in the complaint documentation. Often there is more than one allegation and each matter receives a classification.

Ref No.	Complaint Category	Count	Percent
(1.1)	Inadequate information about treatment options	9	2.48
(1.2)	Inadequate information on services available	3	0.83
(1.3)	Misinformation or failure in communication	20	5.51
(1.4)	Failure to fulfil statutory obligations	1	0.28
(1.5)	Access to Records	3	0.83
(1.6)	Inadequate or Inaccurate Records	7	1.93
(1.8)	Certificate or report problem	31	8.54
(1.9)	Possible impairment practitioner	3	0.83
(2.1)	Failure to consent patient/client	2	0.55
(2.2)	Consent not informed	6	1.65
(2.3)	Consent not obtained	6	1.65
(2.4)	Private/Public election	1	0.28
(2.5)	Refusal to refer or assist to obtain a second opinion	1	0.28
(3.1)	Inadequate diagnosis	36	9.92
(3.2)	Inadequate treatment	46	12.67
(3.3)	Rough treatment	4	1.10
(3.4)	Incompetent treatment	22	6.06
(3.5)	Negligent treatment	27	7.44
(3.6)	Wrong treatment	12	3.31
(4.2)	Unsatisfactory billing practice	2	0.55
(5.1)	Inconsiderate service/lack of courtesy	9	2.48
(5.2)	Absence of caring	21	11.29
(5.3)	Failure to ensure privacy	6	5.79
(5.4)	Breach of confidentiality	10	1,65

(5.5)	Discrimination	1	2.75
(5.6)	Discrimination of public patient	1	0.28
(5. <i>7</i> )	Sexual impropriety	6	0.28
(5.8)	Sexual transgression or violation	1	1.65
(5.9)	Assault	1	0.28
(5.10)	Unprofessional conduct	41	0.28
(6.1)	Administrative practice	5	1.38
(6.3)	Fraud/illegal practice	3	0.83
(6.4a)	Misleading claim (product/service)	1	0.28
(7.1)	Mentally disturbed complainant	7	1.93
(7.2)	Unsubstantiated	8	2.20
Total		363	

## THE DISCIPLINARY PROCESS

The relevant provisions regarding inquiries into medical practitioners are set out in Section 13 of the Act. The Board would recommend to proceed with disciplinary action when it appears that a medical practitioner may be:

Section 13(1)(a)	guilty of infamous or improper conduct in a professional respect;
Section 13(1)(b)	affected by a dependence on alcohol or addiction to a deleterious drug;
Section 13(1)(c)	guilty of gross carelessness or incompetency;
Section 13(1)(d)	guilty of not complying with or contravening a condition or restriction imposed by the Board with respect to the practice if medicine by that practitioner;
Section 13(1)(e)	suffering from physical or mental illness to the extent that his or her ability to practise as a medical practitioner is or likely to be affected.

When the Board is satisfied that the medical practitioner may have breached the Act, the Board can take one of the following actions:

- Refer the matter to the State Administrative Tribunal (SAT); or
- Refer the matter to the Professional Standards Committee (PSC).

SAT is an independent review tribunal that can hear disciplinary matters bought by the Board, against medical practitioners. Matters which may lead to a finding of removal or suspension of the medical practitioner shall be referred to the SAT.

The penalties the SAT may impose upon dealing with an allegation referred include the any one or more of the following:

- (i) order the removal of the name of the medical practitioner from the register;
- (ii) order that the registration of the medical practitioner be suspended for such a period not exceeding 12 months as specified in the order;
- (iii) impose a fine not exceeding \$10,000;
- (iv) reprimand the medical practitioner.

In dealing with an allegation where a medical practitioner is suffering from a physical or mental illness which would effect their ability to practice, the SAT may:

- (i) order the removal of the name of the medical practitioner from the register;
- (ii) order that the registration of the medical practitioner be suspended for such a period not exceeding 12 months as specified in the order;
- (iii) impose restrictions or conditions or both on the practice of medicine by the medical practitioner.

Under some circumstances, in order to protect the public, the SAT may only require the doctor to give a written undertaking to the Board to be of good behaviour and to comply with certain restrictions relating to the practise of medicine.

If the Board is of the opinion that the activity of a medical practitioner, involves or will involve the risk of imminent injury or harm to the physical or mental health of any person, the Board pursuant to section 12BA of the Act, may without any further inquiry, order the practitioner for a period of not more than 30 days, not to practise medicine or from carrying on a particular activity. Within 14 days of the Board making the order, the Board is required to make the allegation to the SAT or revoke the order.

The PSC is constituted by the Board and deals with matters considered by the Board that do not warrant a proceeding before the SAT. However sending a matter to PSC does not prevent the Board from referring the matter to the SAT if the PSC advises the Board to do so.

The orders that a PSC can make are:

- (i) that the Board reprimand the medical practitioner:
- (ii) that the medical practitioner pay to the Board a fine of an amount not exceeding \$5,000 specified in the order;
- (ii) that the Board impose restrictions or conditions or both on the practice of medicine by the medical practitioner.

Any medical practitioner who is aggrieved by any decision of the PSC can apply to SAT for a review of the decision.

Where the Board is satisfied that a registered medical practitioner has been suspended or their name erased from the register of medical practitioners under the laws of another State or Territory of Australia, the Board may without further inquiry suspend the practitioner or remove a practitioner's name from the Register.

The following is a summary of the status of disciplinary proceedings considered as at 30 June 2006:

Statistics	30 June 2006	30 June 2005	30 June 2004
Inquiries completed by the Board (refer Note 1)	5	22	23
Inquiries pending by the Board	3	3	56
SAT hearings completed	4	3	n/a
SAT hearings pending	45	22	n/a
PSC hearings completed	6	0	n/a
PSC hearings pending	25	24	n/a

Note 1: Disciplinary processes are now referred to either the SAT or PSC due to the enactment of the State Administrative Tribunal Act 2004 and amendments to the Medical Act in January 2005.

The relevant sections of the Medical Act 1894 as applicable to Inquiries concluded are as follows:

Section	2006	2005	2004
Section 13 (1)(a)	4	10	8
Section 13 (1)(b)	1	1	1
Section 13 (1)(c)	3	9	5
Section 13 (1)(d)	1	1	1
Section 13 (1)(e)	2	4	8

A single Inquiry may cover more than one section of the Medical Act.

Section 19 of the *Medical Act 1894 (WA)* states only medical practitioners shall be entitled to practise or profess to practice medicine. Any person found guilty of an offence under this section shall be fined \$1,000 for the first offence and \$5,000 for a subsequent offence.

	2006	2005	2004
Section 19 prosecutions completed	0	1	1
Section 19 prosecutions pending	2	3	

# MONITORING OF CONDITIONS

During the year, nine medical practitioners were subject to monitoring of conditions, following an Inquiry pursuant to Section 13 of the *Medical Act 1894* (WA).



### **PROCEEDINGS CONCLUDED**

Provided below is a summary of proceedings concluded during the year ended 30 June 2006.

# **Medical Board Proceedings**

Dr Ian Hewett: MBC/1812-89

On 27 June 2006, the Board reviewed the conditions originally imposed on Dr Hewett on 6 August 2003, which were later varied on 23 February 2004 and again on 20 June 2005, and resolved to remove all remaining conditions on his entitlement to practice.

# Dr Ian Ferris Gulland: MBC/1791-92

On 24 September 2003, after hearing a number of complaint's against Dr Gulland in relation to his seeking and obtaining loans from patients, the Board found Dr Gulland guilty of infamous conduct in a professional respect and ordered that his name be removed from the Register of Medical Practitioners and that he pay the reasonable costs of the Inquiry.

After a hearing before the Board on 19 July 2005, Dr Gulland's name was restored to the Register, subject to conditions, including that he work for no longer than 28 hours per week for the first three years, he undergo regular supervision by his general practitioner in relation to his mental health, overall health and fitness to practice and that he attend a psychiatrist.

# Dr Ameen Ahmed Bham: MBC/1998-139

After holding an Inquiry on 17 August 2004, the Board, on 24 June 2005, found that the Practitioner was guilty of improper conduct in a professional respect in that he permitted his lawyer to attend before the Board on 25 June 2004 and represent to the Board that the Practitioner was too unwell to attend a Board hearing and that his condition required opiate analysis, when the Practitioner knew that both of these representations were false.

On 6 September 2005, the Board delivered its Reasons for Decision on penalty and imposed the following Orders:

- 1. that the Practitioner's name be removed from the Register of Medical Practitioners for a period of one month, commencing on 12 September 2005; and
- 2. that the Practitioner pay the Board's reasonable costs of the Inquiry.

# Dr Craig White: MBC/2263-196

Dr White was suspended from practising for three months in February 1996, and his name removed from the Register on 18 September 2001, as a result of criminal convictions which stemmed from his abuse of drugs.

After a hearing on 15 May 2006, the Board restored Dr White's name to the Register of Medical Practitioners subject to a number of conditions.

The Board found that Dr White had taken steps to rehabilitate himself and was able to abstain from substance abuse. His treating psychiatrist provided evidence that Dr White had been in remission from drug abuse for  $2\frac{1}{2}$  years and was fit for employment, initially working part-time.

The Board determined that it was appropriate to restore Dr White to the Register subject to conditions, including that he submit to random drug testing for five years; not administer Schedule 8 drugs for two years, except in emergency and continue to see his psychiatrist.

# Dr Lucien Lagrange: MBC/2011-153

Dr Lagrange's name was removed from the Register of Medical Practitioners on 13 November 2001 (MBC/1254-2) after the Board found Dr Lagrange guilty of infamous or improper conduct in respect of an inappropriate examination of a female patient.

Prior to his Restoration Hearing, Dr Lagrange underwent psychiatrist reviews in which the psychiatrist opined that, from a clinical point of view, Dr Lagrange had demonstrated adequate improvement in his ability to empathise, and, in his understanding of boundary issues, to be able to practice medicine.

After a hearing on the 30 June 2006, the Board determined that it was appropriate to restore Dr Lagrange to the Register of Medical Practitioners, subject to conditions including that he be of good behaviour for a period of five years, he attend his treating psychiatrist and a Board appointed psychiatrist for review for two years from the date of re-registration and that he practice under the supervision of a mentor.

# State Administrative Tribunal Proceedings

# Dr A: MBC/2261-194; SAT VR 379 and 381

On 25 October 2005, the Board made orders to suspend the Practitioner's practice on an interim basis, as it appeared that he had contravened conditions imposed upon his practice in August 2004.

On 24 January 2006, the SAT made orders against the Practitioner in VR 381 of 2005. The SAT was satisfied on the basis of agreed facts, that the Practitioner was guilty of not complying with, or contravening, conditions which had previously been imposed by the Board, in breach of section 13(1)(d) of the Act.

The SAT ordered, with the consent of the parties, inter alia, that:

1. The Practitioner be suspended from practice for a period of 9 months, from 31 October 2005, pursuant to section 13(3)(b) of the Act;

- 2. The Registrar of the Board convene a meeting of the Board, one month prior to the expiration of the period of suspension, to allow the Board to determine whether:
  - a. the Board ought to impose any conditions limiting, qualifying or affecting the manner in or places at which the Practitioner may practice pursuant to section 13(9a) of the Act;
  - b. a further interim suspension ought to be placed on the Practitioner pursuant to section 13(9b) of the Act.

On or about 20 June 2006, the Board received a report dated 18 June 2006 from the Practitioner's treating psychiatrist, stating that the Practitioner continued to suffer from a major depressive disorder and had abused alcohol during the period of his suspension. The psychiatrist recommended that the Practitioner not return to practice until he had had a substantial period of abstinence from alcohol and a period of control of his depression.

On 30 June 2006, the Board convened and made Orders pursuant to section 13(9b) of the Act, with the consent of the Practitioner, that:

- a. the Practitioner not practice medicine until 30 August 2006;
- b. the making of the order be referred to the SAT pursuant to section 13(9ba) of the Act within 14 days.

# Dr B: MBC/0037-78; SAT VR 361

Acting pursuant to section 13(1)(e) of the *Medical Act 1984 WA* ("the Act"), the Board applied to the State Administrative Tribunal ("the SAT") on 7 October 2005, to have the Practitioner's name removed from the Register, alleging that the Practitioner may have been suffering from physical or mental illness to such an extent that his ability to practise as a medical practitioner was or was likely to be affected in that he was suffering from bipolar affective disorder.

On 28 October 2005, the SAT made the following orders:

- 1. The Practitioner's name be removed from the Register; and
- 2. There be no orders as to costs.

The name of the Practitioner could not be published, but the Registrar may communicate the full terms of the Order to competent medical registration authorities, hospitals, clinics or medical practices on a confidential basis.

# Dr Brian Roberman: MBC/1609-75; SAT VR 367

By proceedings commenced on 14 December 2004, it was alleged to the Board that Dr Roberman may be guilty of gross carelessness or incompetency in managing and attending to the labour of Mrs X in 1999, in that he failed to keep clear, accurate and/or adequate records in relation to the care of and attendance on Mrs X.

Due to the introduction of the *State Administrative Tribunal Act 2004*, which came into operation on 1 January 2005, the proceedings were transferred to the SAT on 12 October 2005, pursuant to Section 13(1)(c) of the Act.

On 28 February 2006, the Board obtained leave to withdraw its application, with the issue of legal costs being subject to legal argument by way of written submissions. It was alleged that the proceedings should not have been commenced without the Board first seeking and obtaining the views of expert witnesses.

After a consideration of the parties' written submissions, on 9 June 2006 the SAT dismissed Dr Roberman's application for legal costs, accepted that a specialist tribunal was entitled to rely upon the expertise of its members in determining whether or not to pursue a complaint against a practitioner.

# Dr John Love: MBC/1609-148; SAT VR 368

By proceedings commenced on 14 December 2004, it was alleged to the Board that Dr Love may be guilty of gross carelessness or incompetency in managing and/or attending to the labour of Mrs X in 1999, in that he failed to keep clear, accurate and/or adequate records reporting the relevant clinical findings, decisions made and information given to Mrs X.

Due to the introduction of the State Administrative Tribunal Act 2004, which came into operation on 1 January 2005, the proceedings were transferred to the SAT on 12 October 2005, pursuant to Section 13(1)(c) of the Act.

On 14 March 2006, the Board obtained leave to withdraw its application, with the issue of legal costs being subject to legal argument by way of written submissions. It was alleged that the proceedings should not have been commenced without the Board first seeking and obtaining the views of expert witnesses.

After a consideration of the parties' written submissions, on 9 June 2006 the SAT dismissed Dr Love's application for legal costs, accepted that a specialist tribunal was entitled to rely upon the expertise of its members in determining whether or not to pursue a complaint against a practitioner.

# **Professional Standards Committee Proceedings**

# Dr C: MBC/1920-134

Following a Penalty Hearing heard by the Professional Standards Committee ("the PSC") on 18 April 2006, the Practitioner was found guilty of improper conduct pursuant to Section 13(1)(a) of the Act.

Dr C used his relationship with his patients for reasons other than for the benefit of the patients. Dr C promoted his own interests by involving and/or inducing his patients either directly or indirectly in issues that he had personally with the State Government concerning a land tax assessment which had been received by a company of which he was a director and shareholder at the time.

The PSC ordered that the Medical Board reprimand Dr C and that he pay the Board a fine of \$2,000 within 30 days.

# Dr D: MBC/2003-163

Following a PSC hearing on 1 February 2006, the Practitioner was found guilty of improper conduct in relation to all allegations pursuant to section 13(1)(a) of the Act.

Dr D, during the course of a meeting in his surgery with a pharmaceutical representative regarding the provision of pharmaceutical samples to his practice, raised his voice and swore at the representative. Dr D admitted the allegations.

The PSC ordered that Dr D be reprimanded and fined \$3,000. The PSC further imposed the condition that Dr D was to compose a letter of apology to the complainant, to be received no later than 14 February 2006, which had to be approved by the Board prior to sending and that the letter of apology should be accompanied by a letter from the Board explaining to the complainant that she had not heard from the Practitioner before that time, because the Board specifically prohibited him from contacting her.

# Dr E: MBC/2061-167

Following a PSC hearing held on 31 March 2006, the Practitioner was found guilty of gross carelessness pursuant to Section 13(1)(c) of the Act.

Dr E's treatment of the patient during a caesarean section operation, was found to be grossly careless in that he failed to check or adequately check the name of a drug prior to administering the drug and as a result, the patient stopped breathing and required intubation ("the Incident").

Dr E advised the patient that the Incident was the result of certain possible causes, when he ought to have known that the possible causes he mentioned were not the cause of the Incident and that the obvious probably cause of the Incident was the administration of the wrong drug. Dr E also failed to take any steps to ascertain the cause of the Incident after it occurred.

The PSC ordered that the Board reprimand Dr E and that Dr E pay the Board a fine of \$4,000 within 30 days.

# Dr F: MBC/2075-179

Following a PSC hearing on 15 November 2005, pursuant to Sections 13(1) (b) and (e) of the Act, the PSC dismissed the hearing subject to a number of recommendations to Dr F.

The PSC determined that although the allegation that the Practitioner is currently dependent on alcohol has not been established to the requisite standard, the circumstances of this case, in particular, the admission by Dr F of a problem with alcohol, made it appropriate for the PSC to recommend and encourage Dr F to continue the arrangements which have been put into place since December 2004.

It was recommended and encouraged that Dr F continue to attend their psychiatrist for whatever psychiatric treatment was considered necessary, as frequently as considered necessary, and for as long as considered to be necessary by the psychiatrist.

The PSC further recommended and encouraged Dr F to continue with the monitoring and mentoring support of a Practitioner in their workplace.

# Dr G: MBC/2115-180

Following a PSC hearing on 28 October 2005, the Practitioner was found guilty of improper conduct pursuant to Section 13(1)(a) of the Act.

The Practitioner, a dermatologist, was attended by a patient on referral from her General Practitioner in relation to an increased lesion which irregular pigmentation. The patient's family history included a history of basal cell carcinoma and malignant melanoma. Dr G undertook an examination of the patient, including an examination between the patient's buttock cheeks and inner thighs.

The PSC found that the Practitioner failed to first inform the patient of the extent of the intended examination and thus failed to obtain the specific informed consent for Dr G to conduct such an intimate examination.

The PSC ordered that Dr G be reprimanded and that a condition be imposed upon Dr G's practice, namely that Dr G be required to provide the Board with a written account detailing the principles of oral and written communication pertinent to full dermatological skin examination.

# Dr H: MBC/2142-178

Following a PSC hearing on 7 December 2005, the Practitioner was found guilty of improper conduct pursuant to Section 13(1)(a) of the Act in relation to one of six allegations against them.

The PSC ordered that Dr H be reprimanded by the Board.

The PSC found Dr H guilty in relation to their conduct in January 2005 while they were the on call anaesthetist for a country Regional Hospital (" the Hospital") and second on call for the Emergency Department of the Hospital, because:

- 1. Dr H did not attend a serious motor vehicle accident when first asked to attend the accident by the After Hours Duty Manager, and
- 2. Dr H debated with the After Hours Duty Manager, when asked to attend the accident, whether she should ask the person who was first on call for the Emergency Department to attend the accident before asking Dr H.

# **Supreme Court Appeal Hearings**

Dr Robert Thomas: MBC/1763-94

By Amended Notice of Inquiry dated 12 March 2004 ("the Notice"), it was alleged that Dr Thomas may be guilty of improper conduct in a professional respect and/or gross carelessness and/or incompetency in the care of four separate patients.

The Amended Notice alleged (inter-alia) that Dr Thomas:

- 1. was un-contactable when staff caring for patients attempted to contact him;
- 2. failed to attend and make a personal assessment of his patients' condition;
- 3. failed to personally review a patient and CT scans in relation to the patient.
- 4. failed to review patients after surgery or prior to discharge;
- 5. failed to give instructions as to the proper care of a patient following surgery.

The hearing took place on 11,12,18,30 March 2004 and 25 May 2004.

The Board delivered its decision on 26 April 2005 and found Dr Thomas guilty of gross carelessness and improper conduct in the care of his patients.

On 9 May 2005, the Board delivered it's Decision as to penalty and costs and ordered that Dr Thomas' registration be suspended for a period of 12 months commencing 25 May 2005. The Board also reprimanded Dr Thomas, fined him \$5,000 and ordered that he pay the reasonable costs of the Inquiry.



On 30 May 2005, Dr Thomas lodged a Notice of Appeal in the Supreme Court of Western Australia against the penalty imposed by the Board. No challenge to the Board's findings of fact was included in the Notice of Appeal.

The Appeal was heard on 25 August 2005.

On 8 November 2005, His Honour Justice Hasluck dismissed Dr Thomas' Appeal and ordered Dr Thomas to pay the costs of the appeal to the Board.

# Dr Ian Ferris Gulland: MBC/1791-92

On 24 September 2003, the Board found Dr Gulland guilty of infamous conduct in a professional respect and ordered that his name be removed from the Register of Medical Practitioners and that he pay the reasonable costs of the Inquiry.

Dr Gulland filed a Notice of Appeal in the Supreme Court against the Orders on 15 October 2003

On 8 June 2006, the Supreme Court ordered that the Appeal lodged by Dr Gulland be dismissed for want of prosecution and ordered that he pay the Board's costs of the application, fixed in the amount of \$953.90.

# DR I - MBC/1837-95

After holding an Inquiry on 6 April 2004, the Board, on 22 October 2004, found the Practitioner guilty of gross carelessness in that during the course of his therapeutic relationship with a patient, he continued to manage the patient's primary health care when he knew or ought to have known that his clinical judgment in relation to the patient was impaired or was likely to be impaired; and in or about May 2003, he permitted the patient to reside at his home and whilst resident in his home, he administered intra-muscular pethidine and antibiotics to the patient in circumstances in which the patient was sufficiently ill to warrant her admission to hospital as an in-patient.

The Board found the Practitioner guilty of infamous conduct in that he encouraged, alternatively permitted, the development of a close personal relationship of an emotionally and romantic nature with the patient after the therapeutic relationship with the patient (in the course of which he had managed, amongst other things, the patient's psychological or psychiatric disorders) had ceased, but at a time when he ought to have appreciated that there was a risk that the patient's feelings for him were influenced by the fact that he had been her doctor.

On 7 December 2004, the Board ordered that the Practitioner be reprimanded and suspended for 12 months, pay fines totaling \$10,000 and pay the costs of the Inquiry.

Dr I appealed the Board's decision of 22 October 2004 and the penalty handed down on 7 December 2004. The Practitioner was refused a stay of the fine imposed by the Board, but was granted a stay of the 12 month suspension imposed until resolution of the Appeal.



In essence, the Appeal Court agreed with Dr I that the characterisation of his conduct in encouraging or permitting the development of a close personal relationship of an emotional or romantic nature with the patient (in the course of which he had managed the patient's psychological or psychiatric disorders) after the therapeutic relationship had ceased was to be regarded as improper rather than infamous conduct. The Appeal Court also reduced the penalty imposed upon the Practitioner from a suspension of 12 months to a fine of \$10,000 and a reprimand.

Dr I was unsuccessful in respect of six of ten grounds raised in the Notice of Appeal. On that basis, the Court ordered that the Board pay only 2/3 of the costs of Dr I, to be taxed.

# Dr Ameen Ahmed Bham: MBC/1998-139

On 9 September 2005, Dr Bham appealed against the Board's Decision of 17 August 2004, where he was found guilty of improper conduct in a professional respect and the Board Order made on 6 September 2005 (refer Medical Board proceedings).

On 12 September 2006, the Supreme Court consented to an interim stay of his suspension for 3 months. The Appeal was ultimately heard on 4 April 2006. The court reserved its decision in the Appeal, which is yet to be handed down.

# 5.3 OVERVIEW OF OTHER MEDICAL BOARD SUB-COMMITTEES

# FINANCE / CONTRACT MANAGEMENT SUB-COMMITTEE

- Professor Bryant Stokes (Chair)
- Professor Con Michael
- Ms Penelope Giles
- Dr Rosanna Capolingua

This Sub-Committee's primary function is to ensure accountability for the Board's financial affairs.

# 5.4 RECORDS MANAGEMENT

The State Records Commission at its meeting held on 8 December 2005, approved the Board's Recordkeeping Plan (the Plan) for a period of three years.

Records management training is provided to all new staff as part of their induction program. The training identifies to staff, their roles and responsibilities under the Board's Recordkeeping Plan.

The efficiency and effectiveness of the Board's record keeping system is to be evaluated not less than every five years and the training program is to be reviewed as required.

# 6. FINANCIAL STATEMENT

Year Ended 30 June 2006

# Contents

Statement by Board Members

Statement of Financial Position

Statement of Financial Performance

Statement of Cash Flow

Notes to the Financial Statements

Independent Audit Report

# MEDICAL BOARD OF WESTERN AUSTRALIA ABN 25 271 541 367

# FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 2006

# Contents

Statement by Board Members

Balance Sheet

Income Statement

Statement of Cash Flow

Notes to and Forming Part of the Financial Statements

Independent Audit Report

# MEDICAL BOARD OF WESTERN AUSTRALIA ABN 25 271 541 367

# STATEMENT BY BOARD MEMBERS

The financial statements attached are intended solely to meet the requirements of the Medical Board of Western Australia ("the Board")

In the opinion of the Board Members:

- a) The Financial Report is drawn up so as to give a true and fair view of the financial position of the Board as at 30 June 2006 and its financial performance for the year ended on that date;
- b) At the date of this statement, there are reasonable grounds to believe that the Board will be able to pay its debts as and when they fall due; and
- c) The Board is not a reporting entity. The financial statements have been prepared as a special purpose financial report in accordance with the accounting policies described in Note 1 to the financial statements, solely to meet the requirements of the Medical Act 1894 (as amended) to prepare financial statements.

For and on behalf of the Board

Prof C Michael AO

President

Perth, Western Australia

Date: 29 Sec 2006.

Prof B Stokes AM

Board Member

Perth, Western Australia

Date: 29 Dec 2006

# MEDICAL BOARD OF WESTERN AUSTRALIA ABN 25 271 541 367 BALANCE SHEET AS AT 30 JUNE 2006

	Note	2006 \$	2005 \$
CHIPDENIES & COPING			<u> </u>
CURRENT ASSETS			
Cash and cash equivalents	4	2,047,451	1,973,704
Trade and other receivables	5	113,830	42,157
Other assets	6	21,028	16,018
TOTAL CURRENT ASSETS		2,182,309	2,031,879
TOTAL ASSETS		2,182,309	2,031,879
	•		2,031,077
CURRENT LIABILITIES			
Trade and other payables	7	158,428	525,149
Other liabilities	8	645,245	616,024
TOTAL CURRENT LIABILITIES	•	803,673	1,141,173
TOTAL LIABILITIES	•	803,673	1,141,173
NET ASSETS	-	1,378,636	890,706
EQUITY			
Balance at Beginning of Year		890,706	339,692
Profit/(Loss) for the year		487,930	551,014
TOTAL EQUITY		1,378,636	890,706

# MEDICAL BOARD OF WESTERN AUSTRALIA

# ABN 25 271 541 367

# INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2006

	2006	2005
Note	\$	\$
REVENUE		
Non Practice Fee	76.040	
Practising Fee	56,940	56,032
Registration Fees	2,290,285	2,009,516
Other Sundry Fees	137,922	128,265
Occasional Practice Fees	27,812	25,123
Company Registration	43,607	38,977
Interest Received	•	250
Fines	127,408	96,177
Inquiry Costs Recovered	6,200	56,000
	142,465	450,449
	2,832,639	2,860,789
EXPENSES		
Advertising	128	679
Audit Fees	24,805	7,850
Australian Medical Council Inc	40,797	40,797
Bank Charges	13,057	12,462
Individual Board/Committee Members Fees	101,320	192,157
Catering	2,233	2,878
Database Expenses	2,507	8,668
Complaints Investigator Expenditure	361,205	76,232
Conference Expenses	1,404	4,733
Courier	7,092	7,989
Board Members' Expenses	4,213	3,398
General Expenses	557	443
nsurance	13,903	8,845
nquiry Costs	928,867	816,535
Other Initiatives	220,007	688
Postage & Printing	115,140	82,307
Random Urine Drug Screening Initiative	2,400	4,800
Secretarial & Administration Costs	706,203	1,015,396
Superannuation Contributions	6,719	•
Telephone and Fax	8,723	11,059
Vebsite	3,436	8,136
	·	3,723
	2,344,709	2,309,775
ROFIT BEFORE INCOME TAX	487,930	551,014
ncome Tax Expense	-	_
ET PROFIT ATTRIBUTABLE TO THE MEDICAL BOARD OF WESTERN USTRALIA	487,930	551,014
	,,	

The accompanying notes form an integral part of these Financial Statements

# MEDICAL BOARD OF WESTERN AUSTRALIA ABN 25 271 541 367

# STATEMENT OF CASH FLOW FOR THE YEAR ENDED 30 JUNE 2006

	Note	2006 \$	2005 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Doctors Payments to Suppliers/Payables Inquiry Costs Paid Interest Received		2,734,451 (1,828,569) (954,532) 122,398	2,944,072 (1,162,665) (817,508) 83,851
NET CASH FLOW FROM OPERATING ACTIVITIES	9	73,748	1,047,750
NET INCREASE (DECREASE) IN CASH HELD		73,748	1,047,750
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		1,973,703	925,953
CASH AND CASH EQUIVALENTS AT THE END OF THE	YEAR	2,047,451	1,973,703

# MEDICAL BOARD OF WESTERN AUSTRALIAN ABN 25 271 541 367

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

# 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a special purpose financial report prepared in order to satisfy the requirements of the Medical Act 1894 (as amended) of Western Australia to prepare financial statements. The accounting policies used in the preparation of this financial report, are in the opinion of the members of the Medical Board, appropriate to meet the requirements of the Medical Act 1894 (as amended) of Western Australia.

The requirements of Australian Accounting Standards do not have mandatory applicability to the Medical Board of Western Australia because it is not a reporting entity. The members of the Medical Board have determined that in order for the financial report to give a true and fair view of the Medical Board of Western Australia results, accounting standards relating to recognition, classification and measurement of assets, liabilities, revenues and expenses have been complied with. This includes the disclosure requirements of AASB 101 Presentation of Financial Statements and AASB 107 Cash Flow Statements.

The following Australian Accounting Standards have not been adopted:

AASB 114: Segment Reporting
AASB 119: Employee Benefits
AASB 124: Related Party Disclosures

AASB 132: Financial Instruments: Disclosure and Presentation
AASB 139: Financial Instruments: Recognition and Measurement

The financial report is prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following specific accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report.

# Statement of Compliance

The financial report complies with the recognition, measurement and classification requirements of Australian Accounting Standards which includes Australian equivalents to International Financial Reporting Standards (AIFRS) and the disclosure requirements of accounting standards AASB 101 Presentation of Financial Statements and AASB 107 Cash Flow Statements.

# Going Concern

This financial report has been prepared on the going concern basis. The going concern basis has been implemented as the Board Members believe that the cash flow projections are healthy and the Board has a large surplus of cash on hand.

# Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes paid. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Medical Board and the revenue can be reliably measured.

The following specific recognition criteria must also be met before revenue is recognised: Fee Income

Fee income is recognised in the income statement from the commencement date, on a straight line basis over the period of the fee service. The proportion of fee income received or receivable not earned in the income statement at the reporting date is recognised in the balance sheet as unearned revenue. Interest

Interest is recognised when the Medical Board's right to receive the payment is established.

# MEDICAL BOARD OF WESTERN AUSTRALIAN ABN 25 271 541 367

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

# (Note 1 Cont.)

# Payables

Trade payables and other payables are carried at cost and represent liabilities for goods and services provided to the Medical Board prior to the end of the financial year that are unpaid and arise when the Medical Board becomes obliged to make future payments in respect of the purchase of these goods and services.

# **Board Member Entitlements**

Contributions are made to Board Members' superannuation funds and are charged as expenses when incurred.

# Income Tax

As both a not-for-profit and statutory body, there is no obligations to pay income tax.

# Indian Ocean Territories

The accounts include all amounts received and paid on behalf of Indian Ocean Territories on whose behalf the Medical Board of Western Australia acts as agent as directed in the Service Delivery Arrangement between the Commonwealth and the Medical Board of Western Australia. All amounts in respect of Indian Ocean Territories have been disclosed.

# Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount goods and services tax, except:

(i) where the amount of GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the amount of GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

(ii) receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Cash flows are included in the Cash Flow Statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating activities.

### Cash

Cash is defined as cash on hand and cash equivalents, including highly liquid assets which have a maturity of less than three months from Balance Date.

# MEDICAL BOARD OF WESTERN AUSTRALIAN ABN 25 271 541 367 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

# 2 CONTINGENT ASSETS AND LIABILITIES

### Contingent Liability

As at balance date the Medical Board has referred 98 matters relating to alleged breaches of the Medical Act to the State Administration Tribunal (SAT) and the Professional Standards Committee (PSC), which have been reported to the Board for its consideration.

The Board is also defending appeals that are listed in the Supreme Court of Western Australia associated with previous inquiries.

The Board will incur significant future legal costs in undertaking these matters referred to the SAT, PSC and Supreme Court. Further, upon the completion of these hearings it is highly probable that in certain instances the Board will pursue the applicable practitioner for a recovery of a portion of these costs.

It is not practicable for the Board to reliably estimate the future legal costs that will be incurred in undertaking these hearings and defending the appeals or the portion of other costs incurred associated with these hearings that will be recovered from practitioners.

Accordingly, a provision for future legal costs that will ultimately be incurred by the Board in undertaking these hearings and defending these appeals has not been recognised in the 30 June 2006 financial statements as it cannot be reliably estimated. The Board will only recognise a provision for legal costs when the obligation probably requires an outflow of funds.

# Contingent Asset

As at balance date the Board has undertaken to seek the recovery of certain legal costs it has incurred in referring matters and defending appeals for breaches of the Medical Act by certain practitioners.

It is not possible for the Board to reliably estimate the amount that will ultimately be recovered from the practitioners. Accordingly, a receivable for the potential recovery of these costs has not been recognised in the financial statements at 30 June 2006 as it cannot be reliably estimated. Contingent assets will only be recognised when the inflow of funds is virtually certain.

# 3 IMPACT OF THE TRANSITION TO AIFRS

For all periods up to and including the year ended 30 June 2005, the Medical Board of Western Australia prepared its financial statements in accordance with Australian Generally Accepted Accounting Principles (AGAAP). These financial statements for the year ended 30 June 2006 are the first the Medical Board of Western Australia is required to prepare in accordance with Australian equivalents to International Financial Reporting Standards.

Accordingly, the Medical Board of Western Australia has prepared financial statements that comply with AIFRS applicable for the periods beginning on or after January 2005 and the significant accounting policies meeting those requirements are described in Note 1. In preparing these financial statements, the Medical Board has started from an opening balance as at July 2004, the Medical Board's date of transition to AIFRS, and has made those changes in accounting policies and other restatements required by AASB 1 First-time adoption of AIFRS.

The Medical Board made no adjustments in restating its AGAAP balance sheet as at 1 July 2004 and its previously published AGAAP financial statements for the year ended 30 June 2005. There was no impact from AIFRS on cash flow.

# MEDICAL BOARD OF WESTERN AUSTRALIA ABN 25 271 541 367

# NOTES TO THE FINANCIAL STATEMENTS (Cont) FOR THE YEAR ENDED 30 JUNE 2006

	FOR THE LEAR ENDED 30 JUNE 2006			
		2006 \$	2005 \$	
4	CASH AND CASH EQUIVALENTS	<u> </u>	<u>.</u>	
•	Cash on Hand	200	000	
	Cash at Bank - CBA	44,489	200 115,089	
	Deposits on Call	1,992,083	1,847,736	
	Cash at Bank - Indian Ocean Territories	10,679	10,679	
		2,047,451	1,973,704	
5	TRADE AND OTHER RECEIVABLES			
	CURRENT GST Input Tax Credits	113,830	42,157	
		113,830	42,157	
	OWNED 1 CORPORA	····		
6	OTHER ASSETS CURRENT			
	Accrued Interest	21,028	16,018	
7	TRADE AND OTHER PAYABLES			
	CURRENT			
	Sundry Creditors and Accrued Charges	158,428	525,149	
		158,428	525,149	
	Sundry creditors and accrued charges		2005	
	Sundry creditors and accrued charges before adjustment		159,073	
	Adjustment		366,076	
ì	Sundry creditors and accrued charges after prior year adjustment		525,149	
]	Net effect on Profit and Loss			
J	Profit prior to adjustment		917,090	
A	Adjustment		(366,076)	
1	Net Profit after prior year adjustment		551,014	
8 (	OTHER LIABILITIES			
(	CURRENT			
Ŀ				
_	ndian Ocean Territory Grant received in advance	10.679	10 679	
Ĺ	ndian Ocean Territory Grant received in advance Jnearned Revenue	10,679 634,566	10,679 605,345	
(	indian Ocean Territory Grant received in advance Jnearned Revenue  —	· ·		
9 C	Jnearned Revenue  CASHFLOW RECONCILIATION OF PROFIT AFTER NCOME TAX TO NET CASHFLOW FROM	634,566	605,345	
9 C II C	Jnearned Revenue  CASHFLOW RECONCILIATION OF PROFIT AFTER NCOME TAX TO NET CASHFLOW FROM DPERATING ACTIVITIES	634,566	616,024	
9 <b>C</b>	Jnearned Revenue  CASHFLOW RECONCILIATION OF PROFIT AFTER NCOME TAX TO NET CASHFLOW FROM DPERATING ACTIVITIES Operating Profit/(Loss) after Income Tax	634,566 645,245 487,930	605,345	
9 ( II () ()	Jnearned Revenue  CASHFLOW RECONCILIATION OF PROFIT AFTER NCOME TAX TO NET CASHFLOW FROM DPERATING ACTIVITIES Departing Profit/(Loss) after Income Tax Decrease (Increase) in Other Assets	634,566 645,245 487,930 (5,010)	605,345 616,024 551,014 (12,326)	
9 C C C C D D	CASHFLOW RECONCILIATION OF PROFIT AFTER NCOME TAX TO NET CASHFLOW FROM DPERATING ACTIVITIES Decrease (Increase) in Other Assets Decrease (Increase) in Trade and Other Debtors Increase (Decrease) in Creditors	634,566 645,245 487,930 (5,010) (71,673)	605,345 616,024 551,014 (12,326) 25,377	
9 C D C D D Ir	CASHFLOW RECONCILIATION OF PROFIT AFTER NCOME TAX TO NET CASHFLOW FROM DPERATING ACTIVITIES Operating Profit/(Loss) after Income Tax Decrease (Increase) in Other Assets Decrease/(Increase) in Trade and Other Debtors	634,566 645,245 487,930 (5,010)	605,345 616,024 551,014 (12,326)	



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# Independent audit report to members of the Medical Board of Western Australia

Scope

The financial report and board's responsibility

The financial report is a special purpose financial report and comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements, and the Board's declaration for the Medical Board of Western Australia (the Medical Board), for the year ended 30 June 2006.

The Board is responsible for preparing a financial report that presents fairly the financial position and performance of the Medical Board. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report. The Board has determined that the accounting policies used and described in Note 1 to the financial statements are consistent with the financial reporting requirements of the Medical Act 1984 (as amended) and are appropriate to meet the needs of the members. These policies do not require the application of all Accounting Standards and other mandatory financial reporting requirements in Australia. No opinion is expressed as to whether the accounting policies used are appropriate to the needs of the members.

The financial report has been prepared for distribution to the members for the purpose of fulfilling the Board's financial reporting requirements under the Medical Act 1984 (as amended). We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

Audit approach

We conducted an independent audit of the financial report in order to express an opinion on it to the members of the Medical Board. Our audit was conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the accounting policies in Note 1 to the financial statements, a view which is consistent with our understanding of the Medical Board's financial position, and of its performance as represented by the results of its operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the disclosures used and the reasonableness of significant accounting estimates made by the committee of management.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

We performed procedures to assess whether the substance of business transactions was accurately reflected in the financial report. These and our other procedures did not include consideration or judgement of the appropriateness or reasonableness of the business plans or strategies adopted by the Board.

Independence

We are independent of the association, and have met the independence requirements of Australian professional ethical pronouncements.

Audit opinion

In our opinion, the financial report of the Medical Board of Western Australia presents fairly, in accordance with the accounting policies described in Note 1 to the financial statements, a view which is consistent with our understanding of the Medical Board's financial position as at 30 June 2006, and of its financial performance as represented by the results of its operations and cash flows for the year then ended.

Ernst & Young

Ernst & Young

G Lotter Partner

Perth