

16 December 2022

The Hon Cameron Dick MP
Queensland Treasurer and Minister for Trade and Investment
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By email: treasurer@ministerial.qld.gov.au

Subject: Overrepresentation of General Practices in QRO Activity

Dear Treasurer

Thank you for your correspondence of 30 November 2022. We also appreciate you asking the Acting Commissioner of State Revenue to respond to specific questions raised in our 17 November 2022 letter to you and the Queensland Revenue Office (QRO). We are still awaiting the QRO's reply.

We note your statement that QRO had advised that the NSW decision in *Thomas & Naaz* affirms the QRO's 'existing, longstanding approach' to payroll tax for medical practices, and that the QRO's perspective is that its approach 'has remained the same since 2008'.

Likewise, we note your comments that the QRO uses 'risk-based revenue management principles' and 'relevant financial data as it becomes available' and that this 'may mean that more medical practice businesses are subject to compliance activity', as opposed to a deliberate targeting of general practices by the QRO.

To facilitate your request that we update AMA Queensland members 'with accurate information', we ask for your response to the final points in our previous letter, reproduced below for your convenience, along with the information requested from the QRO.

During Estimates on 16 July 2021, Mr Janetzki asked the (former) Office of State Revenue's Revenue Commissioner about the agency's compliance activities and was advised that the OSR had 'been increasing our compliance enforcement work recently' and 'have also boosted our compliance work, in particular across the revenue lines where there was opportunity to look for additional revenue out of the existing system. That has been happening progressively over the last six months', including employing an additional 94 FTE compliance officers.

Since the statements made by the Premier, Health Minister and Treasurer in Question Time appear to directly contradict these statements by the former agency responsible for payroll tax compliance, AMA Queensland requests the Treasurer justify the statements made by himself, the Premier and Health Minister.

Finally, recent media reports cite the Treasurer as advising that:

- *of 71 businesses found to have payroll tax issues since July 2022, four (4) were medical practices; and*
- *of 195 businesses found to have payroll tax issues in 2021, 18 were medical practices.*

AMA Queensland estimates that general practices account for just 0.3% of all small businesses in Queensland yet, on this reported advice by the Treasurer, general practices account for 5.6% (since July this year) and 9.2% (in 2021) of all businesses found to have payroll tax issues. This suggests general practices are up to 30.7 times more often found in breach of payroll tax laws than would be expected based on their proportion of all small businesses in Queensland.

AMA Queensland asks the Treasurer to explain this overrepresentation and the statements made in Question Time that the QRO's payroll tax compliance activities, as they relate to general practice, have not changed since 2008.

As per our previous correspondence, we request a meeting with you to discuss our concerns further and the implications on the communities and their access to primary health care.

Yours sincerely



Dr Maria Boulton
President
AMA Queensland



Dr Brett Dale
Chief Executive Officer
AMA Queensland