

GP Locum/Associate Remuneration Report

January 2010

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Summary

Our GP remuneration survey for December 2009 was sent electronically to around 500 General Practice *HealthyPractice*[®] subscribers. Of these, 148 practices responded. Remuneration rates were similar to our December 2008 survey, with median increases in the following areas:

- Urban sessional rates increased by 7.7% (\$325 to \$350).
- Rural hourly rates increased by 11% (\$90 to \$100).
- Rural median commission rates increased from 55% to 60%.

As with previous surveys, payment rates to contracted GPs were only slightly more than to employees. Contractor hourly and sessional rates were 5.5% and 7.8% higher respectively. Statutory annual leave and sick leave together with public holidays means that the additional costs to employers for employees are substantially higher than this. In addition 40% of practices provided five or six weeks' annual leave for employee GPs rather than the statutory four weeks leave.

Of the responses, 81% engaged locums or associates on a contract for services basis and 19% engaged locums or associates as employees. This is an increase in employed GPs from our previous surveys.

Survey median and average payments for contracted GPs were as follows (excluding GST).

Payment method	All practices		Urban practices		Rural practices	
	Median	Average	Median	Average	Median	Average
(Contracted GPs)						
Commission %	55%	58%	55%	57%	60%	62%
Hourly Rate*	\$86-\$90	\$91-\$95	\$86-\$90	\$86-\$90	\$96-\$100	\$96-\$100
Sessional Rate*	\$326-\$350	\$351-\$375	\$326-\$350	\$326-\$350	\$376-\$400	\$351-\$375

*Survey questions for hourly and sessional rate payments had 'range' response options. For these responses, we have reported on the median and average 'range'. We expect that in most instances the amount paid will be the top figure in that range.

- For all practices, the average hourly and sessional rate ranges are above the median but are at the low end of the next range.
- The median session length was 3.5 hours and 72% of respondents paid for non-clinical time as part of their sessional or hourly rate payments.
- 42% of contracted GPs were paid on a sessional rate basis, 32% on hourly rates and 26% on commission. This is consistent with previous trends of increased sessional and hourly rate arrangements and fewer commission based payments.

A more detailed analysis of payment methods and rates by employment status, length of employment and region is provided in this report.

Profile of respondents

A total of 148 practices responded to the survey. Some answered the questions more than once, depending on the type of employment arrangements they had. This means that in some cases there are more than 148 responses.

Of the 148 respondents, 106 were urban practices and 42 were rural practices. The regional spread of these practices is as follows.

Region	Respondents
Northland	5
Auckland	49
Waikato /Bay of Plenty/Central North Island	22
East Coast/Hawke's Bay	5
Taranaki/Manawatu	12
Wellington	27
Nelson/Marlborough	5
Canterbury	15
Otago/Southland	8
	<hr/>
	148

Results

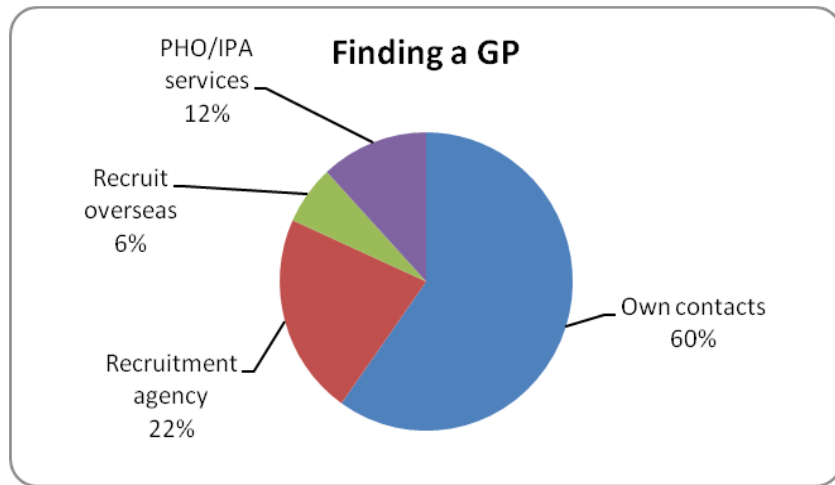
Median:

This is a statistical calculation to determine the mid point of the data. Exactly half the data fall above the median and the other half below the median. Using the median eliminates any distortion that may happen when there are data at the extreme ends of the scale. Survey questions for hourly and sessional rate payments as well as annual salary had 'range' response options. For these responses, we have reported on the median 'range', for example, hourly rate range \$86-\$90.

Average:

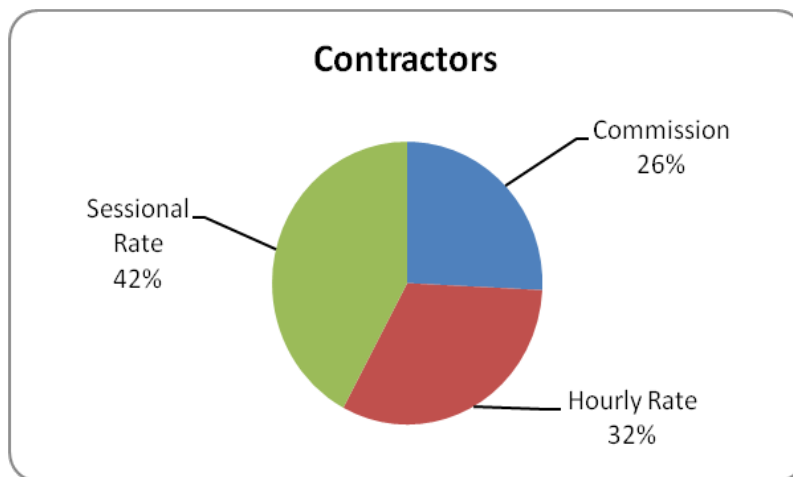
The average can be influenced by data at the extreme ends of the scale. It is a useful tool to compare the relevance of the median calculation. When the average and the median are close it usually indicates that the majority of the data are around the median.

1. Finding a GP locum or associate



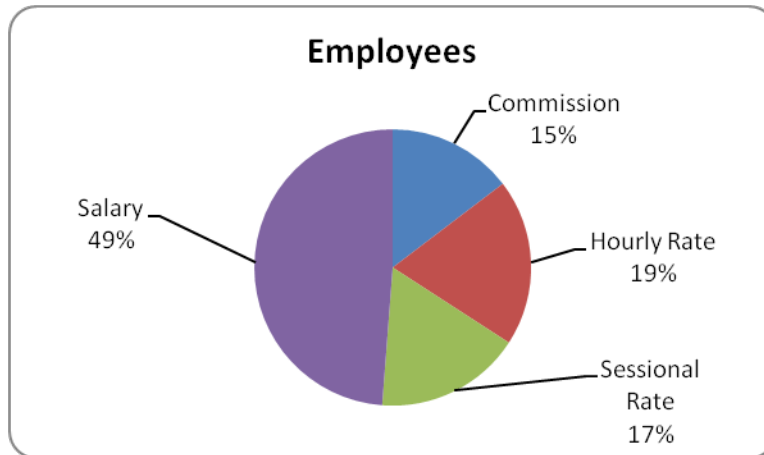
This shows an increased use of recruitment agencies compared with previous surveys, with fewer practices using previous locums or own contacts.

2. Methods of payment by employment arrangement



Similar to previous surveys, this shows an increase in hourly and sessional rate payments and a reduction in commission based payments.

Methods of payment by employment arrangement (continued)



There has been a significant increase in salaried GPs compared with our previous survey (from 21% to 49%). Hourly and sessional rate arrangements have reduced, with the percentage of commission-based arrangements remaining constant at 15%.

3. Medians based on employment arrangements

The following tables show the median and range of payments for the various methods of remuneration for the different employment arrangements for locums and associates in the practice.

Payments for contractors are exclusive of GST.

Short-term employee: - Insufficient responses in this category.

Short-term contractor:

	Commission	Hourly rate	Sessional rate
Median	60%	\$86-\$90	\$351-\$375
Range	55%-60%	\$61-\$120	\$200-\$401+
No. of responses	7	17	25

Long-term employee:

	Commission	Hourly rate	Sessional rate	Salary (p.a.)
Median	60%	\$81-\$85	\$276-\$300	\$146,000-\$150,000
Range	50%-60%	\$66-\$100	\$251-\$350	\$80,000-\$200,000
No. of responses	5	8	5	20

Long-term contractor:

	Commission	Hourly rate	Sessional rate
Median	55%	\$86-\$90	\$325-\$350
Range	50%-75%	\$71-\$140	\$250-\$425
No. of responses	26	24	29

4. Median by employment length

	Short-term	Responses	Long-term	Responses
Commission rate	60%	8	55%	31
Hourly rate	\$91-\$95	17	\$86-\$90	32
Sessional rate	\$351-\$375	27	\$326-\$350	34
Salary	-	0	\$146,000-\$150,000	20

5. Median by employment status

	Employee median	Responses	Contractor median	Responses
Commission rate	57.5%	6	55%	33
Hourly rate	\$81-\$85	8	\$86-\$90	41
Session rate	\$301-\$325	7	\$326-\$350	54
Salary	\$146,000-\$150,000	20	-	0

Some practices also provided additional annual leave over and above statutory requirements for employees, as per the following graph.



6. Median by area type

	Urban median	Responses	Rural median	Responses
Commission rate	55%	30	60%	9
Hourly rate	\$86-\$90	42	\$86-\$90	7
Session rate	\$326-\$350	40	\$351-\$375	21
Salary	\$141,000-\$145,000	12	\$146,000-\$150,000	8

7. Employment benefits

Benefit type	Employees	%	Contractors	%
Nil	9	13%	68	56%
Accommodation	2	3%	14	11%
Car	3	4%	10	8%
Home phone	6	9%	1	1%
Cell phone	2	3%	0	0%
Professional subs.	23	33%	11	9%
CME	18	26%	7	6%
Oversight	7	10%	11	9%
	70	100%	122	100%

8. Additional employment benefits

Some practices offered one or more of the following benefits:

Additional benefit	Employees	Contractors
Guaranteed minimum	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Bonus payments		<input checked="" type="checkbox"/>
Milage reimbursement		<input checked="" type="checkbox"/>
MPS indemnity paid	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Travel expenses	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Paid leave to attend conference.	<input checked="" type="checkbox"/>	
Additional annual leave (5/6 weeks)	<input checked="" type="checkbox"/>	
Extra for weekend work/ overnight on call		<input checked="" type="checkbox"/>
Remote computer access		<input checked="" type="checkbox"/>

Contacts

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