



ACT
Mental Health
Consumer Network

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Dear Rowan

Review of Canberra Health Services Consumer, Carer and Community Representative Reimbursement Procedure

This letter has been prepared by the ACT Mental Health Consumer Network (the Network) in response to the invitation from Canberra Health Services (CHS). It incorporates feedback from an internal review of the CHS Consumer, Carer and Community Representative Reimbursement Procedure (the Procedure). The Network welcomes the invitation to provide feedback on the Procedure.

While the Network supports increasing the total reimbursement received by consumer, carer and community representatives, the current phrasing of the Procedure poses serious problems that must be addressed.

The purpose of reimbursement is to cover the costs that a representative incurs as a result of their participation. A reimbursement is not intended to be a supplementary income stream for representatives, but rather is intended to cover the actual costs incurred by a representative participating in a voluntary capacity. Per this, current reimbursement rates have been arranged with Australian Tax Office (ATO) policies in mind so that they are not treated as assessable income. Specifically, the ATO's

statements regarding *Volunteers and PAYG withholding*,¹ *Reimbursements*² and *Statement by a supplier not quoting an ABN*³ outline the terms by which the reimbursement payment must be designed and phrased.

In the draft Procedure, the way that the reimbursement is defined and phrased means that reimbursement will be treated as assessable income by the ATO. This would be an unacceptable outcome as reimbursements becoming assessable income would create serious problems for consumers, carers and community representatives. Specifically, it would interfere with all income reporting obligations that they may have and this would contradict the intent of the reimbursement which is to reimburse them for costs that they have genuinely incurred.

To ensure the reimbursement payment can be increased while still conforming to the stipulations of the ATO, the Network proposes the following changes to the Procedure:

1. On page 4, under Section 2 subheading *Reimbursement amount*, 'Reimbursement of \$100.00 per meeting of two hours or less, or pro-rata as specified' should be rewritten to say '\$50 per hour for a minimum of two hours per meeting, and pro-rata thereafter as specified for meetings of more than two hours.'
2. On page 5, under Section 4 subheading *Work undertaken for a meeting out of session*, it is stated that 'representatives can be paid'. This should be changed to state that 'representatives can be reimbursed' to reflect that volunteers are not *paid*, but rather reimbursed for their actual costs at a flat rate.
3. On page 5, under Section 8 subheading *Australian Tax Office*, it is stated that a 'representative's reimbursement is an allowance and there may be treated as assessable income'. While this advice may be so, the Network recommends including an additional statement to ensure clarity, 'All reimbursements made to a representative under this policy are intended to cover their actual costs at a flat rate.'
 - a. Additionally, the weblink provided for the ATO's page on *Paying Volunteers* is a dead link and it needs to be updated.

¹ Australian Taxation Office, (2017, 12 December). *Volunteers and PAYG Withholding*. <https://www.ato.gov.au/businesses-and-organisations/not-for-profit-organisations/types-of-not-for-profit-workers/not-for-profit-volunteers/volunteers-and-payg-withholding>

² Australian Taxation Office, (2017, 12 December). *Reimbursements*. <https://www.ato.gov.au/businesses-and-organisations/not-for-profit-organisations/types-of-not-for-profit-workers/not-for-profit-volunteers/paying-volunteers/reimbursements>

³ Australian Taxation Office, (2017, 30 June). *Statement by a supplier not quoting an ABN*. <https://www.ato.gov.au/forms-and-instructions/statement-by-supplier-not-quoting-an-abn>

4. On page 7, the details provided under the 'Definition of Terms', subheading 'Pro-Rata payment', are incorrect, confusing and need to be adjusted. We suggest
 - a. moving the pro-rata payment details to page 4, section 2, subheading 'Reimbursement amount'; and
 - b. simplifying the wording for the entire 'Reimbursement amount' section. We note that we would prefer **15-minute increments** due to the tendency for meetings to run a little long, rather than having been scheduled to be longer. Assuming 30-minute increments, we then suggest replacing the entire reimbursement amount text as follows (or similar):

Reimbursement of \$50.00 per hour for a meeting of up to two hours in length, and pro rata thereafter in increments of 30 minutes. That is, pro rata reimbursements for meetings longer than two hours are valued at:

- Up to 30 minutes: \$25.00
- More than 30 minutes and up to 60 Minutes: \$50.00

For example:

Meeting length	Minimum reimbursement	Pro rata amount	Total reimbursement
1hr, 30mins	\$100.00	N/A	\$100.00
2hrs, 15mins	\$100.00	\$25.00	\$125.00
2hrs, 40 mins	\$100.00	\$50.00	\$150.00
3hrs, 55mins	\$100.00	\$100.00	\$200.00

If you have any questions or concerns regarding this feedback, please do not hesitate to contact us on (02) 6230 5796 or at policy@actmhc.org.au.

Thank you once again for the opportunity to provide feedback on the Procedure. We look forward to receiving further consultation requests in future.

Yours sincerely



Dalane Drexler
Chief Executive Officer