Providence
MEDICAL
WARNERS BAY

NSW Payroll Tax Admin Fee

FAQ

Does this payroll tax admin fee apply to me?

It will only be charged to patients who are privately billed by their GP.

Why are you charging a additional admin fee for private patients?

The decision to charge an additional administration fee is solely to cover the cost of the newly introduced GP payroll tax levied by the NSW Government upon GP services. The decision to charge this additional fee has not been taken lightly, however like other medical practices in the area we have been left with no other alternative but to pass on the cost to patients. This is unfortunate as we also understand the cost of living in Australia is increasing.

But don't you receive a triple bulk-bill incentive?

The bulk billing incentive can only be claimed for children under 16 and concession card holders (on eligible consults only). The bulk bill incentive is separate to the Medicare rebate. Even with the incentive your GP could stand to lose up to 38% of their billings. This issue has arisen due to decades of neglect by Medicare on GP practices and has eroded the value of your Medicare rebate.

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Why can't you bulk-bill me?

The indexation rate offered by Medicare has not kept up with inflation. An example of this was in 2022/2023 where the inflation rate was 6.7% however Medicare only increased the indexation by 3.6%. Over the last 3 decades the average MBS indexation rate was only 1.1% per annum however the average cost of running a medical practice was increasing at a rate of 2.4-3.5% per annum which greatly impact's the ability to provide quality care at an affordable price.

The Australian Medical Association (AMA) stated, "*Years of inadequate indexation has meant that the patient rebate provided by Medicare no longer bears any relationship to the actual cost of providing high-quality services to patients. The medical practice therefore has to either absorb these costs and risk becoming unviable or pass more of the cost onto patients*".

This ultimately means that the Medicare rebate is not sufficient enough to cover the cost of running a medical practice and is the reason why many practices in the area have chosen to remain sustainable by billing patients privately. It should be noted that this inadequate indexation has saved the government around $8.6 billion since 1993.

What can I do to voice my concerns?

We are committed to providing high quality care to you and your families. If you would like to voice your concerns over the effect of this tax, please do so in the following ways.

Sign RACGP Petition
Voice your concerns about the NSW Government's "tax grab"

The Hon. Greg Piper
Member of the Legislative Assembly