

House of God Rule #15 Part 6: Finances and Farewell

May 28, 2016 | 0  | [humanities, ontheblogs, tips for internship, Working & training in healthcare](#)

Author:  Chris Elliot



Chris is a Consultant Paediatrician who works in a teaching hospital in Sydney and in private rooms. As well as clinical Medicine he is enthusiastic about health communication and teaching. Chris is a Conjoint Lecturer for the University of New South Wales and writes the occasional article on child health for mainstream media. He also teaches Advanced Paediatric

Life Support and sits on the Editorial Board of the Journal of Paediatrics and Child Health. Chris completed his Internship at Bankstown Hospital and Paediatric training through the Sydney Children's Hospitals Network. On the days when he is not at work he enjoys playing with his children, and also when they play by themselves.

Editor: Duncan Campbell

Welcome to the final installment in our blog about work-life balance. To finish off this series we are going to cover, broadly, some of the financial aspects of working as a consultant. We'll be sharing information that is publically accessible but which we, even as senior trainees, found very difficult to find, understand and apply. During our training, finances were rarely if ever discussed, even with our trusted mentors, and it made planning for our future very difficult.

Before we start

This blog is no substitute for your own financial advice. We're going to point you in some useful directions, but you will still have to do your own work to make sure you make sensible financial plans.

Unfortunately, we can't tell you exactly how much you will earn as a fully-qualified consultant. There are just too many variables, as you'll see. What we will show you are some of the structures underlying your income, and these will help you make your own enquiries. As a rough guide though, a first-year full-time publically employed hospital Staff Specialist in New South Wales Australia earns about \$200,000 per year before tax. Overall, medical specialists are amongst the highest-earning professionals in Australia. You can [read a recent Fairfax article here](#) to see the average incomes of the top earners in each State, including physicians and surgeons.

Who will I work for?

There are many different ways to be employed and your entitlements vary considerably between employers. In broad terms, some of the common ways to be employed as a senior doctor are in:

- **Private work:** self-employed as a small business or sole trader either in regular work or as a locum. This group includes Visiting Medical Officers and most General Practitioners.
- **Public work:** employed by a public hospital, essentially as a government employee. This group includes Staff Specialists.
- **University or research work:** employed by a University or research grant, usually doing teaching and/or research. This group includes Clinical Academics and those doing PhDs.

VMO or Staff Specialist?

In hospitals, consultant doctors are often described as Visiting Medical Officers (VMOs) or Staff Specialists. The ratio of VMOs to Staff Specialists varies between departments, hospitals and specialties.

VMOs are private practitioners who have admitting rights and on-call responsibilities in hospitals (these can be either public or private hospitals). VMOs are paid per hour that they work in the hospital or per patient seen and there may be a stipend for being on-call.

Staff Specialists are public employees who are paid a set number of hours per week. They have responsibilities for patient care and on-call, but usually also administrative, teaching, supervision and other tasks within a hospital as well.

Staff Specialist and public work

Every State and Territory has slightly different conditions. The [Staff Specialist award in NSW](#) includes:

- A fixed income. Generally Staff Specialists earn a fixed salary irrespective of how much overtime and on-call they do.
- Some salary variation can come from the different ways Staff Specialists are paid for their patients with private health insurance.
 - Hospitals will always bill private health funds. In recognition of this, Staff Specialists may be paid a fixed allowance or a percentage of those billings. Staff Specialists who are paid a percentage of billings usually must bill a certain amount per annum to make it worth their while.
- A first year full-time Level 1 Staff Specialist in 2015 was entitled to \$154,000 per year as a base rate, plus fixed allowances for on-call and private billings bringing the total salary to about \$200,000 per year.
 - This goes up every year for the first 5 years of full-time work.
- Annual Leave (5 weeks per year).
- Study leave including a stipend to be used for study courses, conferences, etc (up to 5 weeks per year, on top of annual leave).
- Sick, compassionate and maternity leave provisions.
- Superannuation contribution.

You can find information on income for practitioners in other states below. We found these through Google, they're in the public domain. For a quick look, usually the first Table or Supplement at the end of each document has a list of base salary rates. Here are guides for: [Victoria](#), [South Australia](#), [Western Australia](#), [Queensland](#), [Tasmania](#), [ACT](#), [Northern Territory](#).

Some of the benefits of working as a Staff Specialist include the leave entitlements and the certainty of an income. Your tax is also much simpler as it is deducted from your pay fortnightly. Some of the risks include the fact that these jobs can be hard to come by, your income is fixed no matter how hard you work, and the considerable non-clinical responsibilities of the job which may not appeal to everyone.

Running a small business as a private practitioner

As trainees we wondered, "when do we learn to run a small business?" Although there are chances to teach this in some training programs, at the moment the short answer for most trainees is "once you start doing it". You will usually find help from your colleagues.

Your income as a private practitioner will equal what you bill for patient care, less your expenses and tax. Your income, therefore, will depend on how many patients you see, how much you charge them and the costs you incur.

In general terms, billing income comprises:

- **Medicare rebate (how much Medicare will pay you for the service).**
- **Any gap you charge (how much, if anything, you will charge the patient or their private health provider). The Australian Medical Association (AMA) publishes a guide to reasonable gap fees annually – but you have to be an AMA member to read it.**

If you're looking at private practice and trying to figure out your income, you'll need to know both common Medicare fees and common gap charges. You will also need to guess how busy you will be.

Costs you might incur include:

- **Rent for rooms**
- **Secretarial support (booking appointments, answering phones)**
- **Billing support (someone to make sure you get paid)**
- **Letter dictation**
- **Special equipment**

Some of the benefits of working in private practice include being able to work flexibly in different settings (e.g. private consulting rooms, VMO at private hospitals, VMO at public hospitals, consulting for NGOs or corporations), manage your income by managing how much you work, and the ability to start working even in a crowded market when public jobs are hard to find. Some of the risks of private practice are that you only earn as much as you work. There are no annual, maternity or sick leave entitlements and you have all the responsibilities of running a small business. Among

other things these include having your own ABN, managing your own taxes and carrying sufficient medical indemnity insurance.

Having it all: Working in private and public practice

We've laid these out separately for clarity, but in reality you can work in both public and private practice. Chris does this. He's a Staff Specialist at one hospital two days per week, has private rooms one day per week and at the time of writing is working as a locum Staff Specialist at a second hospital one day per week. Multiple part-time jobs across both sectors are common. There are benefits: putting together several part-time jobs can equal full-time employment, a diversity of jobs can be stimulating and rewarding and you can have the flexibility to pick up or drop employment fractions easily. There are risks too: covering geographically different workplaces can be tiring and juggling competing on-call rosters can be a major hassle.

University and research grants

We have many colleagues who work as Clinical Academics or received research grants during their PhDs. It is a complex area beyond the scope of this blog, but if this interests you then you should read this [onthewards blog on Academic Surgery](#) and ask a senior colleague for guidance.

In summary

Enjoying your perfect work-life balance demands financial security. In our experience this was an area utterly opaque until we graduated with our letters. Hopefully these broad structural principles give you some insight into where your income can come from. It should also give you a head start when the time comes to ask the questions and find the resources you need to make your own financial plans.

Final words and farewell

That's all from us! Thank you for your company over the past six installments as we've discussed our work-life balance in Medicine and how we achieved it. Our aim with this series was to give you tools to help you imagine what's possible in your career, plan ahead and make it happen. Your junior career years are full of hard work and compromise but it doesn't have to be that way forever. Working in Medicine is an incredible privilege and a life-long adventure. We plan on keeping our passion for Medicine alive for decades and maintaining a balance between our work and our life is the best strategy we have.

We wish you all the good luck and success in your training, career and your lives. If anything we have written has been especially helpful, annoying or confusing then we'd love to hear from you on Twitter (Chris is [@drcelliot](#) and Bridget is [@drbjohn](#)).

As for us, we will continue to practice what we preach. We are expecting our third child (our first daughter!) in September and Bridget will take time off while Chris works part-time. This works for us. We very much hope you find something that works for you.

Good luck out there.

Chris and Bridget

Related Blogs

- [JMO financial wellbeing](#)
- [Career advice for junior doctors](#)
- [House of God Rule #15: Part 1 - Fly a Kite](#)
- [House of God Rule #15: Part 2 - Being realistic and making good choices](#)
- [House of God Rule #15: Part 3 - Planning ahead](#)
- [House of God Rule #15: Part 4 - Learning to Say "No"](#)
- [House of God Rule #15: Part 5 - Asking for what you want](#)

Tags: [#career planning](#),[#earnings](#),[#finances for doctors](#),[#financial wellbeing](#),[#GP](#),[#house of god](#),[#income](#),[#staff specialist](#),[#tipsfornewdocs](#),[#VMO](#),[#work-life balance](#),[#work-life balance in medicine](#)