

# ***Are the services of psychotherapists and psychoanalysts GST-free? -***

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## Health Industry Partnership

### Are the services of psychotherapists and psychoanalysts GST-free?

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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.

### Are the services of psychotherapists and psychoanalysts GST-free?

1. This question focuses on the requirement of 'services of a kind' in relation to those services listed in section 38-10(1)(a) and the definition of \*recognised professional.

#### **Services of a kind**

2. Psychotherapy and psychoanalysis are not services of a kind specified in the Table for section 38-10(1)(a). However, psychotherapy and psychoanalysis may be considered to be techniques of one or more of the services listed in that Table.

3. If the psychotherapy and psychoanalysis is supplied by a recognised professional in relation to one of the listed services in the Table (for example a psychologist), and it is generally accepted in that profession as being necessary for the appropriate treatment of the recipient of the supply then it will be GST-free.

#### **Recognised professional**

4. Paragraph (a) of the definition of '\*recognised professional' in section 195-1 provides that a person is a recognised professional in relation to the supply of the service of a kind specified in the Table if the service is supplied in a State or Territory in which the person has a permission or approval, or is registered, under a State law or a Territory law prohibiting the supply of services of that kind without such permission, approval or registration. It is considered that 'prohibiting' includes a law which does not allow a person to hold themselves out as a provider of certain services as governed by that relevant law.

5. Under the relevant State and Territory Acts dealing with psychology, a practitioner of psychology must be registered under that relevant Act. Therefore, it is considered that only a person registered for the provision of psychology under the relevant Act will be a \*recognised professional in relation to psychology.

***Psychiatrists***

6. Psychotherapy and psychoanalysis may also be GST-free if provided by a \*medical practitioner trained in these procedures (for example a psychiatrist) and either a Medicare benefit is payable or the service is generally accepted in the medical profession as being necessary for the appropriate treatment of the \*recipient of the supply under section 38-7 of the GST Act.