



GST and Assistive Technology

General Supply of Assistive Technology

Health services and equipment are GST free under certain conditions. The sale or hire of medical aids, appliances and assistive technology are GST free when the device is:

- Listed on Schedule 3 of GST Act;
- Specifically designed for people with an illness or disability.
- Not widely used by people without an illness or disability.

Assistive technology which satisfies these conditions are GST free at all points in the supply chain from manufacturer, to retailer to consumer. Additionally, any incidental costs in the provision of assistive technology such as training and installation are also GST free.

The provision of spare parts which are specially designed for a GST free medical device are GST free, however generic spare parts are GST taxable supplies. For example, a special wheelchair handle would be GST free while a generic battery used to power a wheelchair would be a GST taxable supply.

If a GST free medical device is repaired using a part that is specially designed for it, then any incidental labour or incidental parts that are not specifically designed for the device would also be GST free.

GST will apply to the following repairs or services on GST free medical aids:

- Parts that are not specifically designed as spare parts for that medical aid and are not incidental to the supply of a specifically designed spare part.
- Consumables such as oil that are not incidental to the supply of specifically designed spare parts.
- Specifically designed spare parts which are incidental to the labour supply component of the repair (ie. Labour is the main supply).
- The labour component of the repair service where it is not merely incidental to the supply of specifically designed spare part.

In Summary:

- The supply, installation and training of assistive technology is GST Free.
- The provision of device specific repairs and incidental labour is GST Free.
- Regular servicing and generic maintenance is a GST taxable supply.

GST and the NDIS

A supply of any service or assistive technology to an NDIS participant is GST free if:

- The NDIS participant has a NDIS plan in effect.
- The supply is of a reasonable and necessary support that is specified in the participants NDIS plan.

- There is a written agreement between the supplier and NDIS participant.
- It is a supply covered by the Disability Services Ministers Determination.

The provision of assistive equipment for recreation, including spare parts are included in the Disability Services Minister's Determination and are therefore all GST free if part of an individual's NDIS plan.

Example One

Supply made to self-managed participants of their NDIS plan

Ben is an NDIS participant and has an NDIS plan which specifies he can receive seven hours of home support on a weekly basis. Ben requests ABC Pty Ltd supply him with the supports for a 6 month basis. Ben provides ABC Pty Limited with a letter identifying:

- He is an NDIS participant.
- The type of support he is to be provided with (as per his NDIS plan).
- That the support is one of the reasonable and necessary supports specified in Ben's NDIS plan.

ABC Pty Limited confirms its agreement to provide the support including the start date and signs the letter. This satisfies the requirements for a written agreement. ABC Pty Limited will then provide the requested supports for the next six months as a GST free supply.

Example Two

Supply made through a Plan Management Provider registered with the NDIA

PP Co is registered with the NDIA as a plan management provider and has been engaged by Lucy to manage her plan.

Lucy is an NDIS participant and would like XYZ to deliver one of the reasonable and necessary supports in her plan.

With Lucy's consent, PP Co emails XYZ with Lucy's requirements including her name, the reasonable and necessary support specifications, number of hours and confirms that the support is specified in Lucy's NDIS plan.

XYZ writes to Lucy and PP advising the details of the support to be provided and the price to be paid, but makes no reference to Lucy's plan. PP replies in writing to confirm Lucy's agreement to receive the supports from XYZ.

The written agreement is satisfied by the combination of evidence from the initial email, XYZ letter confirming support arrangements and PP's letter of acceptance.

Provided all other requirements are met, the supplies XYZ makes to Lucy are GST Free.

The requirement for a written agreement in order for NDIS services to be provided GST is very specific and it is helpful to have a pro-forma document to ensure that all requirements are met within an individual agreement. Assistive Technology Suppliers Australia Ltd wishes to assist NDIS participants and NDIS suppliers with their written agreements and a sample document can be found on their website.

General Advice Warning

The information contained on this fact sheet is general in nature and does not take into account your personal situation. You should consider whether the information is appropriate to your needs, and where appropriate, seek professional advice from a Taxation adviser.

Taxation, legal and other matters referred to in this Fact Sheet is general nature only and are based on ATSA's interpretation of laws existing at the time and should not be relied upon in place of appropriate professional advice. Those laws may change from time to time.

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Sample:

Request for the provision of support services as a GST Free Supply under an NDIS plan

The supply of services or equipment to an NDIS participant is GST free if the following conditions are satisfied:

- The NDIS participant has an NDIS plan in effect
- The supply is of a reasonable and necessary support that is specified in the statement of supports in the participant's NDIS plan
- There is a written agreement between the supplier and the NDIS participant (or authorised representative)
- It is a supply covered by the Disability Services Ministers Determination

Written Agreement between NDIS Participant and Supplier

Participant: (Section to be completed by NDIS participant)

I _____ request the provision of the following services or
(NDIS Participant)

equipment of _____ to be provided by _____.
(Detail of reasonable and necessary support) (Name of Supplier)

I declare that the above requested supports are specified as reasonable and necessary supports in my National Disability Insurance Scheme plan as dated _____ and are included in the GST Free Supply (NDIS Supports) Determination 2017.

Signed: _____ Date: _____
(NDIS participant or authorised representative)

Supplier: (Section to be completed by Supplier)

_____ agrees to provide following services or equipment of
(Supplier)

_____ to _____.
(Detail of reasonable and necessary support) (NDIS participant)

as a reasonable and necessary support as specified in the participant's NDIS plan and will commence the provision of these services on _____.
(Date)

The abovementioned services or equipment will be provided GST free as per A New Tax System (Goods and Services Tax) Act 1999 s38-38.

Signed: _____ Date: _____
(Supplier's authorised representative)