

EXPLANATORY STATEMENT

Issued by authority of the Minister for Health and Aged Care

A New Tax: System (Goods and Services Tax) Act 1999

GSTfree Supply (Health Goods) Determination 2000

Paragraph 177-10(4)(b) of the *A New Tax System (Goods and Services Tax) Act 1999* specifies that the Minister for Health can make a determination for the purposes of subsection 38-47(1).

Subsection 38-47 provides that a supply is GST-free if it is a supply of goods of a kind that the Health Minister, by determination in writing, declares to be goods the supply of which is GST-free.

The Determination grants GST-free status to:

- condoms (including femidoms, barrier dams and harness devices);
- water based personal and surgical lubricants (where suitable for use with condoms);
- sunscreens (with an SPF rating of 15 or higher that are marketed principally as a sunscreen); and
- folate products (with a single active ingredient, and a daily dosage of 400 to 500 micrograms).

The definitions of these items that are used in this Determination were prepared in consultation with the Therapeutic Goods Administration. The final determination was unanimously agreed by the Ministerial Council of State and Territory Treasurers, as is required under the Intergovernmental Agreement on the Reform of Commonwealth-State Financial Relations.

A determination under section 177-10 is a disallowable instrument for the purposes of section 46A of the *Acts Interpretation Act 1901*.

The Determination commences on 1 July 2000.