

MEDIA RELEASE

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Payroll tax decision a win for patients

AMA Queensland Election Priorities 2024

Labor's commitment to exempt general practice from payroll tax is a significant win for patients, ensuring the new tax will not be imposed no matter who wins the 26 October state election.

"AMA Queensland has been calling for this sensible decision since a change in the interpretation of tax laws in late 2021," President Dr Nick Yim said.

"We welcomed the government's amnesty and Public Ruling that payments made directly by a patient to their GP would not incur payroll tax.

"But we were concerned that this ruling would be affected when federal MyMedicare payments are implemented next year, when funding for eligible patients would be tied to practices, not individual doctors.

"We raised our concerns with the Minister and we are pleased that the government has listened.

"This decision to exempt general practice puts an end to uncertainty for these practices and their patients and is a great announcement.

"GPs were concerned that they would be audited when the amnesty ends on 1 July next year.

"General practices would have had no choice but to pass this new tax on to patients. We are in a cost-of-living crisis and now is not the time to make patients pay more to see their doctor.

"We would much prefer to be employing nurses and caring for patients.

"We now call on all parties to extend this exemption to all private medical practices, in the same way that public hospitals and most private hospitals are exempt from payroll tax.

"Every other state and territory government should follow Queensland's lead.

"We also welcome the announcement of the stage two expansion of Redlands Hospital. Redlands is one of the priority areas identified in our Surgical Wait List Roundtable Action Plan released last month.

"We are also calling on the federal government to urgently increase Medicare rebates for patients. The Medicare rebate is woefully low and has not kept pace with cost-of-living for decades."

The payroll tax exemption is part of AMA Queensland's [Election Priorities 2024](#), which lays out a blueprint for all political parties for reform of the Queensland healthcare system.

Background

- Practices pay payroll tax for employees including receptionists and nurses, but not GPs who effectively rent rooms from the practice.
- In 2021, a New South Wales tribunal ruled that tenant GPs were employees, not contractors, and as such were subject to payroll tax.

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- This was a change in interpretation of the laws in place since 2008 and, due to harmonisation arrangements, is now being applied in other states.
 - AMA Queensland members reported receiving unexpected backdated payroll tax bills ranging from tens of thousands to millions of dollars.
 - In February 2023, following concerted AMA Queensland advocacy, the government announced an amnesty for eligible general practices until 30 June 2025 to give them time to restructure their businesses to comply with a new Public Ruling.
 - A second Public Ruling was issued in September 2023 clarifying that payments made directly by the patient to the doctor did not attract payroll tax.
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