

GST 2000/1 - Explanatory statement -

EXPLANATORY STATEMENT

ISSUED BY THE AUTHORITY OF THE MINISTER FOR AGED CARE

A NEW TAX SYSTEM (GOODS AND SERVICES TAX) ACT 1999

**DETERMINATION OF A GST-FREE SUPPLY OF GOVERNMENT FUNDED
COMMUNITY CARE SERVICES UNDER PARAGRAPH 177-10 (1) (d)**

This determination allows for community care services, which are similar to those provided as GST-free services to aged or disabled people under the *Home and Community Care Act 1985*, but are funded under other State, Territory or Commonwealth programs, also to be GST-free to the aged or disabled recipients of these care services.

Paragraph 177-10 (1) (d) of *A New Tax System (Goods and Services Tax) Act 1999* (ANTS) provides for the Minister for Aged Care to make a determination for the purposes of Section 38-30 (4)(b) of ANTS which covers the provision of GST-free services to aged or disabled people receiving government funded community care services which are similar to Home and Community Care (HACC) services provided under the *Home and Community Care Act 1985*.

The provisions of the primary legislation allow for the supply of GST-free community care services to be provided to care recipients where they are provided:-

- (a) as Community Care packages under the *Aged Care Act 1997* (Section 38-30 (1));
- (b) as HACC services under the *Home and Community Care Act 1985* (Section 38-30 (2)); or
- (c) as privately funded services where these relate to personal care services similar to those listed in item 2.1 to the Quality of Care Principles under the *Aged Care Act 1997* (Section 38-30 (3)). These services relate to assistance with such activities as bathing, dressing, eating, continence management, mobility or assistance with communication.

Schedule 1 to the determination lists all the HACC-like community care services which will be GST-free to care recipients. Schedule 2 lists the services which can be provided GST-free to the carers of care recipients.

Both Schedules reflect a similar range of GST-free services as provided to care recipients and their carers under the provisions of the primary legislation covering the Home and Community Care services, and have been formulated in consultation with the State and Territory governments.

The determination comes into effect on 1 July 2000.