

# RECOMMENDATIONS

## Chapter 2

### Recommendation 1

2.28 The committee recommends that the special disability trust eligibility requirements in section 1209M of the *Social Security Act 1991* be amended to:

- remove section 1209M(b);
- include eligibility requirements which effectively enable those with intellectual disabilities or mental illnesses to become beneficiaries of special disability trusts.

### Recommendation 2

2.47 The committee recommends that the asset value limit for special disability trusts in section 1209Y of the *Social Security Act 1991* be increased to \$1,000,000 and annually indexed according to a rate which reflects ordinary investment returns or the Consumer Price Index whichever is greater.

### Recommendation 3

2.49 The committee recommends that the provisions relating to the special disability trust gifting concession be amended to annually index the gifting concession limit to the rate applied to the special disability trust asset value limit.

### Recommendation 4

2.50 The committee recommends that, if after the adoption of the recommendations in this report there is no improvement in the uptake of special disability trusts after two years, options to expand eligibility for the gifting concession should be reviewed.

### Recommendation 5

2.71 The committee recommends that the tax arrangements applying to SDTs be changed so that:

- the sale of a property that is owned by a special disability trust and used by the beneficiary as their principal place of residence be treated the same as any other person's principal place of residence, that is, exempt of capital gains tax;
- the transfer of property and other assets to a special disability trust is exempt from capital gains tax and stamp duty;
- unexpended special disability trust income is taxed at the beneficiary's personal income tax rate.

**Recommendation 6**

2.111 The committee recommends that the allowable uses of special disability trusts be expanded to include all day-to-day living expenses that are met to maximise the beneficiary's health, wellbeing, recreation and independence.

**Recommendation 7**

2.112 The committee recommends that unexpended income from a special disability trust be able to be contributed, on a pre-tax basis, to a superannuation fund for the trust beneficiary.

**Recommendation 8**

2.113 The committee recommends that when a special disability trust is used to purchase a first home for the trust beneficiary, the First Home Owner Grant should apply and be payable to the trust.

**Chapter 3****Recommendation 9**

3.28 The committee recommends that the government review appropriate options to provide additional assistance to families establishing and maintaining a special disability trust including low cost legal and financial advice, as well as funding for the development of long-term planning.

**Recommendation 10**

3.29 The committee recommends that requests for audits of a special disability trust be restricted to one external audit per financial year, unless the Secretary of the Department of Families, Housing, Community Services and Indigenous Affairs determines this restriction should be waived.

**Recommendation 11**

3.30 That the single trust rule in section 1209M(6) of the *Social Security Act 1991* be amended to allow two trusts for each beneficiary.

**Recommendation 12**

3.51 The committee recommends that Centrelink be designated as the agency responsible and accountable for ensuring that special disability trusts are promoted and understood among families caring for members with disability.

**Recommendation 13**

3.52 The committee recommends that the Department of Families, Housing, Community Services and Indigenous Affairs in partnership with industry bodies and peak carer organisations develop a training package for financial and legal advisers focussed on future planning for carers of people with disability, including special disability trusts.

**Recommendation 14**

3.53 The committee recommends that the government consider changing the name of special disability trusts, for example to disability support trusts.