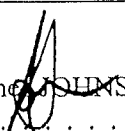


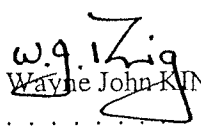
Bundaberg Hospital Commission of Inquiry

STATEMENT OF ANDREW JAMES JOHNSON

I Andrew James JOHNSON of the Townsville Health Service District, Townsville Hospital, Townsville in the State of Queensland (4796.1003) SWORN:

1. I am a legally qualified medical practitioner registered in the State of Queensland. I am a Fellow of the Royal Australasian College of Medical Administrators. My registration in Queensland includes both general registration and specialist registration as a medical administrator. I have experience working as a medical practitioner in hospitals in Queensland and New South Wales and as a Medical Officer in the RAAF. My last posting in the RAAF was in 1994 as the Senior Medical Officer RAAF Base Darwin and I was serving at the rank of Squadron Leader. After I left the RAAF I worked as a medical practitioner in New South Wales as the Deputy Director of Medical Services at Hornsby Hospital in Sydney in full – time clinical management duties and then as the Director of Medical Services of Manly and Mona Vale Hospitals, again in a full time clinical management role. In 1997 I moved to Queensland as the Director of Medical Services at the Calvary Hospital in Cairns where I performed occasional direct clinical care duties and surgical assisting and worked with the Defence Force Reserves as a Medical Officer, on top of my full time clinical management role. I remained in this position until 2000 when I took up my current role in Townsville.
2. My current occupation is as an employee of Queensland Health as the Executive Director, Medical Services, Townsville Health Services District which encapsulates the public hospitals at Townsville, Palm Island and Ingham. I do not have any direct clinical care role in my current position. My role requires that I oversee clinical practice within the Townsville Health Service District and I am responsible to the District Manager for ensuring that there are systems in place to develop standards of clinical practice, monitor practice against those standards and ensure that any issues are identified in a timely fashion and managed appropriately.

Andrew James JOHNSON
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 Deponent


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3. Part of my duties involves the recruitment of senior medical staff and the oversight of Junior Medical Staff recruitment processes, a task which is delegated to the Deputy Director of Medical Services.
4. Our recruitment process involves initially assessing the rationale for the position and the level and classification of the position to most appropriately address service needs. The position then has a Job Description developed by the relevant Department and is subsequently advertised locally, nationally or internationally. Where a sufficient applicant pool is identified, either by direct application or by presentation of candidates by recruitment agencies, interview processes are completed and appointment on a merit selection basis is undertaken
5. When we are unable to attract suitably qualified and trained Australian practitioners with a satisfactory performance record we consider appointment of overseas trained practitioners on an Area of Need Basis. These are often identified to us by Recruitment Agencies (we use many agencies including a Queensland based company called Latitudes Medical Recruitment, Utah USA based Global Medical Recruitment, AMAQ Services Queensland or Wavelength Consulting of Sydney NSW). I identify an appropriate selection panel incorporating department representatives, college representation, and where appropriate, University representation (James Cook University) and any other representative considered appropriate, e.g a colleague who may be required to work closely with an appointee, or a senior member of nursing staff who will have to work with the practitioner.
6. Formal questions are developed in draft form prior to the interview and all candidates are asked the same form of questions. There is extensive opportunity for exploration of issues and the interview is designed to probe specific issues relevant to the field of practice. Subsequent to the interview process referee checks are conducted for the preferred applicant by the most appropriate person of the panel e.g. Departmental Director may interview a Departmental Director from a previous position. I may interview my counterpart from a candidate's previous employment or if a nurse is listed as a referee we may ask a nurse on the panel if there is one to conduct the reference check interview.
7. At interview we ask the applicant to confirm their qualifications for us verbally and these qualifications are subsequently verified by the Medical Board of Queensland

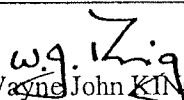
during the Registration Process for the successful applicant. The successful applicant, after the successful reference checking, will be offered appointment conditional upon registration at the appropriate level by the Medical Board of Queensland. In our offer to the successful applicant they are requested to return a letter of acceptance of the offer of employment.

8. At this point, for senior medical staff, it is normal to confer interim clinical privileges based upon the skills and experience presented in their application explored in their interview and verified with their referees.
9. When the successful applicant accepts the conditional appointment they are assisted to make application to the Medical Board for registration and to the relevant College for recognition where appropriate and to the Health Insurance Commission (HIC) for a Provider Number.
10. Then upon advice from the Medical Board of successful registration, arrangements will be finalised for commencement of the practitioner which may include visa arrangements, travel and relocation, and accommodation upon arrival
11. Where it is required, we routinely engage the recruitment agency to facilitate the visa requirements and the appropriate college assessment where required. After this is done we are the sponsor of the successful practitioner to come to this country and their continued employment with us may be a condition of their visa. I believe that if they attain permanent residency whilst in our employment, then the employment offered by us is not a condition of them remaining in the country.
12. We are often asked to sponsor international medical graduates for permanent residency and consider on this on a case by case basis. This would apply to senior medical staff after they have attained recognition for registration in Australia either through the Australian Medical Council process, or by recognition of their qualifications by the relevant learned College.
13. On arrival it is normal for us to carry out an orientation of medical staff, tailored to meet their needs and the role which they will perform. For instance, a practitioner required to work independently as an anaesthetist will have a period of observation of their anaesthetic practice by a senior colleague prior to being "signed off."
14. Where any issues are identified they are addressed with the practitioner and a management plan is identified and implemented.

15. On occasions it has been evident that practitioners do not possess the skills claimed at interview and may be unable to practice in the intended role.
16. Our workforce shortage in this Health Service District is significant and spread across many disciplines. As a result significant proportion of our medical staffing is from Overseas Trained Practitioners registered with special purpose registration under Section 135 of the Medical Practitioners Registration Act. This is at both Junior and Senior Staff levels. Over recent months, with restrictions on Area of Need Registration and with the current poor labour market perception of Queensland Health these shortages are becoming critical and are likely to result in service restriction in coming weeks.
17. Critical areas at present include Medical Imaging, Neurosurgery, Psychiatry, Urology, Orthopaedic Surgery, Anaesthetics, Emergency Medicine and Ear Nose and Throat Surgery all in Townsville. Ingham is currently short of two senior medical staff of its three positions and Palm Island is satisfactory at present.
18. With regard to the difficulties that we have in recruiting the appropriate medical staff for our Health District, I have prepared a draft comprehensive statement for Queensland Health which addresses the issues and some critical success factors for recruitment. This statement has not yet been concluded and when it is a copy of it will be provided to the Commission of Inquiry for its information.
19. On occasions issues of clinical performance are identified to me through a number of mechanisms including complaints, clinical audit, sentinel events or other clinical event analysis. We have in place processes to assess these issues either through a performance management system or through a systems improvement process. Most of the time adverse clinical events relate to systems issues rather than individual practitioner performance. To this end we invite issues to be identified through our patient safety system where we seek to identify what has occurred, why it has occurred and how we can prevent it from happening again rather than identifying who is to blame.
20. On rare occasions individual clinical performance may be identified as significantly below the expected standard and remedial action may be required. On some of these occasions individual practitioners are called to account for their professional approach and standards. Usually this occurs where there has been persistently poor

Andrew James JOHNSON

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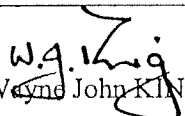

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performance resistant to efforts for improvement or where there has been a substantial breach of professional standards of conduct.

21. On some occasions this has lead to disciplinary action being taken against medical staff which has, on occasions, resulted in dismissal or non-renewal of contract. A number of such files relating to matters such as this have been delivered to Commission Investigators to-day to indicate how such matters have been dealt with.
22. On occasions we have conducted internal investigations in matters such as these and on other occasions outside investigators from the District but from within Queensland Health, have been appointed to conduct the investigations. Those matters have been brought to the attention of the Investigators to-day.
23. On occasions we have identified practitioners, Overseas Trained Doctors, whose qualifications and experience have been questioned and subsequent investigations have confirmed that they have been misrepresented and these "doctors" have been dismissed or have been given the opportunity to resign. We have one current matter being investigated while others offered the opportunity to resign have accepted.
24. The Management structure in the Townsville Health Services District is best described as a devolved institute model similar to structures in other parts of Australia. The concept is that clinical services are clustered into seven (7) institutes. They are Surgery, Medicine, Women's and Children's Health, Mental Health, Oncology, Primary Health and Ambulatory Care and Support Services. Each of these Institutes has a Clinical and Operations Director who report operationally to the Executive Director of Operations for the District. They also have a professional reporting line to the District Director of Nursing or to me as Executive Director Medical Services as appropriate. The Executive Management Team of the District comprises the District Manager, Executive Director Operations, and Executive Director of Medical Services, District Director of Nursing, and Executive Director of Business Services, Change Manager and Quality Improvement Manager.
25. The Executive Committee which is the final reporting point for all corporate and clinical governance issues meets fortnightly and comprises the District Manager, Executive Director Operations, Executive Director Medical Services, District

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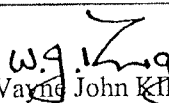

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Director of Nursing, Executive Director of Business Services and the Clinical and Operation Directors of each of the Institutes. This gives practising clinicians an effective say in policy development and resource allocation, strategic planning and organisational direction as well as direct control over the affairs of their clinical institute. Guidance and support is offered by the Executive Director Medical Services, District Director of Nursing, and the Executive Director of Business Services to supplement the operational management of the Executive Director of Operations and help ensure appropriate clinical standards are maintained in a framework of business integrity.

26. Each of the Clinical Directors carries at least 50% clinical load and receive administrative support from the Institute Management teams and administrative staff of the Institute.
27. The supportive role we take is that we allow them to take control of their negotiated resources and manage those to effect the best clinical outcomes in line with District priorities and identified goals.
28. Townsville Health Service District has been actively involved in patient safety processes and has been a leader in the developments of patient safety concepts in Queensland. We have implemented a patient safety framework which allows for staff to have confidence in raising issues of clinical concern which are then addressed at the appropriate level and where necessary considered by the patient safety committee which has high level support from senior medical and nursing clinicians.
29. Many effective service improvements have been advanced through the identification of actual or potential clinical adverse events. Issues are subjected to robust analysis to identify root causes of events, an action plan is developed, negotiated and agreed with the relevant Institute or Department, and implementation is monitored on an ongoing basis through routine management reporting.
30. We have to-day referred allegations of fraud that have been made against the hospital relating to Medicare Claims to the Operational Audit and Internal Review Department of Queensland Health and I am advised that the Director General has subsequently referred the matter to the Crime and Misconduct Commission to have the matter investigated.

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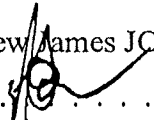

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31. I welcome this investigation and the future opportunity to address these serious allegations as I am of the confident view that these allegations will be shown to have no foundation.

Affidavit SWORN on 13th July 2005
at Townsville in the presence of:

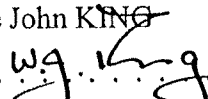
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