

TRANSCRIPT

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Transcript: AMA Queensland President, Dr Nick Yim, ABC Queensland, Drive with Annie Gaffney, Monday 30 September 2024

Subjects: Payroll tax exemption; Medicare rebates

ANNIE GAFFNEY: Getting in to see your GP and to get bulk billed for that visit can be tricky. Today, the Royal College of General Practitioners has been calling on the federal government to increase the Medicare rebate by 20 per cent to make Medicare more sustainable. Rising practice costs are also a real concern for GPs, with the threat of the expansion of their payroll tax obligations one of the concerns that the Australian Medical Association Queensland has flagged with the government that could force them to pass on an increase in gap fees for patients if that tax, which is currently frozen, comes into play. Well, today the LNP have promised to actually scrap this specific payroll tax if they're elected. Dr Nick Yim is a Hervey Bay-based GP and the President of AMA Queensland. Dr Nick, great to have you with us this afternoon. GPs already do pay some payroll tax. Can you explain what this payroll tax is that GPs are worried about?

DR NICK YIM: Yeah. You're absolutely right Annie. General practices already pay payroll tax for our reception staff, nursing staff. But historically, prior to 2021, how the structure works is GPs were leasing their rooms from the medical centre. There was a change in interpretation back in 2021 due to a ruling in New South Wales where unfortunately, many GP practices were slugged with unexpected backdated payroll tax ranging from tens of thousands to a couple of million dollars, which is quite extraordinary. So as you can imagine, that's quite a big shock. And that was due to a change in interpretation. But in 2023, the Queensland Government did provide some clarification and also the amnesty, which is brilliant, to give a bit of stability. But as you alluded to, next year, we're not too sure what's going to happen and we do have some uncertainty with regards to costs.

ANNIE GAFFNEY: So how do they handle this issue of payroll tax that you're talking about in other states? Because you said it all started with a reinterpretation of the law in New South Wales. So what do they do elsewhere?

DR NICK YIM: Queensland is definitely leading the country on this. The current government has done a great job at listening to AMA Queensland and also the RACGP to make those changes. But moving forward we do want certainty. This is the challenge with our system where we have a federal government and a state government. The federal government next year is going to make some changes, such as MyMedicare, which is potentially block-funding to practices and we don't know with the flow of funds how that will implicate payroll tax.

ANNIE GAFFNEY: Now, this is one of AMA Queensland's election priorities. You've been calling on whoever forms government to scrap this type of payroll tax. But the Miles Government, I notice, have labelled it a nonsense that the LNP are saying they are going to get rid of it because they haven't exactly explained how they're going to pay for the shortfall. How concerned are you, whichever way it goes,

that GPs could still be left in limbo with this issue of this payroll tax, or even worse, be hit with an extra tax come July next year when the amnesty is over?

DR NICK YIM: We are concerned and this is the reason why we are calling on all sides of politics to commit to a payroll tax exemption for general practice. At the same time, we know a lot of practices are changing their flow of funds and have been speaking to accountants, solicitors, and some of those costs are in excess of \$2,000 to \$50,000, depending on the size of the practice. So those are costs - potentially \$50,000 - that can employ a nurse. And we'd rather be providing healthcare to our communities.

ANNIE GAFFNEY: If you have to cough up this new payroll tax, how expensive could it be for practices like yours?

DR NICK YIM: Fortuitously, we're a relatively small practice and we haven't actually done the figures. But this is where the uncertainty lies. It could be a couple of dollars per patient consult they might need to add on. But ideally we want to ensure that we can keep that cost of living down for our patients because we know that the ageing population, chronic disease is rising, we do need to ensure that patients are seeing their general practitioners to stay well.

ANNIE GAFFNEY: As I mentioned earlier, the Royal Australian College of GPs are also calling on the federal government to go further towards rebuilding Medicare by increasing the Medicare rebates by 20 per cent for 20 minute and longer consults. Apparently, one in four doctors are bulk billing more patients as a result of last year's tripling of bulk billing incentives that pertain to pensioners and children and healthcare card holders. Is that what you've been seeing happen in practice, Nick? What are your peers telling you?

DR NICK YIM: The tripling of the bulk billing incentive, what we've seen is it's held off practice closures, especially in some areas. But we do know from a long-term perspective that unfortunately it's both the federal and the state governments. It's something where we do need to ensure that there's adequate investment into the general practice sector. We know that by keeping people well and out of hospitals, it prevents ramping, it prevents the need for the higher cost hospital sector. But we also know, unfortunately, over the many, years, there has been significant underfunding in the Medicare rebate.

ANNIE GAFFNEY: I don't know if you can respond to this text that's just come in, Nick. It's from Jacquie and aged pensioner, and she says, *I was interested to hear you talking about GP changes. I saw my GP last week and because it was a long consultation, 30 minutes, I was charged \$188. Okay, I get a credit from Medicare, but it means that it's a \$100 visit.* Can you respond to that?

DR NICK YIM: This is one of the challenges that we face is with the Medicare rebate. Whether it be a short consultation or a long consultation, that rebate unfortunately hasn't kept up with CPI. The rebates were kept frozen for a period of time from the federal government from previous elections and it just hasn't kept up. So this is where that growing disparity is. And this is why we're working on both federal and state governments to ensure that we can hopefully neutralise that to minimise those out-of-pocket expenses. But we are hearing from the public that those expenses are growing.

ANNIE GAFFNEY: So if, for instance, the government did say, okay, sure, we'll increase the Medicare rebate by 20 per cent because Jacquie's had a 30 minute-consult there and that they're calling on rebates to be increased for 20 minutes and longer consults, are you essentially saying that if that happened her out of pocket costs would be less for a consult like that?

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DR NICK YIM: Correct. It's the patient's rebate. So if the government increases the patient's rebate, the out-of-pocket expense will be less.

ANNIE GAFFNEY: Well, let's see what happens. We've got an election looming and that's always a good time to put your wish list on the table and see who can come to the party. Dr Nick Yim, thank you so much.

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