

## Visiting medical officers – Engagement options

- Policy Number:** B21 (QH-POL-254)
- Publication date:** December 2021
- Purpose:** To outline the options for engagement available to Visiting Medical Officers (VMOs).
- Application:** This policy applies to VMOs engaged as employees or as independent contractors.
- Delegation:** The 'delegate' is as listed in the Department of Health Human Resource (HR) Delegations Manual or the Hospital and Health Services Human Resource (HR) Delegations Manual – HRM Functions of the Director-General, as amended from time to time.

### Legislative or other authority:

- *Superannuation Guarantee (Administration) Act 1992* (Cth)
- Health Employment Directive No. 5/18: Visiting Medical Officers – Employment Framework
- Total remuneration framework conditions for visiting medical officers
- Visiting medical officer Contract of Employment
- Visiting medical officers - terms and conditions of employment contracts
- SGR 2005/1 Superannuation guarantee: who is an employee?
- SGR 2005/2 Superannuation guarantee: work arranged by intermediaries
- General Tax Guideline Employee/Contractors Evaluation
- General Tax Standard Superannuation and Contractors

### Policy subject:

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## 1 Visiting medical officer engagement options

VMOs have three options available to hold their appointments depending on the facts and circumstances of the engagement:

*As an Independent Contractor*

- a) A Medical Practice Company under the standard Queensland Health VMO contract.
- b) A partnership under the standard Queensland Health VMO contract.

*Or as an Employee*

- c) An individual employee as per Health Employment Directive 05/18 - Visiting Medical Officer Employment Framework.

The effect of the Superannuation Guarantee contribution (SGC) legislation is different for each option.

NB: VMOs must **not** be engaged as individual contractors. VMOs must be engaged only as above, i.e. via an interposed employing entity, or as an employee of Queensland Health.

## 2 Superannuation guarantee contribution and visiting medical officers and specialists

The information in Attachment One is designed to provide VMOs with the necessary information to make an informed decision about their engagement options. QH strongly recommends that VMOs obtain independent financial advice prior to their engagement.

## 3 Salary packaging

Salary packaging arrangements are open to all Queensland Health employee VMOs. It is not available to VMOs engaged as independent contractors as they do not earn salaries and wages as employees. Salary packaging is an agreement between the employee and the employer which allows an employee's salary to be taken as benefits before tax (payments made by the employer on behalf of the employee for benefits in lieu of salary), in accordance with Australian Taxation Office guidelines expressed in Taxation Ruling TR 2001/10.

Queensland Government strongly recommends that employees obtain independent financial advice prior to commencing any salary sacrifice arrangements.

For further information on Salary packaging please see the QHEPS Page on "Salary packaging in Queensland Health" at <https://qheps.health.qld.gov.au/hr/pay-leave-benefits/salary-packaging>.

## 4 Standard contract for engagement of a visiting medical officer as an independent contractor

Where VMO services are provided within one of the independent contractor categories, the standard Queensland Health VMO contract must be used.

## 5 Rates for contractor visiting medical officers

### 5.1 VMO rates (base rates)

	As from 1/07/2017
Percentage Wage Increase	2.50%

<b>Visiting Specialist</b>	
1 <sup>st</sup> Year	116.06
2 <sup>nd</sup> Year	120.01
3 <sup>rd</sup> Year	123.85
4 <sup>th</sup> Year and Thereafter	126.96
<b>Visiting Senior Specialist</b>	
1 <sup>st</sup> Year and Thereafter	137.93
<b>Visiting General Practitioner</b>	
1 <sup>st</sup> , 2 <sup>nd</sup> , 3 <sup>rd</sup> Year	100.78
Thereafter	104.61
<b>Visiting General Practitioner with FRACGP and/or Vocational Registration</b>	
1 <sup>st</sup> Year	100.78
2 <sup>nd</sup> Year	104.61
3 <sup>rd</sup> Year & Thereafter	108.41

## 5.2 VMO rates (loaded rates)

	As from 1/07/2017
Percentage Loading on Recall Rate	38.62%
<b>Visiting Specialist</b>	
1 <sup>st</sup> Year	238.11
2 <sup>nd</sup> Year	246.20
3 <sup>rd</sup> Year	254.09
4 <sup>th</sup> Year and Thereafter	260.47
<b>Visiting Senior Specialist</b>	
1 <sup>st</sup> Year and Thereafter	282.98
<b>Visiting General Practitioner</b>	
1 <sup>st</sup> , 2 <sup>nd</sup> , 3 <sup>rd</sup> Year	206.75
Thereafter	214.61
<b>Visiting General Practitioner with FRACGP and/or Vocational Registration</b>	
1 <sup>st</sup> Year	206.75
2 <sup>nd</sup> Year	214.61
3 <sup>rd</sup> Year & Thereafter	222.42

### 5.3 VMO rates (loaded rates for recall)

	As from 1/07/2017
Percentage loading on Base Hourly Rate:	48.00%
<b>Visiting Specialist</b>	
1 <sup>st</sup> Year	171.77
2 <sup>nd</sup> Year	177.61
3 <sup>rd</sup> Year	183.30
4 <sup>th</sup> Year	187.90
<b>Visiting Senior Specialist</b>	
1 <sup>st</sup> Year and thereafter	204.14
<b>Visiting General Practitioner</b>	
1 <sup>st</sup> , 2 <sup>nd</sup> , 3 <sup>rd</sup> Year	149.15
Thereafter	154.82
<b>Visiting General Practitioner with FRACGP and/or Vocational Registration</b>	
1 <sup>st</sup> Year	149.15
2 <sup>nd</sup> Year	154.82

## 6 Visiting medical specialists

A visiting specialist shall not be entitled to be considered for incremental progression to visiting senior specialist level unless the visiting specialist has been eligible for specialist registration for at least seven years and has received satisfactory performance appraisal and development reports annually in this time.

Appointment to a visiting senior specialist position may also transpire by way of appointment to an advertised vacancy.

The following special arrangements apply to visiting specialists, as defined by Australian Health Practitioner Registration Authority (APHRA), in country areas:

- a visiting specialist who is the sole specialist in a particular field employed in a country area shall be employed at a commencing rate of not less than the third year rate
- a visiting specialist, in respect to an HHS, employed in a country area shall be employed at a commencing rate one pay point higher than provided above.

## 7 Visiting senior specialists

Experience

Less than 1 year eligibility for specialist registration  
 1 year eligibility for specialist registration  
 2 years eligibility for specialist registration  
 3 years or more eligibility for specialist registration

Commencing rate

1st year rate  
 2nd year rate  
 3rd year rate  
 4th year and thereafter rate

## 8 Visiting medical officers with FRACGP and/or vocational registration

The following special arrangements apply to visiting specialists, as defined by Australian Health Practitioner Registration Authority (APHRA), in country areas:

- a visiting specialist who is the sole specialist in a particular field employed in a country area shall be employed at a commencing rate of not less than the third year rate
- a visiting specialist, in respect to an HHS, employed in a country area shall be employed at a commencing rate one paypoint higher than provided above.

### Definitions:

FRACGP	Fellowship of the Royal Australian College of General Practitioners
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### History:

December 2021	<p>Policy amended to:</p> <ul style="list-style-type: none"> <li>• update references and naming conventions</li> <li>• reformatted as part of the HR Policy review</li> <li>• updated to reflect changes in the <i>Superannuation Guarantee (Administration) Act 1992 (Cwth)</i></li> <li>• updated to reflect '<u>Visiting medical officers terms and conditions of employment contracts</u>'.</li> <li>• Updated to remove sole traders as an option of VMO engagement.</li> </ul>
October 2008	<ul style="list-style-type: none"> <li>• Amended to publish January 2006 Contractor VMO Agreement.</li> </ul>
August 2008	<ul style="list-style-type: none"> <li>• Developed as a result of the HR Policy Consolidation Project.</li> </ul>

## Attachment One – Superannuation guarantee contribution and visiting medical officers and specialists

The Federal Government has enacted the Superannuation Guarantee contribution legislation under which employers are required to provide a minimum level of superannuation contributions to a complying superannuation fund for the benefit of their employees. If an employer does not provide the minimum level of contributions in respect of each of their employees, the employer will be liable to pay the superannuation guarantee charge.

VMOs can hold their appointments under three options depending on the facts and circumstances of the engagement. They are:

- a) A Medical Practice Company under the standard Queensland Health VMO contract.
- b) A partnership under the standard Queensland Health VMO contract.
- c) An individual employee - under a letter of appointment.

The following explanations look at the superannuation consequences of each form of engagement. This will assist in deciding a course of action appropriate to individual circumstances and assist VMOs when seeking independent advice.

### a) A Medical Practice Company under the Standard Queensland Health VMO Contract

In this scenario, the HHS contracts with and makes the payments to a Medical Practice Company to provide a suitably qualified practitioner, and not any specific individual.

A Medical Practice Company which has contracted to supply the services of an authorised practitioner to Queensland Health is an employer in its own right.

This means that the Hospital and Health Service (HHS) contracting with the Company is not the employer of the authorised practitioner and is therefore not required to make superannuation guarantee contributions. This will be the responsibility of the employing Medical Practice Company.

There are, however, some issues which need to be addressed to ensure that the contract does not bring the authorised practitioner within the definition of an employee under the superannuation guarantee legislation.

The contract must be between the HHS and the Medical Practice Company and not the individual medical practitioner. All documentation related to the work done (e.g. tax invoices) must be between the Medical Practice Company and the hospital and or health facility. All payments must be made to the Medical Practice Company who in turn must pay the practitioner.

The contract must provide that the Company can employ more than one person (duly authorised) to perform the duties specified in the contract (i.e. authorised practitioners).

All such persons must be appropriately authorised by the HHS, but this qualification does not have any implication in determining where the employer/employee relationship lies.

The standard contract must be used so that there would not be an employment relationship between the HHS and the Medical Practice Company.

In summary, the Medical Practice Company will be regarded as the employer of the VMO for superannuation guarantee purposes provided the above requirements are met.

**b) A Partnership under the Standard Queensland Health VMO Contract**

In this scenario, the HHS contracts with and makes the payments to a partnership to provide a suitably qualified practitioner, and not any specific individual.

If a partner contracts principally to provide their labour in their own right **outside** the partnership, then they cannot be engaged as a contractor, and will need to be engaged as an employee. This is because they cannot delegate the work to another person and SG contributions would have to be made. Refer to paragraph (d) *An Individual Employee – under a Letter of Appointment*.

Where the contract requires the partnership to supply a suitably qualified practitioner (i.e. not a particular partner), the practitioner will be an employee of the partnership.

However, even if a partnership enters into a contract which requires labour to be performed by a particular partner, then the contract is not with that particular partner, but with the partnership. If a partner enters into a contract on behalf of the partnership, this is done so for each of the partners.

This means that the HHS contracting with the partnership is not the employer and is therefore not required to make superannuation guarantee contributions. All payments must be made to the partnership who in turn must pay the practitioner.

**c) An Individual Employee – under a Letter of Appointment**

In this scenario, the VMO is engaged as an employee and paid through payroll. Employer superannuation contributions will be made as part of the payroll process.

Payment of the appropriate superannuation contributions will be made by the HHS on their behalf. From 1 July 2017 employees have been able to choose their own complying superannuation fund.