



AUSTRALIAN MEDICAL ASSOCIATION
(SOUTH AUSTRALIA) INC.

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PREMIER URGED TO REVERSE PAYROLL TAX POLICY

The AMA in South Australia (AMA(SA)) and other organisations representing the state's general practitioners (GPs) have urged Premier Peter Malinauskas to reverse a decision to introduce new interpretations of payroll tax on general practice.

A letter outlining the ramifications of the tax – on general practices, primary care, patients and hospital emergency departments – was presented to the Premier last week.

AMA(SA) President Dr John Williams said the letter to the Premier followed the issuing of notices by RevenueSA to local practices that had registered late last year for an amnesty granted by RevenueSA. The amnesty is in place until 30 June 2024.

Dr Williams said the practices are receiving notices that point out that after a review by RevenueSA, that contracts with their GPs are 'taxable relevant contracts'.

'Those of our members who are employed by their practices understand they are liable for payroll tax, and have paid it and will continue to pay it,' Dr Williams said.

'However, as we have explained on repeated occasions – to Treasurer Stephen Mulligan, Health Minister Chris Picton, RevenueSA officers and others – in most cases, GPs are not employees.'

The news the tax would be implemented in South Australia was announced in June 2023, following similar announcements in Queensland, NSW and Victoria.

Dr Williams said GPs in this state had immediately begun expressing serious concerns about how their practices would survive the additional cost, expected to add an average 5% to practice running costs.

'Nine months later, GPs are now receiving notices that they must begin paying this additional tax and are confirming that the cost will force them to shut their practices and even stop practising altogether,' Dr Williams said.

He said implementation of the new tax burden will lead to:

- 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.

'We know many people who can't access GPs go to EDs,' Dr Williams said. 'We know rural and remote communities are already being affected by a declining GP workforce. We know higher cost-of-living expenses are having a dire effect on many families and businesses.'

'We ask the Premier to consider the health and wellbeing of all citizens, including those he is working to be cared for outside our hospitals, and look elsewhere for the funds the government hopes to gain from this new interpretation.

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