

GST and medical aids and appliances

Explains when you can supply medical aids and appliances GST-free.



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If you follow our information in this publication and it turns out to be incorrect, or it is misleading and you make a mistake as a result, we must still apply the law correctly. If that means you owe us money, we must ask you to pay it but we will not charge you a penalty. Also, if you acted reasonably and in good faith we will not charge you interest.

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TERMS WE USE

When we say:

- **GST credit**, we are referring to the GST term **input tax credit**
- **sale/hire**, we are referring to the GST term **supply**
- **purchase/hire**, we are referring to the GST term **acquisition**
- **merely incidental**, we are referring to something that is integral, ancillary or incidental to a supply; that is, part of a supply that does not need to be separately recognised for GST purposes.

For example, a hearing aid is supplied with a small brush used as an accessory to clean the hearing aid so that it performs properly. The brush represents a small part of the value of the total package. In this case, supply of the brush is not regarded as a separate part, but is merely incidental to the supply of the hearing aid.

➤ For more information about the term 'merely incidental', refer to paragraphs 55 to 63 of Goods and Services Tax Ruling GSTR 2001/8.

GST-FREE MEDICAL AIDS AND APPLIANCES

When are medical aids and appliances GST-free?

Medical aids and appliances you sell are GST-free if they meet all of the following three conditions:

- listed in schedule 3 to the GST Act or in schedule 3 to the GST regulations
- specifically designed for people with an illness or disability
- not widely used by people without an illness or a disability.

Medical aids and appliances that satisfy all these conditions are GST-free at every point in the supply chain – from manufacture to consumer.

When are medical aids and appliances taxable?

Under GST law, you can make an agreement with your supplier to treat these GST-free medical aids and appliances you purchase as taxable.

Where this is the case, if you are registered or required to be registered for GST, you may be eligible to claim a GST credit for the GST you pay in the price of the medical aids and appliances you purchase.

However, you may still sell these items GST-free to your customers unless you have a similar agreement with your customers that covers your supply.

Can the ATO add items to the GST Act or regulations?

We cannot add new medical aids and appliances to schedule 3 to the GST Act or schedule 3 to the GST regulations – only Parliament can do this.

HIRING MEDICAL AIDS AND APPLIANCES

If you sell medical aids and appliances that meet the conditions to be GST-free, you can also hire out those items GST-free.

For example, when a chemist hires a wheelchair out to a customer, they do not include GST in the rental fee.

SPARE PARTS

Spare parts you sell that are specifically designed for a GST-free medical aid or appliance are GST-free. However, generic parts are taxable.

For example, a replacement wheelchair wheel you sell that is designed with a hand grip is not a generic part and is GST-free. However, generic batteries you sell for an electric wheelchair are taxable because they are not specifically designed for the wheelchair.

REPAIRS TO GST-FREE MEDICAL AIDS AND APPLIANCES

If you repair a GST-free medical aid or appliance using a part that is specifically designed, any incidental labour or incidental parts that are not specifically designed are also GST-free.

The following parts or labour you supply to repair GST-free medical aids or appliances are taxable:

- parts that are not specifically designed as spare parts for the GST-free medical aid or appliance and which are not merely incidental to the supply of GST-free specifically designed spare parts
- consumables, such as oil or glue, used in the repair or service that are not merely incidental to the supply of GST-free specifically designed spare parts
- specifically designed spare parts for the GST-free medical aid or appliance that are merely incidental to the supply of the labour component of the repair service (that is, where the main supply is labour)
- the labour component of the repair service where it is not merely incidental to the supply of a specifically designed spare part for the GST-free medical aid or appliance.

MEDICAL AIDS OR APPLIANCES LISTED IN AN UNEXPECTED CATEGORY

Schedule 3 to the GST Act contains three columns made up of the item number, the category and the medical aid or appliance. If the meaning of the medical aid or appliance listed in the third column is unclear, you can use the category column to clarify it.

For example, 'mammary' is listed in column two at item 84. By itself, the term 'mammary' and its purpose are unclear. The category column clarifies item 84 as mammary prostheses.

Needles and syringes are listed at item 37 under the category of 'diabetes'. The meaning of needles and syringes is not unclear so all needles and syringes are GST-free as long as they are:

- needles and syringes designed to be used with each other
- specifically designed for people with an illness or disability, and
- not widely used by people without an illness or disability.

SCHEDULE 3 TO THE GST ACT

Table: medical aids and appliances

| Item | Category | Medical aids or appliances |
|------|--|--|
| 1 | Cardiovascular | heart monitors |
| 2 | | pacemakers |
| 3 | | surgical stockings |
| 4 | Communication aids for people with disabilities | communication boards and voice output devices |
| 5 | | communication cards |
| 6 | | page turners |
| 7 | | eye pointing frames |
| 8 | | software programs specifically designed for people with disabilities |
| 9 | | printers and scanners specifically designed for software and hardware used by people with disabilities |
| 10 | | switches and switch interfaces |
| 11 | | mouth/head sticks/pointers |
| 12 | | alternative keyboards |
| 13 | | electrolarynx replacements |
| 14 | speech amplification/clarification aids | |

| Item | Category | Medical aids or appliances |
|------|--|---|
| 15 | Continance | urine/faecal drainage/collection devices |
| 16 | | waterproof covers or mattress protectors |
| 17 | | absorbent pads for beds and chairs |
| 18 | | disposable/reusable continence pads, pants and nappies required for continence use (excluding nappies for babies, sanitary pads or tampons) |
| 19 | | enuresis alarms |
| 20 | | incontinence appliances |
| 21 | | hospital/medical/continence deodorising products |
| 22 | | waterproof protection for beds and chairs |
| 23 | | sterile plastic bags |
| 24 | | electric bag emptiers |
| 25 | | enemas, suppositories and applicators |
| 26 | | urinal and bedpans |
| 27 | | penile clamps |
| 28 | | Daily living for people with disabilities |
| 29 | customised toothbrushes for people with disabilities | |
| 30 | dentures and artificial teeth | |
| 31 | environmental control units designed for the disability of a particular person | |
| 32 | computer modifications required for people with disabilities | |
| 33 | 'medical alert' devices | |
| 34 | Diabetes | finger prickers |
| 35 | | alcohol skin wipes |
| 36 | | test strips |
| 37 | | needles and syringes |
| 38 | | glucose monitors |

| Item | Category | Medical aids or appliances |
|------|--|--|
| 39 | Dialysis | home dialysis machines |
| 40 | Enteral nutrition | enteral nutrition and associated delivery equipment |
| 41 | Footwear for people with disabilities | surgical shoes, boots, braces and irons |
| 42 | | orthotics |
| 43 | Hearing/speech | hearing aids |
| 44 | | visual display units specifically designed for deaf people, or for people with a speech impairment, to communicate with others |
| 45 | | telephone communication devices specifically designed to allow deaf people to send and receive messages by telephone |
| 46 | | batteries specifically designed specifically for use with hearing aids |
| 47 | | visual/tactile alerting devices |
| 48 | | interactive and broadcast videotext systems |
| 49 | | closed caption decoding devices |
| 50 | | external processors for cochlear implants |
| 51 | Home modifications for people with disabilities | bidet/bidet toilet attachments |
| 52 | | special door fittings relating to the disability of a particular person |
| 53 | Mobility of people with disabilities – motor vehicles | special purpose car seats |
| 54 | | car seat harness specifically designed for people with disabilities |
| 55 | | wheelchair and occupant restraint |
| 56 | | wheelchair ramp |
| 57 | | electric/hydraulic wheelchair lifting device |
| 58 | | motor vehicle modifications |

| Item | Category | Medical aids or appliances | |
|------|--|--|--|
| 59 | Mobility of people with disabilities – physical: bedding for people with disabilities | manually operated adjustable beds | |
| 60 | | electronically operated adjustable beds | |
| 61 | | hospital-type beds | |
| 62 | | customised bed rails for people with disabilities | |
| 63 | | bed cradles | |
| 64 | | bed restraints | |
| 65 | | bed poles and sticks | |
| 66 | | pressure management mattresses and overlays | |
| 67 | | backrests, leg rests and footboards for bed use | |
| 68 | | Mobility of people with disabilities – physical: orthoses | spinal orthoses |
| 69 | | | lower limb orthoses |
| 70 | | | upper limb orthoses |
| 71 | | | pressure management garments and lymphoedema pumps |
| 72 | callipers | | |
| 73 | | corsets (surgical) | |
| 74 | | handsplints and cervical collars | |
| 75 | | mandibular advancement splints | |
| 76 | Mobility of people with disabilities – physical: positioning aids | alternative positional seating corner chairs | |
| 77 | | alternative positional seating abduction cushions or long leg wedges | |
| 78 | | alternative positional seating modifications | |
| 79 | | standing frames | |
| 80 | | standing frames or tilt table modifications | |
| 81 | | side lying boards | |
| 82 | | night-time positioning equipment modifications | |

| Item | Category | Medical aids or appliances | |
|------|---|---|---------------------------------|
| 83 | Mobility of people with disabilities – physical: prostheses | artificial limbs and associated supplements and aids | |
| 84 | | mammary | |
| 85 | Mobility of people with disabilities – physical: seating aids | postural support seating trays | |
| 86 | | electrically operated therapeutic lounge/recliner chairs specifically designed for people with disabilities | |
| 87 | | cushions specifically designed for people with disabilities | |
| 88 | Mobility of people with disabilities – physical: transfer aids | manual, electric, ceiling track or pool hoists specifically designed for people with disabilities | |
| 89 | | hoist slings | |
| 90 | | goosenecks | |
| 91 | | transfer boards | |
| 92 | | transfer sheets, mats or belts | |
| 93 | | stairlifts | |
| 94 | | portable stair climbers | |
| 95 | | monkey rings for people with disabilities | |
| 96 | | Mobility of people with disabilities – physical: walking aids | crutches |
| 97 | | | walking sticks – specialised |
| 98 | | | walking frames – standard adult |
| 99 | | | walking frames – standard child |
| 100 | walking frames – specialised | | |
| 101 | walking frame modifications | | |
| 102 | specialised ambulatory orthoses | | |
| 103 | specialised ambulatory orthosis modifications | | |
| 104 | quadropod and tripod walking aids | | |

| Item | Category | Medical aids or appliances |
|------|---|--|
| 105 | Mobility of people with disabilities – physical: wheelchairs and accessories | wheelchairs, motorised wheelchairs, scooters, tricycles, spinal carriages and other goods for the carriage of people with disabilities |
| 106 | | accessories associated with wheelchairs, motorised wheelchairs, scooters, tricycles, spinal carriages and other goods for the carriage of people with disabilities |
| 107 | | battery chargers for wheelchairs, scooters, tricycles, spinal carriages and other goods for the carriage of people with disabilities |
| 108 | | stair-aid apparatuses designed for carrying people with disabilities in wheelchairs up or down stairs |
| 109 | Pain relief delivery system | syringe drivers |
| 110 | | patient control analgesia |
| 111 | Personal hygiene for people with disabilities | bathboards or toilet seats for people with disabilities |
| 112 | | bath supports |
| 113 | | shower chairs or stools |
| 114 | | shower supports |
| 115 | | shower trolleys |
| 116 | | mobile shower chairs |
| 117 | | commodes |
| 118 | | commode cushions |
| 119 | | commode pans |
| 120 | | toilet frames |
| 121 | | toilet supports |
| 122 | self-help poles | |

| Item | Category | Medical aids or appliances |
|------|--|---|
| 123 | Respiratory appliances | ventilators |
| 124 | | continuous positive airway pressure (CPAP) appliances |
| 125 | | respiratory appliance mask assemblies – complete |
| 126 | | respiratory appliance mask assemblies – components |
| 127 | | respiratory appliance accessories |
| 128 | | sleep apnoea machines |
| 129 | Respiratory appliances – other products for those with breathing difficulties | peak flow meters |
| 130 | | nebulisers |
| 131 | | spacers |
| 132 | | vaporisers |
| 133 | | respirators |
| 134 | | air pumps |
| 135 | | bottled oxygen and associated hardware |
| 136 | | oxygen concentrators |
| 137 | | breathing monitors |
| 138 | | ventilators |
| 139 | Safety helmets specifically designed for people with disabilities | safety helmets specifically designed for people with disabilities |
| 140 | Skin | jobst suits |
| 141 | | transcutaneous nerve stimulator machines |
| 142 | Stoma | stoma products including all bags and related equipment for patients with colostomies and ileostomies |

| Item | Category | Medical aids or appliances |
|------|---|---|
| 143 | Vision | tactile or Braille books magazines or newspapers |
| 144 | | electronic reading aids |
| 145 | | talking book machines (and parts) specifically designed for people with a vision impairment |
| 146 | | enlarged text computer monitors for people with a visual impairment |
| 147 | | Braille note takers |
| 148 | | Braille printers and paper |
| 149 | | Braille translators (hardware and software) |
| 150 | | money identification equipment |
| 151 | | auditory/tactile alerting devices |
| 152 | | sonar canes |
| 153 | | reading magnification devices (excluding magnifying glasses) |
| 154 | | artificial eyes |
| 155 | | lenses for prescription spectacles |
| 156 | | prescription contact lenses |
| 157 | | ultrasonic sensing devices specifically designed for use by people with a vision impairment |
| 158 | viewscan apparatus specifically designed for use by people with a vision impairment | |

SCHEDULE 3 TO THE GST REGULATIONS

Table: medical aids and appliances

| Item | Category | Medical aids or appliances |
|------|---|--|
| 1 | Advanced wound care | alginate |
| 2 | | hydro colloids |
| 3 | | hydro gel |
| 4 | | polyurethane film |
| 5 | | polyurethane foam |
| 6 | Communication aids for people with disabilities | tracheostomy appliances and accessories |
| 7 | | laryngotomy appliances and accessories |
| 8 | Continence | skin bond |
| 9 | Daily living for people with disabilities | artificial ears |
| 10 | | nose prostheses |
| 11 | Hearing/speech | hearing loops |
| 12 | Infusion systems for the delivery of a measured dose of a medication | infusion sets |
| 13 | | infusion pumps |
| 14 | Mobility of people with disabilities – physical: orthoses | compression garments |
| 15 | Mobility of people with disabilities – physical: prostheses | supplements and aids associated with mammary prostheses |
| 16 | Mobility of people with disabilities – physical: seating aids | postural support seating |
| 17 | Mobility of people with disabilities – physical: walking aids | accessories associated with walking frames or specialised ambulatory orthoses |
| 18 | Personal hygiene for people with disabilities | customised modifications and accessories for the aids or appliances mentioned in items 111 to 121 of Schedule 3 to the GST Act |
| 19 | Respiratory appliances | tilt tables |
| 20 | Stoma | stoma products including all bags and related equipment for patients with urostomies |

MORE INFORMATION

For more information, refer to:

- *GST and medical services* (NAT 4649)
- *GST and acupuncture, naturopathy and herbal medicine services* (NAT 8090).

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- internet relay users, connect to the NRS on **www.relayservice.com.au** and ask for the ATO number you need.