



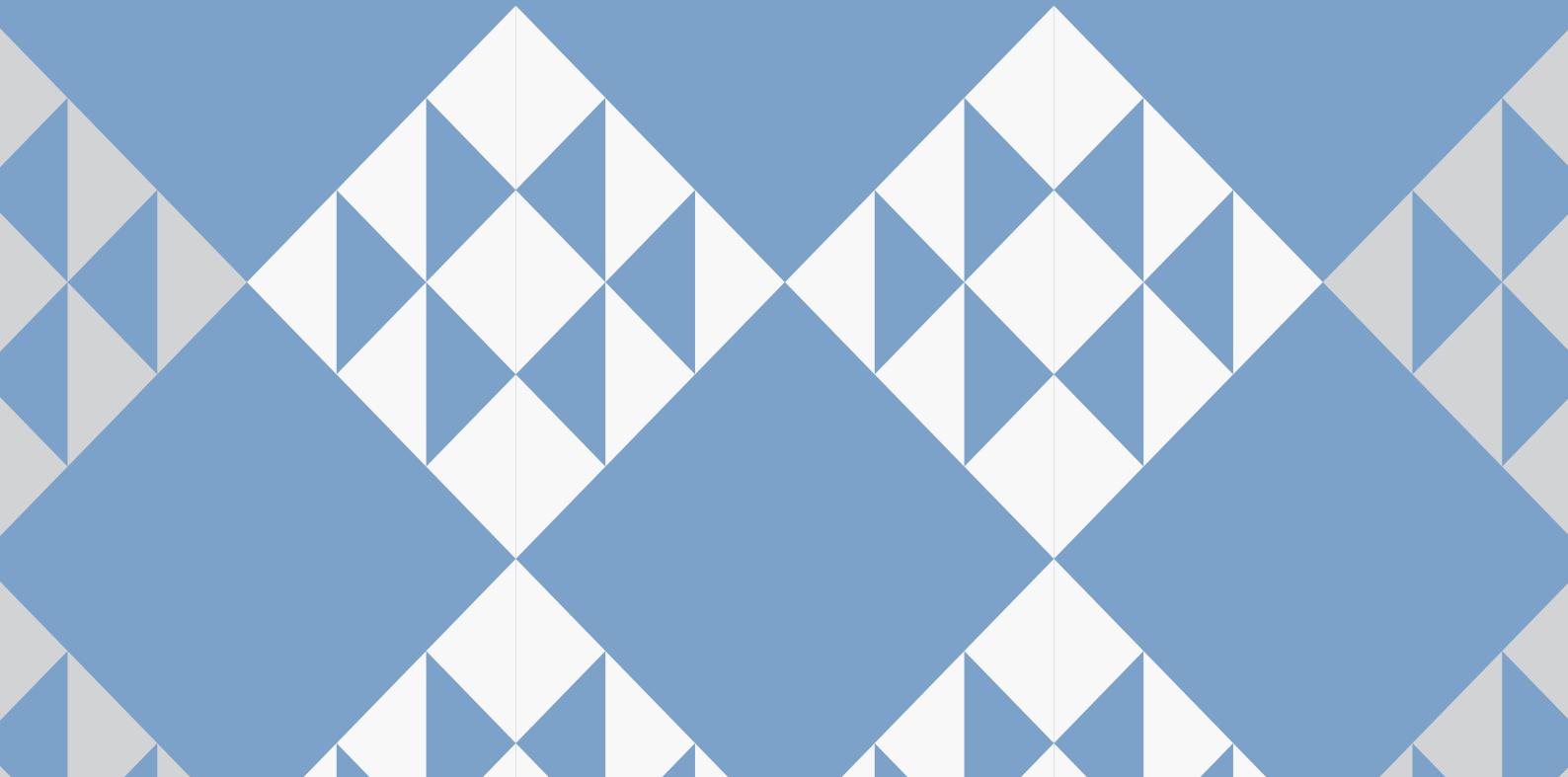
The Royal New Zealand  
College of General Practitioners  
Te Whare Tohu Rata o Aotearoa



**GP**  
Heart of the community  
Kāinga Tupu

# Ownership & Employment

Workforce Survey 2016



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The Royal New Zealand  
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**Te Whare Tohu Rata o Aotearoa**

## Contents

FOREWORD .....	2
INTRODUCTION .....	3
OWNERSHIP OF GENERAL PRACTICES.....	4
EMPLOYMENT STATUS OF GENERAL PRACTITIONERS.....	5
FUTURE INTENTIONS OF PRACTICE OWNERS .....	8
OWNERSHIP INTENTIONS OF NON PRACTICE OWNERS .....	10
REASONS FOR INTENDING TO BUY INTO A PRACTICE.....	12
REASONS FOR NOT INTENDING TO BUY INTO A PRACTICE.....	14
METHODOLOGY.....	15

## FOREWORD

One of The Royal New Zealand College of General Practitioners' strategic pillars relates to protecting and enhancing our GP workforce. To ensure New Zealand continues to recruit and retain high-quality GPs, the College needs to understand its members' concerns, needs and career intentions.

To this end, for the past three years, the College has undertaken an annual workforce survey to help us analyse the shape of our current and future workforce. This year, we contracted Research New Zealand to collate and analyse the results on our behalf. The 2016 survey covered issues not explored previously, including attitudes to practice ownership, the use of technology, GP wellbeing and time spent on various activities.

The 1820 valid responses were analysed, and this data has given us insights into these new topics and up-to-date information on crucial issues such as retirement intentions, vacancies and income, which is not collected in any other national survey. This year, we've spread the survey results over five individual reports.

This report, Ownership and Employment, is the second to be published. It shows that despite predictions about the growing popularity of employment versus ownership, and about the growth of commercial ownership of general practices, the GP-owner model is still dominant.

More than one-third of GPs are owners or partners in a general practice. They are typically older GPs, so it's probably not surprising that many of them have signalled their intention to retire in the next 10 years. It's good news then, that the younger generation of GPs appears keen to buy into a practice.

Speaking from experience, there are pros and cons of having an ownership stake in a general practice. Obviously there is extra responsibility and time that must be dedicated to governance and management activities, rather than clinical work. However the benefits include autonomy, stability, improved work/life balance and sometimes financial reward.

While this business model looks set to stay, the College is encouraging GPs to think outside the square when they look at ways to set up their practices. This could include permanent part-time GPs as owners or partnerships with other members of the general practice team. To help members consider all their options the College recently published a Practice Ownership Guide, which can be found in the members' section of the College website.

I'd like to thank everyone who participated in this survey. Their responses will help us better serve our members.

**Dr Tim Malloy**

**RNZCGP President**

# INTRODUCTION

There is considerable discussion in the sector about the growing popularity of corporate ownership and the declining popularity of practice ownership. The data provided by this survey is useful in providing objective evidence. It reveals that only eight percent of GPs work in practices that are currently completely or partially corporately owned, with the vast majority (75 percent) of GPs working in practices owned by one or more GPs working in the practice.

Given this context, it is not surprising that a little over one-third of GPs (38 percent) are currently an owner or a partner in a general practice.

Male GPs are more likely to be an owner or a partner in a general practice compared with female GPs. Male non-owners (aged 25-39 years) are also more likely than females to state that they are likely to buy into a practice in future (73 percent compared to 54 percent). In total, 58 percent of young GPs state that they are either planning to buy into a practice in the immediate future, or are likely to buy into a practice sometime in the future, a finding that goes against our expectations

Most frequently, young non-owners (aged 25-39 years) who intend to buy a general practice state that this is in order to:

- Potentially earn more (75 percent gave this as a reason).
- Have more of a say in how services are provided to patients (74 percent gave this as a reason).
- Have greater control over their work/life balance (70 percent gave this as a reason).

Of the young non-owners who do not intend to buy a stake in a practice, 84 percent state that they ‘don’t want the stress of being an owner’. Other major reasons for not intending to buy into a practice include, ‘not wanting the long-term commitment’ (66 percent), ‘not wanting the responsibility’ (63 percent), ‘not having the business ownership knowledge or skills’ (61 percent), ‘not wanting to work the long hours’ (58 percent), and ‘not wanting the financial risk’ (57 percent).

Nearly two thirds (61 percent) of practice owners and partners are intending to retire in the next 10 years. A considerable number of practices and partnerships will be available for purchase as a result of this. In addition there will be other practices sold by GPs who choose to become employees for the remainder of their career.

It is encouraging for the sustainability of the GP-owner model that so many of the younger generation are enthusiastic about owning a stake in a practice. These GPs need to be supported in taking on governance responsibilities. To help them make a well informed decision about whether practice ownership is for them, and to guide new and intending practice owners, the College has recently developed a handbook for members on General Practice Ownership<sup>1</sup>.

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<sup>1</sup> <https://www.rnzcgp.org.nz/PracticeOwnershipGuide>

# OWNERSHIP OF GENERAL PRACTICES

Table 1 shows that, in terms of practice ownership, the majority of GPs (75 percent) work in practices owned by one or more GPs working in the practice. No other ownership model accounts for more than 10 percent of GPs.

**Table 1: Practice ownership by gender**

**Q29. Which one of the following best describes the ownership model of the general practice at which you currently work? If you work in more than one general practice, please answer in terms of the one in which you spend most of your time.**

Unweighted base =	Total 1,816 %
Owned by one or more GPs who work in the practice	75
Community owned	3
Fully or partially corporate owned	8
Fully or partially owned by a PHO or a GP organisation	5
Fully or partially owned by a DHB	1
Fully or partially owned by an iwi	2
Owned by a university (student health)	2
Other	3
<b>Total</b>	<b>100</b>

Source: RNZCGP-Workforce Survey, 2016.

Total may not sum to 100% due to rounding.

# EMPLOYMENT STATUS OF GENERAL PRACTITIONERS

Approximately one-third of GPs hold an ownership stake in the practice in which they work.

Table 2 shows that 38 percent of GPs describe their current employment status as a ‘practice owner or partner’. Most other GPs describe themselves as a ‘long-term employee or contractor’ (46 percent) and a small proportion as ‘short-term employees or contractors’ (14 percent).

**Table 2: Current employment status**

**Q30. Which of the following best describes your current employment status?**

Unweighted base =	Sub-total 1,815*
Practice owner/partner	38
Long-term employee/contractor	46
Short-term employee/contractor (e.g. locum or GP registrar)	14
Other (please specify)	1
<b>Total</b>	<b>100</b>

Source: RNZCGP-Workforce Survey, 2016.

Total may not sum to 100% due to rounding.

\*Sub-sample based on GPs who provided a response to this question (n=1,815).

Table 3 compares male and female GPs by employment status. Male GPs are more likely to describe themselves as a ‘practice owner or partner’ (51 percent, compared with 28 percent of female GPs), whereas female GPs are more likely to describe themselves as a ‘long-term employee or contractor’ (55 percent, compared with 35 percent of male GPs).

**Table 3: Current employment status by gender**

**Q30. Which of the following best describes your current employment status?**

Unweighted base =	Sub-total 1,815*	Male %	Female %
Practice owner/partner	38	51	28
Long-term employee/contractor	46	35	55
Short-term employee/contractor (e.g. locum or GP registrar)	14	12	16
Other (please specify)	1	2	1
Not applicable	0	0	0
Don't know	0	0	0
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>

Source: RNZCGP-Workforce Survey, 2016.

Total may not sum to 100% due to rounding.

\*Sub-sample based on GPs who provided a response to this question (n=1,815).

Table 4 profiles owners and non-owning GPs and shows that there are also significant differences in terms of GPs’ employment status by age. GPs who are 55-64 years of age are more likely to describe themselves as a ‘practice owner or partner’ (57 percent) compared with GPs in other age groups. In contrast, GPs in younger age groups are more likely to describe themselves as a ‘long-term employee or contractor’ (58 percent of GPs aged 25-39 years describe themselves in this way). Female GPs make up a large proportion of younger GPs, so this will in part explain the lower rate of ownership among female GPs.

Interestingly, GPs aged 25-39 years and those aged 65 years or older are also more likely to describe themselves as a ‘short-term employee or contractor’ compared with GPs in other age groups (31 percent and 26 percent respectively). A large proportion of the younger age group will be registrars, but this finding amongst the older age group suggests that some older GPs may be undertaking short term employment as they move towards retirement.

**Table 4: Current employment status by age****Q30. Which of the following best describes your current employment status?**

<b>Unweighted base =</b>	<b>Sub-total</b> <b>1,815*</b> <b>%</b>	<b>25-39</b> <b>409</b> <b>%</b>	<b>40-54</b> <b>677</b> <b>%</b>	<b>55-64</b> <b>570</b> <b>%</b>	<b>65+</b> <b>152</b> <b>%</b>
Practice owner/partner	38	10	40	57	38
Long-term employee/contractor	46	58	51	35	33
Short-term employee/contractor (e.g. locum or GP registrar)	14	31	8	6	26
Other (please specify)	1	1	1	1	3
Not applicable	0	0	0	0	0
Don't know	0	0	0	0	0
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

Source: RNZCGP-Workforce Survey, 2016.

Total may not sum to 100% due to rounding.

\*Sub-sample based on GPs who provided a response to this question (n=1,815).

## FUTURE INTENTIONS OF PRACTICE OWNERS

Table 5 shows that nine percent of GPs who are currently an owner or a partner in a general practice are planning to sell in the ‘immediate future’.

**Table 5: Future intentions of general practice owners or partners**

**Q31. Do you have any plans to sell your practice?**

Unweighted base =	Sub-total 686*
I am planning to sell in the immediate future	9
I would like to sell sometime in the future, but I have no immediate plans	45
I have no plans to sell at this stage	43
Don't know	2
<b>Total</b>	<b>100</b>

Source: RNZCGP-Workforce Survey, 2016.

Total may not sum to 100% due to rounding.

\*Sub-sample based on GPs who reported being an owner or a partner in a general practice (n=686).

Despite their intentions to sell, Table 6 shows that most of these GPs who have plans to sell in the immediate future would continue working in general practice if, hypothetically-speaking, they were to sell their practice or partnership in the next 12 months (70 percent).

**Table 6: Future intentions to work in general practice**

**Q32. If you sold your practice in the next 12 months, would you consider continuing to work in general practice as a non-owner?**

Unweighted base =	Sub-total 61*
Yes	70
No	23
Don't know	7
<b>Total</b>	<b>100</b>

Source: RNZCGP-Workforce Survey, 2016.

Total may not sum to 100% due to rounding.

\*Sub-sample based on owners who reported planning to sell their practice in the immediate future (n=61).

Table 7 shows a comparison of the proportions of practice owners and non-owners intending to retire in the next 10 years. 61 percent of practice owners indicated that they intended to retire in the next 10 years compared with only 34 percent of non-owners.

**Table 7: Retirement intentions by ownership status**

**Q37. Please indicate when you intend to retire from general practice?**

Unweighted base =	Total 1,816	Practice owners/ partners 697	Non- owners 1,119
	%	%	%
Intending to retire in the next 10 years	44	61	34
Not intending to retire in next 10 years	56	39	66
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>

Source: RNZCGP-Workforce Survey, 2016.

Total may not sum to 100% due to rounding.

It is not surprising therefore that practice owners or partners are overrepresented among those GPs intending to retire in the next 10 years. Practice owners or partners comprise 53 percent of these intending retirees, but only 38 percent of all GPs/respondents.

The number of practices and partnerships available for purchase over the next 10 years will be influenced by this. While some GP owners will sell their practices and retire, others will sell their practices – but rather than retiring, will continue their careers as employees or contractors (see Table 6), further increasing the number of practices available for purchase. As a result there will be many practices and partnerships available for purchase over the coming years. The ownership intentions of younger GPs are therefore increasingly of interest.

## OWNERSHIP INTENTIONS OF NON PRACTICE OWNERS

Table 8 shows that among GPs who are employees or contractors, just over one quarter (28 percent) state they are likely to buy a general practice in either the ‘immediate future’ (4 percent) or ‘sometime in the future’ (24 percent). Intentions to buy into a practice are strongest for those aged 25-39 years (58 percent state they are likely to buy in either the immediate future or sometime in the future, compared with 22 percent of GPs aged 40-54 years).

In contrast, the table shows that the large majority of non-owners who are either aged 40-54 or 55-64 years are not likely to buy into a practice (68 percent and 90 percent respectively), presumably because those wishing to will have already done so.

**Table 8: Ownership intentions amongst non-owning GPs who describe themselves as either a ‘short-term or long-term employee or contractor’**

**Q33. Which one of the following best applies to you?**

Unweighted base =	Sub-total 1,129*	25-39 %	40-54 %	55-64 %
I am planning to buy into a practice in the immediate future	4	5	6	0
I am likely to buy into a practice sometime in the future, but I have no immediate plans	24	53	16	4
I am not likely to buy into a practice	62	28	68	90
Don’t know	10	14	11	6
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

Source: RNZCGP-Workforce Survey, 2016.

Total may not sum to 100% due to rounding.

\*Sub-sample based on non-owning GPs who identified themselves as a short-term or long-term employee or contractor (n=1,129).

Table 9, which is based on non-owning GPs who are aged 25-39 years, shows there are significant differences between male and female GPs with regard to their intentions to buy into a general practice (73 percent of young male GPs state they are planning or likely to buy, compared with 54 percent of young female GPs).

**Table 9: Ownership intentions amongst non-owning GPs who describe themselves as either a ‘short-term or long-term employee or contractor’ aged 25 to 39 years**

**Q33. Which one of the following best applies to you?**

Unweighted base =	Sub-total 369*	Males, 25-39 103	Females, 25-39 261
	%	%	%
I am planning to buy into a practice in the immediate future	5	10	3
I am likely to buy into a practice sometime in the future, but I have no immediate plans	53	63	51
I am not likely to buy into a practice	28	20	30
Don't know	14	7	16
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>

Source: RNZCGP-Workforce Survey, 2016.

Total may not sum to 100% due to rounding.

\*Sub-sample based on non-owning GPs aged 25-39 (n=369).

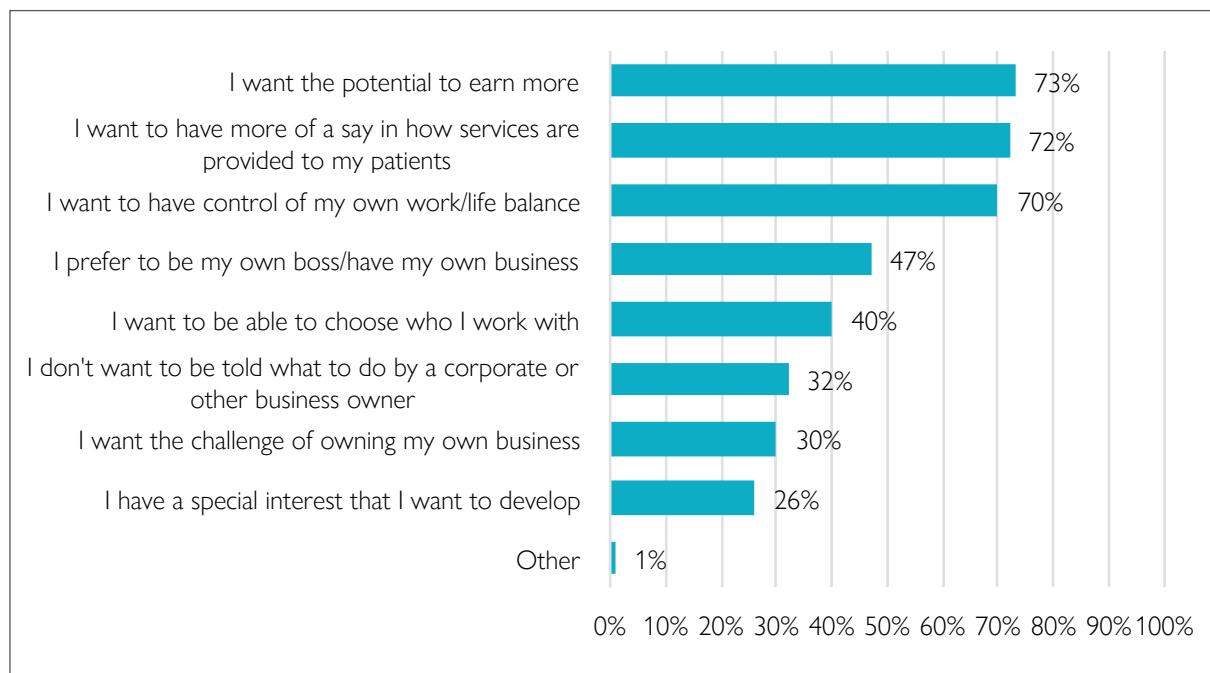
# REASONS FOR INTENDING TO BUY INTO A PRACTICE

As seen in Figure 1 below, most frequently, non-owning GPs who intend to buy a general practice state that it is in order to:

- Potentially earn more (73 percent gave this as a reason).
- Have more of a say in how services are provided to patients (72 percent gave this as a reason).
- Have greater control over their work/life balance (70 percent gave this as a reason).

**Figure 1: Reasons provided by all non-owning GPs for wanting to buy into a general practice (n=315\*)**

**Q34. For which of the following reasons are you planning or likely to buy into a practice?**



Source: RNZCGP-Workforce Survey, 2016.

Total may not sum to 100% due to rounding.

\*Sub-sample based on non-owning GPs who indicated they would likely buy into a practice (n=315).

Table 10, which is based on non-owning GPs who are aged 25-39 years and intend to buy a general practice, shows that while there are no significant differences between male and female GPs with regard to the three most frequently selected reasons, there were differences in some of the less frequently selected reasons.

Young male non-owning GPs were more likely than young female non-owning GPs to state they wanted to be an owner because of a preference to be 'their own boss' (68 percent, compared with 33 percent for young non-owning female GPs), 'not wanting to be told what to do by some other owner' (44 percent, compared with 28 percent for young non-owning female GPs), or because they have 'a special interest they want to develop' (37 percent, compared with 23 percent for young non-owning female GPs).

**Table 10: Reasons provided by non-owning GPs aged under 40 years for wanting to buy into a general practice**

**Q34. For which of the following reasons are you planning/likely to buy into a practice?**

Unweighted base =	Sub-total 216*	Males, 25-39 %	Females, 25-39 %
I want the potential to earn more	75	77	73
I want to have more of a say in how services are provided to my patients	74	71	76
I want to have control of my own work/life balance	70	75	67
I prefer to be my own boss/have my own business	45	68	33
I want to be able to choose who I work with	44	48	43
I don't want to be told what to do by a corporate or other business owner	33	44	28
I want the challenge of owning my own business	33	35	32
I have a special interest that I want to develop	28	37	23
Other	0	1	0

Source: RNZCGP-Workforce Survey, 2016.

Total may not sum to 100% due to rounding.

\*Sub-sample based on non-owning GPs aged 25-39 who indicated they would likely buy into a practice (n=216).

## REASONS FOR NOT INTENDING TO BUY INTO A PRACTICE

Most young non-owning GPs in the 25-39 age group who do not intend to buy a stake in a practice state that they 'don't want the stress' (83 percent) (Table 11). Other major reasons young GPs selected for not planning to buy into a practice include 'not wanting the long-term commitment' (66 percent), 'not wanting the responsibility' (63 percent), 'not having the business ownership knowledge or skills' (61 percent), 'not wanting to work the long hours' (58 percent), and 'not wanting the financial risk' (57 percent). Among older GPs, stress remained the number one deterrent but the proportion selecting it was lower at 56 percent.

**Table 11: Reasons for not wanting to buy into a general practice**

**Q35. Which of the following are a reason you are not planning to buy into a practice?**

Unweighted base =	Sub-total 702*	25-39 %	40+ %
I don't want the stress	60	83	56
I am not interested in being a business owner	52	54	52
I don't want the responsibility	48	63	45
I don't want the long-term commitment	49	66	46
I don't want the financial risk	42	57	39
I don't want to work long hours	38	58	35
I don't have the business ownership/ management knowledge or skills	32	61	27
I cannot afford to purchase a general practice	22	32	20
Too old/planning to retire	12	0	14
I have been given some negative impressions from colleagues I have spoken to	8	11	7
A general practice isn't available where I'd like to practice	3	4	3
Other	11	10	11
Don't know	0	0	1

Total may exceed 100% because of multiple responses.

\*Sub-sample based on GPs who said they are not likely to buy into a practice (n=702).

\*\*Caution: low base number of respondents – results are indicative only.

## METHODOLOGY

The 2016 Workforce Survey was conducted in May and June 2016. Research New Zealand, an independent research company, was commissioned to design and conduct the survey, and to analyse and report the results. In this regard, Research New Zealand worked closely with College staff and an advisory group comprising a GP, an Otago University academic and a Health Workforce New Zealand staff member.

In total, 4,686 fellows, members and associates of the College and the Division of Rural Hospital Medicine, received an email invitation with a link to the online survey. A reminder email was sent to those who had not responded one week later. To boost the final participation rate, two more follow-up emails were sent in the subsequent weeks.

The College database, which includes the vast majority of doctors working in New Zealand general practice, was used to identify and contact survey recipients. It should be noted that in New Zealand doctors are legally able to work in general practice without the additional training required for vocational (specialist) registration, and these non-vocationally registered doctors are not usually included in the College database.

A total of 2,087 valid responses were received by the survey close-off date, giving a response rate of 44.5 percent. This included eight incomplete responses which were included in the analysis, given that the answers to only a small number of the survey questions were missing.

Approximately 100 respondents stated they had only worked in rural hospital medicine and these respondents were excluded from the analysis. Additionally, some respondents were doctors that were not part of the current workforce (e.g. they were retired or were working overseas). These respondents were also excluded from the analysis. As a result, unless otherwise specified, the data and analysis in this report is based on the responses to the survey questions for 1,820 respondents who stated they had worked in general practice in New Zealand in the three months prior to the survey.

A comparison of the age and gender profile of survey respondents to the age and gender profile of those on the College database was also undertaken. As this showed a close match between the two profiles, the survey data has not been weighted to correct for any variations.

Therefore, all data in this report is presented on an unweighted basis. Not all questions were compulsory and the survey was structured so that respondents were not asked questions that were not relevant to them. Therefore, the totals in the tables differ according to the number of doctors who responded to the relevant question.





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