

EXPOSURE DRAFT

1 Inserts for
2 **Tax Laws Amendment (2011 Measures**
3 **No. 9) Bill 2011: GST-free health**
4 **supplies**

5

EXPOSURE DRAFT (12/10/2011)

6

Commencement information

Column 1	Column 2	Column 3
Provision(s)	Commencement	Date/Details

1.

2. Schedule ?? The day this Act receives the Royal Assent.

3.

7 **Schedule ??—GST-free health supplies**

8

9 *A New Tax System (Goods and Services Tax) Act 1999*

10 **1 At the end of Subdivision 38-B**

11 Add:

12 **38-60 Third party procured GST-free health supplies**

13 *Insurers*

14 (1) If:

- 15 (a) a supply is a supply of a service to an insurer; and
- 16 (b) the service is the supplier making one or more other supplies
- 17 of goods or services to an individual; and
- 18 (c) at least one of the other supplies:
- 19 (i) is *GST-free under this Subdivision; and
- 20 (ii) is for settling one or more claims under an *insurance
- 21 policy of which the insurer is an insurer;

22 the first-mentioned supply is *GST-free* to the extent that the service

23 consists of supplies covered by paragraph (c).

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Note: For subparagraph (c)(ii), the insurer may be an insurer of the policy because of a portfolio transfer (see section 78-118).

Compulsory third party scheme operators

(2) If:

- (a) a supply is a supply of a service to an *operator of a *compulsory third party scheme; and
- (b) the service is the supplier making one or more other supplies of goods or services to an individual; and
- (c) at least one of the other supplies:
 - (i) is *GST-free under this Subdivision; and
 - (ii) is made under the compulsory third party scheme;

the first-mentioned supply is ***GST-free*** to the extent that the service consists of supplies covered by paragraph (c).

Government agencies

(3) If:

- (a) a supply is a supply of a service to an *Australian government agency; and
- (b) the service is the supplier making one or more other supplies of goods or services to an individual; and
- (c) at least one of the other supplies is *GST-free under this Subdivision;

the first-mentioned supply is ***GST-free*** to the extent that the service consists of supplies covered by paragraph (c).

Parties may agree for supply not to be GST-free

- (4) However, a supply is not GST-free (to any extent) under this section if the supplier and the *recipient have agreed that the supply, or supplies of a kind that include that supply, not be treated as GST-free supplies.

2 Subsection 78-118(1)

Omit “this Division applies”, substitute “subsection 38-60(1) and this Division apply”.

3 At the end of subsection 78-118(1)

Add:

Note: Subsection 38-60(1) provides that certain supplies to insurers are GST-free.

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1 **4 Paragraph 78-118(2)(a)**

2 Omit “this Division”, substitute “subsection 38-60(1) and this
3 Division”.

4 **5 Application of amendments**

5 (1) The amendments made by this Schedule apply in relation to supplies of
6 services to:

7 (a) insurers; or

8 (b) operators of compulsory third party schemes; or

9 (c) Australian government agencies;

10 made on or after 1 July 2012.

11 (2) Subsection 38-60(4) of the *A New Tax System (Goods and Services Tax)*
12 *Act 1999* applies in relation to agreements made before, on or after
13 1 July 2012.

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