



RACGP
Royal Australian College
of General Practitioners



PCBC
Primary Care
Business Council

 **AGPA**
AUSTRALIAN GP ALLIANCE

8 February 2024

The Hon. Jacinta Allan, MP
Premier of Victoria
1 Treasury Place
Melbourne VIC 3002

Via email: jacinta.allan@parliament.vic.gov.au

Dear Premier Allan,

The Royal Australian College of General Practitioners (RACGP), the Australian General Practice Alliance (AGPA) and the Primary Care Business Council (PCBC) are member focused organisations writing on behalf of the general practice community in Victoria.

As you are aware of the data released recently by appointment booking platform, HotDoc, which shows one in six (16.5%) of general practices are concerned about the viability of their practice. The research further shows that [95% of practices in Victoria plan to increase their patient fees](#) in response to additional payroll tax burden and operational compliance costs. This increase would take out-of-pocket costs to an all-time high of \$52 in Victoria, equivalent to a 30% increase. Over 1000 patients surveyed by HotDoc confirmed that a 30% increase in patient fees will render GP care unaffordable and likely lead many patients to delay seeking care or end up in public hospital emergency departments.

You will also be aware of the [Legislative Council petition](#) signed by 5,675 Victorians presented to the Parliament on 6 February 2024 calling on the Government to stop the introduction of payroll tax on independent practitioners.

Federal Health Minister Mark Butler has also [called on the Victorian Government to reconsider its position](#) and to work with the RACGP to ensure that the significant investment into general practice reform and strengthening Medicare is not undermined by an additional payroll tax burden on general practice.

In light of the above we write to you once again to seek your urgent intervention on this matter. We are asking the Victorian Government to commit to:

- **no retrospective collection** of payroll tax liabilities
- **provide clarification on the rules that apply** so that general practices can ensure their business models and funding flows accurately reflect their work arrangements with independent practitioners. Specifically, the RACGP is calling for cross-jurisdictional alignment and harmonisation with the Queensland Government [Public Ruling PTAQ000.6.2](#) on what constitutes a relevant contract for independent practitioners.
- **provide an assisted compliance period** to allow practices and practitioners to adjust their business models while clarity on the interpretation of relevant contracts is still being determined.
- **on-going dialogue** to understand consequences of imposed forms of compliance demanded.

General practices already pay payroll tax on members of their clinical and administrative teams.

The cost of Victoria's [new revenue ruling](#) which extends the interpretation of payroll tax to independent practitioners and medical practices will inevitably be passed on to patients and will also lead to practices closing. This will result in devastating consequences for the public hospital system as patients will be directed away from general practice care and towards already overstretched hospital EDs, increasing ED wait times and ambulance ramping.

The RACGP surveyed their members on multiple occasions throughout 2023 and received the following results to date:

- [only 3% of practices would be able to absorb the costs](#) of extra payroll tax on independent practitioners, and 78% would have to raise fees.
- 56% of NewsGP poll respondents have said they [would have to increase out-of-pocket fees by more than \\$20](#).
- [35% would consider moving interstate](#) for favourable payroll tax settings.



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Premier, we urge you to intervene and reconsider the Victorian Government's position on this matter. A change would demonstrate your government's understanding of the potentially devastating impacts payroll tax will have on general practice and the health of Victorians, and a commitment to supporting the Federal Government's initiative to strengthen Medicare to improve health care access for an estimated [6.71 million Victorians](#).

We look forward to the opportunity to engage in constructive dialogue to address this pressing issue and seek your positive consideration of our request to meet with you at the earliest opportunity.

To arrange a time to meet please contact Ms Shayne Sutton, Chief Advocacy Officer, at shayne.sutton@racgp.org.au or on 0410 508 541. Thank you for your time and attention to this important matter.

Yours sincerely,

Dr Nicole Higgins
RACGP President

Dr Anita Muñoz
RACGP Victoria Faculty, Chair

Dr Gerard Foley
Chair, Primary Care Business Council

Dr Mukesh Haikerwal AC
Deputy Chair, Australian General Practice Alliance

CC:

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