



Goods and Services Tax: Classes of Recipient Created Tax Invoice Amendment Determination (No.1) 2014

Explanatory Statement

General Outline of Instrument

1. This determination is made under subsection 29-70(3) of the *A New Tax System (Goods and Services Tax) Act 1999* (the GST Act).
2. The determination amends the *Goods and Services Tax: Classes of Recipient Created Tax Invoice Determination (No.1) 2012* (F2012L02204).
3. The determination is a legislative instrument for the purposes of the *Legislative Instruments Act 2003*.

Date of effect

4. The determination commences on 1 January 2015.
5. The determination does not apply retrospectively.

What this instrument is about?

6. The determination amends *Goods and Services Tax: Classes of Recipient Created Tax Invoice Determination (No.1) 2012* (F2012L02204) to take into account the closure of General Practice Education and Training Limited (GPET) on 31 December 2014 and their functions being assumed by the Department of Health (DoH) on 1 January 2015.
7. F2012L02204 allows training providers to issue recipient created tax invoices (RCTIs) for supplies if they are provided as part a general practice training program that is managed and funded by GPET. This determination amends F2012L02204 so that these training providers can continue to issue RCTIs in the same circumstances after the closure of GPET.
8. The determination also makes minor amendments to the wording in clause 6 to ensure that the complete expression ‘registered for GST’ is used in place of the abbreviated expression ‘registered’ where appropriate.

What is the effect of this instrument?

9. The determination allows training providers to continue to issue RCTIs following the closure of GPET and their functions being assumed by DoH, provided they satisfy the requirements of F2012L02204 (as amended).
10. The minor amendments to clause 6 are being made to improve readability and to avoid possible confusion, and they do not give rise to a different outcome.

11. Compliance cost impact will be nil or minimal for both implementation and ongoing compliance costs.

Background

12. F2012L02204 outlines the circumstances in which a training provider may issue RCTIs for supplies they acquired as part of organising or delivering a general practice training program for medical practitioners, medical students, medical graduates and other persons referred to in clause 4(a) of the determination. A fundamental condition is that the general practice training program is managed and funded by GPET. The determination came into effect on 22 November 2012.

13. It was announced in the Commonwealth Budget on 13 May 2014, that GPET would close and that its functions would transition to the DoH.

14. On 8 September 2014, GPET, on behalf of the training providers, requested that the Commissioner amend F2012L02204 to ensure that training providers can continue to issue RCTIs when the DoH takes over the administration of the general practice training programs. GPET confirmed that the delivery of the general practice training programs will remain consistent under the DoH.

Consultation

15. Section 18 of the *Legislative Instruments Act 2003* specifically provides for circumstances where consultation may not be necessary or appropriate. One of those circumstances is where the instrument is considered minor or machinery in nature, and does not substantially change the law. Although this determination is considered minor or machinery in nature, and does not substantially change the law, consultation has been undertaken with GPET in relation to the changes.

James O'Halloran
Deputy Commissioner of Taxation

Dated: 4 December 2014

Legislative references:

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

Legislative Instruments Act 2003

Statement of Compatibility with Human Rights

This Statement is prepared in accordance with Part 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*.

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This determination is compatible with the human rights and freedoms recognised or declared in the international instruments listed in section 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*.

Overview of the Legislative Instrument

This determination amends *Goods and Services Tax: Classes of Recipient Created Tax Invoice Determination (No.1) 2012* (F2012L02204) to allow training providers who organise or deliver general practice training programs managed and funded by General Practice Education Training Limited (GPET), to continue to issue recipient created tax invoices following the closure of GPET on 31 December 2014 and their functions being assumed by the Commonwealth Department of Health from 1 January 2015.

This determination also makes minor amendments to the wording in clause 6 to ensure that the complete expression 'registered for GST' is used in place of the abbreviated expression 'registered' where appropriate.

Human rights implications

On an assessment of the compatibility of this determination with the seven core international human rights treaties to which Australia is a party, it has been determined that this determination does not engage any of the applicable rights or freedoms because the instrument is minor or machinery in nature.

Conclusion

This determination is compatible with human rights as it does not raise any human rights issues.

James O'Halloran
Deputy Commissioner of Taxation