



**AUSTRALIAN DENTAL  
ASSOCIATION INC.**

Incorporated in the ACT ARBN 131 755 989

14–16 Chandos Street St Leonards NSW 2065

All Correspondence to:  
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19 December 2011

The General Manager  
Indirect Tax Division  
The Treasury  
Langton Crescent  
PARKES ACT 2600  
**Email:** [gstpolicyconsultations@treasury.gov.au](mailto:gstpolicyconsultations@treasury.gov.au)

Sent by email

Dear General Manager,

### **ADA submission to Exposure Draft Legislation – Third party procured GST-Free Health Supplies**

The Australian Dental Association Inc. (ADA) is the peak national professional body representing more than 13,000 dentists and dental students across both the public and private sectors. The primary objectives of the ADA are:

- To encourage the improvement of the oral and general health of the public and to advance and promote the ethics, art and science of dentistry, and
- To support members of the Association in enhancing their ability to provide safe, high quality professional oral health care.

The Australian Dental Association thanks the Treasury for the opportunity to comment on the exposure draft legislation Tax Laws Amendment (2011 Measures No. 9) Bill 2011: Goods and Services Tax (GST)-free health supplies (“exposure draft legislation”) which extends the GST-free treatment to other health related supplies arising under other types of multi-party arrangements.

The ADA **supports** the proposed exposure draft legislation. The health insurance landscape naturally impacts on the dental profession and the provision of dental care to Australians. The exposure draft legislation’s proposal to extend the GST-free treatment to other health related supplies arising under various types of multi-party arrangements is welcomed by the dental profession. By ensuring that the supply by the health care provider paid for by an insurer or a government entity under a health funding arrangement is treated as a GST-free supply so long as the related supply from the health care provider to the insured person is a GST-free health supply, the exposure draft legislation is giving effect to appropriate policy. These proposals will reduce the administrative and regulatory burden on all parties. The ADA expects quite rightly that additional costs will therefore not need to be passed onto patients by dental professionals that supply dental services funded in full or part by third parties (since such GST costs will not exist).

While the vast majority of dental services are GST-free, the ADA would like to take this opportunity urge the Treasury to consider removing the applicability of the GST to prosthetic services that are a part of dentistry such as denture repairs. The ADA questions the rationale for imposing GST on prosthetic services whereas for other aspects of dentistry it is GST free. This causes considerable confusion within the profession, not to mention the administrative burden it places on the Australian Tax Office (ATO), the dental service provider as well as to the recipient of the service. Furthermore the ADA queries whether the

GST's applicability to prosthetic services actually results in the policy's objective to create efficiency in the production and delivery of goods and services balanced against the costs involved in administering this measure.

The ADA would be happy to meet with the Treasury and ATO to discuss further.

Yours faithfully,

A handwritten signature in black ink, appearing to read "Shane Fryer". The signature is written in a cursive, flowing style.

Dr F Shane Fryer  
President