

Recognised professionals -

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Health Industry Partnership

Recognised professionals

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This publication (excluding appendixes) is a public ruling for the purposes of the *Taxation Administration Act 1953*.

A public ruling is an expression of the Commissioner's opinion about the way in which a relevant provision applies, or would apply, to entities generally or to a class of entities in relation to a particular scheme or a class of schemes.

If you rely on this ruling, the Commissioner must apply the law to you in the way set out in the ruling (unless the Commissioner is satisfied that the ruling is incorrect and disadvantages you, in which case the law may be applied to you in a way that is more favourable for you – provided the Commissioner is not prevented from doing so by a time limit imposed by the law). You will be protected from having to pay any underpaid tax, penalty or interest in respect of the matters covered by this ruling if it turns out that it does not correctly state how the relevant provision applies to you.

Section 38-10(1)(b) of the GST Act requires that the supplier of other health services be a recognised professional. In many instances the supplier of the service is a practice company or partnership which is not itself a recognised professional. Will GST apply in this scenario?

1. In determining whether GST will apply in this scenario, it will not be relevant under section 38-10(1)(b) that the practice company or partnership is not itself a *recognised professional.
2. The requirement under section 38-10(1)(b) that the supplier of 'other health services' be a *recognised professional, is given meaning by the context in which it appears. It is considered that in this context, it is taken to be a requirement that the person who actually performs the 'other health service' must herself or himself, be a *recognised professional in relation to supplying services of that kind. Due to their very nature, a practice company or partnership can not itself perform the services it may supply through others, such as *recognised professionals.
3. Therefore section 38-10(1)(b) focuses on the professional status of the person performing the 'other health service', and requires that the person performing the 'other health service' be a *recognised professional in relation to supplying services of the kind specified in the table in section 38-10.