



The Hon. David Janetzki MP  
Treasurer  
Minister for Energy  
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Our Ref: QT 00596-2024

Dr Nick Yim and Dr Brett Dale  
President and Chief Executive Officer  
Australian Medical Association Queensland

Email: [REDACTED]

Dear Dr Yim and Dr Dale

I refer to my meeting on 13 November 2024 with representatives of the Australian Medical Association Queensland (AMAQ) and your submission about payroll tax on wages paid by medical practices to general practitioners (GPs).

As you know, during the 2024 State Election campaign, the LNP Government committed to exempting general practitioners from payroll tax, and I acknowledge your advocacy and support for this important initiative to protect bulk billing.

I am pleased to advise you that today, 12 December 2024, I will introduce the Revenue Legislation Amendment Bill 2024 into the Queensland Legislative Assembly. The Bill contains amendments to the *Payroll Tax Act 1971* to introduce an exemption to provide that wages subject to payroll tax do not include wages paid or payable by a medical practice to GPs.

The payroll tax exemption will commence retrospectively from 1 December 2024. To ensure medical practices can access the benefit of the exemption immediately, I have authorised the Commissioner of State Revenue (Commissioner) to administer the exemption under an administrative arrangement, pending the legislative amendments receiving Royal Assent.

I can confirm the exemption will not be subject to minimum bulk billing thresholds, and includes both employed and contracted GPs, and GP registrars.

Attached is a copy of the approved administrative arrangement, which the Commissioner will publish as a Public Ruling on the Queensland Revenue Office (QRO) website today.

Thank you for your support in driving this important reform which will support ongoing access to bulk billed GP services and ease pressure on Queensland's health system.

I encourage you to continue to engage with the QRO on any further relevant matters regarding the implementation of this initiative.

Yours sincerely



**David Janetzki MP**  
**Treasurer**  
**Minister for Energy and Minister for Home Ownership**

12 / 12 / 2024

*Attachment: Administrative arrangement – payroll tax exemption for GPs*

## **ADMINISTRATIVE ARRANGEMENT**

### ***Payroll Tax Act 1971***

#### **Payroll tax exemption for wages paid to general practitioners**

##### **Background**

Under the *Payroll Tax Act 1971* (Payroll Tax Act), payroll tax is imposed on taxable wages paid or payable to employees in a financial year, once the total annual Australian taxable wages of an employer, or group of employers, exceeds the tax-free threshold (currently \$1.3 million).

'Taxable wages' are those wages made liable under section 9 of the Payroll Tax Act. Generally, wages are liable to payroll tax and the mental health levy where there is a nexus with Queensland, as set out in section 9. However, certain wages are specifically exempted.

Part 2, division 2 of the Payroll Tax Act contains exemptions for certain wages, where relevant conditions are met. Where an exemption applies, these wages are not wages liable to payroll tax and the mental health levy, so are not taken into account in determining a person's payroll tax and mental health levy obligations.

The *Taxation Administration Act 2001* (Taxation Administration Act) supports the Payroll Tax Act by providing general provisions relating to administration of payroll tax.

As part of the 2024 State Election campaign, the Liberal National Party made a commitment to exempt payments to general practitioners from payroll tax.

On 5 December 2024, the Treasurer, Minister for Energy and Minister for Home Ownership approved an administrative arrangement to give effect to the Government's commitment, by enabling an exemption from payroll tax to be provided for wages paid or payable to general practitioners from 1 December 2024.

This administrative arrangement enables the Payroll Tax Act to be administered on the terms set out below.

##### **Administrative Arrangement**

1. Section 14(2) of the Payroll Tax Act will be administered on the basis that wages liable to payroll tax and the mental health levy under that Act do not include wages paid or payable by a medical practice to a general practitioner, being any of the following:
  - (a) A medical practitioner who is registered under the Health Practitioner Regulation National Law (Queensland) in the specialty of general practice; or
  - (b) A medical practitioner specified in clause 1.1.3 of part 1 of schedule 1 to the *Health Insurance (General Medical Services Table) Regulations 2021* (Cwlth); or
  - (c) A prescribed medical practitioner as defined in clause 7.1.1 of part 7 of schedule 1 to the *Health Insurance (General Medical Services Table) Regulations 2021* (Cwlth), to the extent the practitioner predominately provides services of the type ordinarily provided by a medical practitioner mentioned in (a).
2. For the purposes of paragraph 1, "medical practice" means a business, other than a hospital, at which services of the type ordinarily provided by a medical practitioner mentioned in paragraph 1(a) are provided, whether the business operates from a premises or remotely (for example, by telephone).
3. To avoid any doubt, other provisions in the Payroll Tax Act and Taxation Administration Act continue to apply, unless their operation is modified by this administrative arrangement. For example, record keeping obligations under Part 9 of the Taxation Administration Act.

##### **Commencement**

This administrative arrangement commences on 1 December 2024.