



**RACGP**  
Royal Australian College  
of General Practitioners

Healthy Profession.  
Healthy Australia.

## Open letter to NSW Premier Dominic Perrottet

Dear Premier,

### **DON'T KILL OFF GENERAL PRACTICE**

In your efforts to make up the shortfall in NSW payroll tax receipts, you could inadvertently wipe out bulk billing in general practice.

Please don't impose payroll tax on a sector that is so vital to the community and that is operating legitimately.

Not all GPs own clinics. GPs who do own clinics have paid payroll taxes on wages and payments to reception staff, nurses, practice managers and so on since payroll tax was introduced, because we believe businesses **should** pay their fair share of tax as part of a functioning society.

General practices have operated in good faith over that time to provide services to GPs who operate as independent small businesses and not as employees of the practice. Sharing resources between those small businesses helps practices keep costs down and bulk bill as many patients as possible.

We know that if patients can't see a GP, they head to the emergency department instead. Nearly 40% of presentations to emergency departments are for non-urgent issues.

You're on record as saying that the NSW public health system needs to work in support of the general practice network, that NSW needs more bulk-billing doctors to treat patients free of charge and prevent unnecessary emergency department visits clogging up hospitals. And that there is a real opportunity right now coming out of a 100-to-150-year pandemic to reform the NSW health system.

The RACGP agrees.

GPs and general practices have told the RACGP that if payroll tax is imposed on practice earnings:

- almost 20% of general practices will be forced to close
- nearly 80% of GPs would have to pass the payroll tax on to patients as gap payments and increased fees
- many of our GPs would leave general practice altogether.

Unnecessary taxes in healthcare lead to bad outcomes for the community. But you know that – after all, NSW already exempts public hospitals and public ambulance services from payroll tax.

So please, Premier, **don't impose payroll tax on general practice earnings**, unless you want to see:

- a dramatic fall in the number of patients who are bulk billed by a GP
- a material increase in out-of-pocket expenses for people who see a GP
- a significant increase in ambulance ramping and wait times at emergency departments
- more rural and remote communities losing their doctors
- an irrevocable change to the way general practice services are delivered to patients and their communities
- a resulting blow-out in NSW health sector costs that voters will be forced to wear.

Urge your fellow Premiers in the National Cabinet to make the same commitment to GPs and to voters.

Let GPs get on with keeping people healthy.

Yours sincerely,

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The Royal Australian College of General Practitioners

Associate Professor Charlotte Hespe  
Chair  
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