

17th June, 2011

The General Manager,
Indirect Tax Division
The Treasury
Langton Crescent
PARKES ACT 2600

To Whom It May Concern:

Submission - GST and certain supplies to Health Insurers

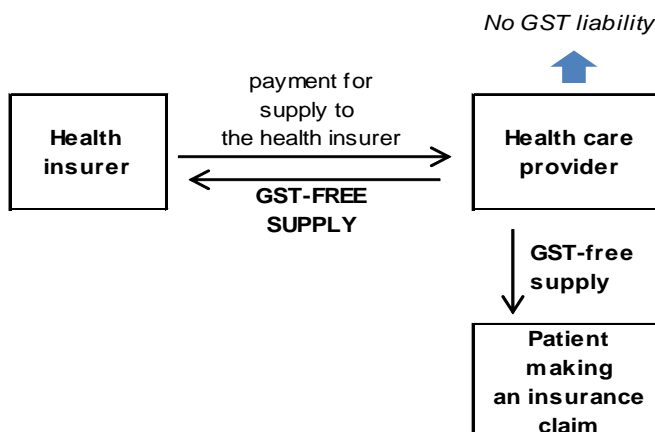
I have an interest in the above proposed changes to the GST Act and would like to know if these changes if enacted would it have an effect on the following situation:

- (a) Health Provider is registered for gst as the supply is not regarded as GST Free as the provider is not one of the 21 “recognised professionals” per Sect 28.10 of the Act.
- (b) GST is charged to patients on the supply.
- (c) The Health Providers services are claimable by the patients through their respective health funds and are processed thru Hicaps at the point of sale in the same way as other medical practitioners eg physiotherapists.
- (d) The Health Provider is a Myotherapist.

In the Consultation Paper dated 7th June it is indicated in the Proposed Amendment will make certain supplies from an entity to a health insurer GST free provided that the supply to the health insurer is the service of making a supply to an individual where the underlying supply made to the individual is GST free under Subdivision 38-B

1. The amendments are to apply from tax periods starting on, or after, 1 July 2000.

Figure 2: GST outcomes under the proposed amendment



According to your diagram above, the Health care provider has no GST liability, so does this mean that if the amendment is passed that the Mytherapist supply will now be GST Free? If this is not the case then the Myotherapist and any other health provider who is not in the

recognized professional list but whose services are still rebateable by the Health Funds, is still charging the health fund gst which they are unable to claim back.

I believe the issues raised here pertain to the Focus question #3 "Will the proposed amendment have any unintended consequences.....". I understand that this document is probably not in the format that you would usually receive and is certainly not prepared by an expert in the field, but as a concerned voter and taxpayer would like clarification as to the reasons why the GST Act currently does not apply equally to all health professionals whose services are rebateable by Health Funds and submit that any changes to the ACT should address this issue and therefore would appreciate your comments.

Yours faithfully,

Vivienne Isaac