

2 February 2023



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**By email:** [commissioner@treasury.qld.gov.au](mailto:commissioner@treasury.qld.gov.au)

**Subject: Payroll tax audit limitation and previous data request**

Dear Ms Rosanowski

Thank you for your letter of 22 December 2022 providing a copy of Public Ruling PTAQ0006.1 *Relevant Contracts – Medical Centres* (the 'Ruling') and advice that the QRO will limit audit activity in relation to the application of the contractor provisions as they relate to general practitioners to the 2021-22 and subsequent financial years.

As discussed in our meeting yesterday, AMA Queensland welcomes the audit limitation as a sensible first step in responding to the concerning impact the NSW Civil and Administrative Tribunal decision in *Thomas and Naaz Pty Ltd v Chief Commissioner of State Revenue* ([2021] NSWCATAD 259) has had on medical practices in Queensland.

There are several outstanding issues, however, upon which we seek your urgent clarification. In particular, we ask you to advise:

- whether practices already audited and issued retrospective liability assessment notices for financial years prior to 2021-22 will likewise be given the benefit of the audit limitation and have those notices revoked;
- whether practices who have already paid liability assessment notices issued by the QRO for financial years prior to 2021-22 will be given the benefit of the audit limitation and have those payments refunded; and
- whether the audit limitation will apply to non-general practice medical practices.

In addition, AMA Queensland notes the Ruling will significantly change historical business practices and structures which were implemented on the common understanding that practitioners on service agreements were not captured by the relevant contract provisions in the *Payroll Tax Act 1971* (Qld). The only solution for many to survive in the wake of the Ruling will be to dramatically increase patient fees to cover not only their forward payroll tax liability but that incurred since 1 July 2021.

To ensure the future viability of practices, we strongly urge you to extend the audit limitation to provide practices a sufficient grace period to adjust their business models in response. We suggest this period should be until at least 1 July 2023.

Finally, you will recall our letter of 17 November 2022 asked several questions concerning statements made by the Premier, Treasurer and Minister for Health and Ambulance

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Services during Question Time in the Queensland Parliament on 9 November 2022.  
Specifically, we requested the QRO provide the following information and again request you respond accordingly:

1. The number of general practices audited for payroll tax liability each year since 2008.
2. The number of payroll tax liability assessments issued to general practices each year since 2008.
3. The value range of payroll tax liability assessments (i.e. the dollar amount) issued to general practices each year since 2008, including the range of any penalty amounts imposed (as a percentage and dollar value).

We would welcome a meeting should you wish to meet to discuss these issues further.

Yours sincerely



Dr Maria Boulton  
**President**  
**AMA Queensland**



Dr Brett Dale  
**CEO**  
**AMA Queensland**

Copied to: The Hon Cameron Dick MP, Queensland Treasurer and Minister for Trade and Investment via email: [treasurer@ministerial.qld.gov.au](mailto:treasurer@ministerial.qld.gov.au)