

9 June 2008

The Secretary  
Senate Community Affairs Committee  
PO Box 6100  
Parliament House  
Canberra ACT 2600

### **Senate Community Affairs Committee Inquiry Into Special Disability Trusts**

We are the parents of a 22 year old man with multiple disabilities (cerebral palsy, cortical blindness, severe developmental delay, epilepsy, etc). Adrian currently lives at home with us. For several years we have unsuccessfully sought Accommodation Support Funding. Under current arrangements it would seem we have minimal chance of getting any assistance for a considerable period. Since we are in our mid 50's and have other family needs and interests we are seeking alternative accommodation and support arrangements for Adrian.

While the Special Disability Trust mechanism would potentially meet the needs of our family there are several aspects of it which make it unsuitable. They include:

1. The fact that there are a stringent and narrow range of uses to which the funds can be used. Our son is completely dependent on others for his entertainment needs. In order for him to have a full and meaningful life we would want to ensure that the funds placed in a trust could be used for his entertainment. In addition we would want to ensure that they would cover any medical costs he may incur. Our understanding is that the trusts currently prevent funds being used for either of these purposes.
2. The fact that capital gains tax is payable on any assets transferred into the trust. It is possible that funds we would want to place into a trust would be subject to capital gains tax. It seems unfair that while we are trying to ensure our sons independence, and in so doing reduce the states financial burden, that the value of the assets would be reduced by the imposition of the capital gains tax.
3. The fact that so few trusts (we understand only about 22 over the whole of Australia) and that the Public Trustees are reluctant to use these trusts is a clear indication that they have been poorly thought through and structured.

We trust that the Senate will take these concerns into account and will recommend changes that will enable the needs of our family, as well as the many thousands of families in similar circumstances, to be met.

Paul and Erica Smale