

**Andrew Barr MLA**

Chief Minister

Treasurer

Minister for Climate Action

Minister for Economic Development

Minister for Tourism

Member for Kurrajong

Dear [REDACTED]

Thank you for your correspondence of 26 September 2023 regarding payroll tax.

Payroll tax applies to businesses paying wages in the ACT where the entity's Australia wide wages are above the threshold of \$2 million per year. At \$2 million, the ACT has the highest tax-free threshold of any state or territory, meaning that very few small and medium sized businesses in the Territory are liable for payroll tax.

There have been no recent changes to the payroll tax laws. The ACT Government has not introduced a new tax on medical practices which are treated the same way as any other businesses operating in the ACT for payroll tax purposes. Unless a specific exemption applies, such as for certain charities, payroll tax applies equally to all non-government businesses and industries in the ACT. Payroll tax revenue is used to fund essential services to the Canberra community.

The ACT Revenue Office has published a Revenue Circular on the application of payroll tax laws to medical centre businesses. This is available at: www.revenue.act.gov.au/publications/circulars.

While there have been no recent changes to the law, the Government acknowledges that there appears to be a widespread lack of awareness of the application of the payroll tax laws among medical practices. As a result, the Government has decided to provide significant concessions to general practice medical centres which are not available to any other businesses that are liable for payroll tax, specifically:

- the ACT Government will waive any payroll tax liabilities up until 30 June 2023 for GP medical practices which have not paid payroll tax on payments to contracted GPs. This waiver will ensure GP medical businesses are not subject to retrospective assessments for which they

have not planned. Medical practices will automatically receive this exemption and do not need to apply for it; and

- To provide further time for GP medical practices that support the community with reasonable levels of bulk billing to review their taxation arrangements, the government is offering a further two-year payroll tax amnesty on GP contractor payments. This will allow GP medical practices time to seek advice and implement necessary changes to ensure future payroll tax compliance. This amnesty will be available on GP contractor payments until 30 June 2025 for medical centres that:
 - are bulk billing at least 65 per cent of all patient services;
 - and have registered for MyMedicare.

The two-year amnesty is available to all medical practices that meet the bulk billing threshold, irrespective of whether they had previously paid payroll tax on payments to contracted GPs or not. It also includes GP clinics which begin operations between now and 30 June 2025. In these respects, the ACT exemption goes further than temporary amnesties announced in other States which are restricted to medical practices which previously had not been paying tax they were liable to pay on payments to contracted GPs, and which were in operation at the time the amnesties were announced.

The ACT Revenue Office has published detailed information on the two-year amnesty which is available at: www.revenue.act.gov.au/payroll-tax.

By assisting GP medical centres that are supporting the community with significant levels of bulk billing, the ACT Government is seeking to enhance access to primary healthcare and relieve cost-of-living pressures.

We recognise the vital role that GP medical centres play in our community's well-being. Our commitment to accessible and affordable healthcare for all Canberrans is unwavering. Our GP Payroll Tax relief aligns with our vision by offering medical practices the necessary time and support to ensure compliance while prioritising the needs of our community.

Yours sincerely



Andrew Barr MLA
Chief Minister

16 October 2023

From: "Salisbury, Kim" <Kim.Salisbury@act.gov.au>
Sent: 19/10/2023 5:46 PM
To: "Atkins, Brittany" <Brittany.Atkins@act.gov.au>
Cc: "Treasury DLO" <TreasuryDLO@act.gov.au>; "Miners, Stephen" <Stephen.Miners@act.gov.au>; "Khan, FaheemK" <FaheemK.Khan@act.gov.au>; "Ellis, David" <David.Ellis@act.gov.au>
Subject: RE: Reaching out re: payroll tax and GP clinics

UNOFFICIAL

Hi Britt we met with [REDACTED] representative, [REDACTED] today. It was a long and sometimes detailed technical discussion. In short, they encouraged us to revise our revenue circular and adopt the approach in the revised Queensland revenue circular to relieve cost pressures on the sector. We indicated that we would not be doing so.

Kim Salisbury | Commissioner

Phone: +61 02 6207 0010 | kim.salisbury@act.gov.au

ACT Revenue Office | Chief Minister, Treasury and Economic Development Directorate

PO Box 293 Civic Square ACT 2608 | www.revenue.act.gov.au

From: Atkins, Brittany <Brittany.Atkins@act.gov.au>
Sent: Thursday, October 12, 2023 11:37 AM
To: Salisbury, Kim <Kim.Salisbury@act.gov.au>
Cc: Treasury DLO <TreasuryDLO@act.gov.au>
Subject: FW: Reaching out re: payroll tax and GP clinics

Hi Kim

[REDACTED] is a registered lobbyist representing [REDACTED]
[REDACTED]

I had an initial discussion with [REDACTED] and the queries seem to be mostly related to the advice put out by QLD. Would you be able to arrange a meeting with this group?

If you would prefer, I'm happy to request the direct GP clinic contact details from [REDACTED] so that you can arrange a meeting with them directly.

Happy to discuss

Britt

Brittany Atkins | Senior Adviser

Office of Andrew Barr MLA

Chief Minister | Treasurer | Minister for Climate Action



From: [REDACTED]
Sent: Friday, September 29, 2023 3:14 PM
To: Atkins, Brittany <Brittany.Atkins@act.gov.au>
Subject: Reaching out re: payroll tax and GP clinics

You don't often get email from [REDACTED] [Learn why this is important](#)

Caution: This email originated from outside of the ACT Government. Do not click links or open attachments unless you recognise the sender and know the content is safe. [Learn why this is important](#)

Hi Brittany,
I hope this finds you

well. I understand you're the best person in the office to speak to on treasury-related matters – I was hoping to have a chat with someone in the ACT about payroll tax and GPs, on behalf of our client, [REDACTED]. I know this has been an issue for the ACT Government, as it has in a few other places around the country. [REDACTED]

I was hoping for a few minutes of your time on this to touch base around where the ACT is up to. If you'd prefer, I'm happy to put [REDACTED] in touch with you directly.

If you could give me a call on the details below, or let me know if there's a good time to give you a call, it would be very much appreciated.

Many thanks,

[REDACTED]
Director

[REDACTED]
Level 1, 2-12 Foveaux St
Surry Hills NSW 2010



Brisbane. Canberra. Sydney. Melbourne. Perth. Wellington. Auckland. London.

From: "STEEL" <STEEL@act.gov.au>
Sent: 23/10/2023 9:18 AM
To: "BARR" <BARR@act.gov.au>
Subject: REFERRAL: Request to reverse GP payroll tax

Morning Rhys,

One for you?

Many thanks,
Tee

From: [REDACTED]
Sent: Saturday, October 21, 2023 4:12 PM
To: STEEL <STEEL@act.gov.au>
Subject: Request to reverse GP payroll tax

You don't often get email from [REDACTED] [Learn why this is important](#)

Caution: This email originated from outside of the ACT Government. Do not click links or open attachments unless you recognise the sender and know the content is safe. [Learn why this is important](#)

Dear Mr
Steel,
I am a
patient of

[REDACTED] My GP has advised me that there is now a payroll tax on GPs, and that these costs have to be passed on to the patient's costs of seeing their doctor.

As I basically understand it, payroll tax is applied to an organisation when employees' wages exceed a certain threshold. As GPs are not employees, but independent contractors, how can this tax be applied?

As I am not a business owner I do not pretend to understand the tax, but I do understand that 'independent' GPs are not employees. The fact that the Australian states differ in this rule interpretation means that the cash grab in the ACT goes against the spirit of the law.

As the member for Murrumbidgee I urge you to do everything in your power to exempt contractor GP earnings from payroll tax. My GP and I have a great relationship, and I rely on her immensely to support me [REDACTED]

[REDACTED] I do not seek medical advice as often as I should due to the costs. Please do not make it more difficult for me to see my GP than it already is.

Regards,

[REDACTED]

From: "Salisbury, Kim"
Sent: 07/11/2023 11:24 AM
To: "Khan, FaheemK" <FaheemK.Khan@act.gov.au>
Cc: "Miners, Stephen" <Stephen.Miners@act.gov.au>
Subject: FW: GP Payroll Tax discussions
Attachments: GP Medical centres mail out

UNOFFICIAL

Faheem, the only request for engagement we have had has been from [REDACTED] (AMA) seeking a technical workshop on GP payroll tax for practice managers. Our preferred approach is to write to identified GP clinics making them aware of payroll tax arrangements and asking if they would like to nominate their interest in a workshop (attached email refers).

We have had a number of new payroll tax registrations and our payroll tax call centre has been answering enquiries. As separately reported, we met with [REDACTED] to discuss our GP payroll tax circular.

Kim

Kim Salisbury | Commissioner

Phone: +61 02 6207 0010 | kim.salisbury@act.gov.au

ACT Revenue Office | Chief Minister, Treasury and Economic Development Directorate

PO Box 293 Civic Square ACT 2608 | www.revenue.act.gov.au

From: Khan, FaheemK <FaheemK.Khan@act.gov.au>
Sent: Tuesday, November 7, 2023 6:38 AM
To: Salisbury, Kim <Kim.Salisbury@act.gov.au>
Subject: Fwd: GP Payroll Tax discussions

Kim

Would be helpful to get an update at some point today/

Faheem

Get [Outlook for iOS](#)

From: Khan, FaheemK <FaheemK.Khan@act.gov.au>
Sent: Tuesday, November 7, 2023 6:37:13 AM
To: Bransgrove, Meagen <Meagen.Bransgrove@act.gov.au>; Smith, Kahlia <Kahlia.Smith@act.gov.au>
Cc: Tomlinson, Benjamin <Benjamin.Tomlinson@act.gov.au>
Subject: Re: GP Payroll Tax discussions

Definitely not cutting across. Thanks for the information sharing, very important particularly with this stakeholder. I'll check in with Rev Commissioner today.

Faheem

Get [Outlook for iOS](#)

From: Bransgrove, Meagen <Meagen.Bransgrove@act.gov.au>
Sent: Monday, November 6, 2023 6:28:21 PM

To: Smith, Kahlia <Kahlia.Smith@act.gov.au>; Khan, FaheemK <FaheemK.Khan@act.gov.au>

Cc: Tomlinson, Benjamin <Benjamin.Tomlinson@act.gov.au>

Subject: GP Payroll Tax discussions

Hi Faheem and Kahlia,

At a stakeholder forum this afternoon the AMA flagged with Rachel discussing final details on GP Payroll Tax. I understand that a meeting with the revenue office was being arranged for RSS and then the plan was to meet with AMA.

AMA are very keen to finalise discussions and RSS asked to follow up on when a suitable time might be to talk with them. Apologies if I am cutting across something already in the works, but wanted to flag.

Thanks,

Meg

Get [Outlook for iOS](#)

From: "Salisbury, Kim"
Sent: 26/10/2023 3:04 PM
To: "Khan, FaheemK" <FaheemK.Khan@act.gov.au>
Cc: "Miners, Stephen" <Stephen.Miners@act.gov.au>
Subject: GP Medical centres mail out
Attachments: 20231010 Medical centres mail out - GP version draft (002).doc

UNOFFICIAL

Faheem as discussed briefly yesterday, subject to your views we intend to write to GP medical centres (as per attached).

This explains their tax obligations, the amnesty and offers a technical briefing.

Kim Salisbury | Commissioner

Phone: +61 02 6207 0010 | kim.salisbury@act.gov.au

ACT Revenue Office | Chief Minister, Treasury and Economic Development Directorate

PO Box 293 Civic Square ACT 2608 | www.revenue.act.gov.au

Telephone: (02) 6207 0028
Email: returntaxes@act.gov.au

Practice Name
Practice Address line 1
Practice Address line 2
Via email:

Attention: Practice Manager

Dear Sir/Madam

This letter is to provide information on the application of payroll tax to medical centres businesses which have engaged general practitioners.

Payroll tax

Payroll tax is a tax imposed where an employer's total annual Australia-wide taxable wages exceed \$2 million. Australia-wide wages comprise of ACT taxable wages as well as interstate taxable wages. Payroll tax applies to a broad range of remuneration, and can include, but not limited to gross wages and salaries, bonuses, fringe benefits, superannuation contributions paid to employees and directors, most allowances and payments to certain contractors. Payments to contractors under a 'relevant contract' are liable for payroll tax unless an exemption applies.

You can find further information on payroll tax at www.revenue.act.gov.au/payroll-tax.

A relevant contract will exist between a medical centre business and medical practitioner if all the following apply:

- a. the practitioner carries on a business or practice of providing medical-related services to patients;
- b. in the course of conducting its business, the medical centre:
 - i. provides members of the public with access to medical-related services; and
 - ii. engages a practitioner to supply services to the medical centre by serving patients on its behalf; and
- c. an exemption under section 32(2) of the *Payroll Tax Act 2011* does not apply.

Information on the application of payroll tax to medical centre businesses is contained in *Revenue Circular PTA041 – Relevant Contracts – Medical Centres* which is available on the ACT Revenue Office website at www.revenue.act.gov.au/publications/circulars.

Payroll tax is a self-assessed tax. If your business is liable for payroll tax, you are required to register with the ACT Revenue Office, and lodge returns at an agreed frequency (monthly or annually) and pay the tax at that time.

Payments on relevant contracts up to 30 June 2023

Medical centre businesses with payments to general practitioners under a relevant contract up until 30 June 2023 will receive a waiver of payroll tax. As a result, there will be no retrospective payroll tax assessments on payments to contracted general practitioners (before 30 June 2023). Medical practices which engage general practitioners under relevant contracts will automatically receive this exemption and there is no need to apply for it.

Payments on relevant contracts from 1 July 2023 to 30 June 2025

To support medical practices in the delivery of services to the community including bulk billing, the ACT Government is providing a further temporary payroll tax amnesty until 30 June 2025. The amnesty for the relevant financial year will be available to GP clinics that:

- a. Bulk bill at least 65 per cent of GP attendances;
- b. Have registered for MyMedicare; and
- c. Register to receive the amnesty with the ACT Revenue Office by 29 February 2024.

More information about the amnesty is available at www.revenue.act.gov.au/payroll-tax. Further information on how to register will be available on the ACT Revenue Office website shortly.

Businesses not eligible for the amnesty

If your business does not intend to apply for the amnesty, you are required to register for ACT payroll tax. Information on how to register can be found on our website at www.revenue.act.gov.au/payroll-tax.

Businesses which register by 31 December 2023 will not incur any interest or penalty tax on liabilities in relation to payments to general practitioners prior to their registration date. Businesses which fail to register by 31 December 2023 may be subject to audit activity.

Payroll tax presentation

The ACT Revenue Office may hold a face-to-face or webinar (or both) presentation on the application of payroll tax to medical centre businesses, depending on the level of interest. If you would like to attend such a presentation please send an email to returntaxes@act.gov.au with the subject heading "Payroll tax presentation" and specify your preference for either an in-person or virtual presentation and whether you would like this held during or after business hours. This Office will provide further information to you at the appropriate time.

Yours sincerely

Kim Salisbury
Commissioner for ACT Revenue
ACT Revenue Office
24 January 2024

Portfolio/s: Treasurer

Payroll tax on payments to contractors (including medical professionals)

Talking points:

- Payroll tax is a State and Territory tax on wages that employers pay employees. The tax is calculated based on the amount of wages you pay employees Australia-wide per month.
- Payroll tax is an important tax base for the Territory which funds services of benefit to the Canberra community.
- Payroll tax applies equally to all businesses and all industries in the ACT.
- Not all businesses have to pay payroll tax, however. For employers in the ACT, you have to pay it only if your total taxable wages, or the total taxable wages of the group of employers you belong to, exceed the payroll tax threshold.
- At \$2 million, the ACT has the highest tax free threshold of any state or territory, meaning that very few small and medium sized businesses in the Territory are liable for payroll tax.
- \$6,850 would be raised per \$100,000 of payroll above \$2 million.
- The inclusion of payments to contractors is a long standing feature of the payroll tax laws and there has been no change to those laws. There is no 'new interpretation' of the law.
- Providing an exemption from payroll tax for any particular group introduces inequities between taxpayers and encourage calls for further exemptions to other groups. This would erode the tax base and diminish the fiscal capacity of the Territory to deliver services.
- All taxpayers should be aware of their tax obligations and be complying with the law.
- However, it has been identified that there is a potential widespread lack of awareness of the application of the relevant contract provisions in the Payroll Tax Act among medical practices that engage GPs under contract arrangements.
- In light of this, the ACT Government will waive any payroll tax liabilities up until 30 June 2023 for practices which have not paid payroll tax on payments to contracted general practitioners. This will ensure general practice medical businesses are not subject to retrospective assessments for which they have not planned.
- The government is providing a further temporary payroll tax amnesty until 30 June 2025. The amnesty will be available to GP clinics that:

Cleared as complete and accurate: 08/11/2023
Cleared for public release by: Executive Group Manager Ext:
Contact Officer name: Kim Salisbury Ext:70010
Lead Directorate: Chief Minister, Treasury and
Economic Development
TRIM Ref: CMTEDD2023/3956

- bulk bill at least 65 per cent of GP attendances in a financial year; and
- have registered for MyMedicare.
- The payroll tax amnesty available until 2025 demonstrates the government's commitment to general practice and to improving affordable health care in the Territory.
- The GP Payroll Tax Exemption Proposal offers temporary relief to medical practices while sustaining the tax base and ensuring equitable treatment across industries. By recognising the importance of bulk billing and fostering fair tax treatment, the ACT Government is working towards enhancing healthcare access and alleviating financial burdens for Canberrans seeking medical treatment.

Key Information

- Depending on individual facts and circumstances, businesses which engage contractors to provide services to the public can incur a payroll tax liability for payments made to the contractor.
- This can include payments to doctors operating at a medical centre business but depends on how the arrangements have been established.
- The application of payroll tax to medical professionals has been highlighted by recent court cases decided in favour of state revenue offices and by a circular issued by the Queensland Revenue Office. South Australia, New South Wales, Victoria and the ACT have all issued similar circulars.
- In September 2023, Queensland amended its circular to exclude from payroll tax Medicare payments and patient payments made directly to medical practitioners. No other jurisdiction has amended its circular, leaving Queensland as the only non-aligned jurisdiction on this matter.
- A number of medical professional associations, including the Australian Medical Association and the Royal Australian College of General Practitioners, have called for a legislated payroll tax exemption for medical businesses. The Canberra Liberals have also called for an exemption.
- The Queensland government provided a payroll tax amnesty to June 2025 on payments to general practitioner contractors and South Australia has provided a similar amnesty to June 2024. NSW has paused audit activity and the application of penalties and interest for 12 months.
- All Revenue Offices across Australia have active compliance programs, targeting areas of tax avoidance.

Cleared as complete and accurate: 08/11/2023
Cleared for public release by: Executive Group Manager Ext:
Contact Officer name: Kim Salisbury Ext:70010
Lead Directorate: Chief Minister, Treasury and
Economic Development
TRIM Ref: CMTEDD2023/3956

Correspondence and Engagement

Government ministers and health and treasury officials have made themselves available to discuss the application of payroll tax to general practice and the amnesty that is being provided. Discussions have been held with the AMA, Royal College of General Practitioners, the ACT Capital Health Network and individual practice owners.

The ACT Revenue Office has provided a revenue circular and has extensive information on its website. The Revenue Office also has a payroll tax contact centre to provide information and assist with payroll tax registration. The Revenue Office has written to GP practices to offer a technical workshop to practice managers.

The ACT Government has offered to work with the AMA and general practice medical businesses in the ACT to develop a better understanding of issues of mutual interest including workforce recruitment and retention, bulk billing rates and practice viability. ACT Health officials and the AMA have commenced to scope this project.

Cleared as complete and accurate:	08/11/2023	
Cleared for public release by:	Executive Group Manager	Ext:
Contact Officer name:	Kim Salisbury	Ext:70010
Lead Directorate:	Chief Minister, Treasury and Economic Development	
TRIM Ref:	CMTEDD2023/3956	

From: "BARR" <BARR@act.gov.au>
Sent: 09/11/2023 4:39 PM
To: "reception@ama-act.com.au" <reception@ama-act.com.au>
Subject: Correspondence from the Chief Minister
Attachments: Chief Minister letter to [REDACTED] reception@ama-act.com.au.pdf

Good afternoon

Please find the attached correspondence from the Chief Minister.

Kind regards

Rhys Thompson
Office Manager | Office of Andrew Barr MLA
Chief Minister
Treasurer
Minister for Climate Action
Minister for Economic Development
Minister for Tourism
Member for Kurrajong



**Andrew Barr MLA**

Chief Minister

Treasurer

Minister for Climate Action

Minister for Economic Development

Minister for Tourism

Member for Kurrajong

23/4288

[REDACTED] - President
Australian Medical Association (ACT) Limited
reception@ama-act.com.au

Dear [REDACTED]

Thank you for your letter of 16 September about analysis of general practice viability and payroll tax in the ACT.

I agree with the sentiments expressed in your letter regarding the importance of the government and the medical profession working in a cooperative manner.

The ACT Government is open to working with the AMA and general practice medical businesses in the ACT to develop a better understanding of issues of mutual interest including workforce recruitment and retention, bulk billing rates and practice viability. I understand that discussions between ACT Health officials and the AMA have commenced to scope this project.

In relation to payroll tax on payments to general practitioners, the ACT Government has announced generous concessions, including a complete exemption for payments up to June 2023 and an exemption for a further two years if a practice meets a 65 per cent bulk billing target and registers with MyMedicare. These concessions are not available to other businesses operating in the ACT and the government will not be changing these policy settings.

Over the past four months Government ministers and health and treasury officials have made themselves available to discuss the application of payroll tax to general practice and the amnesty that is being provided. Discussions have been held with the AMA, Royal College of General Practitioners, the ACT Capital Health Network and individual practice owners. The ACT Revenue Office has provided a revenue circular and has extensive information on its website. The Revenue Office also has a payroll tax contact centre to provide information and

assist with payroll tax registration. The Revenue Office will shortly contact GP practices to offer a technical workshop to practice managers.

We are, however, open to exploring other ways in which the government can support general practice, as we recognise the vital role it plays in a high quality, patient centred health system.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Andrew Barr', with a stylized flourish at the end.

Andrew Barr MLA
Chief Minister

9 November 2023

From: "Treasury DLO" <TreasuryDLO@act.gov.au>
Sent: 13/11/2023 1:52 PM
To: "CMTEDD MLO" <CMTEDD.MLO@act.gov.au>
Cc: "Gardiner, Jodie" <Jodie.Gardiner@act.gov.au>
Subject: FW: REFERAL: [REDACTED]
Attachments: scan_teleatha holohan_2023-11-09-11-43-38.pdf
Categories: Lily

OFFICIAL

Hi MLO Team

New Ministerial please to put in TRIM for allocation to: ACTRO

Action required: one CM Response

Timing: 27 November 2023

Additional comments:

NOTE:

All briefing requiring a decision or assent by the Treasurer must be provided to the DLO no less than 5 business days before the critical date.

All correspondence is due to the CMO within 10 business days of this request. Where this timing cannot be met, advise the DLO ASAP and note that an interim email response must be drafted for the CMO to share with the correspondent within 5 business days of this request. This response should specify that the Directorate is considering this request, but it is more complex than would allow for a more timely reply to be provided. The interim response must specify an ETA for a final response on the part of the Minister, and approval for an extension beyond a 10-day turnaround should be sought from the relevant Deputy Under Treasurer.

For all correspondence, please include an email address for the recipient.

If this has been **allocated incorrectly**, or you **require input from another directorate**, please advise **ASAP**.

Regards
Kylie

From: BARR <BARR@act.gov.au>
Sent: Monday, November 13, 2023 1:03 PM
To: Treasury DLO <TreasuryDLO@act.gov.au>
Subject: FW: REFERAL: [REDACTED]

Hi Kylie,

Could we please get a single response prepared for the attached?

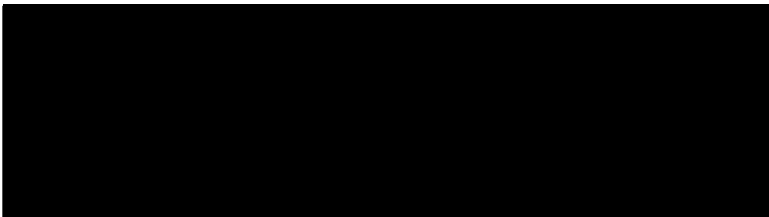
Thanks,
Rhys

From: STEEL <STEEL@act.gov.au>
Sent: Thursday, 9 November 2023 11:45 AM
To: BARR <BARR@act.gov.au>
Subject: REFERAL: [REDACTED]

Hi Rhys,

One for you?

Many thanks,
Tee



1 November 2023

Chris Steel,
GPO Box 1020,
CANBERRA ACT 2601

Dear Mr Steel,

Re: Payroll Tax on independent GPs

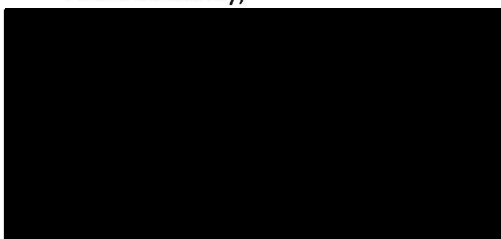
I am a patient of [REDACTED], who told me recently that they are now subject to payroll tax. This came as a surprise. It is now becoming more difficult and expensive to see a GP. They advised me at my last visit that their costs may need to increase again so that they can cover their pay roll tax liability.

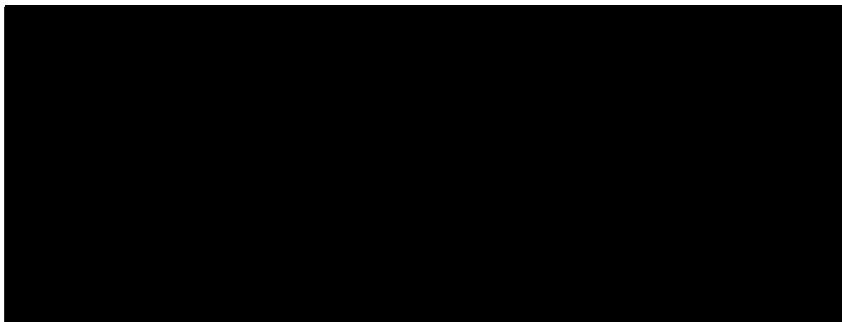
I have always valued my GP, whom I deem to be an essential service to ensure the health and wellbeing of myself and my family. I have been attending [REDACTED]

[REDACTED]

I urge you to do everything within your power to exempt contractor GP earnings from payroll tax. I support my local GP practice and they support me. Surely GPs deserve ACT Government support too.

Yours sincerely,





1 November 2023

Chris Steel,
GPO Box 1020,
CANBERRA ACT 2601

Dear Mr Steel,

Re: Payroll Tax on independent GPs

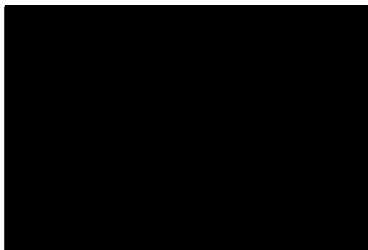
I am a patient of [REDACTED] who told me recently that they are now subject to payroll tax. This came as a surprise. It is now becoming more difficult and expensive to see a GP. They advised me at my last visit that their costs may need to increase again so that they can cover their pay roll tax liability.

I have always valued my GP, whom I deem to be an essential service to ensure the health and wellbeing of myself and my family. [REDACTED]

[REDACTED]

I urge you to do everything within your power to exempt contractor GP earnings from payroll tax. I support my local GP practice and they support me. Surely GPs deserve ACT Government support too.

Yours sincerely,



From: "Khan, FaheemK"
Sent: 15/11/2023 3:23 PM
To: "Salisbury, Kim" <Kim.Salisbury@act.gov.au>
Subject: RE: GP Payroll Tax discussions

Thanks – if your office can let me know what time I might sit in if I can to save the additional effort.

From: Salisbury, Kim <Kim.Salisbury@act.gov.au>
Sent: Monday, November 13, 2023 10:55 AM
To: Khan, FaheemK <FaheemK.Khan@act.gov.au>
Subject: RE: GP Payroll Tax discussions

UNOFFICIAL

Faheem I'm happy to make a time directly with RSSO. I met the Minister at the Hellenic Club function for GPs some months ago. I'll do the meeting and report back to you.
Kim

Kim Salisbury | Commissioner

Phone: +61 02 6207 0010 | kim.salisbury@act.gov.au

ACT Revenue Office | Chief Minister, Treasury and Economic Development Directorate

PO Box 293 Civic Square ACT 2608 | www.revenue.act.gov.au

From: Khan, FaheemK <FaheemK.Khan@act.gov.au>
Sent: Monday, November 13, 2023 9:16 AM
To: Salisbury, Kim <Kim.Salisbury@act.gov.au>
Subject: Fwd: GP Payroll Tax discussions

Hey Kim

Happy to discuss. I'm happy to also attend the briefing. Minister has a few questions.

Faheem

Get [Outlook for iOS](#)

From: Khan, FaheemK <FaheemK.Khan@act.gov.au>
Sent: Monday, November 13, 2023 9:07:29 AM
To: Smith, Kahlia <Kahlia.Smith@act.gov.au>; Bransgrove, Meagen <Meagen.Bransgrove@act.gov.au>
Cc: Tomlinson, Benjamin <Benjamin.Tomlinson@act.gov.au>
Subject: Re: GP Payroll Tax discussions

Why don't we organise a briefing with the Commissioner? I'll ask his office to reach out to your RSSO?

Get [Outlook for iOS](#)

From: Smith, Kahlia <Kahlia.Smith@act.gov.au>
Sent: Monday, November 13, 2023 9:02:36 AM
To: Khan, FaheemK <FaheemK.Khan@act.gov.au>; Bransgrove, Meagen <Meagen.Bransgrove@act.gov.au>
Cc: Tomlinson, Benjamin <Benjamin.Tomlinson@act.gov.au>
Subject: RE: GP Payroll Tax discussions

Thanks for sharing Faheem, much appreciated!

The Minister is still keen to talk with the Revenue Office about the detail – let me know if that's doable and what you need from me?

Thanks
Kahlia

From: Khan, FaheemK <FaheemK.Khan@act.gov.au>
Sent: Friday, November 10, 2023 1:16 PM
To: Smith, Kahlia <Kahlia.Smith@act.gov.au>; Bransgrove, Meagen <Meagen.Bransgrove@act.gov.au>
Cc: Tomlinson, Benjamin <Benjamin.Tomlinson@act.gov.au>
Subject: RE: GP Payroll Tax discussions

I have – apologies for not updating in here sooner.

Yesterday the CM signed the attached to be sent.

Separately the Revenue Commissioner has advised that he will be sending the attached letter to all GP clinics.

I understand that the AMA have advised they no longer wish to proceed with the modelling exercise regarding payroll tax but officials are ready to continue those conversations if the request is made again.

Happy to chat further.

Faheem

From: Smith, Kahlia <Kahlia.Smith@act.gov.au>
Sent: Friday, November 10, 2023 12:20 PM
To: Bransgrove, Meagen <Meagen.Bransgrove@act.gov.au>; Khan, FaheemK <FaheemK.Khan@act.gov.au>
Cc: Tomlinson, Benjamin <Benjamin.Tomlinson@act.gov.au>
Subject: RE: GP Payroll Tax discussions

Hi Faheem! Have you had any luck with the Revenue Commissioner?

Thanks

Kahlia

From: Bransgrove, Meagen <Meagen.Bransgrove@act.gov.au>
Sent: Tuesday, November 7, 2023 7:57 AM
To: Khan, FaheemK <FaheemK.Khan@act.gov.au>; Smith, Kahlia <Kahlia.Smith@act.gov.au>
Cc: Tomlinson, Benjamin <Benjamin.Tomlinson@act.gov.au>
Subject: Re: GP Payroll Tax discussions

Thanks Faheem!

Get [Outlook for iOS](#)

From: Khan, FaheemK <FaheemK.Khan@act.gov.au>
Sent: Tuesday, November 7, 2023 6:37:13 AM
To: Bransgrove, Meagen <Meagen.Bransgrove@act.gov.au>; Smith, Kahlia <Kahlia.Smith@act.gov.au>
Cc: Tomlinson, Benjamin <Benjamin.Tomlinson@act.gov.au>
Subject: Re: GP Payroll Tax discussions

Definitely not cutting across. Thanks for the information sharing, very important particularly with this stakeholder. I'll check in with Rev Commissioner today.

Faheem

Get [Outlook for iOS](#)

From: Bransgrove, Meagen <Meagen.Bransgrove@act.gov.au>

Sent: Monday, November 6, 2023 6:28:21 PM

To: Smith, Kahlia <Kahlia.Smith@act.gov.au>; Khan, FaheemK <FaheemK.Khan@act.gov.au>

Cc: Tomlinson, Benjamin <Benjamin.Tomlinson@act.gov.au>

Subject: GP Payroll Tax discussions

Hi Faheem and Kahlia,

At a stakeholder forum this afternoon the AMA flagged with Rachel discussing final details on GP Payroll Tax. I understand that a meeting with the revenue office was being arranged for RSS and then the plan was to meet with AMA.

AMA are very keen to finalise discussions and RSS asked to follow up on when a suitable time might be to talk with them. Apologies if I am cutting across something already in the works, but wanted to flag.

Thanks,

Meg

Get [Outlook for iOS](#)

From: "BARR" <BARR@act.gov.au>
Sent: 23/11/2023 10:09 AM
To: "Gardiner, Jodie" <Jodie.Gardiner@act.gov.au>
Subject: RE: GP Payroll Tax discussions

Hi Jodie,

I'll let Faheem know, but looking at his diary he may be unable to attend.

Thanks,
Rhys

From: Gardiner, Jodie <Jodie.Gardiner@act.gov.au>
Sent: Thursday, 23 November 2023 10:08 AM
To: BARR <BARR@act.gov.au>
Subject: RE: GP Payroll Tax discussions

UNOFFICIAL

Hi Rhys

This one has been bought forward to next Wednesday 29th November at 12pm. Did you want to let Faheem know incase he wishes to attend. I can forward the invite if you like.

Regards
Jodie

From: BARR <BARR@act.gov.au>
Sent: Thursday, November 16, 2023 12:38 PM
To: Gardiner, Jodie <Jodie.Gardiner@act.gov.au>
Subject: RE: GP Payroll Tax discussions

Hi Jodie,

From what I can see in Faheem's calendar, he appears to be available for the time on the 6/12 and the 11/12.

On the 11/12, he does however have time blocked out from 4:30 onwards.

Thanks,
Rhys

Rhys Thompson
Office Manager | Office of Andrew Barr MLA
Chief Minister
Treasurer
Minister for Climate Action
Minister for Economic Development
Minister for Tourism
Member for Kurrajong



From: Gardiner, Jodie <Jodie.Gardiner@act.gov.au>
Sent: Thursday, 16 November 2023 12:25 PM
To: BARR <BARR@act.gov.au>
Subject: FW: GP Payroll Tax discussions

UNOFFICIAL

Hi Rhys

I am organising a time for the Commissioner to brief Minister Stephen-Smith regarding GP Payroll Tax. Faheem advised that he might attend if he is available. RSSO have provided the below available times, do any of these suit Faheem?

5 December at 2pm
6 December at 3pm
11 December at 4pm

This is obviously not tying Faheem in however if he is free and wants to join he can.

Regards
Jodie

From: Khan, FaheemK <FaheemK.Khan@act.gov.au>
Sent: Wednesday, November 15, 2023 3:23 PM
To: Salisbury, Kim <Kim.Salisbury@act.gov.au>
Subject: RE: GP Payroll Tax discussions

Thanks – if your office can let me know what time I might sit in if I can to save the additional effort.

From: Salisbury, Kim <Kim.Salisbury@act.gov.au>
Sent: Monday, November 13, 2023 10:55 AM
To: Khan, FaheemK <FaheemK.Khan@act.gov.au>
Subject: RE: GP Payroll Tax discussions

UNOFFICIAL

Faheem I'm happy to make a time directly with RSSO. I met the Minister at the Hellenic Club function for GPs some months ago. I'll do the meeting and report back to you.
Kim

Kim Salisbury | Commissioner
Phone: +61 02 6207 0010 | kim.salisbury@act.gov.au
ACT Revenue Office | Chief Minister, Treasury and Economic Development Directorate
PO Box 293 Civic Square ACT 2608 | www.revenue.act.gov.au

From: Khan, FaheemK <FaheemK.Khan@act.gov.au>
Sent: Monday, November 13, 2023 9:16 AM
To: Salisbury, Kim <Kim.Salisbury@act.gov.au>
Subject: Fwd: GP Payroll Tax discussions

Hey Kim

Happy to discuss. I'm happy to also attend the briefing. Minister has a few questions.

Faheem

Get [Outlook for iOS](#)

From: Khan, FaheemK <FaheemK.Khan@act.gov.au>

Sent: Monday, November 13, 2023 9:07:29 AM

To: Smith, Kahlia <Kahlia.Smith@act.gov.au>; Bransgrove, Meagen <Meagen.Bransgrove@act.gov.au>

Cc: Tomlinson, Benjamin <Benjamin.Tomlinson@act.gov.au>

Subject: Re: GP Payroll Tax discussions

Why don't we organise a briefing with the Commissioner? I'll ask his office to reach out to your RSSO?

Get [Outlook for iOS](#)

From: Smith, Kahlia <Kahlia.Smith@act.gov.au>

Sent: Monday, November 13, 2023 9:02:36 AM

To: Khan, FaheemK <FaheemK.Khan@act.gov.au>; Bransgrove, Meagen <Meagen.Bransgrove@act.gov.au>

Cc: Tomlinson, Benjamin <Benjamin.Tomlinson@act.gov.au>

Subject: RE: GP Payroll Tax discussions

Thanks for sharing Faheem, much appreciated!

The Minister is still keen to talk with the Revenue Office about the detail – let me know if that's doable and what you need from me?

Thanks

Kahlia

From: "Khan, FaheemK"
Sent: 04/12/2023 6:27 PM
To: "Salisbury, Kim" <Kim.Salisbury@act.gov.au>
Subject: RE: Meeting with Health Minister

Thanks Kim – appreciate the note.

Faheem

From: Salisbury, Kim <Kim.Salisbury@act.gov.au>
Sent: Wednesday, November 29, 2023 1:21 PM
To: Khan, FaheemK <FaheemK.Khan@act.gov.au>
Subject: Meeting with Health Minister

UNOFFICIAL

I met with the Health Minister and we unpacked the Thomas and Naaz decision, the revenue circular and speculated on how Queensland reached their position.

[REDACTED]

We covered what circumstances a GP would be considered a 'tenant' not a contractor/employee. We also discussed the payroll tax registration process and monthly versus annual payments and our offer to hold a workshop for local GPs.

I noted there have been 23 new medical centre registrations including 4 GP practices. Two of the GP practices have indicated they will meet the 65 per cent bulk billing threshold.

The Minister noted that she is being lobbied to extend the GP amnesty to December 2023.

Kim Salisbury | Commissioner

Phone: +61 02 6207 0010 | kim.salisbury@act.gov.au

ACT Revenue Office | Chief Minister, Treasury and Economic Development Directorate

PO Box 293 Civic Square ACT 2608 | www.revenue.act.gov.au

From: "BARR" <BARR@act.gov.au>
Sent: 11/12/2023 12:06 PM
To: [REDACTED]
Subject: Correspondence from the Chief Minister
Attachments: Chief Minister letter to [REDACTED]

Good afternoon

Please find the attached correspondence from the Chief Minister.

Kind regards

Rhys Thompson

Office Manager | Office of Andrew Barr MLA

Chief Minister

Treasurer

Minister for Climate Action

Minister for Trade, Investment and Economic Development

Minister for Tourism

Member for Kurrajong



**Andrew Barr MLA**

Chief Minister

Treasurer

Minister for Climate Action

Minister for Economic Development

Minister for Tourism

Member for Kurrajong

Dear 

Thank you for your letter of 1 November 2023 to Chris Steel MLA regarding Payroll Tax on contracted General Practitioners. I am responding as responsibility for this matter falls within my portfolio responsibilities.

Payroll tax applies to businesses paying wages in the ACT where the entity's Australia wide wages are above the threshold of \$2 million per year. At \$2 million, the ACT has the highest tax-free threshold of any state or territory, meaning that very few small and medium sized businesses in the Territory are liable for payroll tax.

There have been no recent changes to the payroll tax laws. The ACT Government has not introduced a new tax on medical practices which are treated the same way as any other businesses operating in the ACT for payroll tax purposes. Unless a specific exemption applies, such as for certain charities, payroll tax applies equally to all non-government businesses and industries in the ACT. Payroll tax revenue is used to fund essential services to the Canberra community.

The ACT Revenue Office has published a Revenue Circular on the application of payroll tax laws to medical centre businesses. This is available at: www.revenue.act.gov.au/publications/circulars.

While there have been no recent changes to the law, the Government acknowledges that there appears to be a widespread lack of awareness of the application of the payroll tax laws among medical practices. As a result, the Government has decided to provide significant concessions to

general practice medical centres which are not available to any other businesses that are liable for payroll tax, specifically:

- the ACT Government will waive any payroll tax liabilities up until 30 June 2023 for GP medical practices which have not paid payroll tax on payments to contracted GPs. This waiver will ensure GP medical businesses are not subject to retrospective assessments for which they have not planned. Medical practices will automatically receive this exemption and do not need to apply for it; and
- To provide further time for GP medical practices that support the community with reasonable levels of bulk billing to review their taxation arrangements, the government is offering a further two-year payroll tax amnesty on GP contractor payments. This will allow GP medical practices time to seek advice and implement necessary changes to ensure future payroll tax compliance. This amnesty will be available on GP contractor payments until 30 June 2025 for medical centres that:
 - are bulk billing at least 65 per cent of all patient services;
 - and have registered for MyMedicare.

The two-year amnesty is available to all medical practices that meet the bulk billing threshold, irrespective of whether they had previously paid payroll tax on payments to contracted GPs or not.

The ACT Revenue Office has published detailed information on the two-year amnesty which is available at: www.revenue.act.gov.au/payroll-tax.

By assisting GP medical centres that are supporting the community with significant levels of bulk billing, the ACT Government is seeking to enhance access to primary healthcare and relieve cost-of-living pressures.

We recognise the vital role that GP medical centres play in our community's well-being. Our commitment to accessible and affordable healthcare for all Canberrans is unwavering. Our GP Payroll Tax relief aligns with our vision by offering medical practices the necessary time and support to ensure compliance while prioritising the needs of our community.

Yours sincerely



Andrew Barr MLA
Chief Minister

11 December 2023