

17 February 2017

Mr Martyn Lyons
Australian Taxation Office
Via email: martyn.lyons@ato.gov.au

Dear Mr Lyons

Consultation – GST and Residential Care

Thank you for the opportunity to provide feedback on the draft guidance relating to GST and Residential Care.

The Property Council of Australia is the peak industry body for retirement village operators in Australia. We represent around 800 village and associate members nationally, both commercial and not-for-profit village operators.

Consultation focussing questions

1. Does the draft guidance assist residential care service providers to understand and comply with their GST obligations?

We consider that the draft guidance is a useful summary of the main requirements in assessing where GST free treatment can apply.

We recommend that the guidance document, once finalised, be legally binding on the ATO to ensure it is beneficial for taxpayers.

2. Are there any other factors or impacts that the ATO need to consider?

In the section 'Non-government funded residential care services other than in a retirement village', in the third dot point following paragraph 1, we recommend the wording be amended to clarify that the resident is only required to have a continuing need for one or more of the services in either item 2.1 or item 3.8.

To assist operators determine the GST treatment of charges to residents, we recommend a list be provided of common services that would still be taxable, even if the requirements of s.38-25(3) of the GST Act are met. These are embedded in the Schedule 1 tables and noted as excluded items, however it would be beneficial if

they can be more readily identified. This includes services such as dry cleaning, hairdressing, visitor meals and accommodation, etc.

In Schedule 1, Part 1, item 1.10, we recommend the phrase 'and generally consisting of 3 meals per day plus morning tea, afternoon tea and supper' be removed. This is a high care requirement for residential aged care facilities, and will rarely be provided in a low care environment such as assisted living or serviced apartments. The requirement in s.38-25(3A) is only for 'daily meals'.

If you have any queries about this letter, please contact Ms Leida Pirts, Senior Policy Manager – Retirement Living, on (07) 3225 3007.

Yours sincerely



Ben Myers
Executive Director – Retirement Living
Property Council of Australia