



ACT
Government

Chief Minister, Treasury and
Economic Development

Freedom of Information Disclosure Log Publication Coversheet

The following information is provided pursuant to section 28 of the *Freedom of Information Act 2016*.

| Application Details | |
|--|--|
| Ref. No. | CMTEDDFOI 2023-408 |
| Date of Application | 1 December 2023 |
| Date of Decision | 1 February 2024 |
| Processing time (in working days) | 37 |
| Fees | Waived |
| Decision on Access | Partial Release |
| Information Requested (summary) | Information regarding GP Payroll tax. |
| Publication Details | |
| Original application | <input checked="" type="checkbox"/> Published <input type="checkbox"/> N/A |
| Decision notice | <input checked="" type="checkbox"/> Published <input type="checkbox"/> N/A |
| Documents and schedule | <input checked="" type="checkbox"/> Published <input type="checkbox"/> N/A |
| Decision made by Ombudsman | N/A |
| Additional information identified by Ombudsman | N/A |
| Decision made by ACAT | N/A |
| Additional information identified by ACAT | N/A |

From: [REDACTED]
To: [CMTEDD FOI](#)
Subject: FOI request for ACT Revenue Office matching scheme
Date: Friday, 1 December 2023 8:59:19 AM

Good morning CMTEDD FOI team,

On behalf of [REDACTED] I write to request, under the *Freedom of Information Act 2016*, copies of the following documents:

- All correspondence between the Chief Minister's office and CMTEDD regarding GP Payroll Tax since the 8th of August 2023,
- All documents and correspondence regarding the decision to exempt GP practices who bulk-billed 65% of patients.
 - Including any consultation, media requests and Ministerial briefs.
- Any complaints made to CMTEDD, the Chief Minister's Office or the ACTRO from GP's or patients (with names redacted) in relation to increases to fees as a result of payroll tax.
- If you have any clarifying questions please feel free to send me an email or call.

Thanks,





ACT
Government

Chief Minister, Treasury and
Economic Development

Our ref: CMTEDDFOI 2023-408



FREEDOM OF INFORMATION REQUEST

I refer to your application under section 30 of the *Freedom of Information Act 2016* (the Act), received by the Chief Minister, Treasury and Economic Development Directorate (CMTEDD) on 1 December 2023 in which you sought access to records that are held by CMTEDD, specifically:

- *All correspondence between the Chief Minister's office and CMTEDD regarding GP Payroll Tax since the 8th of August 2023,*
- *All documents and correspondence regarding the decision to exempt GP practices who bulk-billed 65% of patients.*
 - o *Including any consultation, media requests and Ministerial briefs.*
- *Any complaints made to CMTEDD, the Chief Minister's Office or the ACTRO from GP's or patients (with names redacted) in relation to increases to fees as a result of payroll tax.*

Authority

I am an Information Officer appointed by the Director-General of CMTEDD under section 18 of the Act to deal with access applications made under Part 5 of the Act.

I am a tax officer for the purposes of the *Taxation Administration Act 1999* (TAA), and a delegate of the Commissioner of ACT Revenue for the purpose of section 96 of the TAA.

Timeframes

In accordance with section 40 of the Act, CMTEDD is required to provide a decision on your access application by 1 February 2024.

Decision on access

Searches were completed for relevant documents and 100 documents were identified that fall within the scope of your request.

I have decided to grant full access to the 29 documents and partial access to 71 documents.

The documents identified for full or partial disclosure have been itemized in **Document Schedules A, B, and C**. These schedules provide a short description of each document that falls within the scope of your request, and the access decision for each of those documents.

The itemized documents are provided in corresponding document binders referred to as **Document Bundles A, B, and C**.

Pursuant to section 54 of the Act, my access decisions are detailed in the following statement of reasons.

Statement of Reasons

In reaching my access decision, I have taken the following into account:

- the Act,
- the TAA, particularly the secrecy provisions under Division 9.4; and
- the *Human Rights Act 2004*, and
- the content of the documents that fall within the scope of your request.

Exemptions

Schedule 1, section 1.3

Under Schedule 1, section 1.3 of the Act, information is taken to be contrary to the public interest to disclose, where disclosure is prohibited by law. In particular, sections 1.3(6) and (7) provide:

(6) Any other information the disclosure of which is prohibited by a secrecy provision of the law.

(7) In this section:

secrecy provision — a provision of a law is a secrecy provision if it —

(a) applies to information obtained in the exercise of a function under the law; and

(b) prohibits people mentioned in the provision from disclosing the information, whether the prohibition is absolute or subject to stated exceptions or qualifications.

Division 9.4 of the TAA contains a secrecy provision as defined in Schedule 1, sections 1.3(6) and (7) of the Act.

Any information that falls within the meaning of ‘information obtained under or in relation to the administration of a tax law’ (**tax information**) in section 95(2) of the TAA is prohibited by law from disclosure. Sections 96 and 97 allow for disclosure of tax information in certain circumstances, however, I am satisfied that none of these circumstances apply where documents or information have been redacted or withheld from release.

Having considered Document 50, I am satisfied that the parts withheld (redacted) comprise tax information that relate to an individual taxpayer that would allow for the identification of their personal tax affairs, directly or indirectly. As such, the redacted sections of this document are subject to the secrecy provisions in the TAA and are not appropriate for disclosure.

Schedule 1, section 1.6

(1) Information—

- (a) that has been submitted, or that a Minister proposes to submit, to Cabinet for its consideration and that was brought into existence for that purpose; or*
- (b) that is an official record of Cabinet; or*
- (c) that is a copy of, or part of, or contains an extract from, information mentioned in paragraph (a) or (b); or*
- (d) the disclosure of which would reveal any deliberation of Cabinet (other than through the official publication of a Cabinet decision).*

I have considered certain documents (identified in Document Schedule A) to be contrary to the public interest to disclose under Schedule 1 section 1.6 of the Act on the basis that they contain cabinet information. In my view the information contained in these documents are not purely factual information.

These documents contain information that were submitted or proposed to be submitted to Cabinet for its consideration and were brought into existence specifically for that purpose. The disclosure of any of the information in these documents would involve the disclosure of a deliberation of Cabinet.

Schedule 2 Factors to be considered when deciding the public interest

Where information is not taken to be contrary to the public interest to disclose under Schedule 1 of the Act, I must consider whether the information would nonetheless be, on balance, contrary to the public interest to disclose in accordance with the factors identified in section 17 and Schedule 2.

In doing so, I am mindful of section 9, which provides that the Act is to be administered with a pro-disclosure bias and discretions given under it be exercised as far as possible in favour of disclosing government information.

Schedule 2 section 2.1 Factors favouring disclosure

Taking into consideration the information contained in the documents found to be within the scope of the request, I have identified that the following public interest factors are relevant to determine if release of the information contained within these documents is within the 'public interest'.

Schedule 2, section 2.1(a)(ii)

- (ii) contribute to positive and informed debate on important issues or matters of public interest;*

Releasing internal documents and correspondence in possession allow for transparency of government action. The disclosure of these documents is in line with the 'public interest test' and pro-disclosure intent of the Act, and the principles of open government promoted by the ACT Government. I am satisfied that this factor favouring disclosure carries weight, and that it would be appropriate to disclose information on the basis that it would inform the community of important issues of public interest.

Schedule 2, section 2.1(a)(viii)

- (viii) reveal the reason for a government decision and any background or contextual information that informed the decision*

This factor is of sufficient weight, noting that a number of documents relate to internal communications, which could assist in providing context and background that may help reveal the reason for government decisions and provide insight into government decision making.

Schedule 2 section 2.2 Factors favouring nondisclosure

I consider the factors in Schedule 2 section 2.2 mentioned below to be relevant factors in favour of nondisclosure in the public interest.

In making my decision, I have had regard to section 9 (pro-disclosure) and to section 50(1) which provides that to the extent possible, an applicant should be given access to a copy of a record with contrary to the public interest information deleted.

Schedule 2, section 2.2(a)(ii)

(ii) prejudice the protection of an individual's right to privacy or any other right under the Human Rights Act 2004;

Having reviewed the documents, I consider that the protection of an individual's right to privacy or to any other human right especially in the course of dealings with and within the ACT Government is a significant factor. The parties involved have provided their personal information for the purposes of working with the ACT Government. Some individuals have also supplied in correspondence and documents, descriptions of their personal circumstances that include sensitive information and personal health information.

Individuals are entitled to expect that their information will be dealt with in a manner that protects their personal privacy and rights under human rights and health records legislation.

Having applied the test outlined in section 17 of the Act and deciding that release of individuals' personal information and circumstances is not in the public interest, I have chosen to redact this information.

Schedule 2 section 2.2(a)(x)

(x) prejudice intergovernmental relations;

ACT Revenue works collaboratively with other jurisdictions including sharing analysis and ideas on administering harmonized tax laws.

Revealing the correspondence between intergovernmental agencies will prejudice intergovernmental relations as it is likely to reveal communications made in confidence resulting in possible loss of trust and cooperation between governments. In this situation, I am satisfied that redacting the information that I believe is not in the public interest to disclose will ensure that the intent of the Act is met, while still providing access to the majority of the information comprised in the relevant documents held by ACT Revenue that are within the scope of the request.

Schedule 2 section 2.2(a)(xi)

(xi) prejudice trade secrets, business affairs or research of an agency or person;

A factor favouring non-disclosure is that disclosure could reasonably be expected to prejudice trade secrets, business affairs or research of any agency or person. This factor protects third parties and ensures the Act is not used to inadvertently obtain commercial information about the business interests of competitors, or to obtain a competitive edge over others.

Schedule 2 section 2.2(a)(xvi)

(xvi) prejudice a deliberative process of government;

This factor can apply where disclosure of information could reasonably be expected to prejudice a deliberative process of government. 'Deliberative process' is not defined in the Act, however, it has been described as a 'thinking process' of government.

In considering whether disclosure of information would be appropriate I am mindful of the need to weigh up government's ability to function effectively and efficiently, with the provision of information that could enhance public participation and transparency of government activities.

In this situation preliminary information has been generated within ACT government for internal consideration before a decision can be made to progress recommendations.

On balance, I consider that in respect of that information that forms part of Document 16, the importance of an agency being able to consider, deliberate on, and ultimately arrive at an informed decision, outweighs the benefit to the public that would result from the release of this information. Accordingly, I have made a decision to redact this information from the document.

Charges

Pursuant to *Freedom of Information (Fees) Determination 2018*, processing charges may be applicable for access applications. Under section 107(2)(e) of the Act, however, a fee must be waived if the applicant is a member of the Legislative Assembly. As such, a fee has not been determined for this request.

Online publishing – Disclosure Log

Under section 28 of the Act, CMTEDD maintains an online record of access applications called a disclosure log. Your original access application and my decision will be published on the CMTEDD disclosure log. Your personal contact details will not be published. You may view CMTEDD disclosure log at <https://www.cmtedd.act.gov.au/functions/foi/disclosure-log-2024>.

Ombudsman Review

My decision on your access request is a reviewable decision as identified in Schedule 3 of the Act. You have the right to seek Ombudsman review of this outcome under section 73 of the Act within 20 working days from the date of receipt of my decision.

If you wish to request a review of my decision you may use this form [Applying for an Ombudsman Review](#) to ensure you provide all of the required information. Alternatively, you may write to the Ombudsman:

The ACT Ombudsman
GPO Box 442
CANBERRA ACT 2601
Email: actfoi@ombudsman.gov.au

ACT Civil and Administrative Tribunal (ACAT) Review

Under section 84 of the Act, if a decision is made under section 82(1) on an Ombudsman review, you may apply to the ACAT for review of the Ombudsman decision. Further information may be obtained from the ACAT at:

ACT Civil and Administrative Tribunal
15 Constitution Avenue
GPO Box 370
Canberra City ACT 2601
Telephone: (02) 6207 1740
<http://www.acat.act.gov.au/>

Should you have any queries in relation to your request please contact me by telephone on 02 6205 9626 or email ACTRO.FOI@act.gov.au.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Shu-Yen Ee', with a long horizontal stroke extending to the right.

Shu-Yen Ee
Information Officer
Revenue Management
Chief Minister, Treasury and Economic Development Directorate
1 February 2024

DOCUMENT SCHEDULE A



ACT
Government

Chief Minister, Treasury and
Economic Development

FREEDOM OF INFORMATION REQUEST SCHEDULE

| NAME | WHAT ARE THE PARAMETERS OF THE REQUEST | Reference No. |
|------|--|---|
| | <ul style="list-style-type: none"> - <i>All correspondence between the Chief Minister's office and CMTEDD regarding GP Payroll Tax since the 8th of August 2023,</i> - <i>All documents and correspondence regarding the decision to exempt GP practices who bulk-billed 65% of patients.</i> <ul style="list-style-type: none"> o <i>Including any consultation, media requests and Ministerial briefs.</i> - <i>Any complaints made to CMTEDD, the Chief Minister's Office or the ACTRO from GP's or patients (with names redacted) in relation to increases to fees as a result of payroll tax.</i> | <p style="text-align: center;">CMTEDDFOI 2023-408</p> |

| Document No | Page number | Description | Date | Status | Reason for Exemption | Online Release Status |
|-------------|-------------|-----------------------|------------|---------|--|-----------------------|
| 1 | 1 | Email | 10/08/2023 | Partial | Sch.2, s.2.2(a)(ii) Freedom of Information Act 2016 | Yes |
| 2 | 2-7 | Email and attachment | 10/08/2023 | Partial | Sch.1, s.1.6 Freedom of Information Act 2016 | Yes |
| 3 | 8 | Email | 11/08/2023 | Partial | Sch.1, s.1.6 Freedom of Information Act 2016 | Yes |
| 4 | 9-11 | Email | 11/08/2023 | Partial | Sch.2, s.2.2(a)(ii) Freedom of Information Act 2016 | Yes |
| 5 | 12-22 | Email and attachments | 16/08/2023 | Partial | Sch.1, s.1.6 and Sch.2, s.2.2(a)(ii) Freedom of Information Act 2016 | Yes |
| 6 | 23 | Email | 17/08/2023 | Full | - | Yes |
| 7 | 24-25 | Brief | 21/08/2023 | Partial | Sch.1, s.1.6 Freedom of Information Act 2016 | Yes |

DOCUMENT SCHEDULE A

| Document No | Page number | Description | Date | Status | Reason for Exemption | Online Release Status |
|-------------|-------------|-----------------------|------------|---------|--|-----------------------|
| 8 | 26 | Email | 23/08/2023 | Partial | Sch.1, s.1.6 Freedom of Information Act 2016 | Yes |
| 9 | 27 | Email | 23/08/2023 | Full | - | Yes |
| 10 | 28-33 | Email | 23/08/2023 | Partial | Sch.1, s.1.6 Freedom of Information Act 2016 | Yes |
| 11 | 34-37 | Brief | 24/08/2023 | Partial | Sch.1, s.1.6 Freedom of Information Act 2016 | Yes |
| 12 | 38-42 | Email and attachment | 24/08/2023 | Full | - | Yes |
| 13 | 43-51 | Email and attachments | 24/08/2023 | Full | - | Yes |
| 14 | 52-58 | Email and attachments | 24/08/2023 | Full | - | Yes |
| 15 | 59-60 | Email and attachment | 24/08/2023 | Partial | Sch.2, s.2.2(a)(ii) Freedom of Information Act 2016 | Yes |
| 16 | 61-65 | Email | 24/08/2023 | Partial | Sch.2, s2.2(a)(ii) and (xvi) Freedom of Information Act 2016 | Yes |
| 17 | 66-68 | Email and attachment | 25/08/2023 | Full | - | Yes |
| 18 | 69-82 | Email | 25/08/2023 | Full | - | Yes |
| 19 | 83-84 | Email | 25/08/2023 | Partial | Sch.2, s.2.2(a)(ii) Freedom of Information Act 2016 | Yes |
| 20 | 85-91 | Email and attachments | 25/08/2023 | Full | - | Yes |
| 21 | 92-98 | Email and attachments | 25/08/2023 | Full | - | Yes |
| 22 | 99-111 | Email and attachments | 25/08/2023 | Full | - | Yes |
| 23 | 112-115 | Email and attachments | 25/08/2023 | Full | - | Yes |
| 24 | 116-128 | Email and attachments | 25/08/2023 | Full | - | Yes |
| 25 | 129-136 | Email and attachments | 25/08/2023 | Full | - | Yes |

DOCUMENT SCHEDULE A

| Document No | Page number | Description | Date | Status | Reason for Exemption | Online Release Status |
|-------------|-------------|-----------------------|------------|---------|--|-----------------------|
| 26 | 137-140 | Email and attachments | 25/08/2023 | Full | - | Yes |
| 27 | 141 | Email | 25/08/2023 | Full | - | Yes |
| 28 | 142-149 | Email and attachments | 25/08/2023 | Full | - | Yes |
| 29 | 150-157 | Email and attachments | 25/08/2023 | Full | - | Yes |
| 30 | 158-159 | Email | 28/08/2023 | Partial | Sch.1, s.1.6 Freedom of Information Act 2016 | Yes |
| 31 | 160 | Email | 28/08/2023 | Partial | Sch.2, s.2.2(a)(ii) Freedom of Information Act 2016 | Yes |
| 32 | 161-177 | Email and attachments | 28/08/2023 | Full | - | Yes |
| 33 | 178-179 | Email | 28/08/2023 | Full | - | Yes |
| 34 | 180-181 | Email | 28/8/2023 | Partial | Sch.2, s.2.2(a)(ii) Freedom of Information Act 2016 | Yes |
| 35 | 182 | Email | 29/08/2023 | Partial | Sch.2, s.2.2(a)(ii) Freedom of Information Act 2016 | Yes |
| 36 | 183 | Email | 29/08/2023 | Partial | Sch.2, s.2.2(a)(ii) Freedom of Information Act 2016 | Yes |
| 37 | 184 | Email | 29/08/2023 | Partial | Sch.2, s.2.2(a)(ii) Freedom of Information Act 2016 | Yes |
| 38 | 185-186 | Email | 29/08/2023 | Partial | Sch.2, s.2.2(a)(ii) Freedom of Information Act 2016 | Yes |
| 39 | 187-190 | Email | 29/08/2023 | Partial | Sch.2, s.2.2(a)(ii) and (xi) Freedom of Information Act 2016 | Yes |

From: "Khan, FaheemK"
Sent: 10/08/2023 3:10 PM
To: "Holmes, Lisa" <Lisa.Holmes@act.gov.au>; "Hocking, Stuart" <Stuart.Hocking@act.gov.au>; "Miners, Stephen" <Stephen.Miners@act.gov.au>
Subject: FW: The Australian - Seeking response on GP claims ACT gov is refusing to negotiate on payroll tax, deadline 3pm today
Importance: High

Welcome any views.

Faheem Khan


There are a number of mistruths in reporting regarding the application of payroll tax to GP clinics.

There has been no change in policy and no change in legislation.

While recent court decisions have come as a surprise to GP clinics, this is not a policy change on contractor provisions by any State or Territory Government.

Given these recent court decisions, the ACT Revenue Office has been investigating the application of payroll tax on GP clinics. The ACT Revenue Office has not raised any debts with GP clinics.

It is not possible in the ACT – with the highest annual tax-free threshold for Payroll Tax at \$2 million – to establish a reasonable scenario that would have the claimed impacts on costs for patients.

The Government remains committed to improving bulk-billing rates in the ACT and investing in primary health care interventions.

An amnesty for large GP clinics operating above the annual tax-free threshold in the ACT, would be unfair on those who have already self-assessed and have been paying Payroll Tax in the ACT.

The Government does not have any intention to pursue retrospective application for GP clinics.

The Government will make further announcements later this month.

I hope you're well.

I'm getting in touch because I'm writing a story about claims from the RACGP and AMA that the ACT government is yet to confirm its stance on the issue of payroll tax for GP clinics.

I'm looking for an update on what the ACT government's stance is on this issue, will it commit to granting ACT doctors amnesty?

I need a response by 3pm today as the story is for tomorrow's paper.

As Treasurer is Mr Barr the minister responsible?

Thanks,

From: "Miners, Stephen" <Stephen.Miners@act.gov.au>
Sent: 11/08/2023 4:45 PM
To: "Hocking, Stuart" <Stuart.Hocking@act.gov.au>; "Holmes, Lisa" <Lisa.Holmes@act.gov.au>;
"Ellis, David" <David.Ellis@act.gov.au>
Subject: BRF to Treasurer - approve Cabinet Submission for circulation updated_RH
Attachments: BRF to Treasurer - approve Cabinet Submission for circulation updated_RH.docx

OFFICIAL

Stuart

Attached is the version including proposed additions from Health (in track changes with some minor tweaking by me).

I am ok with this (noting I have made the source clear in a few spots) but let me know what you think.

Thanks

Stephen

Chief Minister, Treasury and Economic Development Directorate

SENSITIVE: CABINET

| | | |
|-------------------------|---|--------------------------------------|
| To: | Treasurer | Tracking No.: CMTEDD2023/1925 |
| Date: | 11 August 2023 | |
| From: | Deputy Under Treasurer Economic, Revenue and Insurance, Coordinator-General for Housing | |
| Subject: | Cabinet submission – Assembly motion | |
| Critical Date: | 12 August 2023 | |
| Critical Reason: | To allow time for Cabinet consideration on 23 August 2023 | |

- UT

Recommendations

That you:

1. Approve the draft Cabinet Submission on the Government response to the Assembly motion ‘Payroll tax exemption proposal – General Practices’ for exposure circulation.

Approved / Not Approved / Please Discuss

Andrew Barr MLA/...../.....

| |
|----------------------------|
| Minister’s Office Feedback |
|----------------------------|

SENSITIVE: CABINET

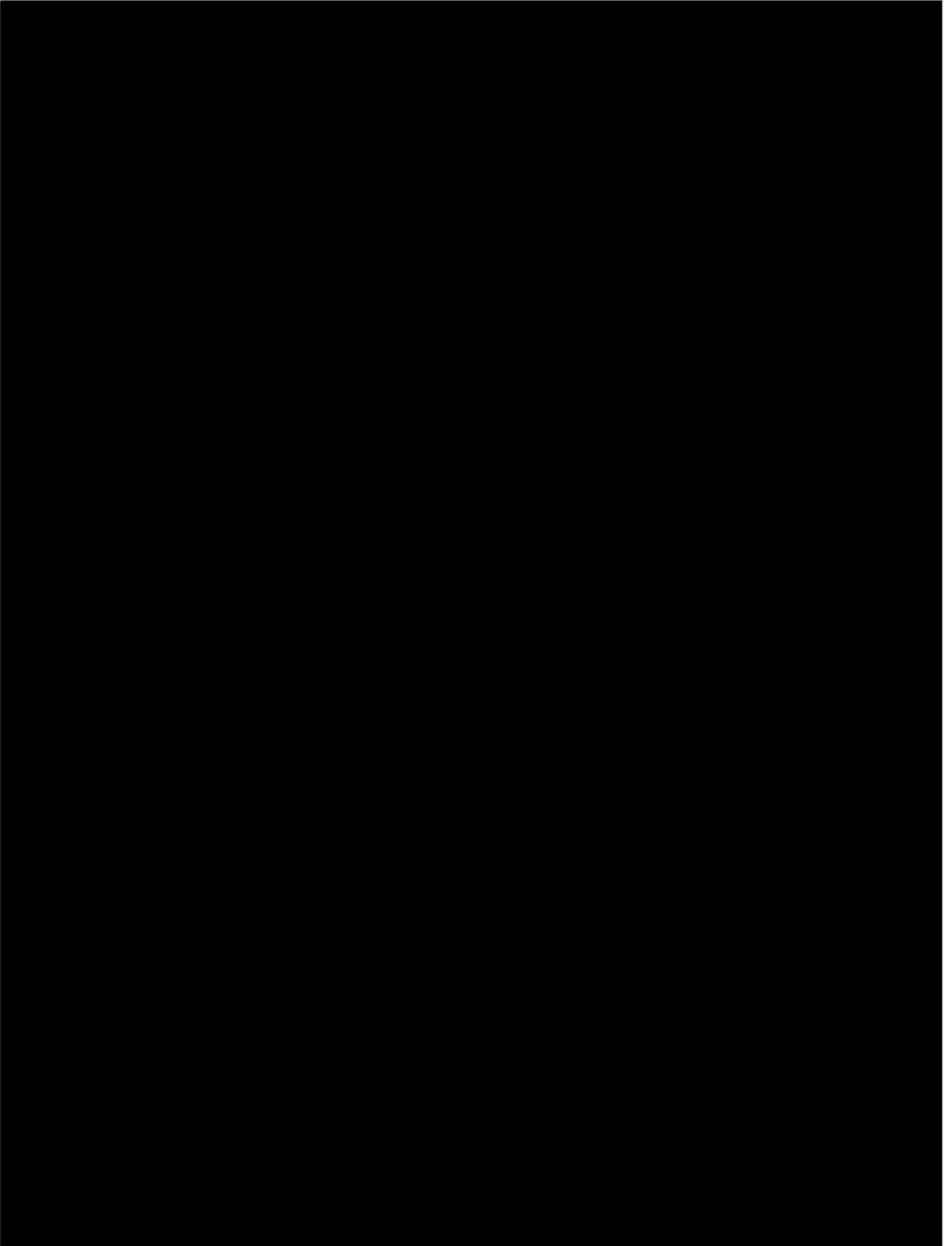
Background

1. An assembly motion on 10 May 2023 called on the ACT Government to investigate the impact of payroll tax on General Practitioner medical centres and update the Assembly by the last sitting day of August (Thursday 31 August).
2. The draft cabinet submission has been updated since the version provided to your office on 1 August 2023, as a result from your discussions with the Australian Medical Association and Royal College of General Practitioners on 9 August 2023 and subsequent directions from your office.

Issues

3. Depending on their individual arrangements, payments to General Practitioners operating at a healthcare centre business may attract payroll tax. This has received increased attention in recent years due to a number of court decisions regarding healthcare industries found in favour of state revenue offices.
4. The Queensland Revenue Office issued a ruling in December 2022 on the application of payroll tax to medical centres. Subsequently, in February 2023, the Queensland Government announced an amnesty period for payroll tax on payments to General Practitioners to June 2025.
5. In June 2023, South Australia issued a revenue circular (taking the same position as Queensland) and also provided an amnesty for payments to General Practitioners to June 2024.

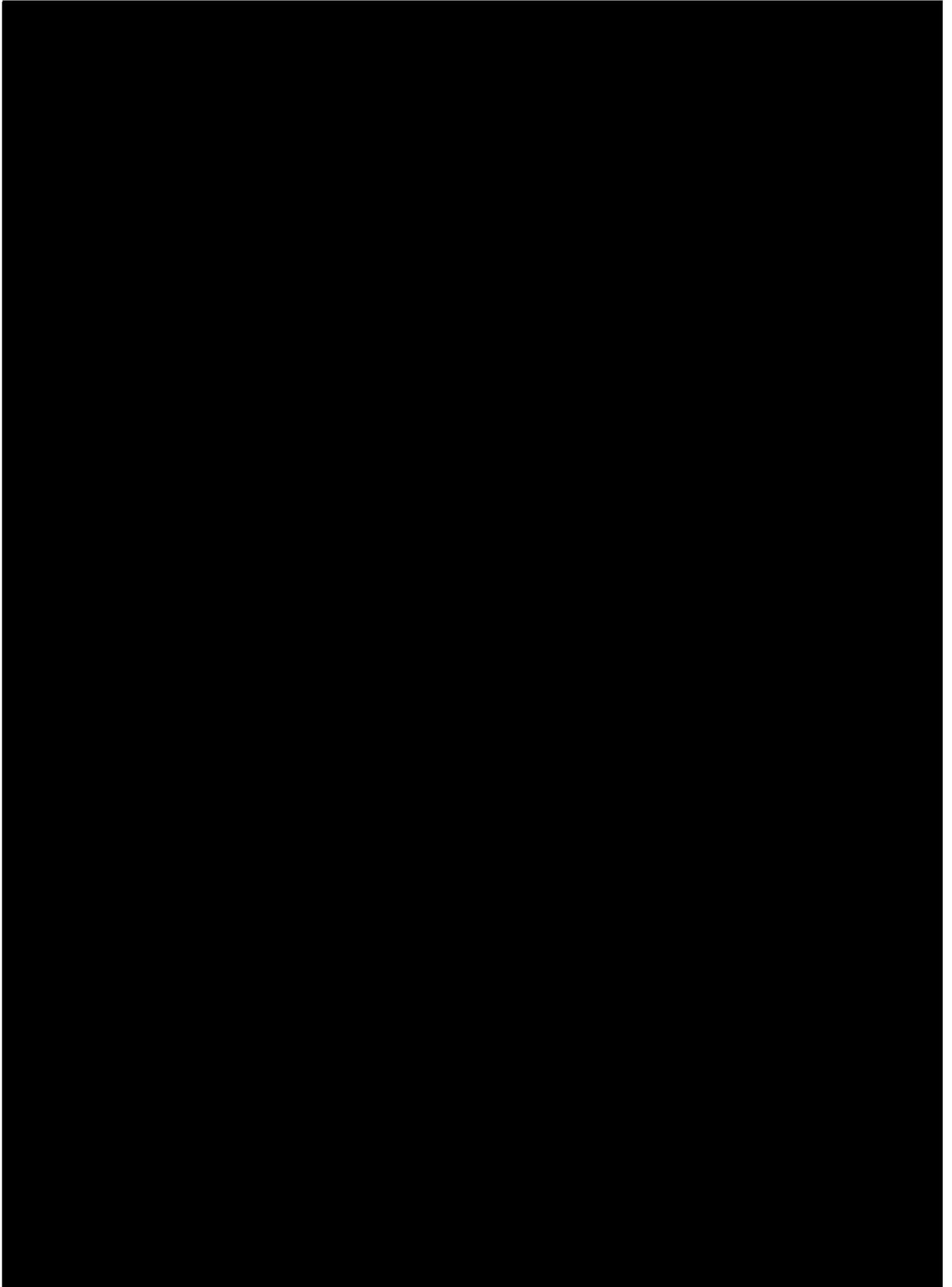
SENSITIVE: CABINET



SENSITIVE: CABINET

Tracking No.: CMTEDD2023/1925

SENSITIVE: CABINET



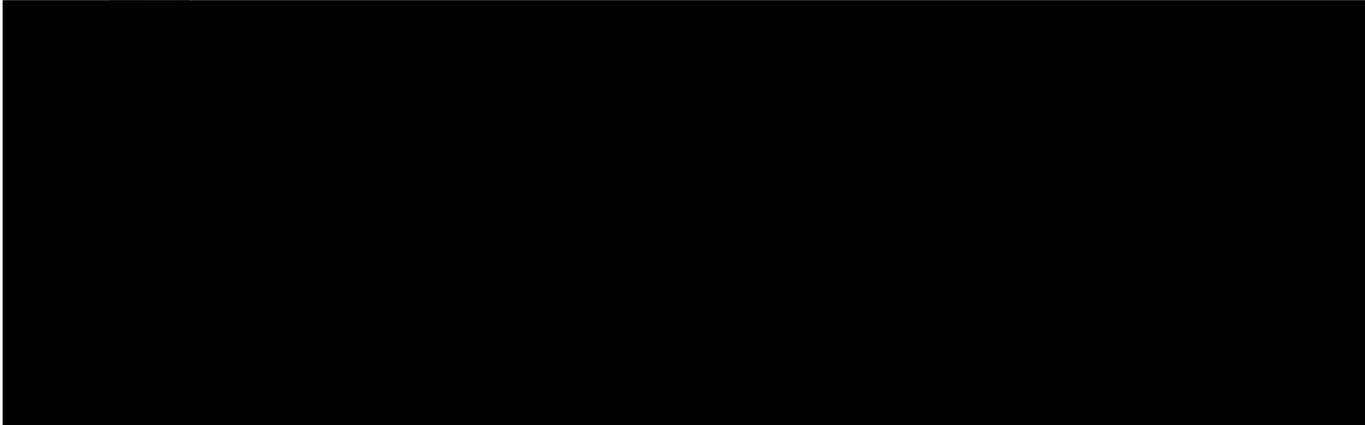
SENSITIVE: CABINET

Tracking No.: CMTEDD2023/1925

22. ACT Health Directorate notes that the 2021-22 bulk billing rates in ACT ~~are~~ were as follows:

- a. 37.6 per cent% patients ~~are~~ were always bulk billed;
- b. 23.2 per cent% of patients ~~are~~ were bulk billed 50 to <100 per cent% of the time;
- c. 18.7 per cent% ~~are~~ were bulk billed >0 to <100 per cent% of the time; and
- d. 20.6 per cent% ~~are~~ were never bulk billed.

23. In addition, in quarter 3 2022-23, 52.7 per cent% of all people were bulk billed in the ACT compared to 69.2 per cent this was lower than in the same quarter in 2021-22 at 69.2%



25. — N/A

Communications, media and engagement implications

25. N/A.

Signatory Name: Stephen Miners

Phone: x75071

Action Officer: David Ellis

Phone: x54811

Attachments

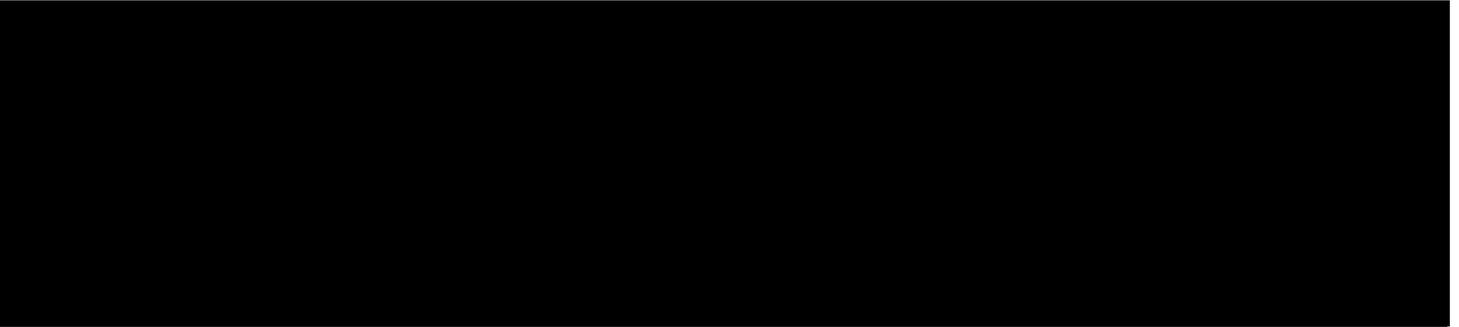
| Attachment | Title |
|--------------|---|
| Attachment 1 | Draft Cabinet submission [REDACTED] Government response to Assembly motion 'Payroll tax exemption proposal – General Practices' |

From: "Holmes, Lisa" <Lisa.Holmes@act.gov.au>
Sent: 11/08/2023 1:44 AM
To: "Miners, Stephen" <Stephen.Miners@act.gov.au>
Cc: "Ellis, David" <David.Ellis@act.gov.au>
Subject: HPE Content Manager CMTEDD - Brief Container : CMTEDD2023/1925 : GOVERNMENT & STAKEHOLDER RELATIONS - Government & Assembly Matters - Payroll Tax exemption for General Practice - Assembly resolution of 10 May 2023 - CMTEDD TSY
Importance: High

CABINET

Morning Stephen

The attached TRIM container provides the current versions of the updated brief, cabsub and attachments.



I've also made it explicit in the updated brief that the Cabsub has been updated from that initially provided to the Office as a result of the AMA and RACGP meeting and subsequent direction provided by the office.

For further discussion please given the meeting with Health this afternoon and any other discussion you might have managed with Robyn .

Thanks
Lisa

-----< HPE Content Manager record Information >-----

Record Number : CMTEDD2023/1925
Title : GOVERNMENT & STAKEHOLDER RELATIONS - Government & Assembly Matters - Payroll Tax exemption for General Practice - Assembly resolution of 10 May 2023 - CMTEDD TSY

From: "Holmes, Lisa" <Lisa.Holmes@act.gov.au>
Sent: 11/08/2023 9:24 AM
To: "Ellis, David" <David.Ellis@act.gov.au>
Subject: FW: URGENT - GP Payroll tax etc

CABINET

From: Hudson, Robyn (Health) <Robyn.Hudson@act.gov.au>
Sent: Friday, 11 August 2023 5:53 AM
To: Douglas, Kirsty (Health) <Kirsty.Douglas@act.gov.au>; Miners, Stephen <Stephen.Miners@act.gov.au>; Holmes, Lisa <Lisa.Holmes@act.gov.au>
Cc: Choy, Melinda (Health) <Melinda.A.Choy@act.gov.au>; Ceramidas, Dagmar (Health) <Dagmar.Ceramidas@act.gov.au>; Cassells, Brigid (Health) <Brigid.Cassells@act.gov.au>
Subject: RE: URGENT - GP Payroll tax etc

OFFICIAL

Thank you so much for this Kirsty.

I like the idea of aligning the social benefit to programs that are also aligned to work underway. I realise it is more nuanced, however it is measurable and will directly benefit a number of the population who the instrument of bulk billing would be looking to capture.

I am in HCEF from 8 to 2 I think today and will then be in airports etc but very happy to step out and indeed answer emails through the day.

R

Robyn Hudson

Deputy Director General | ACT Health Directorate
 Email | robyn.hudson@act.gov.au | Mobile: +61 437 197 220
 6 Bowes Street, Philip, ACT 2606
health.act.gov.au

From: Douglas, Kirsty (Health) <Kirsty.Douglas@act.gov.au>
Sent: Thursday, 10 August 2023 8:43 PM
To: Miners, Stephen <Stephen.Miners@act.gov.au>; Holmes, Lisa <Lisa.Holmes@act.gov.au>; Hudson, Robyn (Health) <Robyn.Hudson@act.gov.au>
Cc: Choy, Melinda (Health) <Melinda.A.Choy@act.gov.au>; Ceramidas, Dagmar (Health) <Dagmar.Ceramidas@act.gov.au>; Cassells, Brigid (Health) <Brigid.Cassells@act.gov.au>
Subject: URGENT - GP Payroll tax etc
Importance: High

OFFICIAL

Hi Stephen, Lisa and Robyn,

Thank you for the meeting and heads up re likely outcomes of the meeting between Chief Minister and RACGP/AMA re the responses regarding the payroll tax. I hope I wasn't too forthright in my response – I was a little surprised – I have tried to sit back and think through the issues and have dotted down some points for you ending with some positive suggestions for a way forward

- Firstly I think the proposal to waiver any retrospective application of amounts owing up until 30th of June 2023 will be very well received and is in line with what has happened with several other states and Territories and endorse this decision noting it will need to be carefully worded to ensure no confusion
- Secondly I suspect the request for exemption was an ambit claim by the AMA and RACGP as the legal precedent is clear from the recent test cases and appeals. I can understand and support that this request for exemption is rejected by the ACT government.
- However I do think we need to give careful consideration to applying an amnesty re the application of payroll tax to include GP contractors until June 2025. The advantage of this is that it would provide GP businesses time to carefully consider the impacts of the payroll tax on their current models of business including its flow on effects. A few of the larger corporate practices will have the in house business staff to be able to model and respond to this quickly. For most GP owned practices this will have to be done by the GPs owners and practice managers on top of their current challenges which are numerous. Remember the decision on what to bill the patient lies with the individual doctors (this is quite clear and it is not that long ago that practices that were dictating billing practice to their contractor doctors were taken to the ACCC for restrictive trade practices) and not with the practice. However the payroll tax is being imposed on the practice. The roll on effects of this are not simple. Individual GPs, if they are deemed to be salaried for the purpose of the payroll tax will then go the practice and say – if I am on salary then why am I not receiving holiday pay and sick leave? This will require a significant reworking of every single contract for the 600 + doctors in the ACT.

GP practices have had to be extraordinarily flexible and adaptative particularly over the last 5 years. They have (like us all) had to manage COVID but for GP this has meant a significant shift in model of consultations, a massive challenge to vaccinate the population in a short time frame (and yes the majority of vaccine were delivered by GPs not by WIC/vaccination clinics or pharmacies) and they are now facing a much anticipated and welcome primary care reform agenda from the Federal government which is uncertain but heralding major shifts in how GP is funded. Already they are having to initiate the registrations for the MyMedicare program which is still lacking clarity on goals, timelines and outcomes. General practices more than many sectors are fatigued and they are struggling financially – they are already short of doctors but the hospital is now pulling many of their nurses back away from GP by offering significant financial incentives and receptionists are similarly difficult to find. The practices and practice owners are probably suffering even more than the individual practitioners.

- The suggestion raised at our meeting that the Chief Minister would like to see some social benefit of providing an 18month amnesty is interesting however the suggestion that it would be granted only if GPs bulk billing rates increase upto 75% is, in my opinion both unwise, unachievable and may actually backfire to heighten anger and frustration at the government and get GPs to double down on their current clear retreat from bulk billing. This would be borne by many of us but would adversely affect the most vulnerable.

I have included as promised some extracted medicare data – ACT's bulk billing rates have been historically much lower than the rest of Australia's for decades. This is likely due to a number of factors including the fact we have a socioeconomically advantaged population and a relative GP shortage (worse than remote NSW in terms of FTE/100,000) – the ACT GPs who are here are very much in demand and they can charge a gap payment and know they will still have full books. Many people in the ACT can afford to pay a gap. Having said that the data also shows that they still bulk billing a significantly greater percentage of patients in the <16 yrs age group and in the >65years age group (ie groups who have less ability to pay). Additionally the bulk billing rates for the Extended primary care item nos (which are some of the more realistically reimbursed item nos for complex long consults in those with chronic disease) are up in the 90% range. Importantly it is worth noting that around Australia and in ACT the bulk billing rates have declined quite significantly and rapidly in the last 15 months – see attached sheet. This has been in response to real costs increasing and there no longer being any fat in the system – a number of practices have gone under in the ACT in recent times including the National Health Coop which was bulk billing and did go bust despite considerable ACT Government financial support. You will not turn this around by offering the practices an 18 month waiver – and importantly trying this risks being seen as ineffective bribe causing resentment.

Affordability of health care is a critical issue and is one of the underpinning of good access - most GPs are aware of this and are committed to providing high quality and accessible care and have spent many years trying to minimise the price rises. The federal freezing of the GP item no rebates for 12 years had a significant impost on GP. At a recent GP forum held by David Pocock many local GPs expressed their frustration that they were expected to bulk bill but there was wide acceptance that their private practitioner allied health and non GP specialists were not. They wanted the ACT government to tackle the affordability across the whole private health sector not just the GPs. The GPs gap payments in ACT are significantly lower than the gap payments for allied health and for non GP specialist care.

- If the Chief Minister wants to see some clear social good coming from the offer of a 18month amnesty (which was not deemed necessary by the Qld government) then I suggest we take a more nuanced approach that will align with some of the other current aims and programs in primary care. Some suggestions would be that the amnesty is offered to practices if they do one of;
 - actively engaged in training new GP registrars and taking medical students on clinical placements – we already have a mechanism in place through the EISGP which would allow us to quickly identify these practices and we know that good exposure in training increases the chance that we attract people to GP in the longer term. (Our GP workforce shortage is currently predicted to worsen significantly in the next 10 years and it takes 10 years to train a GP so we have to start taking action now)
 - actively engaging with the ACT primary care pilot program which needs good engagement from GPs to be viable – This is a key focus of ACTHD and is federally funded to try to reduce pressure on EDs
 - are engaging with The Centre for Women’s’ Health Matters pilot program on improving access to free medical abortion services – again an initiative of this government that is reliant on GP practice involvement
 - are registered with the MyMedicare program – active engagement with the emerging Federal primary care reform initiatives.

These four options are all current and active program trying to improve primary care and or primary care workforce. This would mean the waiver would be offered but at the same time we would be encouraging GPs to work with existing programs of improvement. There are other programs we could potentially include but these give you the flavour of things that I think might work.

I am very happy to talk some more - I know this is urgent and can make myself available before 10am or between 3 and 5pm tomorrow afternoon if it is helpful – I can be contacted on my mobile phone [REDACTED]

Kind regards

Kirsty

Prof Kirsty Douglas MBBS, DipRACOG, MD, FRACGP, Grad Cert HE

Director of Academic Unit of General Practice

Office of Professions, Leadership and Education, Health Systems Policy and Research Division | **ACT Health**

Directorate

&

Professor of General Practice

Australian National University Medical School

College of Health and Medicine | **Australian National University**

[REDACTED] 2606 <https://health.act.gov.au>

[REDACTED] | Level 2, Bldg 4, Hospital Road, Canberra Hospital ACT

I acknowledge the Ngunnawal people as traditional custodians of the ACT and recognise any other people or families with connection to the lands of the ACT and region. I acknowledge and respect their continuing culture and the contribution they make to the life of this city and this region.

From: "Gardiner, Jodie" <Jodie.Gardiner@act.gov.au>
Sent: 16/08/2023 10:40 AM
To: "Thomas, Rowena" <Rowena.Thomas@act.gov.au>
Cc: "Ellis, David" <David.Ellis@act.gov.au>
Subject: GP Payroll Tax Cab Sub - urgent review
Attachments: Joint Brief - RSS signed and annotated.PDF, 1. joint brief - CM SIGNED.PDF

OFFICIAL

Hi Row

The DLO has advised that the attached Cab Sub is approved by the Treasurer and Minister for Health for Lodging however Minister Stephen-Smith has annotated the brief and would like us to review and action.

'Happy for this to go out

Thank you'

Lisa has asked that I pass this onto Stephen as he has had discussions with the Health DDG (Robyn Harding, I think). Stephen may also want to talk to Stuart regarding this as well. Lisa is however, is happy to speak with Stephen once she lands if he would like?

Please let me know if Stephen would like to speak with Lisa today or if there is anything he would like the Revenue Office to do.

Regards
Jodie

Jodie Gardiner | Executive Officer | Office of the Commissioner

Phone: 02 6207 0009 | jodie.gardiner@act.gov.au

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

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

Please note that I do not work Friday and finish at 2.30pm Wednesday and Thursday

Managing work flexibly – I may send and respond to emails out of hours – there is no expectation on you to do the same.

Acknowledgement of Country



I acknowledge the Ngunnawal people as traditional custodians of the ACT and recognise any other people or families with connection to the lands of the ACT and region. I acknowledge and respect their continuing culture and the contribution they make to the life of this city and this region.

Chief Minister, Treasury and Economic Development Directorate

SENSITIVE: CABINET

To: Treasurer
Minister for Health

Tracking No.: CMTEDD2023/1925

Date: 11 August 2023**From:** Deputy Under Treasurer | Economic, Revenue and Insurance, Coordinator-General for Housing**Subject:** Cabinet submission – Assembly motion**Critical Date:** 14 August 2023**Critical Reason:** To allow time for Cabinet consideration on 23 August 2023

- UT

Recommendations

That you:

1. Approve the draft Cabinet Submission on the Government response to the Assembly motion 'Payroll tax exemption proposal – General Practices' for exposure circulation.

Approved / Not Approved / Please Discuss

Andrew Barr MLA/...../.....

Minister's Office Feedback

Rachel Stephen-Smith MLA  15/8/23

Minister's Office Feedback

Happy for this to go out 

Thank you

SENSITIVE: CABINET

Tracking No.: CMTEDD2023/1925

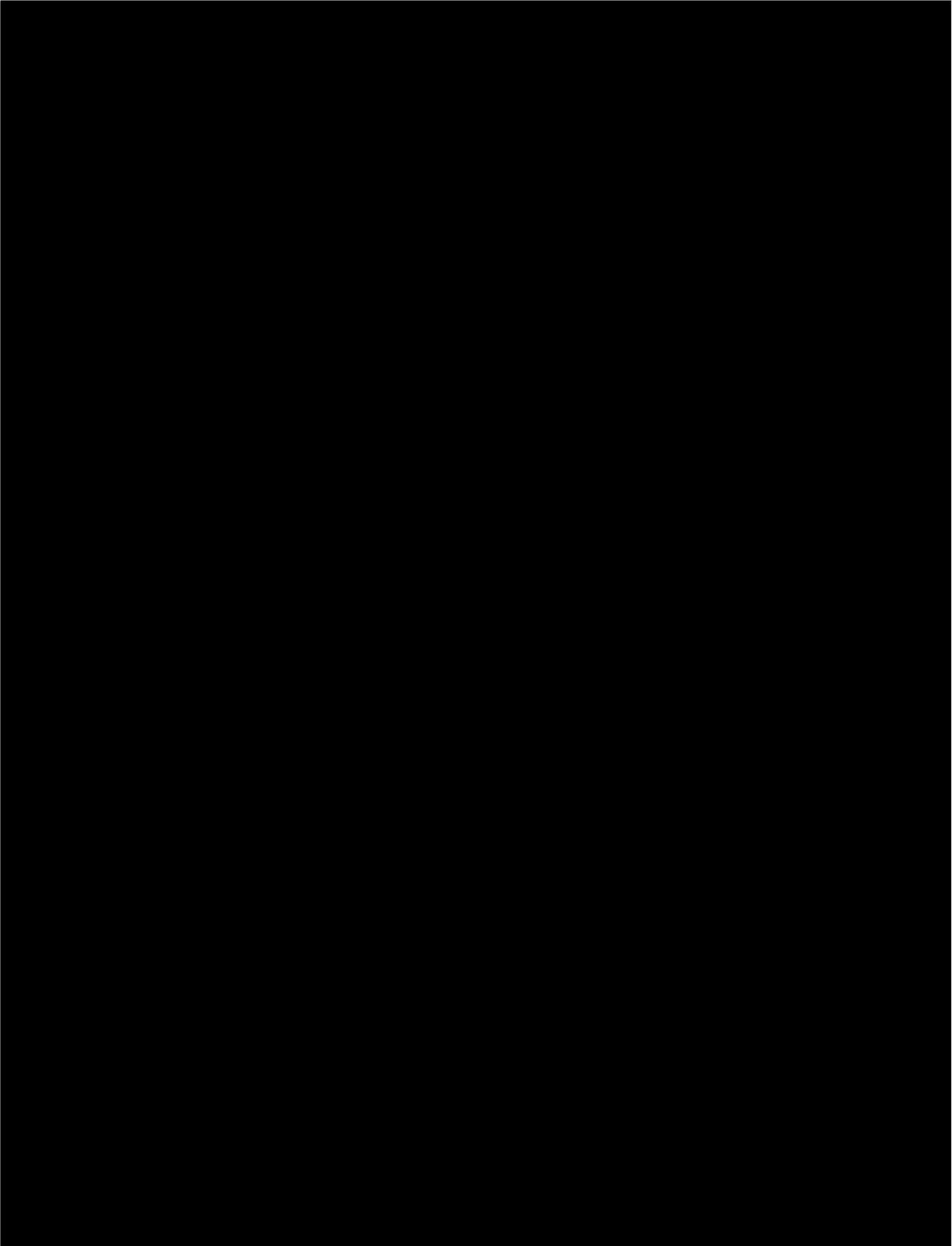
Background

1. An assembly motion on 10 May 2023 called on the ACT Government to investigate the impact of payroll tax on General Practitioner medical centres and update the Assembly by the last sitting day of August (Thursday 31 August).
2. The draft cabinet submission has been updated since the version provided to your office on 1 August 2023, as a result from your discussions with the Australian Medical Association and Royal College of General Practitioners on 9 August 2023 and subsequent directions from your office.

Issues

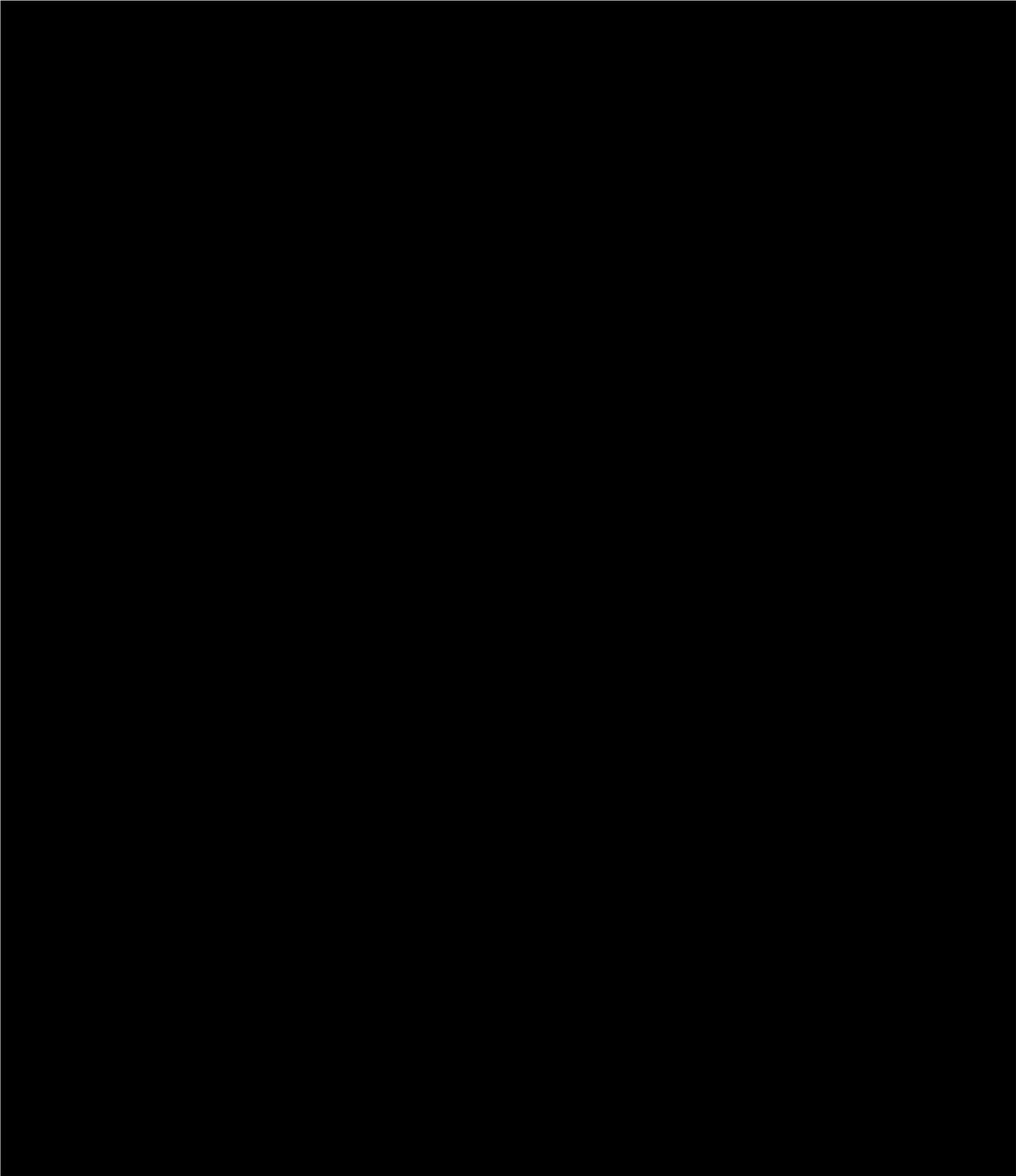
3. Depending on their individual arrangements, payments to General Practitioners operating at a healthcare centre business may attract payroll tax. This has received increased attention in recent years due to a number of court decisions regarding healthcare industries found in favour of state revenue offices.
4. The Queensland Revenue Office issued a ruling in December 2022 on the application of payroll tax to medical centres. Subsequently, in February 2023, the Queensland Government announced an amnesty period for payroll tax on payments to General Practitioners to June 2025.
5. In June 2023, South Australia issued a revenue circular (taking the same position as Queensland) and also provided an amnesty for payments to General Practitioners to June 2024.

SENSITIVE: CABINET



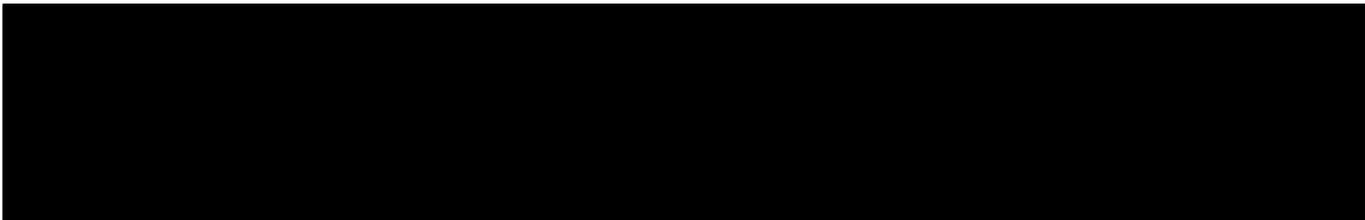
SENSITIVE: CABINET

Tracking No.: CMTEDD2023/1925



Work Health and Safety

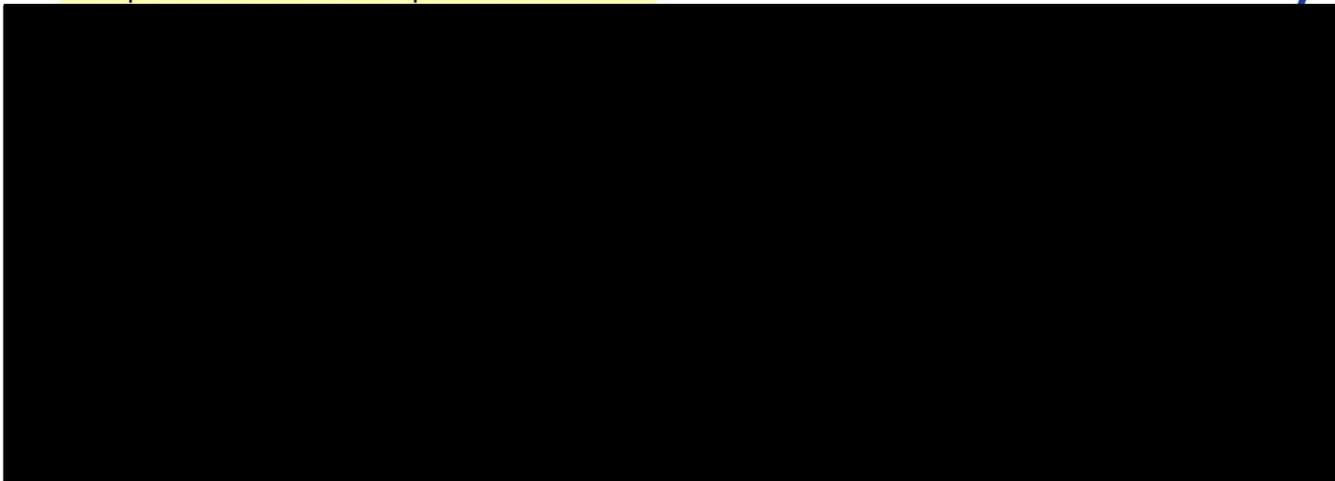
20. N/A



22. ACT Health Directorate notes that the 2021-22 bulk billing rates in ACT were as follows:

- a. 37.6 per cent patients were always bulk billed;
- b. 23.2 per cent of patients were bulk billed 50 to 100 per cent of the time;
- c. 18.7 per cent were bulk billed 0 to 100 per cent of the time; and
- d. 20.6 per cent were never bulk billed.

23. In quarter 3 2022-23, 52.7 per cent of all people were bulk billed in the ACT compared to 69.2 per cent in the same quarter in 2021-22.



Communications, media and engagement implications

25. N/A.

Signatory Name: Stephen Miners

Phone: x75071

Action Officer: David Ellis

Phone: x54811

Attachments

| Attachment | Title |
|--------------|---|
| Attachment 1 | Draft Cabinet submission [redacted] Government response to Assembly motion 'Payroll tax exemption proposal – General Practices' |



Chief Minister, Treasury and Economic Development Directorate

SENSITIVE: CABINET

To: Treasurer
Minister for Health

Tracking No.: CMTEDD2023/1925

Date: 11 August 2023

From: Deputy Under Treasurer | Economic, Revenue and Insurance, Coordinator-General for Housing

Subject: Cabinet submission – Assembly motion

Critical Date: 14 August 2023

Critical Reason: To allow time for Cabinet consideration on 23 August 2023

- UT

Recommendations

That you:

1. Approve the draft Cabinet Submission on the Government response to the Assembly motion ‘Payroll tax exemption proposal – General Practices’ for exposure circulation.

Approved / Not Approved / Please Discuss

Andrew Barr MLA *Andrew Barr* 15 / 8 / 23

Minister’s Office Feedback

Rachel Stephen-Smith MLA/...../.....

Minister’s Office Feedback

SENSITIVE: CABINET

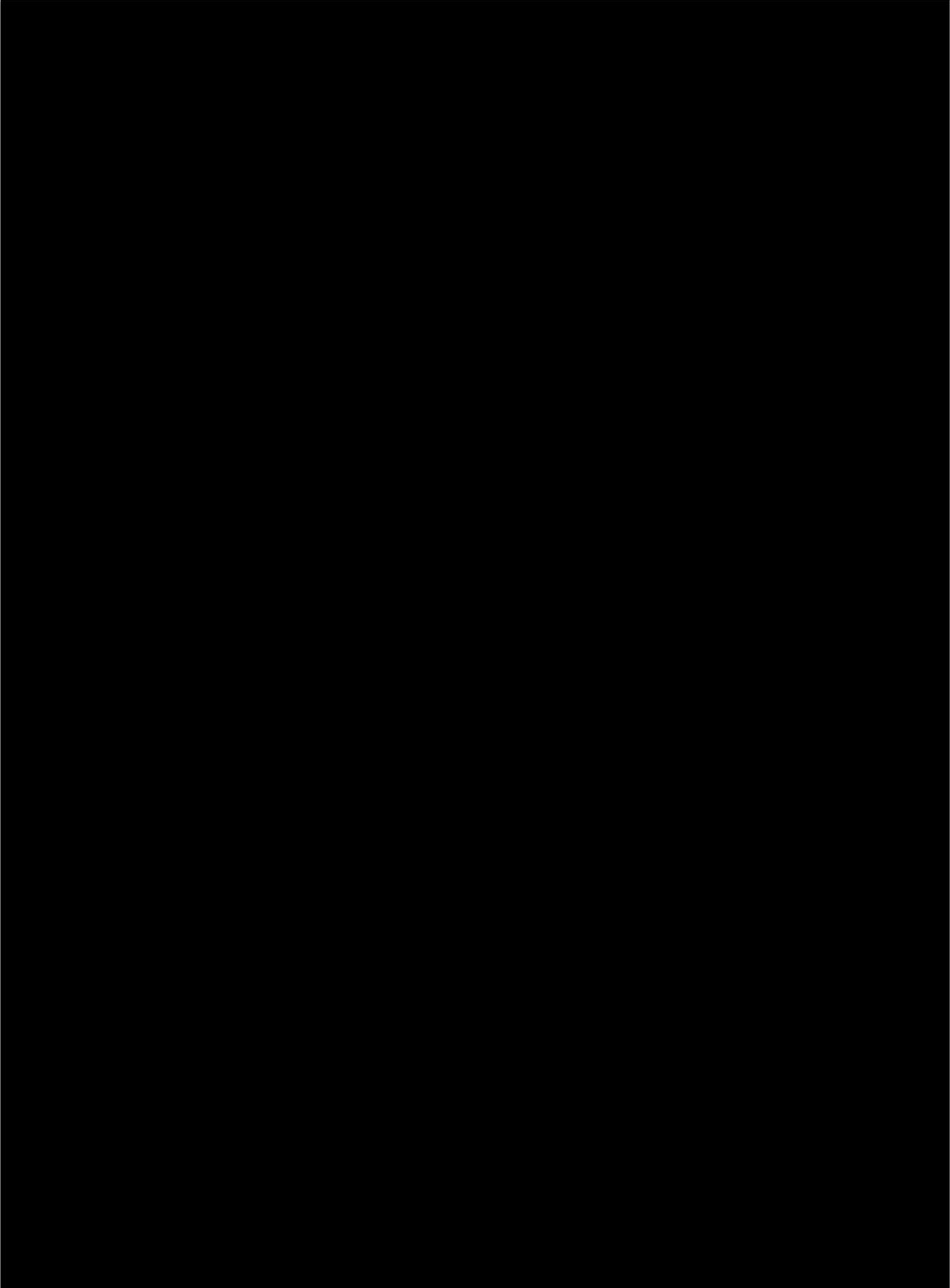
Background

1. An assembly motion on 10 May 2023 called on the ACT Government to investigate the impact of payroll tax on General Practitioner medical centres and update the Assembly by the last sitting day of August (Thursday 31 August).
2. The draft cabinet submission has been updated since the version provided to your office on 1 August 2023, as a result from your discussions with the Australian Medical Association and Royal College of General Practitioners on 9 August 2023 and subsequent directions from your office.

Issues

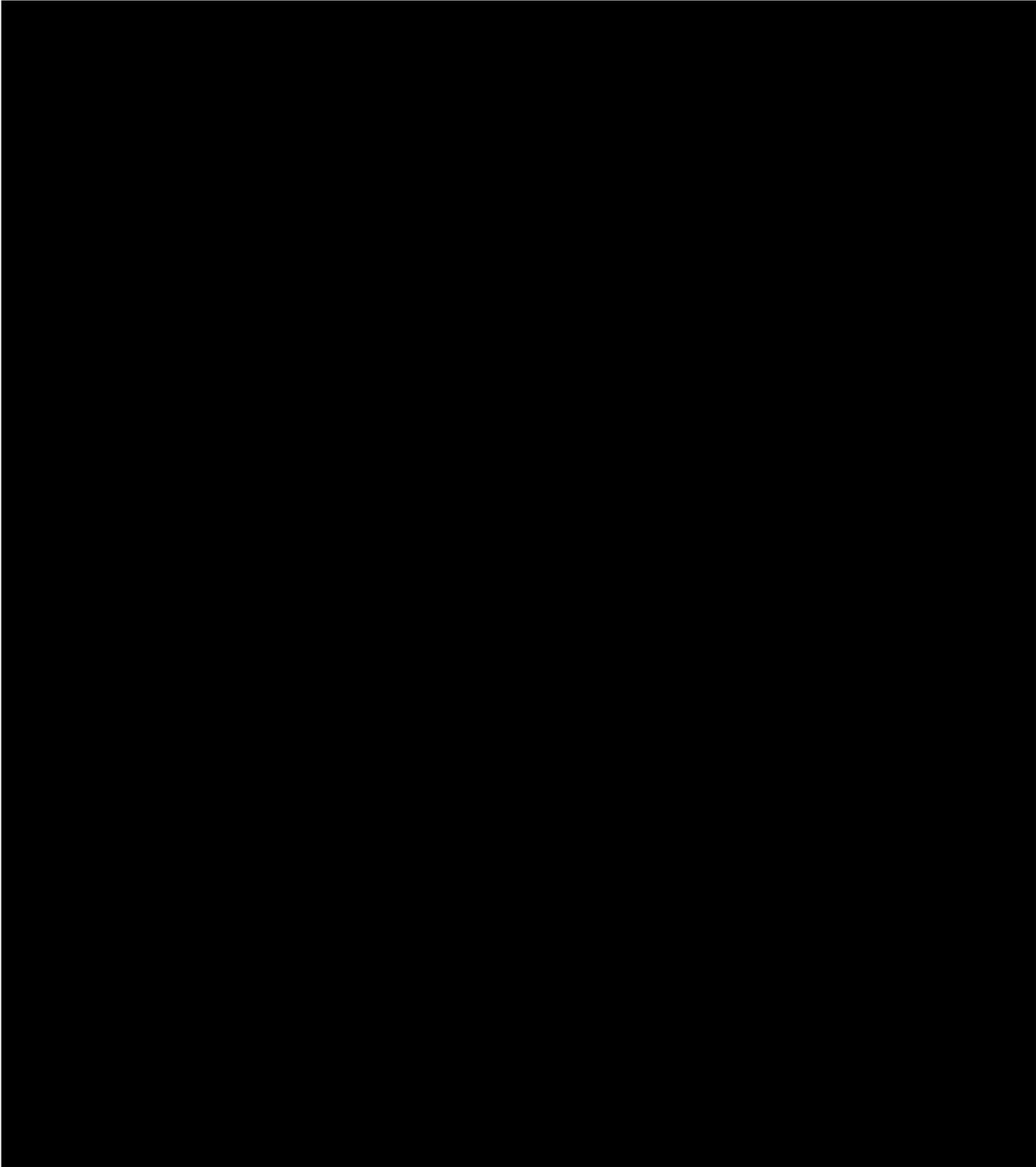
3. Depending on their individual arrangements, payments to General Practitioners operating at a healthcare centre business may attract payroll tax. This has received increased attention in recent years due to a number of court decisions regarding healthcare industries found in favour of state revenue offices.
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5. In June 2023, South Australia issued a revenue circular (taking the same position as Queensland) and also provided an amnesty for payments to General Practitioners to June 2024.

SENSITIVE: CABINET



SENSITIVE: CABINET

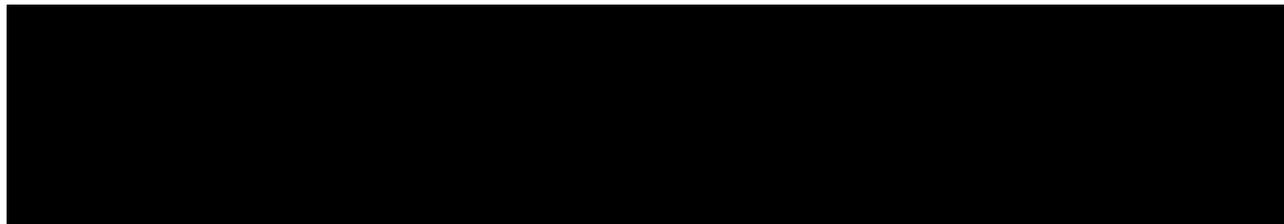
Tracking No.: CMTEDD2023/1925



Work Health and Safety

20. N/A

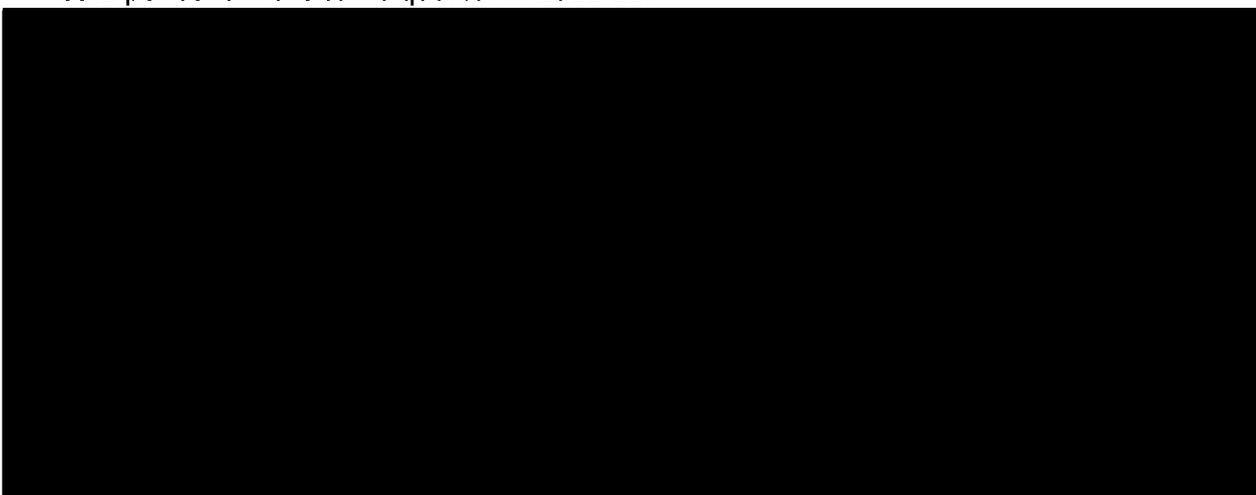
SENSITIVE: CABINET



22. ACT Health Directorate notes that the 2021-22 bulk billing rates in ACT were as follows:

- a. 37.6 per cent patients were always bulk billed;
- b. 23.2 per cent of patients were bulk billed 50 to 100 per cent of the time;
- c. 18.7 per cent were bulk billed 0 to 100 per cent of the time; and
- d. 20.6 per cent were never bulk billed.

23. In quarter 3 2022-23, 52.7 per cent of all people were bulk billed in the ACT compared to 69.2 per cent in the same quarter in 2021-22.



Communications, media and engagement implications

25. N/A.

Signatory Name: Stephen Miners

Phone: x75071

Action Officer: David Ellis

Phone: x54811

Attachments

| Attachment | Title |
|--------------|---|
| Attachment 1 | Draft Cabinet submission [REDACTED] Government response to Assembly motion 'Payroll tax exemption proposal – General Practices' |

SENSITIVE: CABINET

Tracking No.: CMTEDD2023/1925

From: "Treasury DLO" <TreasuryDLO@act.gov.au>
Sent: 17/08/2023 5:02 PM
To: "Ellis, David" <David.Ellis@act.gov.au>
Cc: "Holmes, Lisa" <Lisa.Holmes@act.gov.au>; "Ford, Blake" <Blake.Ford@act.gov.au>
Subject: RE: CMTEDD2023/3667

CABINET

Thanks David and Lisa – will progress this to CMO and RSS tonight

Thanks
Kylie

From: Ellis, David <David.Ellis@act.gov.au>
Sent: Thursday, 17 August 2023 4:25 PM
To: Treasury DLO <TreasuryDLO@act.gov.au>
Cc: Holmes, Lisa <Lisa.Holmes@act.gov.au>
Subject: CMTEDD2023/3667

CABINET

Hi Kylie

A slightly revised cabinet submission and a brief seeking the Treasurer's and Minister for Health's clearance for it to be lodged as final is in the above TRIM container.

Lisa Holmes is just ticking off her and UT's steps in TRIM (Stephen has advised that he doesn't need to clear).

Grateful if you could arrange for the Ministers to sign ASAP as it's for Cabinet on 23/8.

Many thanks

David

David Ellis | Senior Director – Compliance

david.ellis@act.gov.au

02 6205 4811

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



Chief Minister, Treasury and Economic Development Directorate

SENSITIVE: CABINET

| | | |
|-------------------------|--|-------------------------------|
| To: | Treasurer | Tracking No.: CMTEDD2023/3667 |
| | Minister for Health | |
| Date: | 17 August 2023 | |
| From: | Deputy Under Treasurer | |
| Subject: | Approval of final Cabinet submission [redacted] 'Government response to Assembly motion 'Payroll tax exemption proposal – General Practices' | |
| Critical Date: | 18 August 2023 | |
| Critical Reason: | To allow for final lodgement ahead of Cabinet consideration on 23 August. | |

- UT .../.../...
- DUT .../.../...

Recommendations

That you:

1. Agree to lodge and sign the final Cabinet submission [redacted] 'Government response to Assembly motion 'Payroll tax exemption proposal – General Practices'
Agreed and signed / Not agreed / Please discuss

Andrew Barr, MLA  21/8/23

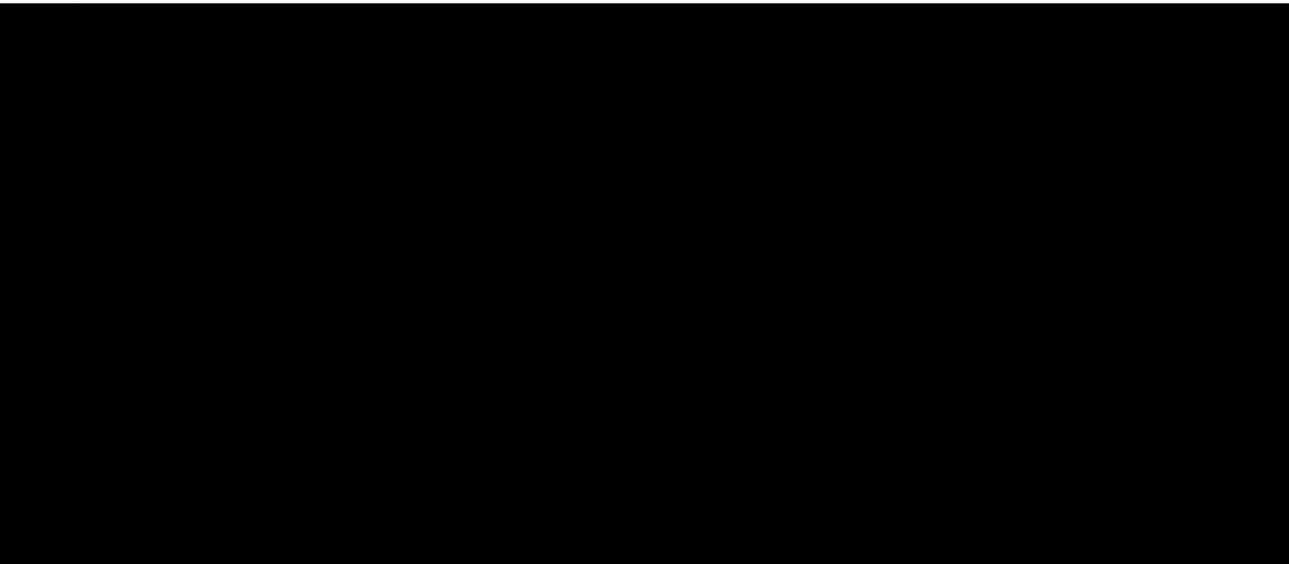
with some edits

Agreed and signed / Not agreed / Please discuss

Rachel Stephens-Smith, MLA  18/8/23

| |
|----------------------------|
| Minister's Office Feedback |
|----------------------------|

SENSITIVE: CABINET

Background/Issues

3. On 11 August 2023, the State Revenue Offices of Victoria and New South Wales issued rulings on the payroll tax treatment of medical centres which confirmed payments to general practitioners may be liable for payroll tax if a relevant contract exists. Neither of these states has offered an amnesty period. [REDACTED]
4. The Cabinet submission now requires approval for final lodgment and your signatures.

Financial Implications

5. Nil.

ConsultationInternal

6. Finance and Budget Group has agreed to the financial impacts of the submission.

External

7. A meeting with the AMA and RACGPs is being arranged by Treasury, if possible prior to the Cabinet meeting on 23 August.

Work Health and Safety

8. Nil

Benefits/Sensitivities

9. Nil

Communications, media and engagement implications

10. Nil.

Signatory Name: Stephen Miners

Phone: 75071

Action Officer: David Ellis

Phone: 54811

From: "Thompson, Isabelle" <Isabelle.Thompson@act.gov.au> on behalf of "CMTEDD CLO" <CMTEDD.CLO@act.gov.au>
Sent: 23/08/2023 1:48 PM
To: "Ellis, David" <David.Ellis@act.gov.au>; "Salisbury, Kim" <Kim.Salisbury@act.gov.au>; "Chan, Yu-Lan" <Yu-Lan.Chan@act.gov.au>; "Access Canberra Government Business & Coordination" <AccessCanberraGBC@act.gov.au>
Cc: "Cabinet Office" <CabinetOffice@act.gov.au>; "CMCD DLO" <CMCDDLO@act.gov.au>; "Treasury DLO" <TreasuryDLO@act.gov.au>; "Heath, Kylie" <Kylie.Heath@act.gov.au>
Subject: CMTEDD Indicative Outcomes - Cabinet Meeting of 23 August 2023

CABINET

Dear colleagues,

Indicative outcomes from the Cabinet meeting of **23 August 2023** are available below.

Please ensure that outcomes are communicated to the required Executives/drafting officers and are not distributed further.

| Paper No. | Outcome |
|-----------|---------|
| | |

Kind regards,
Cabinet Office

From: "Salisbury, Kim"
Sent: 23/08/2023 11:10 AM
To: "Wilesmith, Brett" <Brett.Wilesmith@act.gov.au>; "Ellis, David" <David.Ellis@act.gov.au>
Cc: "Ellis, David" <David.Ellis@act.gov.au>
Subject: GP clinics decision

UNOFFICIAL

I'll put something in diaries for sarvo.

The government agreed:

- A retrospective amnesty for unregistered payroll taxpayers until 30 June 2023
- A prospective amnesty from 1 July 2023 to 30 June 2025 for all medical practices (registered and not registered) provided:
 - a) they are bulk billing 65 per cent of all patients
 - b) signed up to MyMedicare.

We have to do a joint brief to Barr/Stephen Smith

- noting cabinet decision
- include any details that need to be finalised and agreed including (the need to register for payroll tax by XX, make a declaration for each year that they have met the criteria, note waiver processes. etc)
- Recast the statement to Parliament to reflect above.

This needs to be cleared with Health and across first thing next week.

Then need to update website, etc

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: "Wilesmith, Brett" <Brett.Wilesmith@act.gov.au>
Sent: 23/08/2023 9:31 AM
To: "Salisbury, Kim" <Kim.Salisbury@act.gov.au>
Cc: "Ellis, David" <David.Ellis@act.gov.au>; "Stawski, Leszek" <Leszek.Stawski@act.gov.au>
Subject: RE: GPS
Attachments: DRAFT Waiver - Instrument - Payroll Tax - GP 20230814.docx, DRAFT DI - Payroll Tax - GP.docx

CABINET

Hi Kim – as mentioned, we've been working on a draft waiver for historic matters pre-1 July 2023 (see attached). As to anything going forward, I understand from discussions with Leszek (after BtR investigations) we can't do a waiver unless there is actually an amount payable. This leaves us with the options of:

- An exemption under section 137E of the TAA to cover the period (see working draft attached); or
- Waivers after each time a debt has been raised subject to having met any conditions (monthly/annual; individual or batched?).

Regards

Brett

Brett Wilesmith | Senior Director

Support | Revenue Management | Chief Minister, Treasury & Economic Development | **ACT Government**

Email. brett.wilesmith@act.gov.au | Ph. 620 50202 | GPO Box 293 CIVIC SQUARE ACT 2608 | www.revenue.act.gov.au

From: Salisbury, Kim <Kim.Salisbury@act.gov.au>
Sent: Wednesday, 23 August 2023 9:10 AM
To: Wilesmith, Brett <Brett.Wilesmith@act.gov.au>; Ellis, David <David.Ellis@act.gov.au>
Subject: FW: GPS

CABINET

See below.

Brett can we think about the mechanism

David can we draft website content.

I'll probably organise a catch up later this morning.

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: Salisbury, Kim
Sent: Wednesday, 23 August 2023 9:03 AM
To: Miners, Stephen <Stephen.Miners@act.gov.au>; Hocking, Stuart <Stuart.Hocking@act.gov.au>; Birkett, Joice <Joice.Birkett@act.gov.au>; Thomas, Rowena <Rowena.Thomas@act.gov.au>
Subject: RE: GPS

CABINET

[Amnesty for medical practices with contracted general practitioners | RevenueSA](#)

I've attached the page on RevSA about their amnesty.

It is clear it does not apply to taxpayers currently paying payroll tax on GP contractor wages.

In terms of the mechanism, an announcement is enough, A waiver/exemption is only necessary if an assessment is issued.

But just to be safe we are likely to provide an instrument for the Treasurer, like we did to legitimise the COVID measures. The timing of this is not crucial.

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: Miners, Stephen <Stephen.Miners@act.gov.au>

Sent: Wednesday, 23 August 2023 6:35 AM

To: Hocking, Stuart <Stuart.Hocking@act.gov.au>; Salisbury, Kim <Kim.Salisbury@act.gov.au>; Birkett, Joice <Joice.Birkett@act.gov.au>; Thomas, Rowena <Rowena.Thomas@act.gov.au>

Subject: Re: GPS

CABINET

Thanks Stuart.

I have been giving it more thought overnight and have come up with a slightly different framing.

It might be easiest to have a quick chat this morning to talk through that and the questions below. Row/Joice could you find us a time.

Thanks

Stephen

Get [Outlook for iOS](#)

From: Hocking, Stuart <Stuart.Hocking@act.gov.au>

Sent: Tuesday, August 22, 2023 9:18:31 PM

To: Miners, Stephen <Stephen.Miners@act.gov.au>; Salisbury, Kim <Kim.Salisbury@act.gov.au>

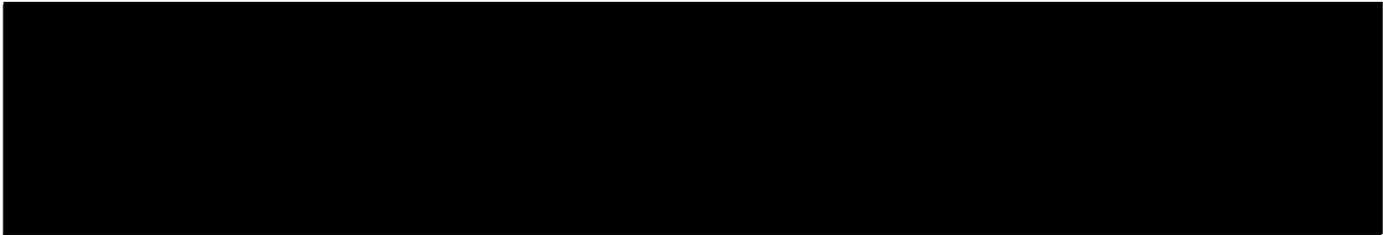
Subject: GPS

CABINET

Hi Stephen and Kim

Faheem called - couple of issues to discuss prior to Cabinet tomorrow:

- what is the technical process for both the retrospective and prospective waivers - Treasurer signs something ...?



- Finally will need to engage comms - is that David Polglase?

Thanks

Get [Outlook for iOS](#)

AUSTRALIAN CAPITAL TERRITORY

Financial Management Act 1996

Section 131 (1) (a) – Waiver of debts etc; 2023-24

(1) I, Andrew Barr, Treasurer, do hereby exercise my authority under subsection 131 (1) (a) of the *Financial Management Act 1996*, to waive an amount owed to the Territory being for unpaid payroll tax, payable under section 9 of the *Payroll Tax Act 2011*, on taxable wages paid or payable during the waiver period by an eligible employer to a practitioner.

(2) For the purposes of this instrument:

eligible employer means an employer that has not paid payroll tax during the waiver period in relation to taxable wages, paid or payable to a practitioner under a relevant contract.

employer—see *Payroll Tax Act 2011*, dictionary.

practitioner means a doctor registered as a general practitioner with the Medical Board of Australia.

relevant contract—see *Payroll Tax Act 2011*, section 32.

taxable wages—see *Payroll Tax Act 2011*, section 10.

waiver period means the period up to and including 30 June 2023.

Treasurer _____
Signature and Date

Andrew Barr, MLA.

Australian Capital Territory

Taxation Administration (General Practitioner Payroll Tax Exemption Scheme) Determination 2023

Disallowable instrument DI2023–

made under the

Taxation Administration Act 1999, s 137E (Exemption scheme)

1 Name of instrument

This instrument is the *Taxation Administration (General Practitioner Payroll Tax Exemption Scheme) Determination 2023*.

2 Commencement

This instrument is taken to have commenced on 1 July 2023.

3 Definitions

In this instrument:

bulk billing means where a practitioner, with the patient’s agreement, accepts the patient’s medicare benefit as full payment for a service in accordance with section 20A of the *Health Insurance Act 1973* (Cwth).

billing period means the prior financial year.

eligible employer means an employer who registers for the exemption under this instrument, in writing, with the Commissioner for ACT Revenue on or before 29 February 2024.

eligible practitioner means a practitioner who bulk bills non-referred attendances by patients during the billing period.

eligible taxable wages means taxable wages an eligible employer has paid or are payable to an eligible practitioner under a relevant contract during the exemption period.

employer—see *Payroll Tax Act 2011*, dictionary.

exemption period means the period commencing on 1 July 2023 and ceasing on 30 June 2025.

medicare benefit means a medicare benefit under Part II of the *Health Insurance Act 1973* (Cwth).

practitioner means a doctor registered as a general practitioner with the Medical Board of Australia.

relevant contract—see *Payroll Tax Act 2011*, section 32.

taxable wages—see *Payroll Tax Act 2011*, section 10.

4 Determination

For the purposes of section 137E of the *Taxation Administration Act 1999*, I determine that an eligible employer is exempt from payroll tax [paid or] payable under the *Payroll Tax Act 2011* on eligible taxable wages.

5 Expiry

This instrument expires on 1 August 2025.

6 Human Rights Act 2004

In my opinion, as the Minister, this instrument is consistent with human rights. This instrument is non-prejudicial because it does not limit existing rights.

Andrew Barr MLA
Treasurer

2023



Chief Minister, Treasury and Economic Development Directorate

SENSITIVE: CABINET

| | | |
|-------------------------|--|--------------------------------------|
| To: | Treasurer | Tracking No.: CMTEDD2023/3789 |
| | Minister for Health | |
| Date: | 25 August 2023 | |
| CC: | DG Health Directorate | |
| From: | Executive Group Manager, Revenue Management | |
| Subject: | Implementation of GP payroll tax amnesty | |
| Critical Date: | Wednesday 30 August 2023 | |
| Critical Reason: | A government response is due to be provided to the Legislative Assembly by 31 August 2023. | |

- DUT 25/08/23
- UT 25/08/23

Recommendations

1. The Treasurer sign the waiver instrument at Attachment A to waive any payroll tax liabilities on payments to General Practitioner (GP) contractors to 30 June 2023;

Signed / Not Signed / Please Discuss

2. Both Ministers agree to the parameters of the prospective payroll tax amnesty on payments to contractor GPs as outlined in this minute; and to the ACT Government response to the assembly motion at Attachment B.

Agreed / Not Agreed / Please Discuss

Andrew Barr MLA/...../.....

Rachel Stephen-Smith MLA/...../.....

Minister's Office Feedback

SENSITIVE: CABINET

Tracking No.: CMTEDD2023/3789

Background

3. On 23 August 2023, Cabinet [REDACTED] agreed to:
 - a. A retrospective amnesty for payroll tax on payments to General Practitioners (GPs) who are contracted to medical centres or practices until 30 June 2023.
 - b. A prospective amnesty on payments to contractor GPs from 1 July 2023 to 30 June 2025 for medical centres which:
 - i. are bulk billing 65 per cent of all patients;
 - ii. have registered with MyMedicare;
 - iii. register with the ACT Revenue Office by 29 February 2024.
4. An updated government response to the assembly motion is at Attachment B. This is due to be provided by the last sitting day in August (Thursday 31 August).

IssuesRetrospective waiver

5. A retrospective amnesty waiver instrument for the period to 30 June 2023 is at Attachment A for the Treasurer's signature.
 - a. The waiver instrument covers medical centres which have not paid payroll tax on payments to contractor GPs.
 - b. It is unclear whether any medical centres have made payments on contractor GPs. If payments have been made on contractor GPs payroll pre-30 June 2023, these can be considered by the Treasurer on a case-by-case basis.

Prospective amnesty*Bulk billing level*

6. It is proposed the 65 per cent minimum level of bulk billing be determined the following way:
 - a. Bulk billing means where a practitioner, with the patient's agreement, accepts the patient's Medicare benefit as full payment for a service in accordance with section 20A of the *Health Insurance Act 1973* (Cwth);
 - b. GP non-referred attendances is the Medicare item to be counted;
 - c. The percentage of bulk billing is determined at the level of the medical centre as a whole, not at the level of bulk billing by individual GPs;
 - d. The percentage is measured on an annual basis in the financial year in which the payroll tax amnesty is claimed by the medical centre, i.e. in 2023-24 and 2024-25. If a medical centre reaches the bulk billing target in some parts of the year, but not over the year as a whole, they will be liable for payroll tax over the whole year; and
 - e. The bulk billing percentage is to be determined per taxpayer. There are some larger corporate run medical businesses which operate multiple GP centres in the ACT – the bulk billing percentage will be determined in reference to the combined bulk

billing rate across all locations.

Other issues

7. The prospective amnesty will only be available to medical centres which engage GPs under a 'relevant contract' (as defined under the *Payroll Tax Act 2011*) – it will not be available for payments to GPs which are engaged as employees. To receive the amnesty, medical centres must also satisfy the following criteria:
 - a. GPs need to be registered as a general practitioner with the Australian Medical Board;
 - b. The centre is registered with MyMedicare; and
 - c. The centre registers to receive the amnesty with the ACT Revenue Office by 29 February 2024 (the Revenue Office will develop an online form on its website).
8. Where a medical centre self-assesses that it is not liable and qualifies for the amnesty, no further administrative action is necessary.
9. Where a medical centre pays payroll tax on payments to contracted GP and then qualifies for the amnesty, the Commissioner will waive the liability and provide a refund.
10. Where a medical centre incorrectly self-assesses that it is not liable, a compliance assessment will be issued.

Revenue Office actions

11. The ACT Revenue Office will issue guidelines (website content) that outline operational aspects of the amnesty.
12. The ACT Revenue Office will issue a revenue circular to clarify the application of the payroll tax laws to medical centres. This circular will be harmonised with those issued by Queensland, South Australia, New South Wales and Victoria.
13. Following the release of the circular, the Revenue Office will engage with ACT medical centres to draw their attention to the circular and encourage them to register and provide a voluntary disclosure if they have a liability.
14. For medical centres which register their interest for the amnesty, the Revenue Office may, as part of its regular audit activity, examine the centres' compliance with the amnesty criteria. This is consistent with the self-assessment nature of payroll tax. We consider that a more stringent declaration and proof of compliance is unnecessarily heavy handed. The application of penalties should ensure voluntary compliance.

Financial Implications

15. It is estimated that the application of payroll tax to contractor GPs could raise around \$5 million per year. Some of this will be forgone with the amnesty.

Consultation

Cross Directorate

16. The Health Directorate was consulted.

SENSITIVE: CABINET

17. Royal Australian College of General Practice, Australian Medical Association, GP Alliance were consulted on 22 August 2023 by Treasury and the ACT Health Directorate.
18. Capital Health Network was consulted on 22 August 2023 by Treasury and the ACT Health Directorate.

Work Health and Safety

19. Nil.

Benefits/Sensitivities

20. The current overall bulk billing rate within the ACT is 56.6 per cent (2022-23). Over 2019 to 2022 the rates of bulk billing were notably higher in ACT and across Australia. This is likely driven by COVID activity. Prior to the pandemic the highest rate of bulk billing in the ACT was 64.2 per cent (2018-2019).
21. A bulk billing target is unlikely to be well received by the professional bodies and individual practices. It is expected they will contest the feasibility of achieving a 65 per cent bulk billing level within their practice.
22. Monitoring of bulk billing rates at a practice level can not be achieved at this time by ACT Health Directorate. The ACT Revenue Office will determine if the evidence made available by the practice is sufficient to prove the practice has met the requirements of the amnesty. As necessary this will be done in collaboration with the ACT Health Directorate. Engagement with the Commonwealth Health and Aged Care Department might be required if data is required for compliance of practice bulk billing rates and MyMedicare registration.

Communications, media and engagement implications

23. A media pack is being developed.

Signatory Name: Kim Salisbury

Phone: x70010

Action Officer: David Ellis

Phone: x54811

Attachments

| Attachment | Title |
|-------------------|--|
| Attachment A | Waiver instrument |
| Attachment B | Government response to Assembly motion |

SENSITIVE: CABINET

From: "Salisbury, Kim" <Kim.Salisbury@act.gov.au>
Sent: 24/08/2023 9:56 AM
To: "Ellis, David" <David.Ellis@act.gov.au>; "Wilesmith, Brett" <Brett.Wilesmith@act.gov.au>
Subject: 20230823 BRF TSR MIN for Health GP payroll implementation
Attachments: 20230823 BRF TSR MIN for Health GP payroll implementation.docx

UNOFFICIAL

For discussion some suggestions tracked



**Chief Minister, Treasury and Economic
Development Directorate**

SENSITIVE: CABINET

To: Treasurer

Tracking No.: Click here to enter text.

Minister for Health

Date: 23 August 2023

CC: Click here to enter text.

From: Executive Group Manager, Revenue Management

Subject: Implementation of GP payroll tax amnesty

Critical Date: Click here to enter text. <Indicate the date in **bold** by which the brief must be signed>

Critical Reason: Click here to enter text.

- DUT .../.../...
- UT .../.../...

Recommendations

That:

1. The Treasurer sign the waiver instrument at Attachment A to waive any payroll tax liabilities on payments to General Practitioners to 30 June 2024;
- 2. Signed / Not Signed / Please Discuss**
3. Both Ministers agree to the parameters of the prospective payroll tax amnesty on payments to general practitioners as outlined in this minute and to the ACT Government response to the assembly motion;

Agreed / Not Agreed / Please Discuss

Andrew Barr, MLA/...../.....

Rachel Stephen-Smith, MLA/...../.....

SENSITIVE: CABINET

Tracking No.: Click here to enter text.

| |
|----------------------------|
| Minister's Office Feedback |
|----------------------------|

Background

1. On 23 August 2023, Cabinet agreed to:
 - a. A retrospective amnesty for payroll tax on payments to General Practitioners (GPs) until 30 June 2023 (-until 30 June 2023;
 - b. A prospective amnesty on payments to GPs from 1 July 2023 to 30 June 2025 for medical centres which:
 - i. are bulk billing 65 per cent of all patients;
 - ii. have registered with MyMedicare;
 - iii. register with the ACT Revenue Office by 29 February 2024.
2. An updated government response to the assembly motion is at Attachment B. This is due to be provided by the last sitting day in August (Thursday 31 August).

IssuesRetrospective waiver

3. A retrospective amnesty waiver instrument for the period to 30 June 2023 is at Attachment A for the Treasurer's signature.
 - a. The waiver instrument covers medical centres which have not paid payroll tax on payments to GPs. ~~While it is unlikely there are medical centres in the ACT which have paid payroll tax on payments to GPs, we propose any businesses which seek a refund be dealt with on case by case basis.~~
 - a.b. It is highly unlikely that any medical centres have made such payments. If payments have been made, these can be considered by the Treasurer on a case by case basis.

Prospective amnesty*Bulk billing level*

4. It is proposed the 65 per cent minimum level of bulk billing be determining the following way:
 - a. bulk billing means where a practitioner, with the patient's agreement, accepts the patient's Medicare benefit as full payment for a service in accordance with section 20A of the Health Insurance Act 1973 (Cwth);
 - b. GP non-referred attendances is the Medicare item to be counted;
 - c. The percentage of bulk billing is determined at the level of the medical centre as a

SENSITIVE: CABINET

whole, not at the level of bulk billing by individual GPs;

- d. The percentage is measured on an annual basis in the financial year in which the payroll tax amnesty is claimed by the medical centre, i.e. in 2023-24 and 2024-25. If a medical centre reaches the bulk billing target in some parts of the year, but not over the year as a whole, they will be liable for payroll tax over the whole year.

Other issues

5. To receive the amnesty, medical centres must also satisfy the following criteria:
 - a. GPs need to be registered as a general practitioner with the Australian Medical Board; and
 - b. Register to receive the amnesty with the ACT Revenue Office by 29 February 2024 (the Revenue Office will develop an on-line form on its website)
 - c. Where a medical centre self-assesses that it is not liable and qualifies for the amnesty, no further administrative action is necessary.
 - d. Where a medical centre pays payroll tax on GP salaries and then qualifies for the amnesty, the Commissioner will waive the liability and provide a refund.
 - b.e. Where a medical centre incorrectly self-assesses that it is not liable, a compliance assessment will be issued.

Revenue Office actions

6. The ACT Revenue Office will issue guidelines (website content) that outline operational aspects of the amnesty.
7. The ACT Revenue Office will issue a revenue circular to clarify the application of the payroll tax laws to medical centres. This ruling will be harmonised with the rulings issued by Queensland, South Australia, New South Wales and Victoria.
8. Following the release of the circular, the Revenue Office will engage will ACT medical centres to draw their attention to the circular and encourage them to register and provide a voluntary disclosure if they have a liability.
9. For medical centres which register their interest for the amnesty, the Revenue Office will, as part of its regular audit activity, examine the centres' compliance with the amnesty criteria. This is consistent with the self-assessment nature of payroll tax. We consider that a more stringent declaration and proof of compliance is unnecessarily heavy handed. The application of penalties should ensure voluntary compliance.

Financial Implications

10.

Consultation

SENSITIVE: CABINET

Tracking No.: [Click here to enter text.](#)

Internal

11.

Cross Directorate

12. The Health Directorate was consulted.

External

13.

Work Health and Safety

14.

Benefits/Sensitivities

15.

Communications, media and engagement implications

Signatory Name:

Phone:

Action Officer:

Phone:

Attachments

<Delete if not required>

| Attachment | Title |
|-------------------|--------------|
| Attachment A | |
| Attachment B | |
| Attachment C | |

From: "Bunt, Jacquie" <Jacquie.Bunt@act.gov.au>
Sent: 24/08/2023 5:23 PM
To: "Salisbury, Kim" <Kim.Salisbury@act.gov.au>; "Ellis, David" <David.Ellis@act.gov.au>
Cc: "Polglase, David" <David.Polglase@act.gov.au>; "CMTEDDMedia" <CMTEDDMedia@act.gov.au>; "OCRMD" <OCRMD@act.gov.au>
Subject: FOR REVIEW/ADVICE - GP Payroll Tax
Attachments: TALKING POINTS - GP Payroll tax.docx, MEDIA BACKGROUNDER - GP Payroll Tax.docx

OFFICIAL

Hi Kim and David,

I've pulled together some quick TPs and media backgrounder based on what information I had. I'm aware that you're still working through some of the intricacies with Health, but it would be great to get your feedback. I want to ensure accuracy and that I didn't misconstrue anything.

Based on these documents, I will draft a media release and send it through (along with these docs) as part of a media pack.

Thank you in advance for your assistance.

Cheers,
Jacquie

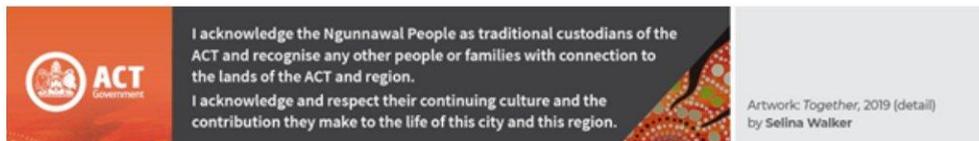
Jacqueline Bunt – CMTEDD Media and Public Relations

24/7 CMTEDD Media Line: 0466 937 557

Email: CMTEDDMedia@act.gov.au

Communications & Engagement | Chief Minister Treasury and Economic Development Directorate | ACT Government

220 London Circuit, Canberra City | GPO Box 158 Canberra City ACT 2601 | www.act.gov.au





TALKING POINTS GP Payroll Tax

Date: 25 August 2023

SUBJECT: Government response to ACT Legislative Assembly motion of 10 May 2023 *Payroll tax exemption proposal – General Practices*

KEY MESSAGES

- In response to an Assembly motion of May 10 2023, the ACT Government has examined the impact of payroll tax on general practice (GP) medical centres.
- The ACT Government will waive any payroll tax liabilities for payments to general practitioners up until 30 June 2023 for health care businesses which have not paid payroll tax.
- The temporary exemption will give time for medical practices to review arrangements, seek advice, and ensure compliance with payroll tax obligations.
- The ACT has the highest payroll-tax-free threshold in the country at \$2 million, benefiting most small and medium-sized businesses, including GP healthcare centres.
- As we move forward, we'll continue to engage with stakeholders and the public to ensure that our approach is inclusive and well-informed.
- Our focus remains on fostering a sustainable tax system that supports our residents, businesses, and essential services in the ACT.

Contents

| | |
|---------------------------------------|---|
| KEY MESSAGES | 1 |
| Talking Points | 2 |
| Temporary payroll tax exemption | 2 |
| Cost of living | 2 |

| | |
|---|---|
| Background | 2 |
| Sensitive issues..... | 3 |
| FAQs | 3 |
| What is payroll tax and how does it apply to GPs? | 3 |
| What is the ACT Government doing to address payroll tax concerns? | 4 |
| Is the Government working with GPs and healthcare providers?..... | 4 |
| What is the GP Payroll Tax Exemption Proposal in the ACT? | 4 |
| What are the benefits of the temporary payroll tax exemption? | 4 |
| What are the conditions to be eligible for an exemption? | 5 |
| What if a business doesn't meet the conditions for an exemption? | 5 |
| How will the payroll tax exemption work?..... | 5 |
| What's the plan beyond June 2025? | 5 |
| How does the ACT compare against other jurisdictions? | 5 |
| How can I stay informed?..... | 5 |

Talking Points

Temporary payroll tax exemption

- The introduction of a temporary payroll tax exemption underscores our commitment to fairness and compliance.
- We're here to support businesses in achieving compliance while prioritising the needs of Canberrans such as accessibility to healthcare and cost of living measures.
- The temporary exemption will support **medical practices** in achieving compliance with their payroll tax obligations.
- This additional time will allow medical practices to review arrangements, seek advice, and ensure compliance with payroll tax obligations.
- This exemption will be available to healthcare businesses that:
 - bulk bill at least 65 per cent of GP attendances in a financial year; and
 - have registered for MyMedicare;
- **Businesses that register with the ACT Revenue Office by 29 February 2024 will be eligible for this exemption until June 30 2025.**
- The temporary exemption will be supported by guidelines detailing operational aspects.
- The Commissioner will issue a public ruling on the application of payroll tax to medical centre businesses.

Cost of living

- The ACT Government is taking proactive steps to address cost-of-living pressures faced by Canberrans by introducing the GP Payroll Tax Exemption Proposal.
- This proposal aims to provide temporary relief for medical practices, while ensuring the sustainability of the tax base and fair treatment for all industries.

Commented [BJ1]: There's a bit of inconsistency in wording in the original docs. Sometimes it's General Practice medical centres and sometimes it's health/medical practices.

Might need to check if the wording changes the context at all

Commented [BJ2]: Is this still correct?

- We understand the importance of affordable healthcare. By incentivising bulk billing and ensuring fairness in tax treatment, we're working to enhance access to healthcare and relieve financial burdens for our residents.
- We're committed to finding solutions that benefit both businesses and individuals in our community.

Background

- On May 10 2023, the ACT Legislative Assembly passed an amended version of Shadow Minister for Health Leanne Castley's private members' motion about general practices and payroll tax.
- Payroll tax is imposed on taxable wages by employers as per the *Payroll Tax Act 2011*.
- Payments under a relevant contract, including payments to GPs, are subject to payroll tax.
- The amended motion called on the ACT Government to investigate how payroll tax applies to various models of general practitioner clinic arrangements, with respect to general practitioners and their payment arrangements.
- The ACT Government was due to update the Assembly on any changes to the implementation of payroll tax (via a government response to the motion) by the last sitting day of August 2023.

Sensitive issues

- Earlier this year, the NSW Court of Appeal dismissed an appeal from the operator of three medical centres in relation to their liability for payroll tax.
- In response to the NSW decision, the Queensland Government [announced a payroll tax amnesty](#) on payments made to contracted general practitioners until 30 June 2025, due to "a potential lack of awareness of payroll tax treatment of contractors among GPs".
- As a result, there has been media interest in whether other jurisdictions intended to introduce similar arrangements.
- There is no policy reason to treat GPs differently for payroll tax purposes. Doing so would set a precedent for similar treatment in other sectors and risk eroding the tax base.
- Existing exemptions are mainly for charitable or training purposes.
- The introduction of a temporary exemption in the ACT for medical practices which have not paid payroll tax is to support these businesses to comply with their payroll tax obligations.
- The temporary exemption might not prevent stakeholders from advocating for a full exemption, potentially without conditions such as bulk billing ratios.
- A carefully considered, nationally consistent approach is needed post-30 June 2025.

FAQs

What is payroll tax and how does it apply to GPs?

Payroll tax is a tax imposed on taxable wages paid by employers as per the *Payroll Tax Act 2011*.

This tax is harmonised across jurisdictions and applies equally to all businesses operating in the ACT. Payments made under relevant contracts, including those made to GPs, are subject to payroll tax. Recent legal decisions have confirmed that medical centres may be liable for payroll tax in certain circumstances.

With the highest payroll tax free threshold of any jurisdiction at \$2 million, most small and medium sized business, including most GP healthcare centres, are likely to be under the threshold and not liable for payroll tax.

What is the ACT Government doing to address payroll tax concerns?

The ACT Government has taken several steps to address payroll tax concerns, including:

- Waiving payroll tax liabilities until June 30 2023 for medical practices that have not previously paid payroll tax on GP payments.
- Introducing a temporary payroll tax exemption until June 30 2025 for healthcare businesses making payments to GPs. This exemption is subject to conditions, including:
- This exemption will be available to healthcare businesses that:
 - bulk bill at least 65 per cent of GP attendances in a financial year; and
 - have registered for MyMedicare;
- **Businesses that register with the ACT Revenue Office by 29 February 2024 will be eligible for this exemption until June 30 2025.**

Is the Government working with GPs and healthcare providers?

The ACT Revenue Office routinely talks to businesses and advisers about how the tax laws operate and actual or potential tax liabilities.

Revenue Office will engage with ACT medical centres to draw their attention to the circular and encourage them to register and provide a voluntary disclosure if they have a liability.

The payroll tax laws applying to payments to employees and contractors have not changed. Whether payments to doctors are subject to payroll tax will depend on the facts and circumstances of each arrangement.

While the relevant contract provisions are not new, we understand 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.

This waiver will ensure general practice medical business are not subject to retrospective assessments which they have not planned for.

What is the GP Payroll Tax Exemption Proposal in the ACT?

The GP Tax Payroll Tax Exemption Proposal is the ACT Government's response to an Assembly motion of May 10 2023, which called for an examination of the impact of payroll tax on general practice medical centres. The proposal aims to address potential lack of awareness and concerns

regarding payroll tax obligations for healthcare businesses that engage general practitioners under contract arrangements.

What are the benefits of the temporary payroll tax exemption?

The temporary payroll tax exemption provides medical practices with time to review their arrangements, seek advice, and implement necessary changes to ensure compliance with payroll tax obligations.

It offers a window for healthcare businesses to adapt their operations and achieve compliance without incurring unexpected retrospective assessments.

What are the conditions to be eligible for an exemption?

To be eligible for the temporary exemption, healthcare businesses must meet two main conditions:

- bulk bill at least 65 per cent of GP attendances in a financial year; and
- have registered for MyMedicare;

The percentage of bulk billing is measured on an annual basis in the financial year in which the payroll tax amnesty is claimed by the medical centre, i.e., in 2023-24 and 2024-25.

If a medical centre reaches the bulk billing target in some parts of the year, but not over the year, they will be liable for payroll tax over the whole year; and

What if a business doesn't meet the conditions for an exemption?

Healthcare businesses that do not meet the conditions for the temporary exemption will not be eligible for the exemption benefits. They will continue to be subject to payroll tax obligations as per the Payroll Tax Act.

How will the payroll tax exemption work?

The ACT Government plans to provide more details about the temporary exemption in the coming months. The proposal will be supported by guidelines outlining operational aspects.

Additionally, the Commissioner will issue a public ruling on the application of payroll tax to medical centre businesses.

What's the plan beyond June 2025?

Beyond June 2025, the ACT Government acknowledges the need for a carefully considered, nationally consistent approach.

How does the ACT compare against other jurisdictions?

The ACT has the highest payroll tax free threshold of any state or territory, set at \$2 million per year. Payroll tax is harmonised across jurisdictions and applies equally to all industries operating in the ACT.

How can I stay informed?

To stay informed about updates on the GP Tax and Payroll Tax Exemption Proposal, keep an eye on official announcements from the ACT Government, the ACT Revenue Office, and relevant industry associations.

Action Officer:

Jacquie Bunt – CMTEDD Media

Emma Kelly – CMTEDD Media

Cleared by:



Media Backgrounder Payroll tax exemption proposal – General Practices

What is payroll tax and how does it apply to GPs?

Payroll tax is a tax imposed on taxable wages paid by employers as per the *Payroll Tax Act 2011*.

This tax is harmonised across jurisdictions and applies equally to all businesses operating in the ACT.

Payments made under relevant contracts, including those made to GPs, are subject to payroll tax.

With the highest payroll tax free threshold of \$2 million, most small and medium sized business, including most GP healthcare centres, are likely to be under the threshold and not liable for payroll tax.

Why is GP payroll tax being reviewed?

In response to an Assembly motion of May 10 2023, the ACT Government has formulated a comprehensive proposal to examine the impact of payroll tax on general practice (GP) medical centres.

The ACT Government will waive any payroll tax liabilities for payments to general practitioners up until 30 June 2023 for health care businesses which have not paid payroll tax.

The temporary exemption will give time for **medical practices** to review arrangements, seek advice, and ensure compliance with payroll tax obligations.

Commented [BJ1]: Just need to confirm if it's 'medical practices vs General Practices' to ensure consistency across all comms

What is the GP Payroll Tax Exemption Proposal?

The introduction of a temporary payroll tax exemption underscores our commitment to fairness and compliance. We're here to support businesses in achieving compliance while prioritising the needs of Canberrans such as accessibility to healthcare and cost of living measures.

What is the ACT Government doing to address payroll tax concerns?

The ACT Government has taken several steps to address payroll tax concerns, including:

- Waiving payroll tax liabilities until June 30 2023 for medical practices that have not previously paid payroll tax on GP payments.
- Introducing a temporary payroll tax exemption until June 30 2025 for healthcare businesses making payments to GPs. This exemption is subject to conditions such as:
 - bulk bill at least 65 per cent of GP attendances in a financial year; and
 - have registered for MyMedicare;

How will the percentage of bulk billing be calculated?

The percentage of bulk billing is measured on an annual basis in the financial year in which the payroll tax amnesty is claimed by the medical centre, i.e., in 2023-24 and 2024-25.

If a medical centre reaches the bulk billing target in some parts of the year, but not over the year, they will be liable for payroll tax over the whole year; and

How will GPs be supported during the review of payroll tax?

The temporary exemption will support medical practices in achieving compliance with their payroll tax obligations. This additional time will allow medical practices to review arrangements, seek advice, and ensure compliance with payroll tax obligations.

The exemption offers a window for healthcare businesses to adapt their operations and achieve compliance without incurring unexpected retrospective assessments.

The Commissioner will issue a public ruling on the application of payroll tax to medical centre businesses.

What does this mean for Canberrans?

The exemption proposal aims to provide temporary relief for medical practices, while ensuring the sustainability of the tax base and fair treatment for all industries. The ACT Government understands the importance of affordable healthcare.

By incentivising bulk billing and ensuring fairness in tax treatment, we're working to enhance access to healthcare and relieve financial burdens for our residents. We're committed to finding solutions that benefit both businesses and individuals in our community.

The ACT Government's focus remains on fostering a sustainable tax system that supports our residents, businesses, and essential services in the ACT.

Payroll tax - next steps

As we move forward, we'll continue to engage with stakeholders and the public to ensure that our approach is inclusive and well-informed.

To stay informed about updates on the GP Tax and Payroll Tax Exemption Proposal, keep an eye on official announcements from the ACT Government, the ACT Revenue Office, and relevant industry associations.

Media contact/s:

Kaarin Dynon T (02) 6205 2974 M 0422 772 215 kaarin.dynon@act.gov.au

From: "Salisbury, Kim"
Sent: 24/08/2023 2:59 PM
To: "OCRMD" <OCRMD@act.gov.au>
Cc: "Ellis, David" <David.Ellis@act.gov.au>
Subject: FW: GP payroll tax minute and attachments
Attachments: 20230824 BRF TSR MIN for Health GP payroll implementation.docx, Att A Waiver - Instrument - Payroll Tax GPs.docx, Attachment B - Government response.docx

OFFICIAL

These are likely to be amended but will have to go up on TRIMM to be cleared by DUT and UT on Friday

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: Ellis, David <David.Ellis@act.gov.au>
Sent: Thursday, 24 August 2023 12:28 PM
To: Salisbury, Kim <Kim.Salisbury@act.gov.au>
Subject: GP payroll tax minute and attachments

OFFICIAL

David Ellis | Senior Director – Compliance

david.ellis@act.gov.au

02 6205 4811

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



**Chief Minister, Treasury and Economic
Development Directorate**

SENSITIVE: CABINET

| | | |
|-------------------------|---|--|
| To: | Treasurer | Tracking No.: Click here to enter text. |
| | Minister for Health | |
| Date: | 24 August 2023 | |
| CC: | Click here to enter text. | |
| From: | Executive Group Manager, Revenue Management | |
| Subject: | Implementation of GP payroll tax amnesty | |
| Critical Date: | Wednesday 30 August 2023 | |
| Critical Reason: | A government response is due to be provided to the Legislative Assembly by 31 August 2023. | |
| | <ul style="list-style-type: none"> • DUT .../.../... • UT .../.../... | |

Recommendations

1. The Treasurer sign the waiver instrument at Attachment A to waive any payroll tax liabilities on payments to General Practitioners to 30 June 2023;

Signed / Not Signed / Please Discuss

2. Both Ministers agree to the parameters of the prospective payroll tax amnesty on payments to general practitioners as outlined in this minute; and to the ACT Government response to the assembly motion at Attachment B.

Agreed / Not Agreed / Please Discuss

Andrew Barr, MLA/...../.....

Rachel Stephen-Smith, MLA/...../.....

SENSITIVE: CABINET

Tracking No.: Click here to enter text.

Minister's Office Feedback

Background

3. On 23 August 2023, Cabinet agreed to:
 - a. A retrospective amnesty for payroll tax on payments to General Practitioners (GPs) until 30 June 2023.
 - b. A prospective amnesty on payments to GPs from 1 July 2023 to 30 June 2025 for medical centres which:
 - i. are bulk billing 65 per cent of all patients;
 - ii. have registered with MyMedicare;
 - iii. register with the ACT Revenue Office by 29 February 2024.
4. An updated government response to the assembly motion is at [Attachment B](#). This is due to be provided by the last sitting day in August (Thursday 31 August).

Issues

Retrospective waiver

5. A retrospective amnesty waiver instrument for the period to 30 June 2023 is at [Attachment A](#) for the Treasurer's signature.
 - a. The waiver instrument covers medical centres which have not paid payroll tax on payments to GPs.
 - b. It is highly unlikely that any medical centres have made such payments. If payments have been made, these can be considered by the Treasurer on a case by case basis.

Prospective amnesty

Bulk billing level

6. It is proposed the 65 per cent minimum level of bulk billing be determining the following way:
 - a. Bulk billing means where a practitioner, with the patient's agreement, accepts the patient's Medicare benefit as full payment for a service in accordance with section 20A of the Health Insurance Act 1973 (Cwth);
 - b. GP non-referred attendances is the Medicare item to be counted;

SENSITIVE: CABINET

- c. The percentage of bulk billing is determined at the level of the medical centre as a whole, not at the level of bulk billing by individual GPs;
- d. The percentage is measured on an annual basis in the financial year in which the payroll tax amnesty is claimed by the medical centre, i.e. in 2023-24 and 2024-25. If a medical centre reaches the bulk billing target in some parts of the year, but not over the year as a whole, they will be liable for payroll tax over the whole year; and
- e. The bulk billing percentage is to be determined per taxpayer. There are some larger corporate run medical businesses which operate multiple GP centres in the ACT – the bulk billing percentage will be determined in reference to the combined bulk billing rate across all locations.

Other issues

7. The prospective amnesty will only be available to medical centres which engage GPs under a 'relevant contract' (as defined under the *Payroll Tax Act 2011*) – it will not be available for payments to GPs which are engaged as employees. To receive the amnesty, medical centres must also satisfy the following criteria:
 - a. GPs need to be registered as a general practitioner with the Australian Medical Board; and
 - b. Register to receive the amnesty with the ACT Revenue Office by 29 February 2024 (the Revenue Office will develop an on-line form on its website).
8. Where a medical centre self-assesses that it is not liable and qualifies for the amnesty, no further administrative action is necessary.
9. Where a medical centre pays payroll tax on payments to GP and then qualifies for the amnesty, the Commissioner will waive the liability and provide a refund.
10. Where a medical centre incorrectly self-assesses that it is not liable, a compliance assessment will be issued.

Revenue Office actions

11. The ACT Revenue Office will issue guidelines (website content) that outline operational aspects of the amnesty.
12. The ACT Revenue Office will issue a revenue circular to clarify the application of the payroll tax laws to medical centres. This ruling will be harmonised with the rulings issued by Queensland, South Australia, New South Wales and Victoria.
13. Following the release of the circular, the Revenue Office will engage with ACT medical centres to draw their attention to the circular and encourage them to register and provide a voluntary disclosure if they have a liability.
14. For medical centres which register their interest for the amnesty, the Revenue Office will, as part of its regular audit activity, examine the centres' compliance with the amnesty criteria. This is consistent with the self-assessment nature of payroll tax. We

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Tracking No.: [Click here to enter text.](#)

SENSITIVE: CABINET

consider that a more stringent declaration and proof of compliance is unnecessarily heavy handed. The application of penalties should ensure voluntary compliance.

Financial Implications

15. Nil.

Consultation

Cross Directorate

16. The Health Directorate was consulted.

Work Health and Safety

17. Nil

Benefits/Sensitivities

18. Nil

Communications, media and engagement implications

19. Nil

Signatory Name: Kim Salisbury

Phone: x70010

Action Officer: David Ellis

Phone: x54811

Attachments

| Attachment | Title |
|-------------------|--|
| Attachment A | Waiver instrument |
| Attachment B | Government response to Assembly motion |

SENSITIVE: CABINET

Tracking No.: [Click here to enter text.](#)

AUSTRALIAN CAPITAL TERRITORY

Financial Management Act 1996

Section 131 (1) (a) – Waiver of debts etc; 2023-24

(1) I, Andrew Barr, Treasurer, do hereby exercise my authority under subsection 131 (1) (a) of the *Financial Management Act 1996*, to waive an amount owed to the Territory being for unpaid payroll tax, payable under section 9 of the *Payroll Tax Act 2011*, on taxable wages paid or payable during the waiver period by an eligible employer to a practitioner.

(2) For the purposes of this instrument:

eligible employer means an employer that has not paid payroll tax during the waiver period in relation to taxable wages, paid or payable to a practitioner, under a relevant contract.

employer—see *Payroll Tax Act 2011*, dictionary.

practitioner means a doctor registered as a general practitioner with the Medical Board of Australia.

relevant contract—see *Payroll Tax Act 2011*, section 32.

taxable wages—see *Payroll Tax Act 2011*, section 10.

waiver period means the period up to and including 30 June 2023.

Treasurer _____
Signature and Date

Andrew Barr, MLA.

Government response to ACT Legislative Assembly motion of 10 May 2023 *Payroll tax exemption proposal – General Practices*

The government notes that payroll tax is a significant source of tax revenue, its application is harmonised across jurisdictions and it applies equally to all businesses operating in the ACT.

Under the *Payroll Tax Act 2011* payroll tax is imposed on taxable wages paid or payable by an employer. With the highest payroll tax free threshold of any jurisdiction at \$2 million, most small and medium sized business, including most GP healthcare centres, are likely to be under the threshold and not liable for payroll tax.

Payments made under a contract are subject to payroll tax, unless an exemption applies. This includes payments made to general practitioners (GPs) under a relevant contract.

A series of legal decisions since 2018 have confirmed medical centres are liable for payroll tax in a range of circumstances. While the relevant contract provisions in their current form are not new, and the provisions are harmonised with most other states and territories, 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 general practitioners. This waiver will ensure general practice medical business are not subject to retrospective assessments which they have not planned for.

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

- bulk bill at least 65 per cent of GP attendances in a financial year; and
- have registered for MyMedicare;

This administrative arrangement will be supported by guidelines that outline operational aspects of the amnesty and businesses will have to register with ACT Revenue Office by 29 February 2024 to receive the amnesty. The Commissioner will issue a public ruling on the application of payroll tax to medical practices.

The payroll tax amnesty available until 2025 demonstrates the government's commitment to general practice and increasing the levels of bulk billing in the Territory. (Health to add more text here)

From: "Miners, Stephen" <Stephen.Miners@act.gov.au>
Sent: 24/08/2023 12:42 PM
To: "Khan, FaheemK" <FaheemK.Khan@act.gov.au>; "Hocking, Stuart" <Stuart.Hocking@act.gov.au>; "Salisbury, Kim" <Kim.Salisbury@act.gov.au>
Subject: Fwd: NSW Government media release - payroll tax audits for GPs
Attachments: 230824_MR_NSW Government moves to pause payroll tax audits for GPs for 12 months.pdf

As flagged in earlier txt.

Stephen

Get [Outlook for iOS](#)

From: [REDACTED]

Sent: Thursday, August 24, 2023 12:33:34 PM

To: [REDACTED]

[REDACTED] Miners, Stephen <Stephen.Miners@act.gov.au>

Cc: [REDACTED] FFR <FFR@act.gov.au>; [REDACTED]

[REDACTED] Wong, Nicole <Nicole.Wong@act.gov.au>; [REDACTED]

Subject: NSW Government media release - payroll tax audits for GPs

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 all
As
mentioned

at DHOSts just now, please find attached the NSW Government's media release regarding a 12-month pause on payroll tax audits for GPs.

Kind regards,

Clare



Treasury

I acknowledge the traditional custodians of the land and pay respects to Elders past and present. I also acknowledge all the Aboriginal and Torres Strait Islander staff working with NSW Government at this time.
Proudly supporting Diversity and Inclusion.

Courtney Houssos

Minister for Finance
Minister for Natural Resources

**Media Release****NSW Government moves to pause payroll tax audits for GPs for 12 months**

Thursday, 24 August 2023

Minister for Finance Courtney Houssos today announced the NSW Government will move to pause payroll tax audits for GPs and their practices for 12 months to allow for ongoing consultation with the Royal Australian College of General Practitioners and Australian Medical Association.

This follows the release on 11 August 2023 of a practice note by Revenue NSW on payroll tax rules affecting GPs. The note was released after the conclusion of a series of court cases contested by the former Government on the matter.

There will also be a 12 month pause on tax penalties and interest accrued on outstanding payroll tax debts incurred before and at the commencement of the 12-month period.

The change will be implemented through an amendment to the *Revenue, Fines and Other Legislation Amendment Bill*.

NSW GPs face cost pressures due to the former federal Liberal government's decision to freeze rebates for many years.

Any threat to bulk-billing rates for NSW patients is a concern for the Government, given the potential flow-on increase in presentations to emergency departments and hospitals, which are already under significant strain.

Quotes attributable to Minister for Finance Courtney Houssos:

"This matter is historic and dates back to before 2018. Its resolution has been hampered by multiple court hearings and the neglect of the previous Coalition Government. We understand this neglect has created great uncertainty in the GP community.

"That is why we will need time to satisfactorily resolve the matter.

"We also want time to assess the effects of the bulk-billing changes being introduced federally by the Albanese Government.

"The former federal Liberal government's failure to index the bulk-billing rebate for Medicare against the CPI for a decade imposed cost stresses on GPs and patients alike.

"We are working hard to rebuild and restore essential services ignored by the previous Government.

"This will take time but we are committed to doing this carefully and thoughtfully to achieve the best result we can."

MEDIA: Liam Getreu | Minister Houssos | 0438 685 875

From: "Salisbury, Kim"
Sent: 24/08/2023 2:31 PM
To: "Ellis, David" <David.Ellis@act.gov.au>
Subject: Consolidated

OFFICIAL

That's fine. Probably need to flag that this has not been publicly announced

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: Ellis, David <David.Ellis@act.gov.au>
Sent: Thursday, 24 August 2023 2:06 PM
To: Salisbury, Kim <Kim.Salisbury@act.gov.au>
Subject: FW: URGENT COMMENTS - Consolidated Government Response [REDACTED]

OFFICIAL

Hi Kim

Input for the cost of living inquiry for clearance. I've lifted words from the Government response to the assembly motion.

Thanks

David

In light of a widespread lack of awareness of payroll tax by medical centres which engage general practitioners, 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 general practitioners. This waiver will ensure general practice medical business are not subject to retrospective assessments which they have not planned for.

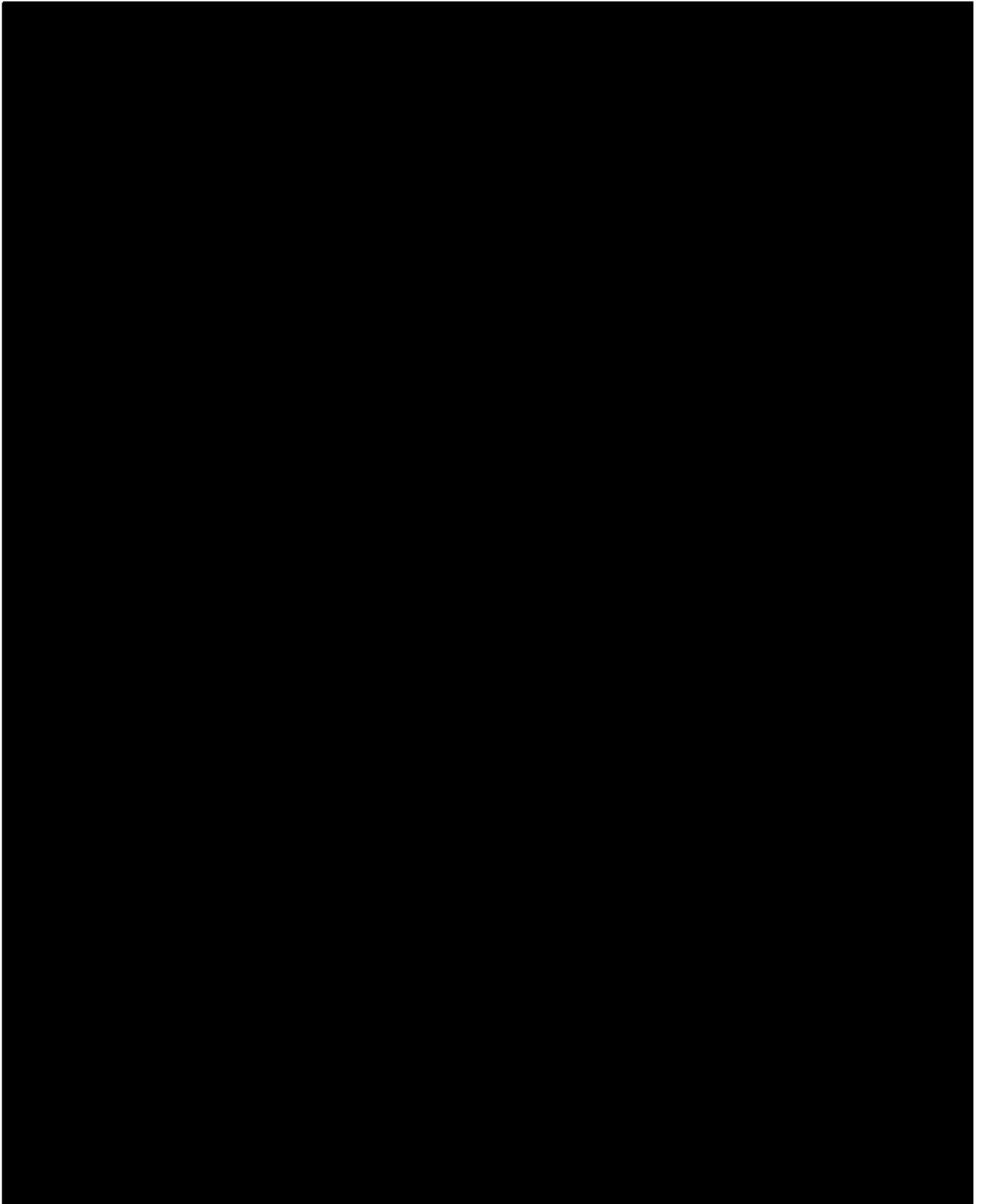
To support medical practices in the delivery of services to the community including bulk billing, the government is providing a further temporary payroll tax amnesty until 30 June 2025. The amnesty will be available to GP clinics that:

- bulk bill at least 65 per cent of GP attendances in a financial year; and
- have registered for MyMedicare;

From: James, David <David.James@act.gov.au>
Sent: Wednesday, 23 August 2023 7:35 PM
To: Ellis, David <David.Ellis@act.gov.au>
Subject: FW: URGENT COMMENTS - Consolidated Government Response [REDACTED]

OFFICIAL

Hi David – CMO wants some words on GP Payroll exemption as part of Rec 5 asap – I hope you can assist and happy to discuss further if needed– cheers David



David James | Senior Director | Strategic Policy and Cabinet | Policy & Cabinet Division
Phone: (02) 6207 2002 | Mobile: [REDACTED] | Email: david.james@act.gov.au
Chief Minister, Treasury and Economic Development Directorate
Level 5 220 London Circuit Canberra City | www.act.gov.au

From: Asmus, Conrad <Conrad.Asmus@act.gov.au>

Sent: Thursday, 17 August 2023 9:54 AM

To: Huynh, Anna <Anna.Huynh@act.gov.au>

Cc: James, David <David.James@act.gov.au>; Brown, NathanL <NathanL.Brown@act.gov.au>; Wang, Tony <Tony.Wang@act.gov.au>

Subject: RE: URGENT COMMENTS - Consolidated Government Response [REDACTED]

OFFICIAL

Morning Anna,

No further comments from us. I note that FABG had recommended:

Kind regards
Conrad

Conrad Asmus | A/g Senior Director | Revenue and Concessions Policy
Chief Minister, Treasury and Economic Development Directorate | ACT Government
Phone: +61 2 6207 0648 | Email: conrad.asmus@act.gov.au
Level 1 220 London Circuit | GPO Box 158, Canberra ACT 2601 | act.gov.au

From: Huynh, Anna <Anna.Huynh@act.gov.au>

Sent: Wednesday, 16 August 2023 5:58 PM

To: CMTEDD, Economic Development <ecodev@act.gov.au>; Canberra Health Services Ministerial <CHS.Ministerial@act.gov.au>; Morris, Dorena <Dorena.Morris@act.gov.au>; Kalatzis, Chris <Chris.Kalatzis@act.gov.au>; Ellis, Catherine (Health) <Catherine.Ellis@act.gov.au>; Asmus, Conrad <Conrad.Asmus@act.gov.au>; O'Brien, Melissa (Health) <Melissa.O'Brien@act.gov.au>; Taneja, Kireet (Health) <Kireet.Taneja@act.gov.au>; RACCExecutiveOfficer <RACCExecutiveOfficer@act.gov.au>; Spencer, Valerie <Valerie.Spencer@act.gov.au>; Boljkovac, Kate <Kate.Boljkovac@act.gov.au>; Aksenov, Stacey <Stacey.Aksenov@act.gov.au>; Awizen, Emma (Health) <Emma.K.Awizen@act.gov.au>; Gillies, Emma <Emma.Gillies@act.gov.au>; Bartram, Chris <Chris.Bartram@act.gov.au>; Burn, Emma <Emma.Burn@act.gov.au>; Balaretnaraja, Ash <Ash.Balaretnaraja@act.gov.au>; Aigner, Geoff <Geoff.Aigner@act.gov.au>; Condon, Lynda <Lynda.Condon@act.gov.au>; Talbot, Lauren <Lauren.Talbot@act.gov.au>; Brown, NathanL <NathanL.Brown@act.gov.au>; Wang, Tony <Tony.Wang@act.gov.au>; Ellis, David <David.Ellis@act.gov.au>; McInnes, Ashleigh <Ashleigh.McInnes@act.gov.au>; Bonato, Peita <Peita.Bonato@act.gov.au>; Smith, SallyJ (Health) <SallyJ.Smith@act.gov.au>; Powter, Luke <Luke.Powter@act.gov.au>; Nichol, Murray <Murray.Nichol@act.gov.au>; Lukins, Ellen <Ellen.Lukins@act.gov.au>

Cc: James, David <David.James@act.gov.au>; Mehrton, Andrew <Andrew.Mehrton@act.gov.au>

Subject: URGENT COMMENTS - Consolidated Government Response [REDACTED]

Importance: High

OFFICIAL: Sensitive

Dear IDC Members,

Attached is a consolidated [REDACTED]

views to the proposed changes to the following recommendations.

We are seeking your

Please get back to David James or I by **COB Thursday 16 August 2023** if you have any comments with respect to these recommendations. I understand that this is a quick turnaround. Please let me know ASAP if you have comments but cannot make the deadline.

For your convenience, the recommendations that have updated comments are:

- Recommendation 5: Bulk billing GPs

We appreciate your work on this. Please do not hesitate to reach out if you have any questions.

Anna Huynh (she/her) | Policy Officer

Social Policy Branch | Policy and Cabinet Division

P 02 6205 0266; E anna.huynh@act.gov.au

220 London Circuit, Canberra ACT 2601

Chief Minister, Treasury and Economic Development Directorate | ACT Government

I acknowledge the Ngunnawal people as traditional custodians of the ACT and recognise any other people or families with connection to the lands of the ACT and region. I acknowledge and respect their continuing culture and the contribution they make to the life of this city and this region.

From: "Salisbury, Kim"
Sent: 25/08/2023 11:50 AM
To: "Gaughran, Tegan" <Tegan.Gaughran@act.gov.au>; "OCRMD" <OCRMD@act.gov.au>
Cc: "Miners, Stephen" <Stephen.Miners@act.gov.au>
Subject: Attachment B - Government response_KS final MC edits
Attachments: Attachment B - Government response_KS final MC edits.docx

UNOFFICIAL

Tegan this is an update that should replace the existing attachment in TRIMM

Government response to ACT Legislative Assembly motion of 10 May 2023 *Payroll tax exemption proposal – General Practices*

The government notes that payroll tax is a significant source of tax revenue, its application is harmonised across jurisdictions and it applies equally to all businesses operating in the ACT.

Under the *Payroll Tax Act 2011* payroll tax is imposed on taxable wages paid or payable by an employer. With the highest payroll tax free threshold of any jurisdiction at \$2 million, most small and medium sized business, including most GP healthcare centres, are likely to be under the threshold and not liable for payroll tax.

Payments made under a contract are subject to payroll tax, unless an exemption applies. This includes payments made to general practitioners (GPs) under a relevant contract.

A series of legal decisions since 2018 have confirmed medical centres are liable for payroll tax in a range of circumstances. While the relevant contract provisions in their current form are not new, and the provisions are harmonised with most other states and territories, 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 general practitioners. This waiver will ensure general practice medical business are not subject to retrospective assessments which they have not planned for.

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

- bulk bill at least 65 per cent of GP attendances in a financial year; and
- have registered for MyMedicare;

This administrative arrangement will be supported by guidelines that outline operational aspects of the amnesty and businesses will have to register with ACT Revenue Office by 29 February 2024 to receive the amnesty. The Commissioner will issue a public ruling on the application of payroll tax to medical practices.

The payroll tax amnesty available until 2025 demonstrates the government's commitment to general practice and to improving affordable health care in the Territory. ACT Health Directorate supports excellence and innovation in Primary Care through providing funding and grants to enhance primary care access for vulnerable populations, further support for GPs who supervise medical placements, and testing new mechanisms to support care to ACT

residents who have complex medical needs through the Commonwealth-funded Primary Care pilot.

From: "Bunt, Jacquie" <Jacquie.Bunt@act.gov.au>
Sent: 25/08/2023 11:52 AM
To: "Salisbury, Kim" <Kim.Salisbury@act.gov.au>
Cc: "Ellis, David" <David.Ellis@act.gov.au>; "Polglase, David" <David.Polglase@act.gov.au>
Subject: FOR REVIEW: GPs
Attachments: MEDIA BACKGROUNDER - GP Payroll Tax.docx, TALKING POINTS - GP Payroll tax.docx, MEDIA RELEASE - BARR & STEPHEN-SMITH - GP Payroll Tax.docx
Importance: High

UNOFFICIAL

Thanks Kim,

Updated with the attached. I've tried to do minimal changes to the MR to keep it as simple as possible.

Are you happy with the edits? If so, I'll forward on to the relevant parties.

Thanks,
Jacquie

From: Salisbury, Kim <Kim.Salisbury@act.gov.au>
Sent: Friday, 25 August 2023 11:24 AM
To: Bunt, Jacquie <Jacquie.Bunt@act.gov.au>
Cc: Ellis, David <David.Ellis@act.gov.au>; Polglase, David <David.Polglase@act.gov.au>
Subject: RE: GPs

UNOFFICIAL

Jacquie when finalised could Stephen Miners, Robyn Hudson (Health) and me get a copy of the pack. thanks

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: Bunt, Jacquie <Jacquie.Bunt@act.gov.au>
Sent: Friday, 25 August 2023 11:09 AM
To: Salisbury, Kim <Kim.Salisbury@act.gov.au>; Ellis, David <David.Ellis@act.gov.au>; Polglase, David <David.Polglase@act.gov.au>
Subject: RE: GPs

UNOFFICIAL

Thank you so much – I'll update our documents accordingly.

Jacqueline Bunt – CMTEDD Media and Public Relations
24/7 CMTEDD Media Line: 0466 937 557
Email: CMTEDDMedia@act.gov.au
Communications & Engagement | Chief Minister Treasury and Economic Development Directorate | ACT Government
220 London Circuit, Canberra City | GPO Box 158 Canberra City ACT 2601 | www.act.gov.au



From: Salisbury, Kim <Kim.Salisbury@act.gov.au>

Sent: Friday, 25 August 2023 11:05 AM

To: Ellis, David <David.Ellis@act.gov.au>; Bunt, Jacquie <Jacquie.Bunt@act.gov.au>; Polglase, David <David.Polglase@act.gov.au>

Subject: FW: GPs

UNOFFICIAL

Some minor tweaks and clarifications.

Note additional text at bottom of attachment B.

Also some language and processes have been clarified in the minute.

Kim Salisbury | Commissioner

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

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

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

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



What is payroll tax and how does it apply to GPs?

Payroll tax is a tax imposed on taxable wages paid by employers as per the *Payroll Tax Act 2011*.

This tax is harmonised across jurisdictions and applies equally to all businesses operating in the ACT.

Payments made under relevant contracts, including those made to GPs, may be subject to payroll tax.

With the highest payroll tax free threshold of \$2 million per year, most small and medium sized business, including most GP healthcare centres, are likely to be under the threshold and not liable for payroll tax.

Why is GP payroll tax being reviewed?

In response to an Assembly motion of May 10 2023, the ACT Government has formulated a comprehensive proposal to examine the impact of payroll tax on general practice (GP) medical centres.

What is the GP Payroll Tax Exemption Proposal?

The introduction of a temporary payroll tax exemption underscores our commitment to fairness and compliance. We're here to support businesses in achieving compliance while prioritising the needs of Canberrans such as accessibility to healthcare and cost of living measures.

What is the ACT Government doing to address payroll tax concerns?

The ACT Government has taken several steps to address payroll tax concerns, including:

- **Retrospective waivers:** Waiving payroll tax liabilities until June 30 2023 for medical practices that have not previously paid payroll tax on GP payments. This waiver will ensure general practice medical business are not subject to retrospective assessments which they have not planned for.
- **Extended time for compliance:** To provide further time for medical practices supporting the community with significant levels of bulk billing to review their arrangements, seek advice, and implement necessary changes to ensure future compliance with their payroll tax obligations.
- **Further exemptions for bulk billing:** Further payroll tax exemption on payments to contractor GPs from 1 July 2023 to 30 June 2025 for medical centres which:
 - are bulk billing 65 per cent of all patients;
 - have registered with MyMedicare;
 - register with the ACT Revenue Office by 29 February 2024.

How will the percentage of bulk billing be calculated?

The percentage of bulk billing is determined at the level of the medical centre, not at the level of bulk billing by individual GPs. The percentage is measured on an annual basis in the financial year in which the payroll exemption is claimed by the medical centre, i.e. in 2023-24 and 2024-25.

The bulk billing percentage is to be determined per organisation. If multiple locations exist in the ACT, a combined bulk billing rate across all locations is considered.

How will GPs be supported during the review of payroll tax?

The temporary exemption will support medical practices in achieving compliance with their payroll tax obligations. This additional time will allow medical practices to review arrangements, seek advice, and ensure compliance with payroll tax obligations.

The exemption offers a window for healthcare businesses to adapt their operations and achieve compliance without incurring unexpected retrospective assessments.

The Commissioner will issue a public ruling on the application of payroll tax to medical centre businesses.

What does this mean for Canberrans?

The exemption proposal aims to provide temporary relief for medical practices, while ensuring the sustainability of the tax base and fair treatment for all industries. The ACT Government understands the importance of affordable healthcare.

By incentivising bulk billing and ensuring fairness in tax treatment, we're working to enhance access to healthcare and relieve financial burdens for our residents. We're committed to finding solutions that benefit both businesses and individuals in our community.

The ACT Government's focus remains on fostering a sustainable tax system that supports our residents, businesses, and essential services in the ACT.

Payroll tax - next steps

As we move forward, we'll continue to engage with stakeholders and the public to ensure that our approach is inclusive and well-informed.

To stay informed about updates on the GP Tax and Payroll Tax Exemption Proposal, keep an eye on official announcements from the ACT Government, the ACT Revenue Office, and relevant industry associations.

Media contact/s:

Kaarin Dynon T (02) 6205 2974 M 0422 772 215 kaarin.dynon@act.gov.au



Date: 25 August 2023

SUBJECT: Government response to ACT Legislative Assembly motion of 10 May 2023 *Payroll tax exemption proposal – General Practices*

KEY MESSAGES

- In response to an Assembly motion of May 10 2023, the ACT Government has examined the impact of payroll tax on general practice (GP) medical centres.
- In recognition of a widespread lack of awareness regarding payroll tax, 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 general practitioners (GPs).
- This waiver will ensure general practice medical business are not subject to retrospective assessments which they have not planned for.
- In addition, *further exemptions* for bulk billing is being offered: Exemption on payments to contractor GPs from 1 July 2023 to 30 June 2025 for medical centres which:
 - are bulk billing 65 per cent of all patients;
 - have registered with MyMedicare;
 - register with the ACT Revenue Office by 29 February 2024.
- This will provide medical practices supporting the community with significant levels of bulk billing with sufficient time to review their arrangements, seek advice, and implement necessary changes to ensure future compliance with their payroll tax obligations.
- The ACT has the highest payroll-tax-free threshold in the country at \$2 million per year, benefiting most small and medium-sized businesses, including GP healthcare centres.

- As we move forward, we'll continue to engage with stakeholders and the public to ensure that our approach is inclusive and well-informed.
- Our focus remains on fostering a sustainable tax system that supports our residents, businesses, and essential services in the ACT.

Contents

| | |
|---|---|
| KEY MESSAGES | 1 |
| Talking Points | 2 |
| Temporary payroll tax exemption..... | 2 |
| Retrospective waivers | 3 |
| Bulk billing exemptions | 3 |
| Cost of living..... | 3 |
| Background | 4 |
| Sensitive issues..... | 4 |
| FAQs | 4 |
| What is payroll tax and how does it apply to GPs? | 4 |
| What is the ACT Government doing to address payroll tax concerns? | 5 |
| Is the Government working with GPs and healthcare providers?..... | 5 |
| What is the GP Payroll Tax Exemption Proposal in the ACT? | 6 |
| What are the benefits of the temporary payroll tax exemption? | 6 |
| What are the conditions to be eligible for an exemption to 2025? | 6 |
| How does the bulk billing exemption work?..... | 6 |
| What if a business doesn't meet the conditions for an exemption? | 7 |
| How will the payroll tax exemption work?..... | 7 |
| What's the plan beyond June 2025? | 7 |
| How does the ACT compare against other jurisdictions? | 7 |
| How can I stay informed?..... | 7 |

Talking Points

Temporary payroll tax exemption

- The introduction of a temporary payroll tax exemption underscores our commitment to fairness and compliance.
- We're here to support businesses in achieving compliance while prioritising the needs of Canberrans such as accessibility to healthcare and cost of living measures.

- The ACT Government will support businesses by providing:
 - Retrospective waivers: Waiving payroll tax liabilities until June 30 2023 for medical practices that have not previously paid payroll tax on GP payments. This waiver will ensure general practice medical business are not subject to retrospective assessments which they have not planned for.
 - Extended time for compliance: To provide further time for medical practices supporting the community with significant levels of bulk billing to review their arrangements, seek advice, and implement necessary changes to ensure future compliance with their payroll tax obligations.
 - Further exemptions for bulk billing: Further payroll tax exemption on payments to contractor GPs from 1 July 2023 to 30 June 2025 for medical centres which:
 - are bulk billing 65 per cent of all patients;
 - have registered with MyMedicare;
 - register with the ACT Revenue Office by 29 February 2024.
- The temporary exemption will be supported by guidelines detailing operational aspects.
- The Commissioner will issue a public ruling on the application of payroll tax to medical centre businesses.

Retrospective waivers

- A retrospective amnesty waiver has been given for businesses for the period to 30 June 2023.
- The waiver instrument covers medical centres which have not paid payroll tax on payments to contractor GPs. This waiver will ensure general practice medical business are not subject to retrospective assessments which they have not planned for.
- If payments have been made on contractor GPs payroll pre-30 June 2023, these can be considered by the Treasurer on a case-by-case basis.

Bulk billing exemptions

- It is proposed the 65 per cent minimum level of bulk billing by the medical centre as a whole, not at the level of bulk billing by individual GPs;
 - The percentage is measured on an annual basis in the financial year in which the payroll tax amnesty is claimed by the medical centre, i.e. in 2023-24 and 2024-25.
 - The bulk billing percentage will refer to a businesses combined bulk billing rate across all locations (if multiple locations exist).

Cost of living

- The ACT Government is taking proactive steps to address cost-of-living pressures faced by Canberrans by introducing the GP Payroll Tax Exemption Proposal.
- This proposal aims to provide temporary relief for medical practices, while ensuring the sustainability of the tax base and fair treatment for all industries.
- We understand the importance of affordable healthcare. By providing a further two year payroll tax exemption to medical practices supporting the community with significant levels of bulk billing, we're working to enhance access to healthcare and relieve financial burdens for our residents.
- We're committed to finding solutions that benefit both businesses and individuals in our community.

Background

- On May 10 2023, the ACT Legislative Assembly passed an amended version of Shadow Minister for Health Leanne Castley's private members' motion about general practices and payroll tax.
- Payroll tax is imposed on taxable wages by employers as per the *Payroll Tax Act 2011*, this includes payments to contractors under a 'relevant contract'.
- Payments under a relevant contract, including payments to GPs, may be subject to payroll tax.
- The amended motion called on the ACT Government to investigate how payroll tax applies to various models of general practitioner clinic arrangements, with respect to general practitioners and their payment arrangements.
- The ACT Government was due to update the Assembly on any changes to the implementation of payroll tax (via a government response to the motion) by the last sitting day of August 2023.

Sensitive issues

- Earlier this year, the NSW Court of Appeal dismissed an appeal from the operator of three medical centres in relation to their liability for payroll tax.
- The Queensland Government [announced a payroll tax amnesty](#) on payments made to contracted general practitioners until 30 June 2025, due to "a potential lack of awareness of payroll tax treatment of contractors among GPs".
- The South Australian Government has announced a similar amnesty to 30 June 2024.
- The NSW has announced a pause in audit activity on medical centres.
- As a result, there has been media interest in whether other jurisdictions intended to introduce similar arrangements.
- There is no policy reason to treat GPs differently for payroll tax purposes. Doing so would set a precedent for similar treatment in other sectors and risk eroding the tax base.
- The waiver for historical liabilities up to June 2023 ensures general practice medical business are not subject to retrospective assessments which they have not planned for.
- A further two year exemption to 30 June 2025 will provide medical practices supporting the community with significant levels of bulk billing with sufficient time to review their arrangements, seek advice, and implement necessary changes to ensure future compliance with their payroll tax obligations.
- The temporary exemption might not prevent stakeholders from advocating for a full exemption, potentially without conditions such as bulk billing ratios.
- A carefully considered, nationally consistent approach is needed post-30 June 2025.

FAQs

What is payroll tax and how does it apply to GPs?

Payroll tax is a tax imposed on taxable wages paid by employers as per the *Payroll Tax Act 2011*.

This tax is harmonised across jurisdictions and applies equally to all businesses operating in the ACT. Payments made under relevant contracts, including those made to GPs, may be subject to payroll tax. Recent legal decisions have confirmed that medical centres may be liable for payroll tax in certain circumstances.

With the highest payroll tax free threshold of any jurisdiction at \$2 million per year, most small and medium sized business, including most GP healthcare centres, are likely to be under the threshold and not liable for payroll tax.

What is the ACT Government doing to address payroll tax concerns?

- Retrospective waivers: Waiving payroll tax liabilities until June 30 2023 for medical practices that have not previously paid payroll tax on GP payments. This waiver will ensure general practice medical business are not subject to retrospective assessments which they have not planned for.
- Extended time for compliance: To provide further time for medical practices supporting the community with significant levels of bulk billing to review their arrangements, seek advice, and implement necessary changes to ensure future compliance with their payroll tax obligations.
- Further exemptions for bulk billing: Further payroll tax exemption on payments to contractor GPs from 1 July 2023 to 30 June 2025 for medical centres which:
 - are bulk billing 65 per cent of all patients;
 - have registered with MyMedicare;
 - register with the ACT Revenue Office by 29 February 2024.

Is the Government working with GPs and healthcare providers?

The ACT Revenue Office routinely talks to businesses and advisers about how the tax laws operate and actual or potential tax liabilities.

The Revenue Office will issue a revenue circular on the application of payroll tax to medical businesses and will engage with ACT medical centres to draw their attention to the circular and encourage them to register and provide a voluntary disclosure if they have a liability.

The payroll tax laws applying to payments to employees and contractors have not changed. Whether payments to doctors are subject to payroll tax will depend on the facts and circumstances of each arrangement.

While the relevant contract provisions are not new, we understand that there is a potential widespread lack of awareness of the application of the relevant contract provisions in the *Payroll Tax Act 2011* among medical practices that engage GPs under contract arrangements.

This waiver to June 2023 will ensure general practice medical business are not subject to retrospective assessments which they have not planned for.

What is the GP Payroll Tax Exemption Proposal in the ACT?

The GP Tax Payroll Tax Exemption Proposal is the ACT Government's response to an Assembly motion of May 10 2023, which called for an examination of the impact of payroll tax on general practice medical centres.

The proposal aims to address potential lack of awareness and concerns regarding payroll tax obligations for healthcare businesses that engage general practitioners under contract arrangements.

What are the benefits of the temporary payroll tax exemption?

The temporary payroll tax exemption provides medical practices with time to review their arrangements, seek advice, and implement necessary changes to ensure compliance with payroll tax obligations.

It offers a window for healthcare businesses to adapt their operations and achieve compliance without incurring unexpected retrospective assessments.

It will also incentivise GPs to consider bulk billing more patients.

What are the conditions to be eligible for an exemption to 2025?

To be eligible for the temporary exemption, healthcare businesses must meet two main conditions:

- bulk bill at least 65 per cent of GP attendances in a financial year;
- have registered for MyMedicare; and
- register with the ACT Revenue Office by February 2024.

How does the bulk billing exemption work?

- The percentage of bulk billing is determined at the level of the medical centre, not at the level of bulk billing by individual GPs.
- The percentage is measured on an annual basis in the financial year in which the payroll tax amnesty is claimed by the medical centre, i.e. in 2023-24 and 2024-25.
- If a medical centre reaches the bulk billing target in some parts of the year, but not over the year, they will be liable for payroll tax over the whole year; and
- The bulk billing percentage is to be determined *per organisation*. If multiple locations exist in the ACT, a combined bulk billing rate across all locations is considered.
- The percentage of bulk billing is measured on an annual basis in the financial year in which the payroll tax amnesty is claimed by the medical centre, i.e., in 2023-24 and 2024-25.

Do all health centres get the payroll exemption from bulk billing?

This further exemption is only available to medical centres which engage GPs under a 'relevant contract' (as defined under the *Payroll Tax Act 2011*).

it will not be available for payments to GPs which are engaged as employees. Further, they must satisfy the following criteria:

- GPs need to be registered as a general practitioner with the Australian Medical Board; and
- Register to receive the amnesty with the ACT Revenue Office by 29 February 2024.

What if a business doesn't meet the conditions for an exemption?

Healthcare businesses that do not meet the conditions for the temporary exemption will not be eligible for the exemption benefits. They will continue to be subject to payroll tax obligations as per the Payroll Tax Act.

How will the payroll tax exemption work?

The ACT Government plans to provide more details about the temporary exemption in the coming months. The proposal will be supported by guidelines outlining operational aspects.

Additionally, the Commissioner will issue a public ruling on the application of payroll tax to medical centre businesses.

What's the plan beyond June 2025?

Beyond June 2025, the ACT Government acknowledges the need for a carefully considered, nationally consistent approach.

How does the ACT compare against other jurisdictions?

The ACT has the highest payroll tax free threshold of any state or territory, set at \$2 million per year. Payroll tax is harmonised across jurisdictions and applies equally to all industries operating in the ACT.

How can I stay informed?

To stay informed about updates on the GP Tax and Payroll Tax Exemption Proposal, keep an eye on official announcements from the ACT Government, the ACT Revenue Office, and relevant industry associations.

Action Officer:

Jacque Bunt – CMTEDD Media

Emma Kelly – CMTEDD Media

Cleared by:

David Ellis – ACT Revenue Office



Media release

Andrew Barr MLA Chief Minister

Treasurer
Minister for Climate Action
Minister for Economic Development
Minister for Tourism

Member for Kurrajong

25 August 2023

GP Payroll Tax Exemption Proposal to Support Healthcare Access and Fairness

The ACT Government is taking proactive steps to address concerns regarding the impact of payroll tax on general practice (GP) medical centres by introducing a temporary payroll tax exemption.

The proposed GP Payroll Tax Exemption underscores the government's commitment to fairness, compliance, and accessible healthcare for all Canberrans.

Responding to an Assembly motion from May 2023, the ACT Government has devised a comprehensive proposal to assess the impact of payroll tax on GP medical centres. As part of this review, the ACT Government has taken several steps to address payroll tax concerns, including:

- **Retrospective waivers:** Waiving payroll tax liabilities until June 30 2023 for medical practices that have not previously paid payroll tax on GP payments. This waiver will ensure general practice medical business are not subject to retrospective assessments which they have not planned for.
- **Extended time for compliance:** To provide further time for medical practices supporting the community with significant levels of bulk billing to review their arrangements, seek advice, and implement necessary changes to ensure future compliance with their payroll tax obligations.
- **Further exemptions for bulk billing:** Further payroll tax exemption on payments to contractor GPs from 1 July 2023 to 30 June 2025 for medical centres which:
 - are bulk billing 65 per cent of all patients;
 - have registered with MyMedicare;
 - register with the ACT Revenue Office by 29 February 2024.

The payroll tax amnesty available until 2025 demonstrates the government's commitment to general practice and to improving affordable health care in the Territory.

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Media release

Andrew Barr MLA Chief Minister

Treasurer
Minister for Climate Action
Minister for Economic Development
Minister for Tourism

Member for Kurrajong

However, with the ACT boasting one of the highest payroll tax-free thresholds in Australia at \$2 million per year, most small and medium-sized businesses, including most GP healthcare centres, are expected to fall below this threshold and not be liable for payroll tax.

The GP Payroll Tax Exemption Proposal offers temporary relief to medical practices while sustaining the tax base and ensuring equitable treatment across industries. By incentivising 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.

As the ACT Government progresses, it will continue engaging with stakeholders and the public to ensure its approach remains comprehensive and well-informed. For the latest updates on the GP Tax and Payroll Tax Exemption Proposal, please refer to official announcements from the ACT Government, the ACT Revenue Office, and relevant industry associations.

Quotes attributable to Chief Minister, Andrew Barr:

The review of GP payroll tax is a proactive step in our commitment to refining policies that impact all Canberrans, including their access to affordable healthcare. We are ensuring that medical practices have ample time to adapt, seek advice, and align with payroll tax obligations.

Our goal is to strike a balance between supporting local businesses and ensuring that vital services, like healthcare, remain accessible. The temporary exemption allows medical practices to align with payroll tax requirements without the burden of unexpected retrospective assessments.

By offering this exemption, the ACT Government aims to support businesses in achieving compliance while keeping the community's needs at the forefront of decision-making, including healthcare accessibility and cost of living.

Quotes attributable to Minister for Health, Rachel Stephen-Smith:

We recognise the vital role that general practice medical centres play in our community's well-being. Our commitment to accessible and affordable healthcare for all Canberrans is unwavering.

The GP Payroll Tax Exemption Proposal aligns with our vision by offering medical practices the necessary time and support to ensure compliance while prioritising the needs of our community.



Media release

Andrew Barr MLA Chief Minister

Treasurer
Minister for Climate Action
Minister for Economic Development
Minister for Tourism

Member for Kurrajong

By engaging with stakeholders, we aim to build a comprehensive approach to the review of GP payroll tax. This inclusive process ensures that our policies remain informed and supportive of both businesses and individuals in our community.

Statement ends

Media contact/s:

Kaarin Dynon T (02) 6205 2974 M 0422 772 215 kaarin.dynon@act.gov.au

From: "Miners, Stephen" <Stephen.Miners@act.gov.au>
Sent: 25/08/2023 11:34 AM
To: "Salisbury, Kim" <Kim.Salisbury@act.gov.au>
Subject: FW: ACT Payroll Tax - AGPA

This was overlooked in my inbox. Not sure it makes it much clearer.

Stephen

From: AGPA Secretariat <admin@australiangpalliance.org.au>
Sent: Wednesday, 23 August 2023 11:18 AM
To: Miners, Stephen <Stephen.Miners@act.gov.au>
Cc: [REDACTED]
Subject: ACT Payroll Tax - AGPA

You don't often get email from admin@australiangpalliance.org.au. [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](#)

Good morning Stephen,
Thanks for

your time yesterday.

The figures which I quoted yesterday make some assumptions that may need some background.

We understand that there are 10 large Practices in the ACT already paying payroll tax on in the ACT. Practices already paying payroll tax they already have wages bills for non GPs over \$2M. Therefore if the tax is introduced / payable on GP medical professional fees then it will apply on all fees GPs fees.

A "typical" fee split in a "typical" Practice is 65:35 GP: Practice. So the 6.85% tax on the 65% which goes to the GP has to be paid from the 35% which goes to the Practice (the staff wages and existing payroll tax already come out of that component). This in effect becomes a tax on revenue of about 12.7%. Larger Practices typically have a profit margin of 5-10%. So there is no capacity even in the larger Practices to absorb this cost (the profitability of smaller Practices is often significantly lower). Accordingly the tax must be raised either by reducing the amount paid to GPs or by increasing fees to patients. The ability to reduce GP fees in a region with a GP shortage is clearly very limited so the only real option is to charge patients.

If a fee is charged to a patient bulk billing is not possible. The GP fee is made up of a patient rebate component and a bulk billing incentive. The bulk billing incentive varies depending on regionality but in the ACT is currently \$6.50. From November this will become \$19.50 (Bulk billing incentive triples). The proportion of GP income that comes from the bulk billing incentive is not payable if a patient is charged and it must also be charged to the patient to maintain income per consultation. Similarly the Practice must charge the patient the full fee and Medicare then reimburses the patient for the patient rebate.

Situation Post November 2023

| State | Standard Medicare Fee | Bulk billing Incentive | Total Income | GP Income | Practice Income | Payroll Tax Payable | % of Practice Income | Bulkbill Equivalent Private Fee | Patient Out of Pocket |
|-------|-----------------------|------------------------|--------------|-----------|-----------------|---------------------|----------------------|---------------------------------|-----------------------|
| ACT | \$41.20 | \$19.50 | \$60.70 | \$39.46 | \$21.25 | \$2.70 | 12.72% | \$63.40 | \$22.20 |

So a patient will need to provide an upfront payment of a minimum of \$63.40 and has an out of pocket expense of \$22.20 in order to collect the \$2.70 payroll tax. (This does not make any allowance for a cross subsidizing of those patients who are bulk billed.) Patients without the capacity to find the up-front fee must either be bulk billed (and

the tax found from another patient by increasing that patient's fees) or attend a walk in clinic/ ED at greater expense to the ACT Government.

Patients can claim their Medicare rebate at the GP reception. The system that allows patients to claim a rebate at the GP reception excludes the addition of non-Medicare relatable items. Hence, any fees not Medicare rebatable must be billed separately. This will need discussion with every patient and will take longer. We have concerns about the impact on reception morale and productivity making that explanation multiple times per day.

The AGPA estimates that the large Practices currently paying payroll tax see the majority of patients (we are aware of one Practice that currently pays payroll tax that last year saw over 40,000 individuals as patients – 115,000 consults). So the impact on a large proportion of Canberra's will be immediate.

We think that the concept of linking an exemption to payroll tax to bulk billing is essentially flawed. Successive Commonwealth Governments have frozen and underfunded the Medicare patient rebate so that Practices need to privately bill to maintain GP income and keep Practices viable. Therefore by requiring bulk billing the viability of the Practice and GP income is threatened. Billing policy for a GP is not controlled by a Practice but by the GP - Practices cannot require GPs to bulk bill or privately bill. Accordingly the tax liability sits with an entity that cannot control the KPI for an exemption for the tax.

Smaller Practices are typically 5-7 FTE GPs. At this size they are on the cusp of needing to pay payroll tax. Therefore the tax has a tendency to become a disincentive to organic growth.

The Australian GP Alliance represents GP Practice owners who own and work in their Practices. Our members are being directly impacted by decisions to implement Payroll tax on medical professional fees. Should you wish to clarify any of these issues we would be very happy to arrange necessary meetings.

Kind regards

[REDACTED]
Executive Officer
Australian GP Alliance



PO Box 241 | Deakin West ACT 2600 | Australia

[REDACTED]
admin@australiangpalliance.org.au

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From: "Salisbury, Kim"
Sent: 25/08/2023 11:11 AM
To: "Ellis, David" <David.Ellis@act.gov.au>
Subject: FW: GPs.
Attachments: 20230824 BRF TSR MIN for Health GP payroll implementation_KS.docx, Attachment B - Government response_KS final.docx

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David can you get someone with fresh eyes to have a look for sense, typos and formatting

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: Salisbury, Kim
Sent: Friday, 25 August 2023 11:05 AM
To: Ellis, David <David.Ellis@act.gov.au>; Bunt, Jacque <Jacque.Bunt@act.gov.au>; Polglase, David <David.Polglase@act.gov.au>
Subject: FW: GPs

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Some minor tweaks and clarifications.
Note additional text at bottom of attachment B.
Also some language and processes have been clarified in the minute.

Kim Salisbury | Commissioner

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

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**Chief Minister, Treasury and Economic
Development Directorate**

SENSITIVE: CABINET

To: Treasurer

Tracking No.: Click here to enter text.

Minister for Health

Date: 25 August 2023

CC: DG Health Directorate

From: Executive Group Manager, Revenue Management

Subject: Implementation of GP payroll tax amnesty

Critical Date: Wednesday 30 August 2023

Critical Reason: A government response is due to be provided to the Legislative Assembly by 31 August 2023.

- DUT .../.../...
- UT .../.../...

Recommendations

1. The Treasurer sign the waiver instrument at Attachment A to waive any payroll tax liabilities on payments to General Practitioners (GP) contractors to 30 June 2023;

Signed / Not Signed / Please Discuss

2. Both Ministers agree to the parameters of the prospective payroll tax amnesty on payments to contractor GPs as outlined in this minute; and to the ACT Government response to the assembly motion at Attachment B.

Agreed / Not Agreed / Please Discuss

Andrew Barr, MLA/...../.....

Rachel Stephen-Smith, MLA/...../.....

SENSITIVE: CABINET

Tracking No.: Click here to enter text.

Minister's Office Feedback

Background

3. On 23 August 2023, Cabinet agreed to:
 - a. A retrospective amnesty for payroll tax on payments to General Practitioners (GPs) who are contracted to medical centres or practices until 30 June 2023.
 - b. A prospective amnesty on payments to contractor GPs from 1 July 2023 to 30 June 2025 for medical centres which:
 - i. are bulk billing 65 per cent of all patients;
 - ii. have registered with MyMedicare;
 - iii. register with the ACT Revenue Office by 29 February 2024.
4. An updated government response to the assembly motion is at [Attachment B](#). This is due to be provided by the last sitting day in August (Thursday 31 August).

Issues

Retrospective waiver

5. A retrospective amnesty waiver instrument for the period to 30 June 2023 is at [Attachment A](#) for the Treasurer's signature.
 - a. The waiver instrument covers medical centres which have not paid payroll tax on payments to contractor GPs.
 - b. It is highly unlikely that any medical centres have made payments on contractor GPs. If payments have been made on contractor GPs payroll pre-30 June 2023, these can be considered by the Treasurer on a case by case basis.

Prospective amnesty

Bulk billing level

6. It is proposed the 65 per cent minimum level of bulk billing be determining the following way:
 - a. Bulk billing means where a practitioner, with the patient's agreement, accepts the patient's Medicare benefit as full payment for a service in accordance with section 20A of the Health Insurance Act 1973 (Cwth);

SENSITIVE: CABINET

- b. GP non-referred attendances is the Medicare item to be counted;
- c. The percentage of bulk billing is determined at the level of the medical centre as a whole, not at the level of bulk billing by individual GPs;
- d. The percentage is measured on an annual basis in the financial year in which the payroll tax amnesty is claimed by the medical centre, i.e. in 2023-24 and 2024-25. If a medical centre reaches the bulk billing target in some parts of the year, but not over the year as a whole, they will be liable for payroll tax over the whole year; and
- e. The bulk billing percentage is to be determined per taxpayer. There are some larger corporate run medical businesses which operate multiple GP centres in the ACT – the bulk billing percentage will be determined in reference to the combined bulk billing rate across all locations.

Other issues

- 7. The prospective amnesty will only be available to medical centres which engage GPs under a 'relevant contract' (as defined under the *Payroll Tax Act 2011*) – it will not be available for payments to GPs which are engaged as employees. To receive the amnesty, medical centres must also satisfy the following criteria:
 - a. GPs need to be registered as a general practitioner with the Australian Medical Board; and
 - b. Register to receive the amnesty with the ACT Revenue Office by 29 February 2024 (the Revenue Office will develop an on-line form on its website).
- 8. Where a medical centre self-assesses that it is not liable and qualifies for the amnesty, no further administrative action is necessary.
- 9. Where a medical centre pays payroll tax on payments to GP and then qualifies for the amnesty, the Commissioner will waive the liability and provide a refund.
- 10. Where a medical centre incorrectly self-assesses that it is not liable, a compliance assessment will be issued.

Revenue Office actions

- 11. The ACT Revenue Office will issue guidelines (website content) that outline operational aspects of the amnesty.
- 12. The ACT Revenue Office will issue a revenue circular to clarify the application of the payroll tax laws to medical centres. This ruling will be harmonised with the rulings issued by Queensland, South Australia, New South Wales and Victoria.
- 13. Following the release of the circular, the Revenue Office will engage with ACT medical centres to draw their attention to the circular and encourage them to register and provide a voluntary disclosure if they have a liability.

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14. For medical centres which register their interest for the amnesty, the Revenue Office may, as part of its regular audit activity, examine the centres' compliance with the amnesty criteria. This is consistent with the self-assessment nature of payroll tax. We consider that a more stringent declaration and proof of compliance is unnecessarily heavy handed. The application of penalties should ensure voluntary compliance.

Financial Implications

15. It is estimated that the application of payroll tax to contractors could raise around \$5 million per year. Some of this will be forgone with the amnesty.

ConsultationCross Directorate

16. The Health Directorate was consulted.
17. Royal Australian College of General Practice, Australian Medical Association, GP Alliance were consulted on 22 August 2023 by Treasury and ACT Health Directorate
18. Capital Health Network was consulted on 22 August 2023 by Treasury and ACT Health Directorate

Work Health and Safety

19. Nil

Benefits/Sensitivities

20. The current overall bulk billing rate within the ACT is 56.6 per cent (2022-23). 2019-2022 the rates of bulk billing were notably higher in ACT and across Australia. This is likely driven by COVID activity. Prior to the pandemic the highest rate of bulk billing in the ACT was 64.2 per cent (2018-2019).
21. A bulk billing target is unlikely to be well received by the professional bodies and individual practices. It is expected that they will contest the feasibility to achieve 65 per cent bulk billing within their practice viability.
22. Monitoring of bulk billing rates at a practice level can not be achieved at this time by ACT Health Directorate. The ACT Revenue Office will determine if the evidence made available by the practice is sufficient to prove the practice has met the requirements of the amnesty. As necessary this will be done in collaboration with the ACT Health Directorate. Engagement with the Commonwealth Health and Aged Care Department might be required if data is required for compliance of practice bulk billing rates and MyMedicare registration.

Communications, media and engagement implications

23. A media pack is being developed

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Tracking No.: [Click here to enter text.](#)

SENSITIVE: CABINET

Signatory Name: Kim Salisbury

Phone: x70010

Action Officer: David Ellis

Phone: x54811

Attachments

| Attachment | Title |
|-------------------|--|
| Attachment A | Waiver instrument |
| Attachment B | Government response to Assembly motion |

SENSITIVE: CABINET

Tracking No.: [Click here to enter text.](#)

Government response to ACT Legislative Assembly motion of 10 May 2023 *Payroll tax exemption proposal – General Practices*

The government notes that payroll tax is a significant source of tax revenue, its application is harmonised across jurisdictions and it applies equally to all businesses operating in the ACT.

Under the *Payroll Tax Act 2011* payroll tax is imposed on taxable wages paid or payable by an employer. With the highest payroll tax free threshold of any jurisdiction at \$2 million, most small and medium sized business, including most GP healthcare centres, are likely to be under the threshold and not liable for payroll tax.

Payments made under a contract are subject to payroll tax, unless an exemption applies. This includes payments made to general practitioners (GPs) under a relevant contract.

A series of legal decisions since 2018 have confirmed medical centres are liable for payroll tax in a range of circumstances. While the relevant contract provisions in their current form are not new, and the provisions are harmonised with most other states and territories, 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 general practitioners. This waiver will ensure general practice medical business are not subject to retrospective assessments which they have not planned for.

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

- bulk bill at least 65 per cent of GP attendances in a financial year; and
- have registered for MyMedicare;

This administrative arrangement will be supported by guidelines that outline operational aspects of the amnesty and businesses will have to register with ACT Revenue Office by 29 February 2024 to receive the amnesty. The Commissioner will issue a public ruling on the application of payroll tax to medical practices.

The payroll tax amnesty available until 2025 demonstrates the government's commitment to general practice and to improving affordable health care in the Territory. ACT Health Directorate supports excellence and innovation in Primary Care by direct financial support to enable general practices for medical student places, testing new mechanisms to support care to ACT residents who have complex medical needs through the Commonwealth funded primary care pilot.

From: "Salisbury, Kim"
Sent: 25/08/2023 11:02 AM
To: "Hudson, Robyn (Health)" <Robyn.Hudson@act.gov.au>
Cc: "Miners, Stephen" <Stephen.Miners@act.gov.au>
Subject: GPs
Attachments: 20230824 BRF TSR MIN for Health GP payroll implementation_KS.docx, Attachment B - Government response_KS final.docx

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Robyn , thanks
Stephen has or will call you.
Your suggestion have been incorporated and a number of descriptions of processes clarified as per your comments.

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



**Chief Minister, Treasury and Economic
Development Directorate**

SENSITIVE: CABINET

To: Treasurer

Tracking No.: Click here to enter text.

Minister for Health

Date: 25 August 2023

CC: DG Health Directorate

From: Executive Group Manager, Revenue Management

Subject: Implementation of GP payroll tax amnesty

Critical Date: Wednesday 30 August 2023

Critical Reason: A government response is due to be provided to the Legislative Assembly by 31 August 2023.

- DUT .../.../...
- UT .../.../...

Recommendations

1. The Treasurer sign the waiver instrument at Attachment A to waive any payroll tax liabilities on payments to General Practitioners (GP) contractors to 30 June 2023;

Signed / Not Signed / Please Discuss

2. Both Ministers agree to the parameters of the prospective payroll tax amnesty on payments to contractor GPs as outlined in this minute; and to the ACT Government response to the assembly motion at Attachment B.

Agreed / Not Agreed / Please Discuss

Andrew Barr, MLA/...../.....

Rachel Stephen-Smith, MLA/...../.....

SENSITIVE: CABINET

Tracking No.: Click here to enter text.

Minister's Office Feedback

Background

3. On 23 August 2023, Cabinet agreed to:
 - a. A retrospective amnesty for payroll tax on payments to General Practitioners (GPs) who are contracted to medical centres or practices until 30 June 2023.
 - b. A prospective amnesty on payments to contractor GPs from 1 July 2023 to 30 June 2025 for medical centres which:
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 - iii. register with the ACT Revenue Office by 29 February 2024.
4. An updated government response to the assembly motion is at [Attachment B](#). This is due to be provided by the last sitting day in August (Thursday 31 August).

Issues

Retrospective waiver

5. A retrospective amnesty waiver instrument for the period to 30 June 2023 is at [Attachment A](#) for the Treasurer's signature.
 - a. The waiver instrument covers medical centres which have not paid payroll tax on payments to contractor GPs.
 - b. It is highly unlikely that any medical centres have made payments on contractor GPs. If payments have been made on contractor GPs payroll pre-30 June 2023, these can be considered by the Treasurer on a case by case basis.

Prospective amnesty

Bulk billing level

6. It is proposed the 65 per cent minimum level of bulk billing be determining the following way:
 - a. Bulk billing means where a practitioner, with the patient's agreement, accepts the patient's Medicare benefit as full payment for a service in accordance with section 20A of the Health Insurance Act 1973 (Cwth);

SENSITIVE: CABINET

- b. GP non-referred attendances is the Medicare item to be counted;
- c. The percentage of bulk billing is determined at the level of the medical centre as a whole, not at the level of bulk billing by individual GPs;
- d. The percentage is measured on an annual basis in the financial year in which the payroll tax amnesty is claimed by the medical centre, i.e. in 2023-24 and 2024-25. If a medical centre reaches the bulk billing target in some parts of the year, but not over the year as a whole, they will be liable for payroll tax over the whole year; and
- e. The bulk billing percentage is to be determined per taxpayer. There are some larger corporate run medical businesses which operate multiple GP centres in the ACT – the bulk billing percentage will be determined in reference to the combined bulk billing rate across all locations.

Other issues

- 7. The prospective amnesty will only be available to medical centres which engage GPs under a 'relevant contract' (as defined under the *Payroll Tax Act 2011*) – it will not be available for payments to GPs which are engaged as employees. To receive the amnesty, medical centres must also satisfy the following criteria:
 - a. GPs need to be registered as a general practitioner with the Australian Medical Board; and
 - b. Register to receive the amnesty with the ACT Revenue Office by 29 February 2024 (the Revenue Office will develop an on-line form on its website).
- 8. Where a medical centre self-assesses that it is not liable and qualifies for the amnesty, no further administrative action is necessary.
- 9. Where a medical centre pays payroll tax on payments to GP and then qualifies for the amnesty, the Commissioner will waive the liability and provide a refund.
- 10. Where a medical centre incorrectly self-assesses that it is not liable, a compliance assessment will be issued.

Revenue Office actions

- 11. The ACT Revenue Office will issue guidelines (website content) that outline operational aspects of the amnesty.
- 12. The ACT Revenue Office will issue a revenue circular to clarify the application of the payroll tax laws to medical centres. This ruling will be harmonised with the rulings issued by Queensland, South Australia, New South Wales and Victoria.
- 13. Following the release of the circular, the Revenue Office will engage with ACT medical centres to draw their attention to the circular and encourage them to register and provide a voluntary disclosure if they have a liability.

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14. For medical centres which register their interest for the amnesty, the Revenue Office may, as part of its regular audit activity, examine the centres' compliance with the amnesty criteria. This is consistent with the self-assessment nature of payroll tax. We consider that a more stringent declaration and proof of compliance is unnecessarily heavy handed. The application of penalties should ensure voluntary compliance.

Financial Implications

15. It is estimated that the application of payroll tax to contractors could raise around \$5 million per year. Some of this will be forgone with the amnesty.

ConsultationCross Directorate

16. The Health Directorate was consulted.
17. Royal Australian College of General Practice, Australian Medical Association, GP Alliance were consulted on 22 August 2023 by Treasury and ACT Health Directorate
18. Capital Health Network was consulted on 22 August 2023 by Treasury and ACT Health Directorate

Work Health and Safety

19. Nil

Benefits/Sensitivities

20. The current overall bulk billing rate within the ACT is 56.6 per cent (2022-23). 2019-2022 the rates of bulk billing were notably higher in ACT and across Australia. This is likely driven by COVID activity. Prior to the pandemic the highest rate of bulk billing in the ACT was 64.2 per cent (2018-2019).
21. A bulk billing target is unlikely to be well received by the professional bodies and individual practices. It is expected that they will contest the feasibility to achieve 65 per cent bulk billing within their practice viability.
22. Monitoring of bulk billing rates at a practice level can not be achieved at this time by ACT Health Directorate. The ACT Revenue Office will determine if the evidence made available by the practice is sufficient to prove the practice has met the requirements of the amnesty. As necessary this will be done in collaboration with the ACT Health Directorate. Engagement with the Commonwealth Health and Aged Care Department might be required if data is required for compliance of practice bulk billing rates and MyMedicare registration.

Communications, media and engagement implications

23. A media pack is being developed

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Signatory Name: Kim Salisbury

Phone: x70010

Action Officer: David Ellis

Phone: x54811

Attachments

| Attachment | Title |
|-------------------|--|
| Attachment A | Waiver instrument |
| Attachment B | Government response to Assembly motion |

SENSITIVE: CABINET

Tracking No.: [Click here to enter text.](#)

Government response to ACT Legislative Assembly motion of 10 May 2023 *Payroll tax exemption proposal – General Practices*

The government notes that payroll tax is a significant source of tax revenue, its application is harmonised across jurisdictions and it applies equally to all businesses operating in the ACT.

Under the *Payroll Tax Act 2011* payroll tax is imposed on taxable wages paid or payable by an employer. With the highest payroll tax free threshold of any jurisdiction at \$2 million, most small and medium sized business, including most GP healthcare centres, are likely to be under the threshold and not liable for payroll tax.

Payments made under a contract are subject to payroll tax, unless an exemption applies. This includes payments made to general practitioners (GPs) under a relevant contract.

A series of legal decisions since 2018 have confirmed medical centres are liable for payroll tax in a range of circumstances. While the relevant contract provisions in their current form are not new, and the provisions are harmonised with most other states and territories, 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 general practitioners. This waiver will ensure general practice medical business are not subject to retrospective assessments which they have not planned for.

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

- bulk bill at least 65 per cent of GP attendances in a financial year; and
- have registered for MyMedicare;

This administrative arrangement will be supported by guidelines that outline operational aspects of the amnesty and businesses will have to register with ACT Revenue Office by 29 February 2024 to receive the amnesty. The Commissioner will issue a public ruling on the application of payroll tax to medical practices.

The payroll tax amnesty available until 2025 demonstrates the government's commitment to general practice and to improving affordable health care in the Territory. ACT Health Directorate supports excellence and innovation in Primary Care by direct financial support to enable general practices for medical student places, testing new mechanisms to support care to ACT residents who have complex medical needs through the Commonwealth funded primary care pilot.

From: "Bunt, Jacquie" <Jacquie.Bunt@act.gov.au>
Sent: 25/08/2023 12:25 PM
To: "Miners, Stephen" <Stephen.Miners@act.gov.au>; "Hudson, Robyn (Health)" <Robyn.Hudson@act.gov.au>
Cc: "Salisbury, Kim" <Kim.Salisbury@act.gov.au>; "CMTEDDMedia" <CMTEDDMedia@act.gov.au>; "Polglase, David" <David.Polglase@act.gov.au>; "Ellis, David" <David.Ellis@act.gov.au>
Subject: Media Pack - GP payroll tax exemptions
Attachments: TALKING POINTS - GP Payroll tax.docx, MEDIA RELEASE - BARR & STEPHEN-SMITH - GP Payroll Tax.docx, MEDIA BACKGROUNDER - GP Payroll Tax.docx

OFFICIAL

Good Afternoon,

Please see the drafted media pack for the GP payroll tax exemption.

The pack includes:

- Media release
- Talking points
- Media backgrounder

Please let me know if there are any issues.

Once reviewed, I will send to the offices of the CM and Health Minister.

Thanks,
Jacquie

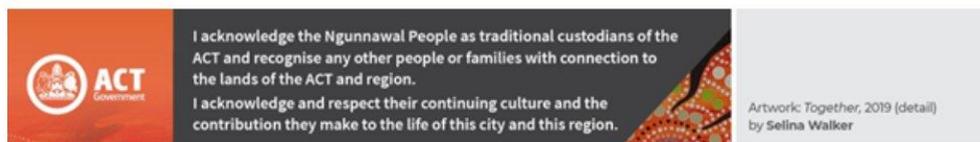
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Date: 25 August 2023

SUBJECT: Government response to ACT Legislative Assembly motion of 10 May 2023 *Payroll tax exemption proposal – General Practices*

KEY MESSAGES

- In response to an Assembly motion of May 10 2023, the ACT Government has examined the impact of payroll tax on general practice (GP) medical centres.
- In recognition of a widespread lack of awareness regarding payroll tax, 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 general practitioners (GPs).
- This waiver will ensure general practice medical business are not subject to retrospective assessments which they have not planned for.
- In addition, *further exemptions* for bulk billing is being offered: Exemption on payments to contractor GPs from 1 July 2023 to 30 June 2025 for medical centres which:
 - are bulk billing 65 per cent of all patients;
 - have registered with MyMedicare;
 - register with the ACT Revenue Office by 29 February 2024.
- This will provide medical practices supporting the community with significant levels of bulk billing with sufficient time to review their arrangements, seek advice, and implement necessary changes to ensure future compliance with their payroll tax obligations.
- The ACT has the highest payroll-tax-free threshold in the country at \$2 million per year, benefiting most small and medium-sized businesses, including GP healthcare centres.

- As we move forward, we'll continue to engage with stakeholders and the public to ensure that our approach is inclusive and well-informed.
- Our focus remains on fostering a sustainable tax system that supports our residents, businesses, and essential services in the ACT.

Contents

| | |
|---|---|
| KEY MESSAGES | 1 |
| Talking Points | 2 |
| Temporary payroll tax exemption..... | 2 |
| Retrospective waivers | 3 |
| Bulk billing exemptions | 3 |
| Cost of living..... | 3 |
| Background | 4 |
| Sensitive issues..... | 4 |
| FAQs | 4 |
| What is payroll tax and how does it apply to GPs? | 4 |
| What is the ACT Government doing to address payroll tax concerns? | 5 |
| Is the Government working with GPs and healthcare providers?..... | 5 |
| What is the GP Payroll Tax Exemption Proposal in the ACT? | 6 |
| What are the benefits of the temporary payroll tax exemption? | 6 |
| What are the conditions to be eligible for an exemption to 2025? | 6 |
| How does the bulk billing exemption work?..... | 6 |
| What if a business doesn't meet the conditions for an exemption? | 7 |
| How will the payroll tax exemption work?..... | 7 |
| What's the plan beyond June 2025? | 7 |
| How does the ACT compare against other jurisdictions? | 7 |
| How can I stay informed?..... | 7 |

Talking Points

Temporary payroll tax exemption

- The introduction of a temporary payroll tax exemption underscores our commitment to fairness and compliance.
- We're here to support businesses in achieving compliance while prioritising the needs of Canberrans such as accessibility to healthcare and cost of living measures.