

THE ISSUE

In 1991, Exercise & Sports Science Australia (ESSA) was established with the aim of creating professional pathways for exercise and sports science practitioners. However, when the goods and services tax (GST) was proposed in 1998, exercise physiology was not included in the list of 22 allied health professionals exempt from taxation. This was mainly due to exercise physiology still being in its early stages of development at that time.

It wasn't until 2006 that Medicare recognized exercise physiology as a health service, marking a significant milestone that led to its rapid growth in importance and relevance within the healthcare system. Nowadays, exercise physiologists are recognised as crucial health professionals who provide support to patients in various areas, including the NDIS, Aged Care, DVA, Workers Compensation Schemes, and private health insurances.

However, despite these advancements, the GST legislation has not kept up with the evolution of the exercise physiology field over the past two decades. One of the key challenges is that modifying the GST legislation requires the approval of the Council on Federal Financial Relations (CFFR), which necessitates the support of all states and territories before any changes can be introduced to Parliament.

WHERE WE ARE NOW

In 2021, the Board of Treasurers approved a proposal for a principle-based approach for GST exemption of health services. This approach would make exercise physiology GST-Free. The plan was for the proposal to undergo review by the CFFR in 2022. However, unexpected delays have occurred in the process. In response, ESSA took proactive measures earlier this year by reaching out to all Treasurers across Australia to gather insights into the reasons behind the delays, potential changes in processes under the new federal government, and the expected timeline for endorsement. ESSA is actively advocating for the proposal to be appreciated by the CFFR this year, and it has been engaged in advocating for this outcome to the Commonwealth Treasurer.

GST Exemption

Pathway to success

