

MEDIA RELEASE

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State and territory governments must act to ensure consistency on payroll tax

State and territory governments must apply a nationally consistent approach to payroll tax to ensure struggling general practices across Australia aren't left to deal with a hodgepodge of payroll laws, leaving patients in some part of the country with higher out of pocket costs.

Australian Medical Association President Professor Steve Robson welcomed yesterday's news that Queensland's Revenue Office is expected to clarify that patient fees, including any out-of-pocket expenses, will not be subject to payroll tax when they are paid directly by a patient to a GP for that GP service.

"This news, which follows ongoing advocacy from Queensland AMA, is very welcome, but it's taken far too long to reach this decision," Professor Robson said.

"Until now it seemed the state government was intent on applying an additional payroll tax burden on general practice contrary to past practice. We have yet to see the detail, but we hope this will provide certainty to the state's general practices.

"We have said all along that state and territory revenue offices have been trying to shift the payroll tax goal posts. It is critical they now take a different to approach, working instead to support general practice, not penalise it.

"We also need to make it as easy as possible for general practices to ensure they are meeting their payroll tax obligations. Imposing additional red tape on struggling general practices will do nothing to support them and only lead to greater compliance costs."

Professor Robson said it was clear that revenue offices in some states and territories had taken a highly coordinated approach to this tax grab on general practice and it was now time for state/territory governments to step in and work together to fix the mess they have created.

Professor Robson said governments must put in place arrangements to ensure practices will not face retrospective payroll tax bills and will also have time to seek further advice and make sure their arrangements are entirely consistent with revised rulings.

"With a health system in crisis, state and territory governments must act to support general practice and make sure that patients are not hit with extra out of pocket costs.

"It's time for all governments to get on the same page and provide a nationally consistent approach, to avoid further impacting a health system that's already in crisis."

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