



WorkCover WA Bulletin for Approved Insurers and Self Insurers (2/2011)

SUBJECT: GOODS AND SERVICES TAX - SERVICE PROVIDERS

Purpose

To provide information regarding the treatment of Goods and Services Tax (GST).

Information

Regulation 10 of the *Workers' Compensation and Injury Management (Scales of Fees) Regulations 1998*, states:

"10. Effect of GST

(1) In this regulation "GST" has the meaning given in *A New Tax System (Goods and Services Tax) Act 1999* of the Commonwealth.

(2) An amount fixed by these regulations is a net figure that does not include any GST that may be imposed due to the nature of the provision of the service or the service provider.

(3) If GST is payable on a service listed in these regulations, the fee for the service is the applicable fee increased by 10%.

(4) An injured worker's prescribed entitlements are to be calculated using the net cost of the treatment or service, without deducting any GST component."

This regulation clarifies that GST is not to be deducted from injured workers' entitlements. The regulation also serves to clarify that recommended fees for medical and allied health services are scheduled exclusive of any GST that may be payable.

Service providers should be reporting the cost of services separately to any GST component. The GST should not be included as part of an injured worker's entitlement and should be identified by the provider as a separate expense on any invoice.

There should be no transactions for GST affecting injured workers' entitlements, and insurers and self-insurers should not be including any GST component in the service costs reported to WorkCover WA as part of the claims data specifications for Q1.

WorkCover WA is not in a position to provide an interpretation of the requirements of the Australian Taxation Office (ATO) on the application of GST to medical and allied health fees. As the ATO is the department that administers the GST legislation, WorkCover WA encourages stakeholders to seek advice from the ATO in this regard.

Additional References

For further information see the [GST Information](#) page under the Publications and Forms section of the Rates, Fees and Payments page on the WorkCover WA website at www.workcover.wa.gov.au.

Approval



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