



AUSTRALIAN MEDICAL ASSOCIATION
(SOUTH AUSTRALIA) INC.

ABN 91 028 693 268

GENERAL PRACTICE WON'T SURVIVE A NEW PAYROLL TAX

General practitioners will resign and retire and practices will close across South Australia if the State Government adds a new payroll tax to their operating expenses.

The President of the Australian Medical Association in South Australia (AMA(SA)), Dr John Williams, said the new cost will cripple general practice, with devastating effects for patients, their health and wellbeing, and the health system.

RevenueSA announced the proposed imposition of a new payroll tax on South Australian GPs in June. In doing so, it joined the Queensland, NSW, Victorian and ACT governments in deciding on a new interpretation of existing payroll tax law.

General practices in South Australia have until 30 September 2023 to register for an amnesty in place until 30 June 2024.

Dr Williams said national calculations indicate a payroll tax on general practice would add as much as hundreds of thousands of dollars a year to operating costs. He said most GPs are contractors, not employees, and so the tax has not previously applied.

'This new, additional cost will wipe out the tiny profit margin most practices maintain,' he said.

'Our members – the GPs who kept South Australians alive and businesses operating during COVID – are telling us they can't survive this extra cost. As many as 30% are considering shutting their doors.

'GPs are the backbone of our health system. And in a state where there are already hundreds of GP vacancies, if practices are forced to close, patients will have no choice but to look to emergency departments for the treatment and care they need and deserve.'

Dr Williams said he, AMA(SA) CEO Nicole Sykes and AMA(SA) Committee of General Practice Chair Dr Bridget Sawyer have repeatedly sought opportunities to explain the implications of the tax to Treasurer Stephen Mulligan and his RevenueSA staff, Health Minister Chris Picton, and Opposition Health and Treasury spokespeople Ashton Hurn and Matt Cowdrey.

He said he and Ms Sykes had met Ms Hurn and Mr Cowdrey at the AMA(SA) offices to discuss the issue. Mr Picton attended a meeting of the AMA(SA) Committee of General Practice last Wednesday, with the Minister hearing first-hand from GPs the impacts the tax will have on patients' access to primary care.

A meeting with the Treasurer is scheduled for 3 pm today.

Royal Australian College of General Practitioners (RACGP) colleagues were also expressing concerns in South Australia and interstate, Dr Williams said.

He said implementation of the new tax burden will be:

- less bulk-billing
- more expensive GP appointments

- more patients attending EDs with non-urgent conditions
- a major effect on private pathology, radiology and other providers, as referral pathways disappear
- longer essential surgery waiting lists, with flow-on effects for patients and the health system.

'This government was elected on a platform of reducing ramping and fixing our health crisis,' Dr Williams said.

'There is no policy or quick solution to achieve that. But what won't fix it is making it harder for general practice to play its critical role as the heart of the health system.'