

GP Locum/Associate Remuneration Report

December 2021



Foreword

Welcome to our annual MAS GP Locum and Associate Remuneration Report. Thanks to all those who participated in the survey. We trust the information provided in this report will help with understanding the market terms and conditions that apply to GPs working in practice, both as employees and independent contractors.

About MAS

2021 marks one hundred years since a group of far-sighted doctors established MAS in a Napier villa.

Today, more than 85% of New Zealand's medical professionals insure with MAS, and our membership has expanded dramatically to welcome New Zealanders from all walks of life.

In our centenary year, we have taken the opportunity to look back on how far we've come and reflect about what the next hundred years might hold. To help guide us, we have distilled our purpose into a simple idea – we are here to help inspire a healthier Aotearoa.

We do that in many ways – from looking for more environmentally conscious ways of running our business; to investing our Members' KiwiSaver funds according to our responsible investment strategy; to establishing the MAS Foundation to help address health inequities in this country.

We now have more than \$2.2bn invested in a responsible way and since the MAS Foundation began making grants at the start of 2020, it has made grants worth more than \$1.5million, backing initiatives ranging from mental health support for young people, to reviewing the breastfeeding training given to our healthcare professionals, to COVID-related community education.

We are grateful to all our Members for their support and encouragement over the past hundred years, and we look forward to what the future holds. The past two years have been difficult for most New Zealanders but particularly for general practices around the country.

We thank you for all you and your teams have done in the fight against COVID so far, and we hope next year brings you some relief as we move into a new phase of living with the virus.

If you or your team want to know more about MAS, get in touch – phone 0800 800 627 or email info@mas.co.nz.

MAS Business Advisory Services and HealthyPractice

The MAS Business Advisory team supports Members with information, advice, and guidance on business related issues.

Running a successful business is not just a matter of having excellent clinical skills – you also need superior business support. That's where we can help.

Our Business Advisory team has specialist health sector knowledge to help MAS Members with:

- succession planning;
- practice ownership;
- valuation;
- practice structures and agreements;
- practice risk management information;
- employment advice.

Practice subscribers to our online MAS HealthyPractice business support service have access to information and templates on all areas of business ownership, employment, and management – all customised for general practice and backed by our specialist business hours advice line.

The last year has been a very tough one for our subscriber practices and dealing with Covid-19 employment related issues has been front and centre of our support, as reflected in our regular News updates at [News | MAS \(healthypractice.co.nz\)](https://www.mas.co.nz/news)

If you own or manage a practice, then [HealthyPractice](https://www.healthypractice.co.nz) is a must. For more information contact us on 0800 800 627 or email business@mas.co.nz.

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Summary

Our GP Locum and Associate Remuneration Survey for 2021 was sent electronically to approximately 750 general practices, with responses from 288 practices who engaged or employed GP locums and associates.

As with previous surveys, most practices engaged locums or associates on a contract for services rather than as employees, and more than last year.

This year 67.5% engaged GPs as contractors, up from 64% last year, and 32.5% engaged them as employees, down from 36% last year.

Contractor payments – long term

For long term contractors, all payment rates were higher than our 2020 survey:

- Hourly rates increased from a median range of \$111-\$115 p/h last year to a median range of \$116-\$120 p/h, with an average range of \$121-\$125.
- The median sessional rate range, for a 4-hour session, increased from \$451-\$475 in our 2020 survey to \$476-\$500 with an average range of \$451-\$475.
- Commission-based median payments were higher than last year at 60%, up from 55%, while the average was the same as last year at 59%.

Median hourly and sessional rates for long term contracted GPs were 115% and 111% higher than employee hourly rates and sessional rates. This is a reduced variance over our 2020 survey where contractor rates were 118% higher than employee rates. This reduced increase is probably not sufficient to reflect the fact that contractors accept more risk than employees and do not receive statutory benefits such as annual leave, public holidays, sick leave, employer KiwiSaver contributions, or other employee benefits.

Employee payments – long term

For long term employees, the payment rates varied from our 2020 survey:

- Hourly rates increased from the 2020 survey median range of \$96-\$100 p/h to a median range of \$101-\$105 p/h this year, with the same average range.
- Median sessional rates, for a 4-hour session, increased from our 2020 survey range of \$401-\$425 to a median range of \$426-\$450 with the same average.
- Median commission-based payments for employees were the same as the 2020 survey at

55% with the average slightly lower than 2020 at 54%.

- Full-time equivalent salaries increased from our 2020 survey to a median range \$201,000 - \$210,000, up from \$191,000-\$200,000.

In addition to statutory employee benefits, some practices paid additional benefits to their employee GPs:

- 49% of practices provided five, six or more weeks' annual leave.
- 44% of practices paid for professional subscriptions.
- 32% of practices paid for CME costs.

Patient consultations

For GPs engaged as contractors on hourly rates and 4-hour session arrangements:

- The average expected patient contact time over a 4-hour session period was 3 hours 19 minutes with a median of 3 hours 15 minutes.
- The average and median number of patients that contractor GPs were expected to see over a 4-hour session period was 12.

For employed GPs:

- The average expected patient contact time over a 4-hour session period was 3 hours 15 minutes with a median of 3 hours 15 minutes.
- The average and median number of patients that employed GPs were expected to see over a 4-hour session period was 12.

Remuneration influences

As with previous surveys, most practices valued experience over other factors when setting pay rates for locums or associate GPs.

When asked, "What is the main reason you would pay a higher level of remuneration for a locum or associate?"

- 47% selected experience
- 22% selected qualifications
- 17% selected availability
- 14% selected productivity

The results of this survey represent, in the main, our MAS membership of GP-owned practices with 88% of the respondents being from a fully or partially GP-owned practice.

Impact of Covid-19

To acknowledge that 2021 has continued to be impacted by the Covid-19 pandemic, we included the following questions.

1. Has your practice experienced a negative financial impact?
 - 51% percent of practices experienced a negative financial impact.

2. Did you need to reduce hours or work, pay rates or fees?
 - 57% of practices made no changes.

Of those that did make changes:

- 59% of practices reduced GP hours, pay rates or fees, with contracted GPs being more affected;
- 22% of practices reduced nurse hours or pay rates;
- 19% of practices reduced admin hours or pay rates.

3. Did your practice receive Government support?
 - 41% of practices received support and of those practices, 75% received the wage subsidy, short term absence or leave support payment and 25% received the Covid-19 resurgence support scheme payment.
4. Has your practice continued to provide telehealth services since the 2020 restrictions?
 - 64% of practices have continued to provide telephone consults on a permanent basis;
 - 23% of practices have continued to provide video consults on a permanent basis;
 - 13% provide these services only during level 3 & 4 lockdown
 - Less than 1% don't provide these options.

5. Has Covid-19 brought a change to the overall team morale/culture?
 - 19% of practices felt there was a positive or significantly positive change;
 - 22% felt there was no change;
 - 59% felt there was an adverse or significantly adverse change.

Has Covid-19 brought a change to overall business performance?

- 25% of practices felt there was a positive or significantly positive change;
- 26% felt there was no change;
- 49% felt there was an adverse or significantly adverse change.

“Just about as busy but working two teams’ day on, day off.”

“Only the director/owners of the company reduced hours, not any other staff.”

“Chose not to reduce hours or pay rates for anyone.”

“Staff team members chose to take leave to be at home with families during lockdown.”

Profile of respondents

A total of 288 practices responded to the survey. Some answered the questions more than once - depending on the type of their employment arrangements – meaning that in some cases, there are more than 288 responses.

Practice sizes

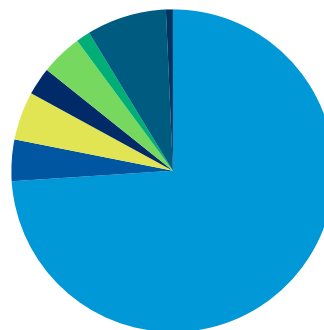
Of the 288 practices:

- 58 were practices with less than 2 FTE GPs.
- 105 were practices with 2 to 4 FTE GPs.
- 125 were practices with more than 4 FTE GPs.

Ownership structures

The ownership structures of the respondents were:

GP owned	213	74%
Community/Iwi	12	4%
Non-GP corporate	14	5%
Mixed GP/Corporate	23	8%
PHO/GP organisation	8	3%
GP/Manager	12	4%
GP/Nurse/NP	4	1%
Other	2	1%
	288	100%



Location

Of the 288 practices, 233 (77%) were urban and 65 (23%) were rural. The regional spread of practices was:

REGION	RESPONDENTS
Northland	10
Auckland	69
Waikato/Bay of Plenty/Central North Island	42
East Coast/Hawkes Bay	11
Taranaki/ Whanganui	6
Manawatu/Wairarapa	11
Wellington	49
Nelson/Marlborough	20
West Coast	0
Canterbury	37
Otago/Southland	33
TOTAL	288

Explanation of median and average

Median

The median is a statistical calculation to determine the midpoint 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, an hourly rate range of \$101 - \$105.

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 most of the data is around the median.

Payment summary

Most respondents (67.5%) engaged GP locums and associates on a contract for services basis, rather than as employees.

Methods of payment for contractors were:

- 43% paid a sessional rate;
- 38% paid an hourly rate;
- 16% paid a commission;
- 3% paid a dollar amount per patient seen.

Methods of payment for employees were:

- 45% paid an hourly rate;
- 37% paid a salary;

- 14% paid a sessional rate;
- 3% paid a commission;
- 1% paid a dollar amount per patient seen.

Of the practices that paid GPs on a commission basis, 72% included notional capitation (internal GMS) or actual capitation in the payment amount.

A more detailed analysis of locum and associate arrangements, including payment methods and rates by length of employment, experience, and their employment status, is provided on pages 7-14 of this report.

A summary of the median and average payment rates for both contractors and employed GPs are detailed in the table below. These payment rates are **exclusive of GST**.

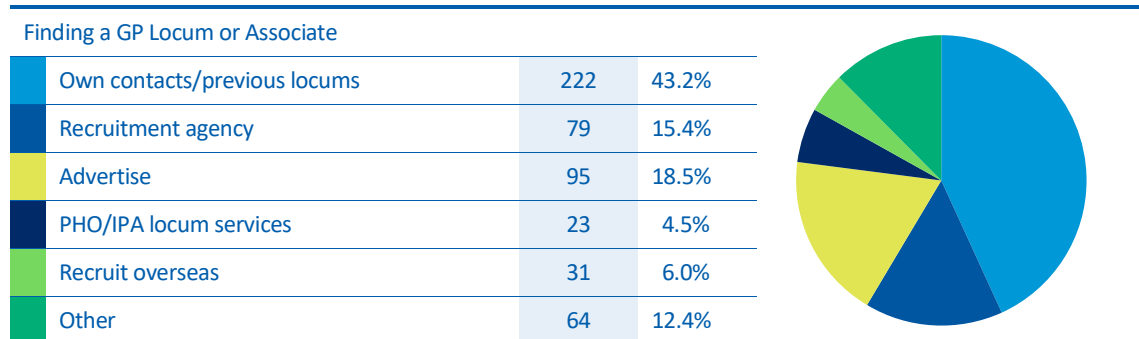
Type	All long term contractor and employee GPs		Long term contractor GPs only		Long term employee GPs only	
Payment method	Median	Average	Median	Average	Median	Average
Hourly rate*	\$111 - \$115	\$116-\$120	\$116-\$120	\$121-\$125	\$101-\$105	\$101 - \$105
Sessional rate (4 hours) *	\$451 - \$475	\$451-\$475	\$476-\$500	\$451-\$475	\$426-\$450	\$426-\$450
Commission	60%	58%	60%	59%	55%	54%

* Survey questions for hourly and sessional 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, especially for hourly rates, where it is unusual to see rates in less than \$5 increments.

Recruitment

Finding a GP Locum or Associate

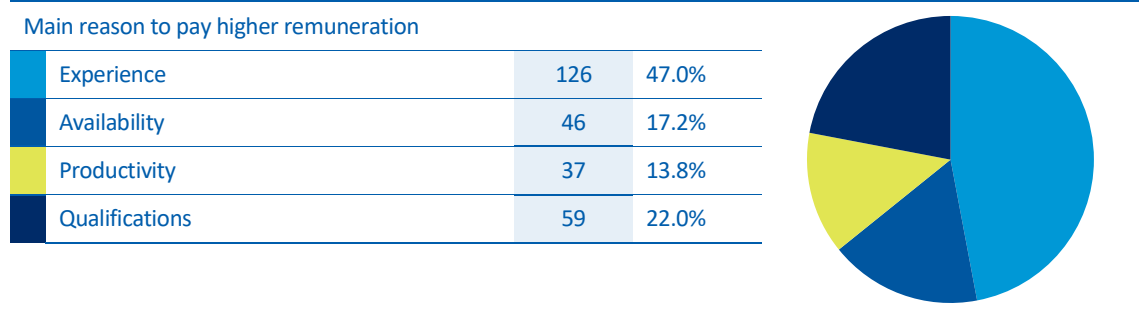
Using 'own contacts or previous locums' remained by far the most common method of recruitment. For those that advertised for locums or associates, NZ Dr and RNZCGP were the most mentioned websites, with some using their PHO, Seek, or NZ Locums.



Main reason to pay higher remuneration

Experience continues to be the main reason for higher remuneration, and we have payment rates based on experience levels detailed on page 14 of the report.

Comments suggested that some pay at the same rate irrespective of individual GP factors. However, competency, personality, already being known to practice, and being a good team fit were other considerations for remuneration paid.



Patient consultation expectations

Expected patient contact time in 4-hour session

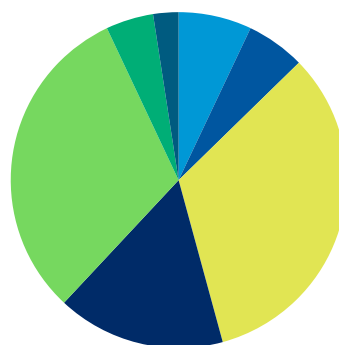
For contractors and employees combined, the median expected patient contact time in a 4-hour session was 3 hours 15 minutes with an average of 3 hours 18 minutes. Individually both contractors and employees had the same median expected patient contact time of 3 hours 15 minutes. The average was 3 hours 19 minutes for contractors, and 3 hours 15 minutes for employees.

Contractors and employees combined, with less than 3 years' experience, had a lower median expected patient contact time in a 4-hour session of 3 hours, with an average of 3 hours 13 minutes. Individually contractors had a median of 3 hours 15 minutes, and employees with less than 3 years' experience had a median of 3 hours. The average was 3 hours 15 minutes for contractors and 3 hours 9 minutes for employees.

Contractors and employees combined, with 3 to 5 years' experience, had the same expected patient contact time as those with more than 5 years' experience with a median of 3 hours 15 minutes and an average of 3 hours 19 minutes in a 4-hour session. Individually both contractors and employees with more than 3 years' experience had the same median expected patient contact time of 3 hours 15 minutes. For GPs with 3 to 5 years' experience the average expected patient contact time was 3 hours 18 minutes for contractors and 3 hours 19 minutes for employees. For GPs with more than 5 years' experience the average expected patient contact time was 3 hours 20 minutes for contractors and 3 hours 15 minutes for employees.

Expected patient contact time in 4-hour session

4 hours	20	7%
3 hrs 45 mins	16	6%
3 hrs 30 mins	94	33%
3 hrs 15 mins	46	16%
3 hours	88	31%
2 hrs 45 mins	13	5%
2 hrs 30 mins	7	2%

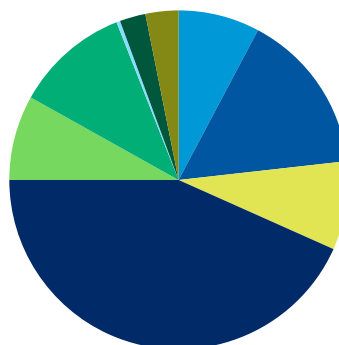


Expected patients seen in 4-hour session

For contractors and employees combined, the median and average expected number of patients to be seen in a 4-hour session was 12. This was the same expectation for both contractors and employees separately.

Expected patients seen in 4-hour session

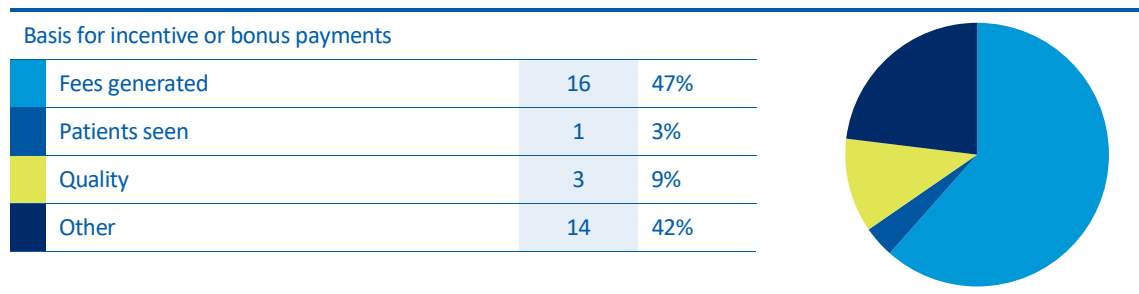
Less than 10	22	7.7%
10	44	15.5%
11	24	8.4%
12	123	43.3%
13	23	8.1%
14	31	10.9%
15	1	0.4%
16	7	2.5%
17 or more	9	3.2%



Incentives and benefits

Basis for incentive or bonus payments

Of the respondents who paid their locums and associates on an hourly or sessional rate basis, 12% provided some sort of bonus or incentive. Like previous years, most incentive or bonus payments were based on fees generated. Included in other responses was practice profitability, teamwork, inbox/tasks up to date, PHO incentives, teaching responsibilities, staying with practice and minor surgery procedures.



Employee and contractor benefits

Results show that some contracted GPs continue to receive benefits that are more commonly associated with employee status, such as CME and professional subscription payments.

Benefit type	Employees	%	Contractors	%
Nil	8	3.2%	143	49.6%
Accommodation	4	1.6%	17	5.9%
Car	9	3.6%	10	3.5%
Mobile phone	14	5.6%	5	1.7%
Professional subs	110	44.2%	42	14.6%
CME	79	31.8%	19	6.6%
Oversight	20	8.0%	29	10.1%
Bad debts	5	2.0%	23	8.0%
TOTAL	249	100%	288	100%

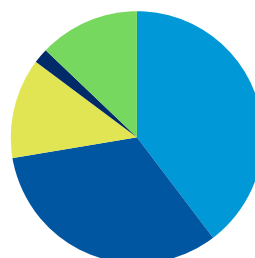
Payment methods by employment arrangement

Combined long term contractors and employees

Combined sessional and hourly rate payment responses increased from 68% last year to 72% this year. Commission and dollar per patient seen based payments were down from 17% last year to 15%, and those paid on salary were 13% of responses, down from 15% last year.

Combined long term contractors and employees

Hourly rate	142	39%
Sessional rate	117	33%
Commission	46	13%
\$ per patient seen	7	2%
Salary	46	13%

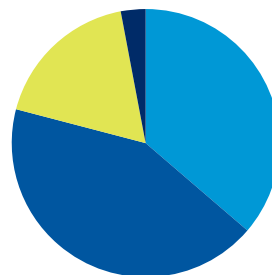


Long term contractors only

For contractors, the combined hourly and sessional rate payment methods made up 79% of responses, up from 75% last year. Commission based payments reduced from 23% last year and a dollar payment per patient seen increased from 2% last year.

Contractors only

Hourly	85	36%
Sessional	100	43%
Commission	42	18%
\$ per patient seen	7	3%

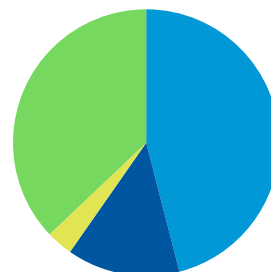


Long term employees only

For employees, the combined hourly and sessional rate payments made up 60% of responses, up from 55% last year. Salaried arrangements reduced from 40% last year, and the combined commission and a dollar payment per patient seen based payments reduced from 5% last year.

Employees only

Hourly	57	46%
Sessional	17	14%
Commission	4	3%
\$ per patient	0	0%
Salary	46	37%



Median by employment arrangement and experience

The following tables show the payment median and range for the various remuneration methods available for locums and associates – by employment arrangement and experience.

Payments for contractors are **exclusive of GST**.

Short-term contractor

Type	Median	Range	Responses
Commission	**	**	**
Hourly rate	\$121-\$125	\$105-\$155	13
Sessional rate	\$526-\$550	\$475-\$625	12
Per patient seen	**	**	**

** Insufficient responses

Short-term employee ** Insufficient responses

Long-term contractor

Type	Median	Range	Responses
Commission	60%	45%-70%	42
Hourly rate	\$116-\$120	\$95-\$185	85
Sessional rate	\$476-\$500	\$200-\$700	100
Per patient seen	\$40-\$44	\$39-\$64	7

Long-term employee

Type	Median	Range	Responses
Commission	55%	45%-60%	4
Hourly rate	\$101-\$105	\$75-\$165	57
Sessional rate	\$426-\$450	\$350-\$525	17
Per patient seen	**	**	**
Salary per annum	\$201,000-\$210,000	\$100,000-\$310,000	46

** Insufficient responses.

For long-term employed GPs, some practices provided additional annual leave over and above the statutory 4 weeks, as follows:

- 27% provided 5 weeks' annual leave
- 20% provided 6 weeks' annual leave
- 2% provided more than 6 weeks' annual leave.

Median by employment status

Long term employee GP hourly rates were 14% higher than contractor payments, whereas sessional rates were 11% higher than contractors. Last year both hourly and sessional employee rates were 18% higher than contractor rates. Contractor rates are expected to be higher to cover the increased risks with contracting and contractors not receiving employee benefits such as annual leave, statutory holidays, sick leave or KiwiSaver employer contributions.

Type	Employee median	Responses	Contractor median	Responses
Commission	55%	4	60%	43
Hourly rate	\$101-\$105	57	\$116-\$120	98
Sessional rate	\$426-\$450	17	\$476-\$500	112
Per patient seen	**	**	\$40-\$45	7
Salary per annum	\$201,000-\$210,000	46	NA	0

** Insufficient responses.

Median by employment length – contractor

Like previous surveys, short-term rates (less than 3 months) are higher than longer term rates paid to locum and associate GPs.

Type	Short term	Responses	Long term	Responses
Commission	**	**	60%	42
Hourly rate	\$121-\$125	13	\$116-\$120	85
Sessional rate	\$526-\$550	12	\$476-\$500	100
Per patient seen	**	**	\$40-\$44	7

** Insufficient responses.

Median by employment length – employee

Like previous surveys very few locums or associate GPs are employed on a short-term basis for less than 3 months.

Type	Short term	Responses	Long term	Responses
Commission	**	**	55%	4
Hourly rate	**	**	\$101-\$105	57
Sessional rate	**	**	\$426-\$450	17
Per patient seen	**	**	**	**
Salary per annum	**	**	\$201,000-\$210,000	46

** Insufficient responses.

Median by experience – long term locums and associates

As with previous surveys 'experience' has been the main reason that practices pay a higher rate of remuneration. We asked practices for payment rates based on experience levels of less than 3 years, 3 to 5 years, and more than 5 years. The results detailed below for both contractors and employee GPs confirm that in most cases more experienced GPs generally had higher remuneration rates.

Long term contractors

Type	Less than 3 years	Responses	3 to 5 years	Responses	More than 5 years	Responses
Commission	60%	3	60%	4	60%	35
Hourly rate	\$116-\$120	16	\$116-\$120	16	\$121-\$125	53
Sessional rate	\$426-\$450	15	\$426-\$450	12	\$476-\$500	73
Per patient seen	**	**	**	**	\$45-\$49	4

Long term employees

TYPE	Less than 3 years	Responses	3 to 5 years	Responses	More than 5 years	Responses
Commission	50%	2	**	**	57.5%	2
Hourly rate	\$101-\$105	8	\$101-105	8	\$101-\$105	41
Sessional rate	\$351-\$375	5	\$401-\$425	3	\$426-\$450	9
Per patient seen	**	**	**	**	**	**
Salary per annum	\$181,000 - \$190,000	2	\$206,000 - \$215,000	4	\$201,000-\$210,000	40

** Insufficient responses. For this table we have included lower response rates for commission, sessional and salary payments.

Nurse Practitioners

This year we included questions relating to nurse practitioner remuneration. We asked for all remuneration methods to be calculated as an hourly rate. We received 58 responses for hourly rate remuneration.

Hourly rate

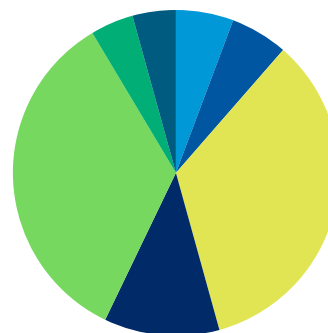
- The median hourly rate was \$62.50
- The average hourly rate was \$68.00
- There was a wide range of hourly rates from \$45.00 to \$125.00

Patient contact time

The median expected contact time in a four-hour session was 3 hours 15 minutes with an average of 3 hours 16 minutes.

Expected patient contact time in 4-hour session

4 hours	4	6%
3 hrs 45 mins	4	6%
3 hrs 30 mins	24	34%
3 hrs 15 mins	8	12%
3 hours	24	34%
2 hrs 45 mins	3	4%
2 hrs 30 mins	3	4%

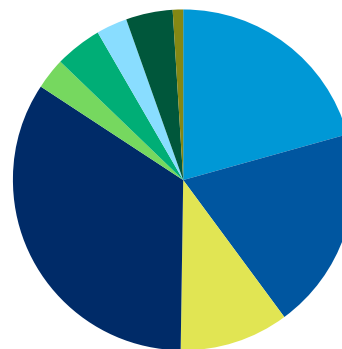


Expected patients seen in 4-hour session

For contractors and employees combined, the median and average expected number of patients to be seen in a 4-hour session was 12. This was the same expectation for both contractors and employees separately.

Expected patients seen in 4-hour session

Less than 10	14	21%
10	13	19%
11	7	10%
12	23	34%
13	2	3%
14	3	5%
15	2	3%
16 or more	3	5%



Annual leave

58.5% of nurse practitioners received four weeks annual leave per year, 32.3% received five weeks and 9.2% received 6 weeks or more annual leave.



MAS Business Advisory Services

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