

Petition No: P00009-23 “Reform Irish Mental Health Services.”

Response to the Oireachtas Joint Committee on Public Petitions regarding information provided by the Department of Finance.

19th January 2024

At the time of my appearance before the committee, 21st September 2023, the Department of Finance had not yet responded to the petition “Reform Irish Mental Health Services.”. I welcome the opportunity to rebuff their response and will do so efficiently and extensively.

Regarding The Department of Finance’s response to Petition Proposal 1.

1. It is the job of the Government to legislate, and its responsibility to amend legislation in the public interest. As the Committee will be aware legislation is regularly amended where it has become outdated, no longer serves the purpose intended or has been shown to be causing harm.
2. As previously stated in my opening statement to the JCPP, Thursday 21 September 2023, ‘*The responsible, ethical and just decision has been taken by the Department of Finance to remove significant cost barriers to essential mental health services*’. It actively causes harm that in its present form the relevant legislation is reliant upon an event for which no timeline exists, i.e. the opening of registers for Counsellors, Psychotherapists and Psychologists.
3. It is well within the capacity of the Government to amend the definition of ‘Practitioner’ as relied upon in Section 469 of the Taxes Consolidation Act 1997 (TCA 1997) to reflect the language of Part 1 of Schedule 1 of VATCA 2010, Paragraph 2, Subsection 3, which allows for VAT exemptions for “Professional medical care services recognised as such by the Department of Health and Children”.
4. Requiring a client in distress to be referred to a counsellor, psychotherapist or psychologist by a G.P. or other registered practitioner in order to avail of a tax rebate on their expenses places an unnecessary obstacle and expense in the way of essential services. It also places further stress on the very limited resource that is G.P.’s availability.
5. It seems the Department of Finance fails to understand that the vast majority of professional counsellors, psychotherapists and psychologists have attained very high levels of qualifications and clinical training. At the time of legislating Section 469 of the Taxes Consolidation Act 1997 there were very few educational programmes for counsellors or psychotherapists. Today courses are provided in, and accredited by, our Universities and Colleges and reach established standards for various levels on the NFQ from level 7 through to level 9. Clinical / Counselling Psychologists are educated to Doctoral level. As precedented in the tax appeals commissioner’s judgment 32TACD2022 *professional medical care services* could be deemed acceptable for tax purposes if provided by a professional with specialist training to a declared educational level. The H.S.E. is currently accepting applications across all locations for the position of Counsellor/Therapist where applicants must “Hold a degree or post-graduate qualification in counselling, or psychotherapy...” <https://www.hse.ie/eng/staff/jobs/job-search/allied-health->

[and-social-care/nrs14186-job-specification.docx](#) . As per Coru’s draft criteria for education and training programmes for counsellors and psychotherapists the minimum level of education for inclusion on either register is level 8 on the National Framework of Qualifications.

<https://coru.ie/files-education/cprb-draft-standards-of-proficiency-for-counsellors.pdf>

It would be a matter of ease to attach eligibility for tax rebates to the relevance and level of qualification of the service provider thus addressing the Department of Finance’s concerns in this matter.

6. That “Tax relief on health expenses is currently one of the costliest tax reliefs, in terms of revenue foregone” illustrates the need for such relief and does not constitute an argument for its restriction. In fact, Ireland significantly underspends on its mental health budget. The overall percentage of spending for mental health in the Irish health budget remained at 5.8% for 2024 while the World Health Organisation recommends a spend of 12%.
7. The Department of Finance’s presentation that the cost of provision of a tax relief for mental health services is a prohibitive factor is fundamentally flawed. As per my original submission to the JCPP...

If the Government is not motivated to act out of an ethical or moral duty of care to its citizens, then perhaps the financial argument would be effective? In Nov 2018 a report by the OECD found mental health problems are costing Ireland's economy €8.2 billion every year. This is now estimated to have risen to €11 billion annually, according to researchers from U.C.C. who have published a major study entitled Healthy Workplace Ireland: A survey of Mental Health & Well-being Promotion in Irish Firms as reported by RTÉ News, 29th March 2023. Investing in the population's mental health may well be the best financial decision the Government ever makes.

Every euro spent on making mental health supports more accessible contributes to savings on workplace absences, the cost of subsidised medication, exacerbated health conditions, and pressure on overrun health service resources. Each year delayed increases the required spend.

Regarding The Department of Finance’s response to Petition Proposal 3.

1. In summary Ireland’s current position of charging VAT on counselling and psychotherapy services while exempting similar services provided by psychologists or psychiatrists **is contrary to a core principle of fiscal neutrality**. *Recital (7) of the Council Directive 2006/112/EC states that:- 10 The common system of VAT should..... result in neutrality in competition, such that within the territory of each Member State similar goods and services bear the same tax burden.*
2. It is incorrect to state that “Registering with such a Board [Counsellors and Psychotherapist Registration Board] is a pre-requisite for professional medical services being recognised as such by the Department of Health and thus being exempt from VAT”.
 - a. As per the Tax Appeals Commissioner’s judgment 32TACD2022 the legislation at that time, 10th February 2022, allowed the criteria of recognition to be fulfilled by “the recognition by two Ministers for Health in response to Parliamentary Questions that counsellors and psychotherapists were health professionals who should be a designated profession(s) under the Health and Social Care Professions Act 2005.” and “the fact that the HSE announced in 2013 that it was offering counselling from professionally qualified and accredited Counsellor Therapists as part of its Primary Care Service” See 32TACD2022 Section 6, Paragraph 62, Pages 32-33.

Once again, I would like to express my gratitude to the Committee for allowing me to present Petition No: P00009-23 "Reform Irish Mental Health Services" and defend it against the responses of the Departments of Health and Finance. On behalf of myself and all signatories of the petition I look forward to hearing the Committee's findings / recommendations. I hope you will grasp the opportunity to take measures that will significantly contribute to the betterment of Ireland's Mental Health landscape.

As ever I am open to providing any further information as required.

Yours,

Signed:  _____

Eoin O'Sullivan, MIAHIP, Reg ICP.

Clinical Director, Peace Inside.