

MEDIA RELEASE

THUR 23 JANUARY 2025

GP payroll tax exemption to improve access to essential care

The state government's payroll tax exemption gives welcome relief to general practices and will help Queenslanders access affordable, essential healthcare.

At today's parliamentary committee inquiry into the Revenue Legislation Bill 2024, AMA Queensland President Dr Nick Yim spoke to the importance of the exemption for patients and the need to extend this certainty to non-GP specialists.

"I want to thank my predecessor, Immediate Past President Dr Maria Boulton, for her advocacy against this tax on patients. Without her dedication, we may not have achieved this result," AMA Queensland President Dr Nick Yim said.

"The threat of payroll tax has loomed over general practice for the last three years, with countless practices fearing receipt of a retrospective tax bill that would force them to shut their doors.

"Most general practices are family-run businesses facing the same cost-of-living pressures as every small enterprise across our state, and they simply wouldn't survive unless they pass the tax onto their patients.

"That is why AMA Queensland advocated hard for an exemption, and we are pleased the government listened without tying the exemption to bulk-billing like we have seen in other jurisdictions.

"The solution to increasing bulk-billing is increasing Medicare rebates, not taxing practices and their patients.

"Like this Bill, AMA Queensland welcomed the former government's announcement of the amnesty which relieved general practices of the fear of retrospective liability. But our non-GP private specialists need this certainty too.

"Non-GP specialists operate small businesses just like our GPs, and fear receiving retrospective liability notices that would send their practices to the wall.

"All public, and most private, hospitals are already exempt under the Act. Granting non-GP specialists an exemption would alleviate this threat while bringing the private and public medical sector into alignment.

"It is only right that non-GP specialists are given the same certainty as all other medical entities, which is why we urged the Committee to recommend they be included in the exemption provisions in the Bill.

"Practices who have registered for the amnesty also report complying with its disclosure obligations is costly and time-consuming.

"Given the introduction of this Bill, we reiterate our calls to remove these requirements to enable a smooth transition following passage by Parliament."

Background

- General practices have always paid payroll tax on their employees, including receptionists and nurses, but not for GPs because they work independently - essentially renting their workspace from the practice.
- In 2020, a New South Wales tribunal ruled that independent practitioners were employees for payroll tax purposes. Under tax harmonisation arrangements between the states, in 2021 the Queensland Revenue Office began auditing general practices using the new interpretation of the law.
- GPs began receiving unexpected bills, backdated five years and costing into the millions of dollars. These bills were out of the blue and unbudgeted for, as GPs had been fully compliant with the law for decades.
- Queensland was the first Australian state or territory to win an amnesty for GPs from this retrospective tax following AMA Queensland advocacy.
- We were also the first state to issue a new Revenue Office ruling that patients' fees paid directly to a practitioner for that practitioner's services would not be subject to payroll tax.