

SOUTH AFRICAN MEDICAL JOURNAL SUPPLEMENT

AN ECONOMIC SURVEY OF GENERAL PRACTICE IN THE REPUBLIC

W. A. M. MILLER, M.A., M.B., B.CH. (CANTAB), M.R.C.S. (ENG.), L.R.C.P. (LONDON) and D. A. WHITING, M.B., B.CH. (RAND), M.R.C.P. (EDIN.), D.C.H., D.R.C.O.G.

(Published with the permission of the Executive Committee of the National General Practitioners Group.)

At an Executive Meeting of the National General Practitioners Group of the Medical Association of South Africa, held in Pretoria on 9 April 1965, we, W. A. M. Miller and D. A. Whiting, were instructed to enquire into the cost structure and type of practice of the average general practitioner in the Republic of South Africa. We were further instructed to recommend a Standard Tariff of Fees based thereon, for submission to the Actuarial Committee of Federal Council. This Standard Tariff of Fees was to apply to the entire White population of the Republic, on the premise that benefit societies and hospital patients were to remain as they are at present.

In order to obtain information on which to base our recommendations, it became apparent that some form of survey was necessary. However, several other detailed surveys had recently been circulated throughout the profession, and furthermore there was relatively little time at our disposal. Thus it became manifest that there was scant hope of obtaining full and timely information from every individual general practitioner. We therefore decided to send a simplified questionnaire to representative GP groups and individuals throughout the country in the hope that we could obtain at least the general trend of expenses and prevailing fees, and that furthermore the number of individual GPs taking part would equal about 5% of the total number of active GPs in the Republic. Whereas it would be impossible for these numbers to produce data of pure statistical significance, it was felt that the data would nevertheless have a certain definite validity and could be used for our purposes. Another important source of information at our disposal which could test and supplement our data was the recently issued Special Report No. 279 of the Bureau of Statistics 'Analysis of Medical Practitioners on the Register, 1 July 1963, and Preliminary Results of the Census of Medical Practitioners 1963-4'.

A. COST STRUCTURE AND TYPE OF PRACTICE

1. The Survey

A sample survey was accordingly arranged and carried out in attempt to correlate the cost structure and type of general practice throughout the country, using the Report of the 'Economic Survey of General Practice in Johannesburg' dated 17/10/63 as a basis and guide. A standard questionnaire was prepared (see Appendix 'A'), and here it will be observed that the practice expenses requested were to be derived from the 1964 Practice Balance Sheets, being the most recent available at that time. The questionnaire was sent to the 27 GP Federal Councillors and the 13 GP Sub-groups of the Medical Association of South Africa, being posted on 13 April 1965. Thus a total of 40 questionnaires were sent out. 28 replies were received concerning this questionnaire, but it must be noted that 9 GP Federal Councillors had pooled their information with that of their local GP Sub-groups. There were, then,

only 3 no-returns, and one of these was due to the recent death of a GP Federal Councillor. It therefore follows that information was received concerning 37 of the 40 questionnaires sent out, which represented a 92.5% return. Three returns were discarded as they were insufficiently completed or otherwise unsuitable, so a total of 25 returns (which represented 34, or 85%, of the questionnaires sent out) were submitted to mathematical analysis. This analysis was carried out for us by the Mathematical Department of the National Institute for Personnel Research, Johannesburg, under the supervision of Mr. A. O. H. Roberts, the Deputy Director.

2. Distribution of GPs

In order to correlate the returns with the total number of GPs practising in each of the major areas of the country, a portion of Table 1, 'Medical Practitioners in Private Practice, 1 July 1963' in the Bureau of Statistics Special Report No. 279, was utilized. This Table gives, *inter alia*, the total number of practising GPs in the Republic, with a breakdown into the 4 Provinces, which are further broken down into 'Metropolitan Areas' and 'Other Areas'. 'Metropolitan Areas' are defined as 'large towns which consist of the parent Municipality together with the adjoining areas which are urban in character and which are economically and socially linked with the parent town'. 'Other Areas' consist of the remaining areas in a Province, and therefore consist of a spectrum of medium and small towns, dorps, and purely rural areas. The returns were then allocated to their respective areas for analysis (see Appendix 'B'). It can be seen from Appendix 'B' that, as it happened, no questionnaires were sent to 'Welkom' or 'Other Natal Areas', so these areas had to be excluded from some of the calculations. It can be further seen that the 25 returns were compiled from returns by 174 doctors representing 4.93% of the total of 3,529 active GPs in the Republic.

3. Method of Analysis and Tabulation of Results

Large tables were then drawn up to detail and correlate the data (see Appendices 'C' and 'D'). In areas where more than one return was received, the 'weighted mean' was then calculated for each item before entering the item on the table. The method used can be demonstrated by taking, for example, the item 'Practice Expenses' in the Cape Peninsula: In this case, 4 returns were involved, representing data supplied by 10 practitioners, so the amount quoted for practice expenses in each return was multiplied by the number of individual doctors participating in that return, the four totals obtained were summated, and the sum was then divided by 10. In this actual case the figures were as follows:

$$\begin{aligned} \text{Mean} &= [(R4,916 \times 2) + (R4,083 \times 3) + (R4,570 \times 4) + \\ &\quad (R4,648 \times 1)] \div 10 \\ &= [(R9,832) + (R12,249) + (R18,280) + (R4,648)] \div 10 \\ &= R4,500.9 \end{aligned}$$

At the bottom of the tables it can be seen that 'weighted means' have been calculated for total 'Metropolitan Areas', total 'Other Areas', and the Republic as a whole. The respective methods of calculation used are as follows:

'Metropolitan Areas': Here the area means were weighted by the total number of doctors in the area, to derive a mean for the total Metropolitan Areas (Welkom with 21 doctors had performed to be excluded). Again, taking the example of Practice Expenses:

$$\begin{aligned} \text{Mean} &= [(R4,500.9 \times 447) + (R6,279.7 \times 95) + (R5,381 \times 59) \\ &+ (R3,890 \times 27) + (R6,500 \times 239) + (R4,870 \times 48) \\ &+ (R6,120 \times 629) + (R5,600 \times 162) + (R5,830 \times 41)] \\ &\div 1,747 \text{ (i.e. } 1,768 - 21 = 1,747) \\ &= R9,813,952.8 \div 1,747 \\ &= R5,617.6 \end{aligned}$$

'Other Areas': Here weighted means were derived in the same way (Other Natal Areas, including Zululand, had performed to be excluded). e.g. Practice Expenses:

$$\begin{aligned} \text{Mean} &= [(R7,484 \times 76) + (R4,245.3 \times 572) + (R4,737.5 \times 698) \\ &+ (R3,322.5 \times 217)] \div 1,563 \text{ (i.e. } 1,761 - 178 = 1,563) \\ &= R7,024,853.1 \div 1,563 \\ &= R4,494.5 \end{aligned}$$

'Republic': Here the weighted means were calculated for the country as a whole by weighting the averages for the Metropolitan Areas by 1,768 and Other Areas by 1,761, e.g. Practice Expenses:

$$\begin{aligned} \text{Mean} &= [(R5,617.6 \times 1,768) + (R4,494.5 \times 1,761)] \div 3,529 \\ &= R17,846,731.3 \div 3,529 \\ &= R5,057.2 \end{aligned}$$

(It may be noted here that the type and structure of this sample survey precludes calculation of standard deviations or determinations of pure statistical validity for the means derived.)

All area, regional, and Republic detail of practice expenses, current value of motor car, current value of medical equipment and furniture, hours worked per week (including time devoted to hospital and benefit patients, and time devoted to consultative and procedural work on other White patients), percentage of income from procedures, present private fees and proposed standard fees, may be gleaned from the tables in Appendices 'C' and 'D'. It is of interest to note that the average Republic Practice Expense revealed by this survey is R5,057.

4. Test of Validity

In an attempt to test the validity of our results, the Practice Expense figure of R5,057 was taken. Reference was made, in the Bureau of Statistics Special Report No. 279, to a part of the table on page 28 relating to average income of GPs. Here the average gross annual income of 808 solus GPs is given as R10,869 (net income R5,237) and of 663 partnership GPs is given as R12,821 (net income R8,260). From this it can be calculated that the average Practice Expense of the 808 solus GPs is R5,632 and of the 663 partnership GPs is R4,561. By applying weights to these figures, the mean annual practice expense for the average GP in the Republic can be calculated to be R5,149 (net income R6,600). Our figure of R5,057 can certainly be said, then, to bear a close relationship to the Bureau of Statistics figure of R5,149, and in fact only represents a minus deviation of 1.79% from that figure.

Although the apparent validity of one major item derived from our sample survey does not necessarily mean that the other items are equally valid, it does nevertheless appear reasonable to us to ascribe sufficient reliability to those items to justify quoting them as average and utilizing

them for the purpose of determining a Standard Tariff of Fees.

5. Conclusion

The conclusion, then, that can be drawn from our sample survey is that the average GP in the Republic of South Africa has annual practice expenses of R5,057, the current value of his motor car is R1,522, and the current value of his equipment and furniture is R753. Furthermore, he works, on average, a 68.7 hour week, of which 21.7 hours are spent on hospital and benefit society patients, and 47 hours are spent on the remainder of his White practice with 39.8 hours spent on consultative work and 7.2 hours on procedural work. He derives 16.7% of his gross income from his procedural work. There are certain significant differences between practice in 'Metropolitan' and 'Other' Areas, and these are shown in the various relevant Appendices of this report.

B. STANDARD TARIFF OF FEES FOR ALL WHITE PATIENTS EXCLUDING HOSPITAL AND BENEFIT PATIENTS

1. Basis

It was decided that the Standard Tariff of Fees would be so determined as to yield an average practitioner a net income of R7,000 *per annum*, within the framework of a 48-hour week and 4 weeks annual leave.

2. Net Income

As can be seen from Appendix 'E', this net income of R7,000 is to be derived after the usual practice expenses (R5,057) have been paid, after the annual costs of Redemption of Capital Costs of Medical Education and Costs of Postgraduate Study (R815) have been met, after allowance has been made to cover the lack of interest earned on fixed and working capital involved in the practice (R264), and after the annual payment on a retirement pension (R833) has been made.

3. Taxable Income

It can be seen from the foregoing that the proposed figure of R7,000 is a net income but not a taxable income, as the two middle items of R815 and R264 are not deductible for tax purposes. Thus this net figure of R7,000 actually represents an average taxable income of R7,000 + R815 + R264 = R8,079.

4. Spendable Income

The spendable income can easily be calculated on the following basis. Firstly, the net income before paying Income Tax has already been determined as R7,000. Secondly, the taxable income has already been determined as R8,079. Thirdly, as can be seen in Appendix 'F', the annual amount of R815 allocated for Redemption of Capital Costs of Study includes provision of R162 for tax, so this amount must be deducted from income tax. The net figure after this deduction is then subtracted from R7,000 to produce the net spendable income, i.e. Net spendable income = R7,000 - (Income Tax - 162). To take an example, a married practitioner with 2 children, with maximum life insurance rebate, living in the Cape, would be liable for R1,420 Income Tax on the income bracket R8,051-R8,100, according to the 1965 Tax Tables. Therefore, his net spendable income = R7,000 - (R1,420 - R162) = R7,000 - R1,258 = R5,742.

5. Practice Expenses

This figure was extracted from practitioners' 1964 Balance Sheets and consists of the total of all usually

accepted running expenses, plus depreciation on car, medical equipment and furniture, plus the cost of locum tenens for annual leave and sick leave purposes. The average figure for the Republic is R5,057.

6. *Redemption of Capital Costs of Medical Education and Provision for Costs of Postgraduate Study*

This item was fully worked out and documented in the 'Economic Survey of General Practice in Johannesburg' dated 17/10/63, to which reference may be made for the details involved (see also *Medical Proceedings* 8/2/64 Vol. 10 No. 3, pages 52 and 53). Twelve weeks study leave are allowed within the Republic every 5 years with a total of 6 such periods over a working life of 35 years. The amount to be set aside annually to cover all these costs is R815, and is liable for Income Tax (see Appendix 'F').

7. *Interest on Fixed and Working Capital*

Reference to Appendix 'E' shows that this figure represents 5% of the total of the current value of motor car, the current value of equipment and furniture, and 2 months outstanding debtors. The figures returned for 2 months outstanding debtors, in our survey, were usually stated to be difficult to work out, and were therefore estimates, so the returns of this figure were not analysed by weighted averages. However, from the returns made, it appeared reasonable to give an estimate of R2,500 for the 'Metropolitan Areas', R3,500 for 'Other Areas', and R3,000 for the Republic. This figure of 5% of the total is considered to be the return that a non-medical salaried man could get on his money which would then be available for investment through the usual channels. The figure arrived at for the Republic is R264, and is liable for Income Tax.

8. *Provision for Pension*

The annual cost of Self-Retirement Annuity Policy with life cover giving a pension of R6,500 per annum is R833. This amount is deductible before tax.

9. *Gross Annual Income Required from Practice*

Reference to Appendix 'E' shows that this figure was determined by totalling Practice Expenses, Redemption of Capital Costs of Study, Interest on Fixed and Working Capital, Provision for Pension, and then adding R7,000, being the net income required. The average figure for the Republic is R13,969. In this context it is interesting to refer to the Bureau of Statistics Special Report No. 279, to a part of the table on page 28 referring to gross annual incomes of GPs. By applying weighted means for the figures given for solus and partnership GPs, an average figure for gross annual practice income in the Republic can be calculated to be R11,749. From this it can be deduced that the average GP, under the present fee structure, has little opportunity to recoup capital spent on his medical training, or to save money for postgraduate study or retirement.

10. *Gross Weekly Income Required from Practice*

Allowing 4 weeks annual leave, the gross annual income must be earned in 48 weeks, therefore division of the gross annual income by 48 gives the gross weekly income required per working week. The figure for the Republic is R291 (see Appendix 'G').

11. *Procedural Work*

The average percentage of gross income earned from procedural work throughout the Republic as revealed by

our survey is 16.7%. 16.7% of the R291 gross weekly income required is thus R49 (see Appendix 'H').

The average time spent on procedures in a 47-hour week is 7.2 hours, as revealed by our survey. This time of 7.2 hours in a 47-hour week can be changed proportionately to the time required in a 48-hour week as follows: $(7.2 \div 47) \times 48 = 7.35$ hours (see Appendix 'I').

This 7.35 hours should produce an income of R49 (on average R6.70 per hour), which we assume will accrue from fees for surgical, gynaecological, and obstetrical procedures, and from fees for the actual procedure of delivering a baby itself. The fees charged for surgical, gynaecological, and obstetrical procedures will be according to the relevant sections of an over-all Standard Tariff of Fees and do not require determination here. Whereas there is no laid down fee for the actual procedure of delivering a baby itself, we have found from our survey (see Appendix 'D'), that the average *confinement fee* desired on a Standard Tariff is R50.00. If $\frac{2}{3}$ of this fee is considered to stem from antenatal and postnatal visits (i.e. consultative work), then $\frac{1}{3}$ of the fee, or approximately R16.50, may be considered to apply to the actual procedure of the delivery.

12. *Consultative Work*

If the amount of R49 for procedural work is deducted from the R291 gross weekly income required, the result of R242 then represents the income that must be earned from consultative work (see Appendix 'H'). The average time spent on consultative work in a 47-hour week is 39.8 hours, as revealed by our survey. This time of 39.8 hours in a 47-hour week can be changed proportionately to the time required in a 48-hour week as follows: $(39.8 \div 47) \times 48 = 40.65$ hours. Thus 40.65 hours of consultative work must produce an income of R242 (see Appendix 'J') and this would average R6.00 per hour.

In order to calculate the required charges for visits and consultations, it is necessary to make two assumptions. Firstly let it be assumed that the average GP will, over the year, maintain a ratio of consultations (C) to visits (V) of 3 C:2 V. Opinions on this ratio may differ, but taking into account the increasing tendency to encourage patients to attend the consulting rooms whenever possible, and considering the Republic as a whole, this ratio appears reasonable to us. Secondly, let it be assumed that 3 Consultations per hour, and $1\frac{1}{2}$ Visits per hour, are average when taken over the whole day and not making extra allowance for administration, teas, lunch, and telephone calls. (It was in fact shown in the 'Economic Survey of General Practice in Johannesburg', dated 17/10/63, that the time taken for a consultation averaged half that for a visit, and that 3 consultations per hour was average.) Again, opinions may well differ on these time ratios, but in the over-all picture we consider them reasonable. If we accept these two assumptions, it follows, for example, that 9 consultations would be accompanied by 6 visits, and that the 9 consultations would take 3 hours, and the 6 visits would take 4 hours. Thus the time ratio of 3C:2V becomes 3:4. It then becomes a simple matter to calculate the relative times that would be spent on consultations and visits, and the number of each done in that time. It has already been shown that the available weekly time for consultative work, in a 48-hour week, is 40.65 hours, so the time spent on consultations would be $40.65 \times \frac{3}{7} = 17.4$ hours, and the time spent on visits would be $40.65 \times \frac{4}{7} = 23.25$

hours. It follows that the number of actual consultations done would be $17.4 \times 3 = 52.2$, and the number of actual visits done would be $23.5 \times 1\frac{1}{2} = 34.9$ (see Appendix 'K').

The calculations of the actual fees for visits and consultations now become a simple matter. The fees for 52.2 C and 34.9 V must yield R242, so it is merely necessary to set a fee for the one service to work out the fee for the other. In our survey, the average Standard Tariff fee proposed for a consultation is R2.43. Therefore we assumed that the fee for a consultation should be R2.40. It follows that 52.2 C at R2.40 would yield R125.28. If this amount is subtracted from R242.00, it leaves R116.72. This figure is then divided by 34.9 V, and the resultant charge per visit becomes R3.34 (see Appendix 'L'). (No special provision has been made for ante- and postnatal consultations and visits in this calculation as although the fees for these services would be low, i.e. $\frac{2}{3}$ of R50 per confinement, it was felt that the low proportion of these services per week would not affect the calculations significantly.) We were satisfied with the differential between the fees as worked out above, so we recommend that, under a Standard Tariff, the fee for a Consultation be R2.40 and the fee for a Visit be R3.35.

We have made no calculations as regards Night Visits and Weekend Visits, as these are regarded as being outside of normal working hours in the 48-hour week. From our survey we find that the average proposed fee for Night Visits is R5.18, and for Weekend Visits is R4.83. We feel that under a Standard Tariff it would be reasonable to propose a Night Visit fee of R5.25 and a Weekend Visit fee of R4.75.

13. Travelling Expenses

It becomes manifest that travelling expenses must be standardized if a Standard Tariff is to prevail. From comments received via our survey, we feel justified in making the proposal that travelling expenses may be charged, irrespective of municipal boundaries, outside a 4-mile radius of home or consulting room. Allowing 10 cents a mile for car expenses and 30 cents a mile for time, a basic daytime charge of 40 cents a mile both ways represents general opinion and appears reasonable to us.

14. The Case for a Standard Tariff of Fees

It may be argued that a Standard Tariff of Fees is impracticable and that a dual tariff should be imposed on the basis of an income ceiling. It may be further argued that different fees should apply in 'Metropolitan' and 'Other' Areas.

Reference to Appendix 'M' will show the division of the White population of the Republic into income groups. The information tabulated in Appendix 'M' is extracted from Table 1.1 'Income of Total Whites in the Republic from the Bureau of Census and Statistics Population Census, 1960, Sample Tabulation No. 4—Income'. Study of this table soon reveals that an income ceiling of, say, R5,000 would be quite impracticable, as only 1.5% of the population earn more than this figure. It would appear that a Standard Tariff is the only solution, but the patient would be obliged to contribute towards his medical care on a sliding scale according to his income. This table also reflects the true division of urban and rural population. There is obviously considerable overlap between 'Metropolitan' and 'Other' Areas, and to avoid confusion and dissension a Standard Tariff seems strongly indicated.

Taking all factors into consideration, including the increasing spread of specialist care to the rural areas, we have no hesitation in recommending the adoption of a Standard Tariff of Fees.

CONCLUSION

We now recommend the following Standard Tariff of Fees for general practitioners throughout the Republic of South Africa. We add that these fees should be subject to annual review.

Consultations	R2.40
Visits	R3.35
Night Visits	R5.25
Weekend Visits	R4.75
Confinements	R50.00

APPENDIX A. STANDARD QUESTIONNAIRE USED IN SURVEY

A. The following figures are to be extracted from the 1964 practice Balance Sheets of average representative practices in the area, and correlated to average figures:

1. Total annual expense of running individual practice
(This consists of the total of all usual accepted running expenses, plus car expenses, plus depreciation on car, medical equipment and furniture, plus the cost of locum tenens for annual leave and sick leave purposes.)
2. Current depreciated value of motor car
3. Current depreciated value of medical equipment and furniture
4. Amount of Debtors—2 months outstanding

B. The following figures are to be estimated by average practices in the area, and correlated to average figures:

1. Average number of hours worked per week
2. Average number of hours worked per week on Benefit Society patients or non-paying hospital patients
3. Average number of hours worked per week on remainder of White practice is therefore
and is divided as follows:
(a) Average hours per week spent on consultative work (includes visiting)
(b) Average hours per week spent on procedural work
4. Average percentage of total income derived from procedural work
(Excluding Benefit Society and Hospital work)

C. The following figures must be equivalent to the current 1965 average private fee for the area:

1. Consultation in rooms
2. Visits to residence, nursing home and hospitals
3. Night visits
4. Weekend visits
5. Confinements

D. The following figures must represent each Sub-group's opinion for a Republic-wide Standard Tariff of Fees for the whole White population excepting Benefit Society patients and non-paying hospital patients:

Service	A Proposed Fee	Sub-group's proposed fee
1. Consultation in rooms	R2.50
2. Visits to residence, etc.	R3.50
3. Night visits	R5.00
4. Weekend visits	R5.00
5. Confinements	R50.00

E. Any comments?

APPENDIX B. AREA ALLOCATION OF DATA

Area	Type of area	Number of returns used	Number of doctors supplying data	Total number of doctors in area
1. Cape Peninsula	M	4	10	447
2. Port Elizabeth	M	2	9	95
3. East London	M	1	3	59
4. Kimberley	M	1	10	27
5. Transkei	O	1	4	76
6. Other Cape Areas	O	2	19	572
7. Durban	M	1	12	239
8. Pietermaritzburg	M	1	6	48
9. Other Natal Areas (Including Zululand)	O	—	—	198
10. Johannesburg	M	1	20	629
11. Pretoria	M	2	14	162
12. Other Transvaal Areas	O	6	21	698
13. Bloemfontein	M	1	6	41
14. Welkom	M	—	—	21
15. Other O.F.S. Areas	O	2	40	217
Total Republic (R)		25	174	3,529
			(4.93%)	(100%)
Total Metropolitan (M)				1,768
Total Other Areas (O)				1,761

APPENDIX C. DETAILS OF PRACTICE EXPENSES AND HOURS WORKED

Area	Total GPs in Area	No. of GPs Supply-Data	Practice Expenses	Current Value Motor Car	Current Value Equipment and Furniture	Total Hours Worked per Week	Hours Worked Benefit and Hospital Patients	Hours Worked on Remainder (Whites)	Hours Worked Consultative Work	Hours Worked Procedural Work	% Income from Procedural Work
Cape Peninsula .. (M)	447	10	R4500.9	R867.0	R222.0	63.2	6.8	56.4	50.8	5.6	9.7%
Port Elizabeth .. (M)	95	9	R6279.7	R1435.3	R520.0	76.0	12.0	64.0	48.7	15.3	20.0%
East London .. (M)	59	3	R5381.0	R1500.0	R352.0	74.0	15.0	59.0	52.0	7.0	7.0%
Kimberley .. (M)	27	10	R3890.0	R1308.0	R364.0	100.0	50.0	50.0	35.0	15.0	—
Transkei .. (O)	76	4	R7484.0	R1500.0	R760.0	62.0	8.0	54.0	39.0	15.0	54.0%
Other Cape Areas .. (O)	572	19	R4245.3	R2361.7	R798.1	65.0	32.4	32.6	26.6	6.0	23.4%
Durban .. (M)	239	12	R6500.0	R925.0	R900.0	70.0	17.0	53.0	46.0	7.0	14.5%
Pietermaritzburg .. (M)	48	6	R4870.0	R1920.0	R435.0	81.0	6.0	75.0	60.0	15.0	7.5%
Other Natal Areas (incl. Zululand) .. (O)	198	—	—	—	—	—	—	—	—	—	—
Johannesburg .. (M)	629	20	R6120.0	R1080.0	R788.0	60.5	9.5	51.0	47.0	4.0	4.3%
Pretoria .. (M)	162	14	R5600.0	R1885.7	R928.6	88.6	10.0	78.6	67.1	11.5	5.4%
Other Transvaal Areas .. (O)	698	21	R4737.5	R1622.2	R873.2	70.0	33.9	36.1	29.5	6.6	20.2%
Bloemfontein .. (M)	41	6	R5830.0	R1750.0	R860.0	56.0	6.0	50.0	40.0	10.0	20.0%
Welkom .. (M)	21	—	—	—	—	—	—	—	—	—	—
Other O.F.S. Areas .. (O)	217	40	R3322.5	R1650.0	R1145.0	83.8	38.6	45.2	34.4	10.8	33.4%
Metropolitan .. (M)	1,768 (1,747)	90	R5617.6	R1154.8	R627.7	67.4	10.6	56.8	50.0	6.8	8.6%
Other Areas .. (O)	1,761 (1,563)	84	R4494.5	R1890.7	R877.9	70.0	33.0	37.0	29.6	7.4	24.8%
Republic .. (R)	3,529	174	R5057.2	R1522.0	R752.6	68.7	21.7	47.0	39.8	7.2	16.7%

APPENDIX D. DETAILS OF PRESENT PRIVATE FEES AND FEES PROPOSED FOR A STANDARD TARIFF

Area	Present Private Fees, April 1965					Proposed Standard Tariff				
	Consultations	Visits	Night Visits	Weekend Visits	Confinements	Consultations	Visits	Night Visits	Weekend Visits	Confinements
Cape Peninsula .. (M)	R2.15	R3.22	R4.65	R4.30	R42.50	R2.25	R3.40	R5.50	R4.55	R44.00
Port Elizabeth .. (M)	R1.75	R2.50	R4.00	R4.00	R40.00	R2.33	R3.50	R5.00	R4.83	R50.00
East London .. (M)	R2.00	R2.75	R3.75	R3.50	R40.00	R2.50	R3.50	R4.50	R4.00	R50.00
Kimberley .. (M)	R1.75	R2.25	R3.00	R3.00	R31.50	R2.50	R3.50	R5.00	R5.00	R60.00
Transkei .. (O)	R1.50	R1.75	R2.75	R2.75	R31.50	R1.95	R2.50	R3.50	R3.50	R42.00
Other Cape Areas .. (O)	R2.26	R2.76	R4.03	R4.03	R38.82	R2.50	R3.13	R4.26	R4.13	R42.63
Durban .. (M)	R2.50	R4.00	R6.00	R6.00	R50.00	R2.50	R3.50	R6.00	R6.00	R60.00
Pietermaritzburg .. (M)	R2.00	R2.50	R4.00	R4.00	R40.00	—	—	—	—	—
Other Natal Areas (incl. Zululand) .. (O)	—	—	—	—	—	—	—	—	—	—
Johannesburg .. (M)	R2.35	R3.50	R5.20	R5.20	R44.00	R2.50	R4.00	R6.00	R5.00	R60.00
Pretoria .. (M)	R2.50	R4.00	R6.00	R6.00	R40.00	R2.50	R3.86	R5.71	R5.71	R60.00
Other Transvaal Areas .. (O)	R1.99	R2.89	R4.24	R4.24	R38.62	R2.50	R3.50	R5.00	R5.00	R51.19
Bloemfontein .. (M)	R2.00	R3.00	R4.00	R4.00	R37.80	R2.50	R3.50	R5.00	R5.00	R45.00
Welkom .. (M)	—	—	—	—	—	—	—	—	—	—
Other O.F.S. Areas .. (O)	R1.875	R2.50	R3.00	R3.00	R28.25	R2.30	R3.00	R5.00	R5.00	R45.00
Metropolitan .. (M)	R2.26	R3.40	R5.03	R4.94	R43.26	R2.42	R3.69	R5.69	R5.05	R54.52
Other Areas .. (O)	R2.05	R2.73	R3.92	R3.92	R36.91	R2.45	R3.25	R4.66	R4.61	R46.75
Republic .. (R)	R2.16	R3.07	R4.48	R4.43	R40.09	R2.43	R3.47	R5.18	R4.83	R50.49

APPENDIX E. GROSS ANNUAL INCOME REQUIRED FROM PRACTICE

	Metro	Other	Republic
Expenses of running average practice	R5,618	R4,495	R5,057
Redemption of Capital Costs of Medical Education and Provision for Post-graduate Study	R815	R815	R815
Interest on Fixed & Working Capital:			
<i>M</i> <i>O</i> <i>R</i>			
Current Value Motor Car R1155 R1891 R1522			
Current Value Equipment & Furniture R628 R878 R753			
Debtors:			
2 months outstanding— R2500 R3500 R3000			
say 5% on R4283 R6269 R5275=	R214	R313	R264
Provision for Pension	R833	R833	R833
	R7,480	R6,456	R6,969
Net Income Required of R7,000 ..	R7,000	R7,000	R7,000
Total ..	<u>R14,480</u>	<u>R13,456</u>	<u>R13,969</u>

APPENDIX F. REDEMPTION OF CAPITAL COSTS OF MEDICAL EDUCATION, AND PROVISION FOR POSTGRADUATE STUDY

Medical Education	R1,755
Loss of income during 6 years of graduation	R7,210
	<u>R8,965</u>
Annual Instalment necessary to redeem R8,965 over 35 years with interest at 5% less tax	R448
Provision for Income Tax (36-25%)	R162
	<u>R610</u>
Postgraduate Study: Fees	R100
Travelling & living expenses	R200
Locum Tenens	R1,008
	<u>R1,308</u>
Amount to be set aside each year, allowing for interest at 4½% per annum	R205
	<u>R815</u>

APPENDIX G. GROSS WEEKLY INCOME REQUIRED FROM PRACTICE

	Metro	Other	Republic
Gross Annual Income Required ..	R14,480	R13,456	R13,969
Gross Weekly Income required over 48 working weeks (4 weeks leave allowed)	<u>R302</u>	<u>R280</u>	<u>R291</u>

	Metro	Other	Republic
Procedural Work:			
M = 8.6% of R302	R26		
O = 24.8% of R280		R69	
R = 16.7% of R291			R49
Consultative Work:	R276	R211	R242
Total ..	<u>R302</u>	<u>R280</u>	<u>R291</u>

APPENDIX H. SOURCES OF WEEKLY INCOME REQUIRED FROM PRACTICE

	Metro	Other	Republic
Procedural Work:			
M = 8.6% of R302	R26		
O = 24.8% of R280		R69	
R = 16.7% of R291			R49
Consultative Work:	R276	R211	R242
Total ..	<u>R302</u>	<u>R280</u>	<u>R291</u>

APPENDIX I. WHITE PRACTICE EXCLUDING HOSPITAL AND BENEFIT PATIENTS: HOURS SPENT ON PROCEDURES AND CONSULTATIVE WORK PER WEEK

	Metro	Other	Republic
Total hours per week	56.8	37.0	47.0
Consultative Hours	50.0	29.6	39.8
Procedural Hours	6.8	7.4	7.2
Resolving these figures proportionately to a 48-hour week:			
Total hours per week	48.0	48.0	48.0
Consultative Hours	42.25	38.4	40.65
Procedural Hours	5.75	9.6	7.35

APPENDIX J. TIME SPENT ON CONSULTATIVE WORK IN A 48-HOUR WEEK, AND INCOME REQUIRED

	Metro	Other	Republic
Time spent in hours of Consultative Work	42.25	38.4	40.65
Income required in Rand	R276	R211	R242

APPENDIX K. HOURS SPENT ON CONSULTATIONS AND VISITS IN A 48-HOUR WEEK, AND THE NUMBERS OF EACH DONE

	Metro	Other	Republic
Total hours spent on consultative work	42.25	38.40	40.65
∴ Hours spent on consultations	18.10	16.40	17.40
∴ Hours spent on visits	24.15	22.00	23.25
∴ Number of consultations done	54.3	49.2	52.2
∴ Number of visits done	36.2	33.0	34.9

APPENDIX L. INCOME REQUIRED FROM CONSULTATIVE WORK IN A 48-HOUR WEEK, BROKEN INTO UNIT CHARGES FOR CONSULTATIONS AND VISITS

	Metro	Other	Republic
Total Income required	R276.00	R211.00	R242.00
Number of Consultations done	54.3	49.2	52.2
Number of Visits done	36.2	33.0	34.9
Suggested charge per Consultation	R2.50	R2.25	R2.40
Number of Consultations × Suggested Charge	R135.75	R110.70	R125.28
∴ Number of visits × charge equals	R140.25	R100.30	R116.72
∴ Calculated charge per Visit equals	R3.87	R3.04	R3.34
Total Income yielded	R276.00	R211.00	R242.00

APPENDIX M. INCOME GROUPS OF THE TOTAL WHITE POPULATION OF THE REPUBLIC OF SOUTH AFRICA (1960)

Income in Rand	Numbers of total White population	Percentage of total	Major group percentage of total
No income	1,769,322	57.3%	57.3%
Under R200	47,598	1.5%	
R200—	120,689	3.9%	15.6%
R400—	82,566	2.7%	
R600—	132,276	4.3%	
R800—	100,083	3.2%	
R1,000—	90,317	2.9%	
R1,200—	160,633	5.2%	24.5%
R1,600—	171,723	5.6%	
R2,000—	227,956	7.4%	
R3,000—	69,713	2.3%	
R4,000—	32,925	1.1%	
R5,000—	15,421	0.5%	1.5%
R6,000—	15,581	0.5%	
R8,000—	6,865	0.2%	
R10,000—	6,235	0.2%	
R15,000+	4,051	0.1%	
Unspecified	34,538	1.1%	1.1%
Total	3,088,492	100.00%	100.00%
Urban	2,565,785	83.1%	
Rural	522,707	16.9%	