

Purchasing or hiring goods through a hospital -

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Pharmaceutical Health Forum

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Where a person hires or purchases goods through a hospital which are not listed in Schedule 3 or specified in the regulations, will the goods be GST-free?

1. The hire or purchase of goods not listed in Schedule 3 or specified in the regulations will not be GST-free under section 38-45. However, in some circumstances, the hire or purchase of these goods may be GST-free under subsection 38-20(3).
2. Subsection 38-20(3) provides that a supply of goods will be GST-free if it is directly related to a supply of GST-free hospital treatment and it is supplied by, or on behalf of, the supplier of the GST-free hospital treatment. Hospital treatment as defined for the purposes of section 38-20(3) relates to the provision of accommodation and nursing care for patients of the hospital.
3. Accordingly, a supply of goods (not listed in Schedule 3 or specified in the regulations) by or on behalf of a hospital to a patient of the hospital, will be GST-free where the goods supplied are directly related to a supply of GST-free accommodation or nursing care.
4. For example, the hire of a breast pump by a hospital to a patient for use while they are a patient of the hospital will be GST-free under subsection 38-30(3). It is important to emphasise that a patient being treated at home under the 'Early Discharge Program' is still considered to be a patient of the hospital.
5. However, the hire of a breast pump by a hospital to an out patient (that is, a patient who has been discharged), will not be GST-free under subsection 38-30(3), as the supply of that good is not directly related to a supply of GST-free hospital treatment, as that term 'hospital treatment' is defined.
6. Further, the provision of drugs and medicines provided by a hospital to a patient will be GST-free where the goods supplied are directly related to the nursing care of a patient (receiving GST-free 'hospital treatment'). If the 'hospital treatment' is GST-free and the hospital contracts out to a Pharmacist the service of supplying drugs and medicines to its patients, the drugs and medicines are being provided on behalf of the hospital and will be GST-free to the patient. However, the supply from the Pharmacist to the hospital will not be GST-free.