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The RACGP Employee guide (3rd edition) is an update of the RACGP Employment kit – reaching a fair deal (2nd edition), published in 2006. The updated RACGP Employee guide (3rd edition) incorporates new information in relation to seeking employment, career management and income potential. These additions are in response to RACGP member requests since publication of the second edition.

The College will upload further tools, templates and activities discussed in the RACGP Employee guide (3rd edition) to the College website. For further information visit www.racgp.org.au/practicesupport/guides

The RACGP would like to thank all those who were involved in the review process to develop this guide.

Note

This document contains references to other websites. The RACGP does not specifically endorse any organisation, association or entity referred to in, or linked to, this document.

Views or recommendations provided in referenced websites do not necessarily reflect those of the RACGP and the RACGP has no responsibility for the content of the linked website(s).

It is the readers’ responsibility to make their own decisions about the currency, completeness, accuracy, reliability and suitability of information contained in linked websites.
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Overview

The RACGP Employee guide (3rd edition) has been developed for GP employees and independent contractors. It is intended to help you identify and seize opportunities to promote your career in line with your professional aspirations. The intellectual tools you develop through your education, training and years of experience are your most valuable asset.

Strategic planning and proactive management of your career pathway will allow you to maximise your opportunities for professional development.

This resource includes practical information about:

- developing and promoting your professional profile and resume
- the variety of employment scenarios and conditions you might encounter when looking for suitable employment
- preparing for employment interviews and going through the process of negotiating employment contracts
- the factors influencing GP earnings, your income potential and forecasting, and
- administrative templates and tools you might need to help you along the way.

For further RACGP Employee guide (3rd edition) tools, templates and activities visit the College website at www.racgp.org.au/practicesupport/guides.
1. Application process

1.1 Career planning

It is important for GPs to find positions of employment that meet their career and professional development goals. By taking the time to decide what you want to do with your medical career, you can identify positions that match your interest and use your skills in alignment with your values and your personality.

The RACGP has developed the following resources to support GPs in career planning:

• **General practice – connecting the dots for students and junior doctors** outlines the journey towards general practice from medical school to qualification as a GP. For further information visit www.racgp.org.au/generalpracticecareer

• **General practice management toolkit, Module 1 – Professional career management** discusses many areas of your professional career, including:
  - motivational psychology
  - job competency
  - personality types
  - career decisions and anchors
  - career development
  - career planning.

The RACGP **General practice management toolkit** is available to order at www.racgp.org.au/practicesupport/guides.

1.2 Access to advertisements and information

Many factors contribute to successful employment in general practice, including:

- access to job advertisements, information and professional networks
- the quality and appropriateness of the professional resume and cover letter
- skills in communication, interviews and negotiation.

**Recruitment websites**

The internet provides easily accessible information and it has become a powerful tool in broadening the access to advertised positions. Practices often use specialist employment websites to advertise positions, such as:

• MyCareer www.mycareer.com.au
• CareerOne www.careerOne.com.au
• Seek www.seek.com.au

**Association journals**

• The *Medical Journal of Australia* is a journal produced by the Australian Medical Association. It has a JobSearch feature powered by seek.com.au, which allows you to search for positions in all medical fields. For more information visit www.mja.com.au.

• *Medical Observer Weekly* is a publication aimed at GPs. It has online classified advertising called ‘Freebies’ which includes job listings under ‘Career Opportunities’. For more information visit www.medicalobserver.com.au.

• The classifieds section of *Australian Doctor* includes national job listings for GPs. For more information visit www.australiandoctor.com.au/jobs.
The RACGP has also developed useful resources for GPs, listed in Table 1.

### Table 1. RACGP resources for GPs

<table>
<thead>
<tr>
<th>Area of interest</th>
<th>Resource</th>
</tr>
</thead>
<tbody>
<tr>
<td>General practice management toolkit</td>
<td>The RACGP General practice management toolkit is a resource for all GPs. The series of modules cover many areas of general practice management, including information and activities for career planning (Module 1 – Professional career management). Available at <a href="http://www.racgp.org.au/practicesupport-guides">www.racgp.org.au/practicesupport-guides</a>.</td>
</tr>
<tr>
<td>Career resources</td>
<td>The RACGP General practice – connecting the dots for students and junior doctors is a resource developed for students and junior doctors and outlines the journey towards general practice from medical school to qualification as a GP. Available at <a href="http://www.racgp.org.au/generalpracticecareer">www.racgp.org.au/generalpracticecareer</a>.</td>
</tr>
</tbody>
</table>
| RACGP journals               | • Australian Family Physician www.racgp.org.au/afp  
• Good Practice www.racgp.org.au/goodpractice |
| RACGP classifieds            | Some practices list recently advertised GP vacancies in the classifieds section of the RACGP website. For further information visit www.racgp.org.au/classifieds. |
| RACGP faculties              | The RACGP faculties run events and workshops for GPs. Attendance provides opportunity to network with other GPs and professionals. For further information visit www.racgp.org.au/events. |
| The RACGP John Murtagh Library | The RACGP John Murtagh Library has many sources of employment information, with a unique collection of general practice related resources and a team of experienced and helpful staff who can attend to members’ information needs. For further information visit www.racgp.org.au/library. |

### 1.3 The application process

Following the identification of a suitable employment opportunity, you will need to:

- prepare a cover letter
- prepare a resume
- address the selection criteria.

#### Guidelines for developing a cover letter

The cover letter is usually your first introduction and it is therefore important to ensure that you give a professional impression. In a cover letter you need to communicate both clearly and concisely to your potential employer. Although there is no right way of preparing a cover letter, there are many areas you may need to address, for example:

- the skills you bring to the practice
- selection criteria and requirements of the position, typically outlined in the position advertisement
- core competencies
- achievements
- suitability for the role.
The aim of a cover letter is to enable you to reach the interview shortlist. Consider adopting the following structure when developing your cover letter:

1. **Heading** – display your name, address, phone number(s) and email at the top of the page.

2. **Opening paragraph** – state why you are writing, or if applying for a specific role, how you learned about the job. If the position was advertised, state where and when the advertisement appeared. If writing to a recruiter, state your objective and the specific position you are seeking.

3. **Body of cover letter** – give examples and describe your key achievements. Clearly show how you can contribute to the position and the practice. Listing or bullet pointing your relevant accomplishments is a good way to highlight key points.

4. **Closing paragraph** – a call to action, for example you might include a statement such as: I look forward to the opportunity to discuss my experience and what I can offer the practice in more detail at an interview.

**Preparing a resume**

A professional tailored resume is an important tool to enhance employment opportunities and facilitate the invitation for an interview.

A resume should outline your experience and objectives and should be clear, concise and easily understood.

In developing your resume, consider what you want to achieve, for example:

- does your resume provide a concise, adequate and accurate description of your employment history, achievements and skills?
- does your resume gain the reader’s attention and stimulate interest in meeting you?
- does your resume demonstrate you are qualified and competent for the position?
- does your resume provide sufficient and relevant information of your experience and capabilities?

It is advisable to use active verbs, avoid long narrative statements and use colons and bullet point lists.

Headings help with the layout of your resume – they improve the content and structure, help the reader to find the relevant information, provide a start and stop point and prepare the readers’ mind for what they are about to read. This is known to improve the comprehension, retention, response and application of the reader.

Lists should be around five bullet points long. If you need to use a longer list, eg. a list of professional organisations or memberships, break it up with sub points or headings as appropriate.

Always prepare a first draft, read carefully and prune or build on as required. Ensure that your document reflects what you are trying to relay to potential employers.

**Resume structure**

The key components of a resume may include the following:

1. **Introduction**
   - career summary – two paragraphs
   - skills summary – bullet points
   - personal and professional description
   - key achievements
   - career objectives.
2. Employment history
   • reverse chronological order with the most recent date first – total duration of employment
   • practice/company name/other details
   • position title
   • responsibilities
   • achievements/major accomplishments.

3. Relevant educational qualifications
   • reverse chronological order with the highest first – remember you can expand on your experience and qualifications during an interview/discussion
   • professional associations/memberships
   • all relevant associations and memberships.

4. Referees
   • provide on request or include as part of the application.

5. Personal details
   • provide professional email contact details and telephone contact numbers with appropriate messaging/answering services.

Addressing the selection criteria

Key selection criteria are a mandatory part of the selection process for most roles and state the qualifications, attributes, skills and knowledge required in the position. The selection criteria also assist the employer in identifying the applicant(s) most suited for the role. For applicants, it assists to measure suitability for the roles.

The components of selection criteria usually include:

- qualifications – formal educational/technical qualifications or an equivalent mixture of qualifications and work experience required
- attributes – the desired qualities or characteristics the applicant should possess to ensure he/she performs successfully in the position
- skills – the ability or competence to perform well
- knowledge – the accumulation of understanding gained from formal education or past job experience that the applicant would require to meet the prerequisites of the position.

The employers selection criteria, outlined in the job advertisement or position description should be fully addressed. When addressing the selection criteria, it is important to:

- clearly demonstrate your achievements and contributions in respect to the role – ensure you provide evidence based achievements
- provide tangible proof and evidence that meets the selection criteria requirements of the role – for example, if you have to address a question relating to required experience for the role, clearly state when and where you gained the experience, eg. 5 years post Fellowship experience (2007–2012) at Example Medical Practice, Brisbane.
- submit all the relevant documents and follow the position advertisement’s instructions exactly.
2. Employment interview

The financial investment in practice staff is important and often contributes to a high percentage of a practice's running costs. Finding the right people with the right mix of skills, knowledge and competency is therefore paramount for your potential employer.

In an era where there is a chronic shortage of GPs around the country, some practices are becoming innovative in recruitment approaches to lure the right people. For example, interviews via Skype for potential GPs interstate or overseas.

Typically, a wide variety of questions can be used by an employer to gain information about a potential employee's professional experience and skills. Common interview questions may include the following.

**Tell me about yourself?**
Often this is the opening question and how you answer is important for first impressions. Providing a brief response should be adequate – give the interviewer the opportunity to ask for you to expand on any areas where they would like more information. Consider beginning your answer with an overview of your highest qualification and the most recent employment position/s. Following the same structure of your resume, give examples of achievements and relevant skills.

**What are your strengths?**
Provide examples of your strengths and how you have applied them in your career positions.

**What are your areas for development?**
The interviewer is looking for self awareness and positive steps to address identified weakness. Responding to this question involves identifying a weakness and highlighting where positive steps have been made to address the issue(s).

**What skills can you bring to our practice?**
When answering this question, think about what your strengths are and how they align with the practice. For example, discuss your procedural skills and the ability to provide comprehensive care to patients. You may also discuss specific examples where this skill is demonstrated and provide evidence of satisfactory participation in quality improvement and continuing professional development.

**Why do you want to join our practice?**
The interviewer is looking for an answer that indicates you have given this some thought. If you have prepared for the interview properly, you should have a good knowledge of the practice's style, values and services. Use this information to describe how your goals and ambition match the practice ethos.

Table 2 provides examples of interview questions and how they might sit in particular competency and skill areas. Use the ‘Responses’ column to prepare your answers prior to the interview.
Table 2. Examples of interview questions

<table>
<thead>
<tr>
<th>Questions</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Motivational fit</strong></td>
<td></td>
</tr>
<tr>
<td>Why did you apply for this position?</td>
<td></td>
</tr>
<tr>
<td>What do you enjoy most about your current position?</td>
<td></td>
</tr>
<tr>
<td>What do you enjoy least about your current position?</td>
<td></td>
</tr>
<tr>
<td>What are your professional aspirations/ambitions?</td>
<td></td>
</tr>
<tr>
<td><strong>Professional fit</strong></td>
<td></td>
</tr>
<tr>
<td>What specific strengths, qualities and skills would you bring to this practice?</td>
<td></td>
</tr>
<tr>
<td>What is the most challenging part of your work?</td>
<td></td>
</tr>
<tr>
<td>What remuneration are you expecting?</td>
<td></td>
</tr>
<tr>
<td>Which aspects of your work are impacted the most when working under pressure?</td>
<td></td>
</tr>
<tr>
<td>What are your three most important values and core principles?</td>
<td></td>
</tr>
<tr>
<td><strong>Initiative</strong></td>
<td></td>
</tr>
<tr>
<td>If you were able to undertake some professional development for further study, what area would you choose?</td>
<td></td>
</tr>
<tr>
<td>Describe a major goal you have recently set for yourself?</td>
<td></td>
</tr>
<tr>
<td>Can you give an example of a current and previous position where you used your initiative to implement a change to improve work practices?</td>
<td></td>
</tr>
<tr>
<td><strong>Teamwork</strong></td>
<td></td>
</tr>
<tr>
<td>Can you give an example of a recent typical day and explain how you planned it to ensure the patients received the highest quality and timely care?</td>
<td></td>
</tr>
<tr>
<td>Can you give an example of teamwork?</td>
<td></td>
</tr>
<tr>
<td><strong>Conflict resolution</strong></td>
<td></td>
</tr>
<tr>
<td>Can you give an example in your last position when your conflict resolution skills were required?</td>
<td></td>
</tr>
<tr>
<td><strong>Education and employment</strong></td>
<td></td>
</tr>
<tr>
<td>Briefly summarise your education and employment history.</td>
<td></td>
</tr>
</tbody>
</table>
3. Employment negotiation

3.1 Negotiating a contract

Following a successful employment interview, you may be offered a role at the practice. This is usually when the negotiation stage starts. It is important that you are well prepared so that you have the best chance of achieving your desired employment conditions and benefits.

Negotiation is the act of discussion between two or more parties aimed at reaching an agreement and will generally include:

The opening offer

To effectively negotiate conditions of your contract, it is important to look at the situation from the other person’s perspective. When negotiating your conditions or issues, this should be followed by discussion to explore possibilities for reaching an agreement. An open minded approach to look at other options can lead to an agreement that may be more beneficial to both parties.

Discussion – negotiating your ideal outcome

In this phase, you need to put your best case forward in response to the other party’s offer or counter to your original offer. Once you can agree on the common ground, you can move on to trade concessions. Remember, any condition that is better than your ‘must have’ can be used to negotiate the conditions where your ‘must have’ may not have been achieved, or where you’d like to secure your ideal outcome.

Closure

Finally you will need to reach closure. When closing, make sure what is agreed is recorded in writing. Be aware of the tactic of last minute changes being thrust on you after you thought all was agreed.

If you decide to walk away from the offer, don’t close the door to future discussions. The other party may come back and agree to your requests.

When negotiating an employment contract, ensure that:

• you are prepared – know what is important to you and where you may be willing to compromise
• you know the list of employment terms and conditions that are non negotiable ‘must haves’ and those that can be negotiated (complete the checklist at the end of this section)
• all of the conditions you agree on are written down to avoid confusion
• your contract specifies the employment arrangement (part time, full time, casual, other)
• you enter the process with an attitude of good will and be assertive, but not aggressive.

You are negotiating for mutual gain – both sides should be happy with the result at the end of the negotiations. Additionally, you shouldn’t focus solely on remuneration. While important, never underestimate the importance of workplace conditions and their effect on your job satisfaction, work-life balance, relationships and general wellbeing.
The following documentation is available to support your preparation:

- General Practice Registrars Australia (GPRA) has produced a guide for registrar’s negotiating an employment contract – *More than Money: A Negotiation Guide for GP registrars*. This GPRA guide is designed to help make contract negotiation easier for you throughout your training and post Fellowship. The scope of the guide concentrates on negotiation for general practice terms 1 and 2 registrars, but many of the guidelines apply to registrars and GPs at any career stage. For further information, visit www.gpra.com.au.

### 3.2 Preparation for negotiation

There are significant variables to consider when negotiating an employment agreement or contract for services. With careful preparation and a basic understanding of what makes a workable contract, you will be better placed to negotiate a contract.

Think about the conditions in terms of your ‘best outcomes’ and ‘must haves’. Then think about where you are able to compromise one or more conditions that are not vital to you.

*Table 3* provides examples of ‘best outcomes’, ‘must haves’, and ‘trade offs’.

### Table 3 glossary

*Conditions and/or factors*

This column lists the outcomes that are designed to cover the majority of the terms and conditions associated with your employment contract and/or important factors to consider. Rate the importance and requirements of each of these conditions in the ‘best outcome’, ‘must have’ and ‘trade off’ columns.

*Best outcome*

Record in this column what your best outcomes would be in relation to each individual condition.

*Must have*

Record the minimum outcome that you would accept in relation to each individual condition, eg, minimum percentage of billings.

*Trade off*

This column is designed with the negotiation phase in mind. Upon completing the first two columns, record whether a failure to have your best outcome or must have conditions met by the other party would warrant you to compromise on one or two conditions that are not vital to you.
Table 3. Pre-negotiation checklist

<table>
<thead>
<tr>
<th>Condition</th>
<th>Best outcome (complete first)</th>
<th>Must have (complete second)</th>
<th>Trade off (complete last)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Example</td>
<td>No after hours work (family commitments)</td>
<td>Two nights per month on roster. Access to part of PIP payment</td>
<td>Remuneration (to put toward child care)</td>
</tr>
</tbody>
</table>

**Job tasks**

- Times or days to be worked (eg. weekdays only, or Monday–Wednesday morning)
- Number of hours/sessions worked per week
- Number of hours per session
- Appointment lengths
- Patients to be booked by appointment
- Flexibility to book longer appointments
- Proportion for appointments pre-booked
- After hours and on call
- Home and residential aged care visit requirement, and share and distribution between GPs
- Hospital admitting rights’ conditions
- Other procedural work (eg. surgical assistance or delivery)
- Education, teaching and supervision (eg. with medical students)
- Cover for GPs on leave

**Leave entitlements**

- Sick, bereavement leave
- Annual leave
- Long service leave
- Study leave
- Maternity/paternity leave

**Occupational health and safety**

- Workers compensation scheme, alarms, staff presence, adequate car park, lighting
| Presence of staff when the practice is open and closed |
| Safety measures outside practice (eg. home visits and after hours) |

**Work related expense reimbursement**
- Payment of home telephone
- Payment of mobile telephone
- Home computer, software, internet connection
- Mileage allowance for home visits (the ATO has standard rates)

**Remuneration**
- Employment status (eg. employee or contractor. It is advisable to discuss this with your accountant)
- Contract duration and review periods written into the contract
- Sessional payment by percentage of billings or hourly rate. Introductory rate (initial guaranteed income)
- Different rate for after hours, home or residential aged care visits
- Fee setting – individual or practice
  - Service Incentives Program (SIP)
  - Practice Incentives Program (PIP)
  - Practice Nurse Incentives Program (PNIP) – paid to practice or GP?
- Payment for after hours and hospital work
- Payment cycle – weekly, fortnightly or monthly
- Superannuation (it is advisable to discuss this with your accountant)
- Partnership at the end of the contract (consideration of share and goodwill in the practice)

**Privacy act and other conditions of contract**
- Whose patient? Who retains the patient list – the GP or the practice?
- Patient notification on cessation at practice (notification pre or post departure/responsibility for patient records)
<table>
<thead>
<tr>
<th>Probationary period</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Schedule contract review periods</td>
<td></td>
</tr>
<tr>
<td>Medical indemnity insurance – practice or individual to purchase? Same insurer for all GPs in the practice?</td>
<td></td>
</tr>
<tr>
<td>Vicarious liability for practice clinical staff?</td>
<td></td>
</tr>
<tr>
<td>Steps in place to negotiate conflict</td>
<td></td>
</tr>
<tr>
<td>Restraint of trade (a condition to protect employers’ business interests by restricting an employee’s future work for a specified period of time within a defined geographical area)</td>
<td></td>
</tr>
</tbody>
</table>

**Practice environment**

<table>
<thead>
<tr>
<th>Sharing consultation room</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Working in other practices</td>
<td></td>
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<tr>
<td>Decision making involvement in practice</td>
<td></td>
</tr>
<tr>
<td>Practice equipment and facilities</td>
<td></td>
</tr>
<tr>
<td>Access to practice nurse and other allied health personnel</td>
<td></td>
</tr>
<tr>
<td>Availability and access to other resources (eg. pathology or radiology, other health professionals)</td>
<td></td>
</tr>
<tr>
<td>Computer system and upgrades</td>
<td></td>
</tr>
</tbody>
</table>

**Professional development and continuing education**

| Support educational activities within the practice |  |
| Scope to develop special interests |  |
| Ongoing study and professional development |  |
| Role in practice accreditation |  |
| Involvement in projects and other initiatives |  |

Adapted from: The RACGP Employment kit – Reaching a fair deal (2nd edition)
4. Employment conditions and contracts

Employment arises in a number of contexts. Many GPs are engaged as an employee or individual contractor in a private medical practice, including part time and locum arrangements. Some categories offer more flexibility, while others provide more security. Each category places a different set of obligations for the employee, independent contractor and employer. It is important to have your respective rights and obligations clearly understood and well documented. This both builds on and enhances the working relationship and helps to prevent unnecessary disputes.

4.1 Employment arrangements

There are many types of employment arrangements, defined by workplace relations legislation and regulations, including:

- **full time** – a full time employee is engaged to work an average of 38 hours per week
- **part time** – a part time employee is engaged to work less than the full time hours on a reasonably predictable basis. A part time employee is entitled, on a pro rata basis, to the equivalent pay and conditions of a full time employee
- **casual** – a casual employee is engaged as such and is paid on an hourly basis. A casual employee will be paid per hour worked at the weekly salary rate prescribed for the class of work performed. An additional percentage loading will also be paid in lieu of paid leave entitlements
- **independent contractor** – independent contractors run their own business, hiring out their services to other businesses.

For further information regarding employment, you may wish to visit the following websites:

- Fair Work Ombudsman – www.fairwork.gov.au

4.2 NES and federal awards

Awards provide for minimum rates of pay for employees. However, often employers will pay above the award terms and conditions in order to attract, retain and reward their staff.

Please note that employment awards continue to change and evolve, and that conditions will vary based on your employment status and your state or territory. Employees are advised to seek information regarding their entitlements or awards from their state industrial relations commission or the Fair Work Ombudsman.

Awards applicable to medical practices include:

- Medical practitioners award 2010
- Health professionals and support services award 2010
- Nurses award 2010.

For further information regarding employees covered by the national workplace relations system, please visit the Fair Work Ombudsman website at www.fairwork.gov.au/modernawards.

Employment relationships are a legal contract between the employer and the employee. Before commencing a new position in a practice, it is important to have a signed and mutually agreed contract of employment.
4.3 The difference between an employee and an independent contractor

Are you an employee or an independent contractor? The distinction is important because remuneration, conditions and legal obligations differ markedly between employees and independent contractors. The differences are outlined below.

Employee

There is no one factor that conclusively determines the nature of a contract – it depends on all facts and circumstances. However, a staff member is generally considered an employee if they:

• are paid for the time worked
• receive paid leave – for example, sick, annual or recreation, or long service leave
• are not responsible for providing the materials or equipment required to do their job
• must perform the duties of their position
• agree to provide their personal services
• work to hours set by an agreement or award
• are recognised as part and parcel of the payer’s business
• take no commercial risks and cannot make a profit or loss from the work performed.

The employer is responsible for ensuring appropriate facilities, equipment and support for the employee. Additionally, they are responsible for salary, deducting tax and paying statutory superannuation and any other entitlements outlined in the staff member’s contract of employment.

Employees may well have independence in the application of their professional skills and judgement, but are otherwise subject to the employer’s policies and directions on where, when and how the work is to be completed.

The employee option has many advantages, including that you are able to focus on your clinical work. This is particularly appropriate for doctors who wish to have flexibility in their work life and do not want to accept the responsibilities and financial risks associated other structures.

Always clarify with your employer what your employment arrangements are and consider seeking professional legal advice when the details of your employment are unclear.

Independent contractor

Independent contractors run their own business, hiring out their services to other businesses. Unlike most employees, independent contractors negotiate their own fees and working arrangements.

As an independent contractor your entitlements and obligations differ from an employee in many ways. Save time and money by being aware of your rights and responsibilities before contracting.

A staff member is generally considered an independent contractor if they:

• are paid for results achieved
• provide all or most of the necessary materials and equipment to complete the work.

Typically, independent contractors supply, or are capable of supplying, their own equipment and resources for getting the work done, even if a particular contract may allow or require them to undertake the work using the employers’ premises, equipment and resources.
• are free to delegate work to other entities
• have freedom in the way the work is done
• provide services to the general public and other businesses
• are free to accept or refuse work
• are in a position to make a profit or loss.

The essential feature of an independent contractor is that they are effectively running a business in their own right. This would involve providing defined services to other parties on agreed terms and rates, which take into account the fact that they have business overheads and are not entitled to employee benefits such as paid leave.

Independent contractors are responsible for meeting professional, legal and taxation obligations, including business activity statements (BAS) and compliance and superannuation fund contributions.

It is important for independent contractors to have a written contract agreement with the practice that clearly defines the terms of the contract, the nature of the arrangement and how the services are to be performed.

Consider whether you need to consult a legal or financial advisor prior to signing a service agreement.

Below are some resources available for independent contractors:

• The Australian Government’s Independent contractors: the essential handbook provides further information for independent contractors and their hirers about independent contracting, including tax, super, insurance, workers compensation and contract negotiation. Available at www.business.gov.au.

• The Australian Government’s Contractor decision tool enables users to work through questions that are based on the indicators that have been considered by courts. Once you have completed all applicable questions, the contractor decision tool will generate a report which identifies whether each answer is more indicative of an independent contractor relationship or an employment relationship. Available at www.business.gov.au.

• The Australian Government Fair Work Information statement is available at www.fairwork.gov.au.

• The Australian Taxation Office (ATO) tools are available at www.ato.gov.au.

4.4 Contract terms and conditions

A contract identifies the working relationship, rights and responsibilities, and expected outcomes between the employee or the independent contractor and the employer. It is important for both parties to fully understand the terms of the contract and what is expected of them in the business relationship to prevent any misunderstandings and risks associated with signing a contract.

Employee contracts

Your employment contract should include consideration of the following:

• salary
  – fixed salary or percentage of billings
  – frequency of billing cycles
  – percentage of PIP
  – percentage of PNIP
  – SIP
  – any other allowances or expenses
• a description of the job, duties and responsibilities
• a commencement date and type of employment (full time, part time, casual, other)
• location of employment, including on-call and after hours requirements to attend patients’ homes, hospitals, residential aged care facilities and workplaces
• hours of work or number of sessions, patients per hour
• leave entitlements
  – annual leave
  – personal leave (sick leave, carers leave and compassionate leave)
  – long service leave
  – parental leave
  – study leave
  – sabbatical leave
• superannuation
• post employment restrictions (if applicable)
• performance management
• renegotiation
• dispute resolution
• termination of employment (including notice period).

For more specific advice consider whether you need to consult a legal or financial advisor prior to signing your employment agreement.

Contracts for independent contractors

Your contract should include consideration of the following:

• salary
  – percentage of billings
  – frequency of billing cycles
  – payment method
  – percentage of PIP
  – percentage of PNIP
  – SIP
  – any other allowances or expenses
• identification of the parties (medical practice and independent contractor)
• commencement date and duration of the contract
• hours of work and location of work
• results to be achieved and services to be performed
• insurance and professional indemnity responsibilities
• the terms of the contract
• after hours work and on call requirements
• provision of tools and equipment necessary to undertake the work
• reporting arrangements
• confidentiality obligations
• intellectual property rights
• a clear dispute resolution process
• leave entitlements (unpaid)
  – annual leave
  – personal leave (sick leave, carers leave and compassionate leave)
  – long service leave
  – parental leave
  – study leave
  – sabbatical leave
• termination of the contract.
For further information on negotiation, download a copy of the Australian Government’s Independent contractors: contracts made simple. The guide helps independent contractors save time and money by explaining how to minimise business risks and negotiate good contracts. Available at www.business.gov.au.

For more specific advice consider whether you need to consult a legal or financial advisor prior to signing your employment agreement.

4.5 Before entering into a contract

Prior to entering into a contract, GPs might wish to consider and answer the following:

- Do you understand your occupational health and safety (OH&S) obligations?
- Do you know if you are covered by workers’ compensation?
- Do you know what insurance you require?
- Do you know who pays your superannuation guarantee?
- Are you aware of who owns the intellectual property you create?
- Are you aware of how you can resolve disputes with your employer?
- What events would lead to the contract being terminated?
- Do you understand your antidiscrimination rights?
- What are the review arrangements?
- Who owns patient lists, including those the practitioner may have brought to the medical practice?
- Is there a restrictive covenant to restrain you from enticing patients away after leaving?
- Do you know the elements of a contract?
- Do you know your employment arrangement?

Further information on contracts is available at www.business.gov.au.

Does it matter if a contract is verbal?

Verbal contracts can be both difficult to prove and give rise to legal implications that the parties did not properly consider at the outset. It should be noted that where two or more persons carry on business (eg, in general practice) with a view to a profit, they are very likely to be considered by law ‘partners’ within the meaning of the partnership acts of each Australian state/territory. Thus the absence of a written agreement could lead to unintended consequences which may include sharing of profit, obligation to contribute to capital and loss and ownership of property brought to the partnership.

It is recommended that you always seek independent legal advice in all matters of employment.

Restraint of trade clauses in a contract

Post employment restrictions, or non-compete clauses, are often included in contracts to protect the business interests of the practice owner – mainly to prevent a GP moving to a location near the former practice where it is likely that many patients will follow the doctor.

The court will not always uphold such restrictions even if agreed to in the contract of employment. It is necessary for the employer to demonstrate that the restriction is:

- reasonable
- not wider in scope than necessary to protect the legitimate interests of the practice
- not harmful to the public and the legitimate right of the employee to practice their trade.
The question of whether a restriction is reasonable involves taking into account all the facts and circumstances. For example, if the original practice is not meeting the demand for GP services in the area, it could be argued a new practice opening in the area won’t cause any business harm.

It may be doubtful whether a restriction imposed on an employee requiring him/her to refrain from practising as a GP in a neighbouring town or suburb or for a period of longer than 2 years in the same location is reasonable.

However, there are circumstances where a restraint of 1 year or less is unreasonable in all the circumstances. Restraint of trade or non-compete clauses should not automatically be included in a contract, as each situation is different and should be considered on a case-by-case basis.

Always seek professional legal advice when considering if a clause in an existing contract is reasonable.

*Australian Doctor* has published articles on restraint of trade clauses. For further information and to view the latest articles, visit www.australiandoctor.com.au.

For further RACGP Employee guide (3rd edition) tools, templates and activities visit the College website at www.racgp.org.au/practicesupport/guides.
5. Income potential and forecasting

5.1 Factors influencing GP earnings

According to the most recent (2010) Melbourne Institute of Applied Economic and Social Research working paper series of what factors influence the earnings of GPs and medical specialists in Australia, doctors’ earnings are associated with experience, the size of the medical practice, employment type (ie. employee/practice owner), speciality and the location.

It is important to add that remuneration levels need to reflect the significant responsibility and commitment required from a GP. This recognition is important in itself, but also ensures that doctors financially have the ability to seek a range of employment options, for example, flexible working hours and part time, to assist in work life balance if required.

A GP’s salary is ultimately determined by a number of factors, including:

• area of practice
• practice costs and the structure of the practice
• the ratio of private billing and bulk billing
• number of hours worked
• average number of patients per hour
• the percentage of billings earned
• involvement in after hours
• percentage of PIP and PNIP payments received.

5.2 Practice overheads

The practice owners require a return on investment that recognises the capital investment and risk as well as their time managing the business. As part of forecasting earning capacity as a GP, the owner margin is calculated and it is useful to understand how this amount is used by a practice.

In medical practices, the staffing cost is the most significant expense item, often accounting for 50–60% of the business overheads. A percentage is deducted from your income to cover practice costs and this percentage includes the risk premium and reflects the non billable time the owner contributes to the running of the practice.

There can be substantial costs associated with running a practice. For example:

• rent
• medical supplies
• utilities – telephone, internet connections, electricity, water
• staff wages
• insurance
• waste disposal.

Running a practice also involves financial risk. Thus, practice principals will generate a ‘risk premium’ which is part of the practice’s profits. This is common and sound business practice. The risk premium is essentially the amount principals receive in addition to their own billings (if they are a GP) and the practice overheads.

These financial considerations impact upon the amount or rate a practice may be able to pay and therefore are useful to understand in negotiation for both employers and employees/contractors.

Although it is unlikely that GPs seeking to work in a practice would be advised of these amounts by the prospective practice, this information is broadly useful to assist in appreciating the general utilisation of funds by practices and practice principals.
5.3 Income forecasting

Many GPs are in the fortunate position of being able to predict income by calculating the number of hours they will be available for consulting, the spread of those hours and their average fee.

To start the income forecast, list the known factors and assumptions influencing a GP's income. This will include the factors influencing a GP’s income and practice overhead considerations as discussed above.

Table 4 provides an example of income forecasting for a GP. It has been developed with both a practice owner and GP employee/contractor in mind.

Note that although care has been taken to give an accurate picture of earning capacity, it is not a definitive tool. Due to the depth and breadth of general practice it is impossible to provide a guide which will cover all possible scenarios.

Table 4. Worked example for income forecasting

<table>
<thead>
<tr>
<th>Factors and assumptions</th>
<th>Worked example</th>
<th>Enter your figures here</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hours consuming per week</td>
<td>30</td>
<td></td>
</tr>
<tr>
<td>Patients per hour</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>Average fee</td>
<td>$52.02</td>
<td></td>
</tr>
<tr>
<td>Gross billings</td>
<td>$6242.40</td>
<td></td>
</tr>
<tr>
<td>Additional practitioner payments: SIP</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less bad debts</td>
<td>(3%) $187.27</td>
<td></td>
</tr>
</tbody>
</table>
### Fees received
Equals (gross billings + additional practitioner payments) – (bad debts) = fees received
$6055.13

### Plus PIP
The percentage shown in this table is intended as an example, and may or may not be relevant to particular practice structures and GP’s employment options.
5%
$204

### PNIP
The percentage shown in this table is intended as an example, and may or may not be relevant to particular practice structures and GP’s employment options.
60%
$288

### Income generated
Equals (fees received) + (PIP)
$6259.13

### Less overhead costs
This depends on the size and efficiency of the practice and the rental costs of the premises. An efficient practice will usually clear at least 50% of fees received.
Note: efficiency ratios have to be seen in context. High practice rent, low private fees and high investment in practice infrastructure may only mean 45% of costs are cleared despite the practice running efficiently.
($1925)

### Equals gross profit
(income generated) – (practice overheads)
$4334.13

### Less owner profit margin
The practice owners require a return on investment that recognises the capital investment and risk as well as their time managing the business.
(20%)
$866.83

### Salary or retained income
Equals (gross profit) – (owner margin)
$3,467.30

### Hourly rate: (3:1)*
Actual worked hours = 4/3 x consulting hours per week, then divide salary or retained income by actual worked hours. Note: the hourly rate of pay will be lower to recognise not all time worked is directly billable.
4/3 x 30 hrs = 40 hrs
$3467.30 ÷ 40 hrs = $86.68 per hour

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* Please note that in this example, percentage of billings was not used because gross fee income varies significantly due to billing policy, patient mix and chronic disease management systems. As such, the gross percentage may not necessarily reflect actual earnings.

* The hourly rate is adjusted for non face time involved in the practice. Generally, every 3 hours of GP face-to-face time includes 1 hour of non face-to-face time (ie. 4 actual work hours).
In Table 4, the average fee of $52.02 has been calculated by using a bulk billing profile of both standard and long consultations. The actual rate of seeing patients may be less than the booking rate, as the employed GP may be booked at a lower rate during the early stage of employment. An additional amount may be calculated to recognise time spent on-call. A loading on hours worked in the after hours period may also be negotiated.

Some employers start at the top figure they are willing to pay for the position, but most employers start lower than they are ultimately willing to go. This creates a salary range which is legitimately open to negotiation.

When registrars first start in general practice they are typically on the base remuneration rate, but usually swap to a percentage of billings when they are seeing a regular number of patients. GPRA has developed an earnings calculator to estimate a GP’s earning potential according to your personal preferences, for example, how many patients you would like to see per hour, the number of clinical sessions you would like to do per week and the amount of after hours work you are willing to undertake. For further information visit the General Practice Australia’s salary calculators, available at www.generalpracticeaustralia.org.au.

For templates and guides specific to the position, employees are encouraged to contact organisations such as:

- Australian Association of Practice Manager’s (AAPM)
  www.aapm.org.au

- General Practice Registrars Australia (GPRA)
  www.gpra.org.au

- Australian Medical Association (AMA)
  http://ama.com.au

- Australian Practice Nursing Association (APNA)
  www.apna.asn.au.
Appendices

For further RACGP Employee guide (3rd edition) tools, templates and activities, visit www.racgp.org.au/practicesupport/guides.

Appendix 1. Professional profile (example)

A profile is a short statement describing your experience. At a glance it informs the reader of your expertise. The template below has been provided to assist you to prepare your professional profile and can be customised by adding additional information, which effectively highlights your qualifications, skills and experience.

In the header and footer insert:
Practice/company name, address, telephone, email

Profile
Insert your full name

Summary statement
In approximately 225 words briefly outline your professional history and major achievements, including your current position, practice and responsibilities.

Major career achievements
List key achievements, usually 5–10 points to gain the readers attention and stimulate interest in meeting you. Use active verbs and avoid long narrative statements. Use small round bullet points for clarity, for example:

• Developed ...
• Researched ...
• Identified ...
• Implemented ...

Career summary
Year to year
Position
Practice/organisation

Qualifications
List each qualification, institution name and location

Memberships and professional organisations
List each organisation of which you are a member
Appendix 2. Resume (example)

The template below has been provided to assist you in preparing your resume and can be customised by adding additional information which effectively highlights your qualifications, skills and experience to employers.

Insert your full name

Insert date

Contact details
Name:
Address:
Business hours:
Mobile:
Email:
Medical registration:

Academic qualifications

<table>
<thead>
<tr>
<th>Qualifications</th>
<th>Institution name</th>
<th>City</th>
<th>State</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<td></td>
<td></td>
</tr>
</tbody>
</table>

Skills and attributes

Insert your career overview and how you would describe your professional attributes. This section should be limited to one or two paragraphs. Consider highlighting specific points not already covered in the ‘Professional experience’ section. For example:

- 5 years expertise in private medical practice
- motivated and competent in providing patient centred care
- sound professional knowledge maintained through continuing medical education
- experience in minor procedures
- ability to undertake all duties in a diligent manner with honesty and integrity
- excellent organisational skills
- well developed research and analytical skills
- experienced in clinical programs and Microsoft applications
- well presented, friendly and courteous
- ability to maintain absolute confidentiality regarding patient and practice information
- ability to work cooperatively and independently
- ability to prioritise and organise, with attention to detail
- demonstrated commitment to ongoing professional development.
Professional experience
Chronological structure – place most recent experience first

**Duration:** insert date (from–to)

**Practice/company:** insert practice/company name and location

**Position:** insert position title and who the position reported to

**Key responsibilities/accountabilities:** provide detailed summary, for example:
Provided skilled health assessment, diagnosis and treatment services to patients.

**Key achievements:** provide details of your key achievements in the role as separate bullet points.

Education

<table>
<thead>
<tr>
<th>Year</th>
<th>Institution name</th>
<th>Qualification</th>
<th>City</th>
<th>State</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

**Medical education**
Insert with bullet points. For example:

- participation in ongoing review of clinical practice as per conditional registration from the medical board
- participation in the RACGP continuing professional development programs (QI&CPD)

Professional and personal references
Always make sure your referees are accessible, as future employers want to be able to contact them easily.

Candidates should contact their nominated referees to both confirm their willingness to act as a referee and also to confirm their availability. In some cases, candidates may choose not to nominate their referees on application but will be able to do so upon request. Both options are acceptable.

Provide up to three referees:

**Name:** insert reference name

**Company:** insert company name, location

**Relationship:** provide details of professional relationship, eg. practice owner at XYZ Medical

**Contact email:** insert email address

**Contact phone:** insert telephone contact details
Appendix 3. Application cover letter (example)

A cover letter should accompany your resume. The purpose of the cover letter is to effectively highlight your qualifications, skills and experience to your potential employer.

Insert your full name and contact details

Insert date

Private and confidential

Insert employer’s full name and address

Dear [insert name]

Re: [insert position title]

Introduction – opening paragraph:
Explain why you are applying for the position and why are you interested in the new position. If you are applying for a specific role, state how you learned about the job opening. If the position was advertised, state where and when the advertisement appeared. If writing to a recruitment agency, include your career objectives and the specific position you are seeking.

Second paragraph/body:
Remember a cover letter provides customised information and adds value to your resume. In the second paragraph highlight your skills and give specific examples supporting your skills and qualifications. Describe achievements taken from your career history to support you objectives. Give examples and clearly show how you can contribute to not only the position, but the practice as a whole.

Draw specific parallels between the requirements outlined in the advertisement and your own proven abilities. Interpret relevant pieces of your resume that you wish to highlight and illustrate their relevance to the position.

Keep the text reader friendly, not too long, and split into paragraphs or bulleted if necessary.

Closing paragraph:
The closing paragraph should initiate actions, for example: I look forward to the opportunity to discuss my experience and what I can offer the practice in more detail at an interview.

Yours sincerely,

[insert your full name]
Appendix 4. Summary of what could be included in an employment contract (checklist example)

A written employment contract is the legal relationship between the employer and the employee. Before commencing a new position in a medical practice, it is important to have a signed and mutually agreed contract of employment. This checklist is provided as a guide only.

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
<th>Insert your notes here</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type of employment</td>
<td>Full time, part time, casual, permanent full time, permanent part time, other</td>
<td></td>
</tr>
</tbody>
</table>
| Commencement date and location of employment | • The commencement date of employment  
• Location of employment including on-call and after hours requirements to attend patient’s homes, hospitals, residential aged care facilities and workplaces |                        |
| Position                                      | The position title and who you will be reporting to                                                                                                                                                         |                        |
| Hours of work                                 | • The ordinary hours you are required to work  
• Number of sessions, patients per hour  
• After hours work and on-call requirements  
• Any additional hours as reasonably necessary and agreed                                                                                     |                        |
| Remuneration arrangements and advice of remuneration (payslips and pay information) | • Pay period/billing cycle (weekly, fortnightly, monthly other)  
• Gross salary/net salary  
• Pay or ordinary hours or percentage of billings, allowances, overtime payments, expense reimbursement |                        |
<table>
<thead>
<tr>
<th>Superannuation</th>
<th>9% superannuation (minimum)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leave entitlements</td>
<td>• Annual leave</td>
</tr>
<tr>
<td></td>
<td>• Personal leave (including sick leave, carers leave and compassionate leave)</td>
</tr>
<tr>
<td></td>
<td>• Long service leave</td>
</tr>
<tr>
<td></td>
<td>• Parental leave</td>
</tr>
<tr>
<td></td>
<td>• Study leave</td>
</tr>
<tr>
<td>Other conditions</td>
<td>• Induction and orientation</td>
</tr>
<tr>
<td></td>
<td>• Performance management</td>
</tr>
<tr>
<td></td>
<td>• Dispute resolution procedure</td>
</tr>
<tr>
<td></td>
<td>• Termination of employment (including notice period)</td>
</tr>
<tr>
<td></td>
<td>• Intellectual property</td>
</tr>
<tr>
<td></td>
<td>• Policies, procedures and code of conduct</td>
</tr>
<tr>
<td></td>
<td>• Assignment of copyright</td>
</tr>
<tr>
<td></td>
<td>• Return of property</td>
</tr>
<tr>
<td></td>
<td>• Conflict of interest</td>
</tr>
<tr>
<td></td>
<td>• Education and supervision (in-practice teaching, educational release time, supervisor obligations, other)</td>
</tr>
<tr>
<td>Insurance and professional indemnity responsibilities</td>
<td>Medical indemnity insurance</td>
</tr>
<tr>
<td>Other</td>
<td></td>
</tr>
</tbody>
</table>