



 [Print whole section](#)

GST and home care

Work out when your supplies of home care services are GST-free.

Last updated 5 June 2018

Government funded home care

Find out the types of Government funding for home care that are GST-free.

Non-government funded home care

Find out what types of non-government funded home care services are GST-free.

Subcontracted home care services

Work out if your subcontracted home care services are GST-free.

Supplies with taxable and GST-free components

Identify the component that is GST-free and the component that is taxable when supplying aged care services.

Information on GST-free health goods and services other than home care

Find out other ways that health goods and services can be GST-free.

QC 55890

Government funded home care

Find out the types of Government funding for home care that are GST-free.

Last updated 13 November 2025



Changes to the GST Act relating to aged care

This web guidance is being updated to reflect amendments to GST law following the replacement of the *Aged Care Act 1997* with the *Aged Care Act 2024* from 1 November 2025. This includes updates to the *New Tax System (Goods and Services Tax) Act 1999* (GST Act) made by the *Aged Care and Other Legislation Amendment Act 2025*.

Type of funding for care

Whether government funded home care is GST-free depends on the type of funding.

If you do not receive funding directly from government to provide your home-care services, see [Non-government funded home care](#).

Supplying care when you receive government funding

Your supply of home care is GST-free if you supply it to a care recipient and you receive a home care subsidy or government funding for the care under any of the following Acts:

- *Aged Care Act 1997* (Aged Care Act)
- *Aged Care (Transitional Provisions) Act 1997*
- *Home and Community Care Act 1985*.

For more information, see subsections 38-30(1) and (2) of the *A New Tax System (Goods and Services Tax) Act 1999* (GST Act)

The fees that you charge to the care recipient for this care, such as a basic daily fee and an income-tested care fee for home care under the Aged Care Act, are payment for a GST-free supply.

If you supply GST-free government funded home care to the care recipient and supply additional services to them, you need to consider [Additional services for care recipients](#).

If you supply services to another business that receives a home care subsidy or government funding, this is generally not GST-free, see [Subcontracted services](#).

Consumer directed care under the Aged Care Act

Consumer directed care gives care recipients more choice and flexibility about the types of care and services they access, how the care is delivered and who delivers it to them.

Under consumer directed care, home care subsidies are payable to approved providers under the Aged Care Act. These approved providers are required to provide all of the care services to the care recipient either directly or through subcontract arrangements. Approved providers do not contract other suppliers as agent for care recipients.

If an approved provider engages a subcontractor to perform home care services for them, this is a supply by the subcontractor to the approved provider and is generally not GST-free, see [Subcontracted services](#).

Administration fees, care planning fees and exit fees

Administration fees (other than exit fees) for care services and care planning fees are payment for a GST-free supply if the following

applies:

- They are payment for arranging the GST-free home care services to be delivered.
- You receive a home care subsidy under the *Aged Care Act 1997* or the *Aged Care (Transitional Provisions) Act 1997* or government funding under the *Home and Community Care Act 1985* for supplying the care.

If the administration fees for care services and care planning fees relate to both GST-free and taxable services for the care recipient, the fee will need to be apportioned with GST being payable on the taxable component. In some cases, a taxable component may be merely incidental to a GST-free component and you will not need to account for GST on the taxable component, see **Supplies with taxable and GST-free components**.

Exit fees are not payment for a GST-free supply as they are:


- considered to be payment for the activities associated with leaving the approved provider or for transferring unspent funds to another provider (or both)
- not considered to be payment for care or part of the service of arranging for care.

Supplying care when you receive other government funding

Care services are GST-free if all of the following apply:

- You receive funding from the Commonwealth (including under the Commonwealth Home Support Program), a state or a territory, or a local government in connection with the supply.
- The supply is made to either a
 - [targeted person](#)
 - carer of a [targeted person](#).
- It is a supply is of either a
 - [listed service for a targeted person](#)
 - [listed service for a carer of a targeted person](#).

For more information, see:

- Subsection 38-30(4) of the GST Act
- [GST-free Supply \(Care\) Determination 2017](#) 

If you supply services to another business that receives government funding, this is generally not GST-free, see [Subcontracted services](#).

Targeted person

A targeted person means a person (whether a frail, older person or a younger person) who:

- has a moderate, severe or profound disability (including addiction to a drug)
- lives at home
- would, otherwise, be at risk of prematurely or inappropriately needing long term care in a hospital or other institution.

Listed services for a targeted person

Listed services for a targeted person are:

- home help
- personal care
- home maintenance
- home modification
- provision of food
- provision and delivery of meals at home or at a day care or similar centre
- respite care
- transport to and from day care or similar centres and for shopping trips, social outings and for health-related purposes
- community paramedical services
- community nursing
- assessment of the person's care needs
- referral to other community care services

- training in the use of aids and appliances and in how to get the most out of the other services mentioned in this list
- individual care planning or case management
- provision of basic equipment for social support
- day care
- linen services
- counselling
- community advocacy for a purpose mentioned in section 81-1 of the *Aged Care Act 1997*
- medication management
- provision and monitoring of personal alert systems
- provision of therapeutic supplies and services for target people under the program known as the Psychogeriatric Unit Program administered by the Commonwealth
- continence management.

Example: supply of government funded care to a targeted person

Home Assist Pty Ltd receives funding from the state to supply care services to a range of care recipients. Bill applies to Home Assist for funded care. Bill lives at home and has a disability, being a frail, older person. Without care services, Bill would require residential care.

One service involves Home Assist doing the shopping for Bill. Home Assist charges a fee of \$10, with Bill paying for the groceries.

The supply of the shopping service by Home Assist to Bill for \$10 is GST-free as:

- Bill is a targeted person
- Home Assist Pty Ltd receives government funding in connection with the care

- the service is of a kind listed (home help).

If you supply GST-free government funded home care to a targeted person and supply additional services to them, you need to consider [Additional services for care recipients](#).

Listed services for a carer of a targeted person

Listed services for a carer of a targeted person, if they are supplied to enable the carer to give care to a targeted person, are:

- home help
- personal care
- home maintenance
- home modification
- provision of food
- provision and delivery of meals at home or at a day care or similar centre
- respite care
- transport to and from day care or similar centres and for shopping trips, social outings and health-related purposes
- training in the provision of services mentioned in the list of services for targeted persons
- provision of basic equipment for social support
- linen services
- counselling
- carer support
- community advocacy for a purpose mentioned in section 81-1 of *the Aged Care Act 1997*
- provision and monitoring of personal alert systems
- assessment of the carer's care needs
- referral to other community care services

If you supply GST-free government funded home care to a carer of a targeted person and supply additional services to them, you need to consider [Additional services for care recipients](#).

Services that are not listed services

Services that are not listed services for targeted persons and carers include:

- rehabilitation and health care services (other than community paramedical services, community nursing and counselling) – however they may be GST-free health supplies under a different section of the GST Act
- social support at home, such as visiting and companionship
- accommodation and assistance with housing
- aids or appliances (other than basic equipment for social support and personal alert systems); however, they may be GST-free health supplies under a different section of the GST Act.

Administration fees and care planning fees

If you charge administration fees for care services and care planning fees which relate to both GST-free and taxable services to the care recipient, the fee will need to be apportioned with GST being payable on the taxable component. In some cases, a taxable component may be merely incidental to a GST-free component and you will not need to account for GST on the taxable component. For more information, see [Supplies with taxable and GST-free components](#).

Additional services for care recipients

A care recipient may be required to pay for an additional home care service or a user pays service.

The additional home care service or user pays service that you supply to the care recipient will only be GST-free government funded home care if it meets the requirements of:

- [Additional services when a home care subsidy is received](#)
- [Additional services when other government funding is received](#)

If you do not receive government funding in connection with the additional home care services, see **Non-government funded home care**.

Additional services when a home care subsidy is received

To receive a home care subsidy for a care recipient, you and the care recipient must enter into a written home care agreement which includes a care plan and an individualised budget. The home care subsidy forms part of the individualised budget for the services under the care plan.

Where additional services are required, the parties can agree to update the care plan and the individualised budget. These additional services will be GST-free when they form part of the care plan.

Where the additional services do not form part of the care plan in the home care agreement, these additional services will only be GST-free home care if they satisfy the requirements of:

- [Supplying care where you receive other government funding](#)
- Non-government funded home care.

Additional services when other government funding is received

Some government funding is for only certain services or a certain quantity of services.

If the government funding agreement states the quantity of services that the funding relates to, the supply of additional services to a care recipient will be GST-free government funded home care if:

- that quantity of services in the government funding agreement is not exceeded
- the care recipient is a [targeted person](#) or a carer of a [targeted person](#)
- the home care service is a [listed service for a targeted person](#) or a [listed service for a carer of a targeted person](#).

If the government funding agreement does not state the quantity of services that the funding relates to, the supply of additional services

to a care recipient will be GST-free government funded home care if the:

- care recipient is a [targeted person](#) or a carer of a [targeted person](#)
- home care service is a [listed service for a targeted person](#) or a [listed service for a carer of a targeted person](#).

Example: additional services for a care recipient

Care Support Pty Ltd receives government funding of \$150 per week to provide home help services to Sarah who satisfies the requirements for being a targeted person. The funding is in relation to home help generally and the funding requirements do not state the number of hours this funding relates to.

Home help is a listed service for a targeted person. Normally, Sarah receives 5 hours per week of home help. The supply of the 5 hours per week of home help is GST-free.

In one week, Sarah requires an additional 2 hours of home help and pays \$60 to Care Support for this additional 2 hours.

As the government funding relates to home help generally and does not relate to only a certain quantity of home help, the additional 2 hours of home help is GST-free.

If the government funding only relates to certain home-care services or only relates to a certain quantity of home-care services, any additional services will not be GST-free government-funded home care. It may be GST-free Non-government funded home care.

QC 55890

Non-government funded home care

Find out what types of non-government funded home care services are GST-free.



Changes to the GST Act relating to aged care


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Non-government funded home care services that are GST-free

If you do not receive funding directly from government for your home care services or your government funding cannot be used for services to certain people, your supply of any of the following home care services to an aged or disabled person is GST-free:

- personal assistance, including individual attention, individual supervision, and physical assistance with
 - bathing, showering, personal hygiene and grooming
 - maintaining continence or managing incontinence, and using aids and appliances designed to assist continence management
 - eating and eating aids, and using eating utensils and eating aids (including actual feeding if necessary)
 - dressing, undressing, and using dressing aids
 - moving, walking, wheelchair use, and using devices and appliances designed to aid mobility, including the fitting of artificial limbs and other personal mobility aids
 - communication, including to address difficulties arising from impaired hearing, sight or speech, or lack of common language (including fitting sensory communication aids), and checking hearing aid batteries and cleaning spectacles.

See also:

- Subsection 38-30(3) of the GST Act
- Item 2.1 of Part 2 of Schedule 1 to the [Quality of Care Principles 2014](#) 

If you supply services to another business, this is generally not GST-free, see [Subcontracted services](#).

Non-government funded home care services that are not GST-free

Some common examples of services that are not GST-free non-government funded home care are:

- hairdressing
- housework and gardening
- preparing meals and grocery shopping for individuals
- aids, appliances and monitoring medication; however, they may be GST-free health supplies under a different section of the *GST Act*
- rehabilitation and health care services; however, they may be GST-free health supplies under a different section of the *GST Act*
- help with writing cheques, emails and letters
- advocacy services
- accommodation
- driving individuals to and from appointments and social activities
- social and community activities, such as providing companionship, craft and reading activities to individuals.

If you supply social and community activities, it is not GST-free non-government funded home care. However, a supply of GST-free non-government funded home care at a social or community activity is GST-free.

Example – Assisting a person versus engaging in a social activity

Personal Care Pty Ltd provides care services for residents at Happiness Nursing Home. They provide social outings to lawn bowls and care support for the bowlers.

Their employee, Jan, helps a resident play lawn bowls by helping her to walk, standing beside her and steadying her while she rolls the bowls. This supply is GST-free non-government funded home care as Jan is providing mobility assistance to the care recipient.

Their employee, Errol, drives the residents to lawn bowls and plays with the residents, ensuring everyone is included and has an enjoyable day. This supply is not GST-free non-government funded home care as Errol is providing transport and social support which is not in the list of GST-free non-government funded home care services.

QC 55890

Subcontracted home care services

Work out if your subcontracted home care services are GST-free.

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Changes to the GST Act relating to aged care

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When home care services are GST-free

Your home care services are generally only GST-free if the other contracting party for the supply is either an:

- individual who receives the care
- [insurer, compensation operator or government agency](#)

If you are contracting with another entity to deliver home care services on behalf of that other entity to a care recipient, your supply to that other entity is generally not GST-free.

Example: supply of subcontracted services to a care recipient

ERT, an approved home care provider, is registered for GST and receives a home care subsidy for home care services they supply to Sylvia, a home care package consumer.

Under her home care package, ERT is the approved provider to supply Sylvia with home help services on 5 days each week. There is a home care agreement between ERT and Sylvia for the supply of the home help service.

ERT has a staff shortage one week and is not able to provide the home help services itself. ERT engages another home care service provider, Helping Hand Pty Ltd, to provide Sylvia's home help services. Helping Hand is registered for GST and ERT agrees to pay them \$165 for services for that week. There is no contractual relationship between Helping Hand and Sylvia.

Helping Hand's supply to ERT is not GST-free and they include GST of \$15 in their activity statement for this supply. ERT claims a GST credit of \$15 in their activity statement in relation to this acquisition.

ERT is also making a supply of home help services to Sylvia as part of her home care package for this week. ERT charges Sylvia \$150. This supply is GST-free because ERT receives a home care subsidy for this care service.

Supply made to insurer, compensation operator or government agency

Your supply may be GST-free if you supply services to any of the following:

- insurer settling a claim under an insurance policy
- operator of a statutory compensation scheme
- operator of a compulsory third party scheme
- Australian government agency, being the Australian Government, a state or a territory or an authority of the Commonwealth, a state or a territory (including local government).

The supply to any of the above is GST-free to the extent that the [underlying service](#) you provide to the care recipient is a GST-free health service. However, you can agree with the insurer, compensation operator or government agency not to treat the supply to them as GST-free.

GST-free underlying service

If your supply is made to an Australian government agency, the underlying home care service you provide to the care recipient is GST-free if the service is in the GST-free lists in either **Other government funded care** or **Non-government funded home care**.

If your supply is made to an insurer, an operator of a statutory compensation scheme or an operator of a compulsory third party scheme, the underlying home care service you provide to the care recipient is GST-free if the service is in the GST-free list in **Non-government funded home care**.

QC 55890

Supplies with taxable and GST-free components

Identify the component that is GST-free and the component that is taxable when supplying aged care services.



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Identifying components for aged care services

If you make supplies with separately identifiable GST-free and taxable components, you must identify the component that is GST-free and the component that is taxable. GST is payable on the taxable component.

Example: separately identifiable GST-free and taxable components

Happy Home Help is engaged by Brett, a disabled person, to provide a range of care services for 2 hours at a total cost of \$60 plus any GST. Happy Home Help also charges an administration fee of \$10 plus any GST.

Happy Home Help is registered for GST and does not receive a home care subsidy for providing the care nor do they receive any other government funding for the care.

Happy Home Help provides Brett assistance with bathing, personal hygiene and also provide house cleaning services. The bathing and personal hygiene services take one hour and the house cleaning services take one hour.

The care services of bathing and personal hygiene are GST-free non-government funded home care. The house cleaning is not

GST-free non-government funded home care.

Happy Home Help would have to apportion the fee charged and account for GST for the house cleaning services. They may do a time-based apportionment, which would result in \$30 being for house cleaning services with \$3 being added for GST. The remaining \$30 would be for GST-free non-government funded home care.

The administration fee is not considered to be for a separate supply of services but instead forms part of the fees charged for the home care services.

The administration fee relates to both the taxable and GST-free services. Happy Help would have to apportion the administration fee and account for GST for the administration services component that relates to the house cleaning services. They may do a time-based apportionment which would result in \$5 being for house cleaning services with 50 cents being added for GST. The remaining \$5 would relate to GST-free non-government funded home care.

Incidental components

Components that are merely incidental to a main supply are treated as part of the main supply, with the GST status being determined by the main supply. Whether a component is merely incidental is a question of fact and degree, and you need to adopt a common sense approach.

Example: merely incidental component

Five Star Homecare Pty Ltd is engaged by Albert to provide a range of care services for 4 hours at a cost of \$30 per hour plus any GST.

Five Star Homecare is registered for GST and does not receive a home care subsidy for providing the care. Nor do they receive any other government funding for the care.

Five Star Homecare's employee, Sari, provides Albert assistance with bathing, personal hygiene, managing incontinence and with his mobility. While Sari is delivering these services, she also

assists Albert by mopping the bathroom floor to prevent falls after assisting Albert with bathing. This additional work takes 10 minutes and is not part of the services Five Star Homecare was contracted for. There is no separate charge for assisting with the additional work.

The care services of bathing, personal hygiene, managing incontinence and assistance with mobility are GST-free non-government funded home care. The assistance with housework is not GST-free non-government funded home care.

Ordinarily, Five Star Homecare would have to apportion the fee charged and account for GST for the time assisting Albert with the additional work. A time-based apportionment would result in \$5 being for housework with 50 cents being added for GST.

However, in the circumstances, the time spent assisting Albert with the additional work is merely incidental given the total time spent on the additional work compared to the total time that care is being provided.

In this instance, Five Star Homecare can treat the entire supply as GST-free.

For more information, see *GSTR 2001/8 Goods and services tax: Apportioning the consideration for a supply that includes taxable and non-taxable parts*.

QC 55890

Information on GST-free health goods and services other than home care

Find out other ways that health goods and services can be GST-free.

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Changes to the GST Act relating to aged care

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To find out other ways that health goods and services can be GST-free, you may find the following information useful:

- Medical services
 - section 38-7 of the *A New Tax System (Goods and Services Tax) Act 1999* (GST Act)
 - GST and health – medical services
- Other health services
 - section 38-10 of the GST Act
 - GST and health – other health services
- Other government-funded health services – section 38-15 of the GST Act
- Hospital treatment
 - section 38-20 of the GST Act
 - *GSTD 2012/4 Goods and services tax: What is 'hospital treatment' for the purposes of section 38-20 of the A New Tax System (Goods and Services Tax) Act 1999?*
- Residential care
 - section 38-25 of the GST Act
 - GST and residential care
 - *GSTR 2012/3 Goods and services tax: GST treatment of care services and accommodation in retirement villages and privately funded nursing homes and hostel*

- Services for which a flexible care subsidy is payable to the supplier under the *Aged Care Act 1997* – section 38-35 of the GST Act
- Disability support provided to National Disability Insurance Scheme (NDIS) participants
 - section 38-38 of the GST Act
 - GST and health – National Disability Insurance Scheme
- Services for which the supplier receives funding under the *Disability Services Act 1986* or under a complementary state law or territory law – section 38-40 of the GST Act
- Medical aids and appliances
 - section 38-45 of the GST Act
 - GST and health – medical aids and appliances
- Drugs and medicinal preparations – section 38-50 of the GST Act
- Private health insurance – section 38-55 of the GST Act.

QC 55890

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