



Home Internet Reimbursement Policy

Adoption date:

Review Date:

Responsible Officer: General Manager

1) Scope

This policy applies to Permanent and Term Contract employees who have approved remote work from home (WFH) arrangements and provide home internet connectivity to their residence at their own expense, to conduct WFH duties.

2) Objectives

This policy sets out when and how the Council reimburses employees for home internet expenses reasonably incurred while performing their duties from home. It ensures compliance with the Fair Work Act 2009 (s.325) and Fair Work Ombudsman guidance (unreasonable requirements to spend or pay back money) and supports safe and effective remote work practices in NSW. [Refs: FWA s.325; FWO guidance]

3) Guiding principles

1. Reasonableness & necessity: Council will reimburse the cost of home internet that is necessary to perform duties. Council doesn't require employees to incur unreasonable work costs. [Refs: Fair Work s.325; FWO]
2. WHS first: Remote work must be safe. Managers and workers must maintain effective communication and manage risks associated with remote/isolated work in NSW. [Refs: SafeWork NSW; Safe Work Australia]
3. ATO-compliant records: Reimbursements must be supported with tax invoices/WFH evidence (weekly timesheets) and expense payment declaration to meet ATO substantiation and FBT/GST requirements. [Refs: ATO – Expense payment fringe benefits]

4) Eligibility

- A current, approved WFH arrangement (email or form) stating days worked from home.
- The employee incurs internet costs to work from home, and the Council has not provided a corporate connection. [Ref: ATO WFH expenses]
- The employee can provide monthly tax Invoice showing plan cost and can apportion the work-related percentage (see Section 7). [Ref: ATO WFH expenses]

Note: If the Council provides a Council-funded connection or hotspot solely for business use, no reimbursement applies for that employee's private home plan.

5) Reimbursable items & limits

5.1 Reimbursable

- Monthly home fixed-line internet or mobile broadband service charges including Starlink Satellite Internet.
- Excess data fees where caused by work usage.
- Connection/installation fees where remote work is ongoing and approved in advance.

5.2 Not reimbursable

- Streaming services, gaming bundles, home phone packs, set-top boxes, or purely private usage.
- Early termination fees (unless Council-directed).
- Equipment (modems/routers).

5.3 Reimbursement calculation

Actual Cost - Work Proportion-of-Account Reimbursement

Council reimburses the work-related percentage of the employee's home internet account to a maximum of \$125/ month, calculated monthly using ATO-aligned apportionment methods and supported by documentation. This method eliminates FBT as reimbursement is entirely work related.

How it works:

1. Employees provide their monthly internet tax invoice.
2. Employee calculates the work-related percentage using days-at-home method, adjusted for significant private usage. Employee completes ATO “Expense Payment Fringe Benefits Declaration”. Ref: ATO WFH expenses]
3. Reimbursement = (monthly plan cost + any work-related excess data) × work-related percentage.
4. The General Manager reviews documentation in line with ATO expense payment fringe benefit requirements and record-keeping. [Ref: ATO – Expense payment FBT]

Advantages

- Fair and precise — reimburses actual work-related cost.
- Aligns with ATO WFH and FBT substantiation requirements.

Considerations

- Requires employees to keep tax invoices and WFH hours evidence (weekly timesheets). [Ref: ATO fixed-rate record-keeping]

Example

Plan: \$125/month. Work pattern: 4 days WFH → approx. 80% after adjusting for private use.
Reimbursement: \$100 (0.8 × \$125).

6) Minimum technical standards

To ensure productivity and WHS (communication):

- Minimum plan: NBN25/10 (or better) or equivalent 4G/5G with reliable coverage at the home location.
- Starlink Satellite Internet connection.
- If coverage is inadequate for safe work (e.g., cannot maintain required communication), the arrangement must be reviewed or alternative controls put in place (e.g., Council hotspot, booster). [Ref: SafeWork NSW remote/isolated work communication]

7) Apportioning work-related use

Evidence to keep, monthly Tax Invoice, timesheets (held by Council) showing WFH hours. This aligns with ATO record-keeping expectations for working-from-home expenses.

Information for employees: If you personally claim ATO WFH deductions for internet and also receive reimbursement for the same cost, you cannot claim twice.

8) Claim process

- Frequency: Monthly (submit claim and copy of Tax Invoice by the 15th of the following month).
- Payment: Via creditors system within seven (7) days of approval.

Document retention: Employees and the Council must retain records for 5 years in case of ATO/WHS audit. [Ref: ATO FBT and WFH records]

9) Interaction with other entitlements

This policy does not reduce any allowance or expense entitlement in an applicable award the more beneficial term applies.

10) Tax treatment (Employer & Employee)

- Reimbursement vs allowance: Council shall reimburse actual costs with receipts and a work-use percentage. Properly documented reimbursements are generally not assessable to the employee; however, they may be expense payment fringe benefits for the employer. [Ref: ATO – Expense payment FBT]
- FBT: Paying or reimbursing home internet can create an expense payment fringe benefit. Taxable value is typically the reimbursed amount, reduced by the substantiated work-use portion or any employee contribution. [Ref: ATO – Expense payment FBT]
- GST credits: With a valid tax invoice and business use, the Council may claim GST credits on the reimbursed work-related share. [Ref: ATO – Expense payment FBT/GST]
- Employee personal tax returns: If Council reimburses the work portion, employees should not claim that same portion as a deduction. ATO's WFH guidance.

11) WHS obligations for remote work (NSW)

- The Council (as a PCBU) will, so far as reasonably practicable, manage the risks of remote and isolated work and maintain effective communication systems (e.g., mobile phone, personal duress systems and two-way radio. [Refs: SafeWork NSW; Safe Work Australia]
- Employees must take reasonable care, follow safety instructions, and promptly report hazards or outages that affect safe work from home. [Ref: Safe Work Australia]

Note: NSW's WHS Regulation 2025 is in force. While the remade Regulation largely continues prior rules, it strengthens psychosocial risk requirements; CMCC remote-work WHS procedures align with these obligations. [Ref: SafeWork NSW – WHS Regulation 2025]

12) Privacy & cybersecurity

Only submit Tax Invoices via approved systems; redact private information not needed for verification. Follow Councils adopted Cybersecurity policies when using home networks for Council data as developed by Councils third party IT provider.

13) Audit & compliance

The General Manager may audit claims at any time. Missing records may lead to denied reimbursement and/or policy training.

14) Roles & responsibilities

- Employees: Keep accurate records, submit timely claims, maintain adequate service, and notify of significant changes (e.g., plan changes, moving house).
- General Manager: Approve eligibility, ensure WHS communications are in place, monitor reasonableness.
- Administration Officer: Apply GST/FBT rules, retain records, process reimbursements.
- General Manager Maintains this policy, align with awards/agreements.

15) Policy review

Reviewed annually or when legislation/ATO guidance changes (e.g., ATO fixed-rate updates).

References (Key Links)

- *Fair Work Act 2009 (Cth) s.325; Fair Work Ombudsman – Requirements to spend or pay back money*
- *Fair Work Ombudsman – Allowances (award interactions)*
- *SafeWork NSW – Remote or isolated work; Safe Work Australia – WHS duties for remote work*
- *SafeWork NSW – WHS Regulation 2025 (context & psychosocial risk emphasis)*
- *ATO – Working from home expenses (individuals); Fixed-rate method (67c/70c) (record-keeping)*
- *ATO – Expense payment fringe benefits (FBT treatment & records)*

Version	Adoption Date	Minute No	Details of Review
1	23.02.2026	01/26/09	