

18th May 2011

Inquiry into Disability Care and Support

Supplementary Submission

In our original submission we had expressed hope that the Government would act in the near future to introduce further reform to resolve some of the outstanding issues impeding the acceptance of the Special Disability Trust (SDT).

Since forwarding our submission, the Government has announced in the recent Budget that they will introduce legislation to remove further income tax barriers that impede families from making financial contributions to a SDT.

The announcement stated in part that:

To make the SDTs more beneficial for families, the Government will:

- *Provide a capital gains tax (CGT) exemption for assets transferred into an SDT for no consideration*
- *Backdate the application of the 2009-10 Budget measure that provides a CGT main residence exemption for SDTs to 2006-07*
- *Provide a CGT exemption for the recipient of the principal beneficiary's main residence, if disposed of within two years of the principal beneficiary's death*
- *Ensure equal taxation treatment amongst SDT's established under different Acts.*

These changes will apply from the 2006-07 income year, to align with when SDTs were first able to be established.

These announced changes to CGT in relation to SDT contributions are a major breakthrough for all concerned who have been calling for reform. Change, that we believe will lift the take-up rate and further enhance the opportunity for the SDT to work in unison with any future NDIS, in particular the provision of accommodation.

We ask the Commissioners to embrace these announced changes if they elect to revisit their previous assessment of the value of the SDT.

Ray & Wendy Walter

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