



Australian Government

Department of Social Services

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Deputy Secretary

Senator Jonathon Duniam
Chairperson
Senate Community Affairs Legislation Committee
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Dear Senator Duniam

SUBMISSION TO SENATE COMMUNITY AFFAIRS LEGISLATION COMMITTEE

Please find attached the Department of Social Services submission to the Senate Community Affairs Legislation Committee Inquiry into the *Social Services Legislation Amendment (Transition Mobility Allowance to the National Disability Insurance Scheme) Bill 2016*.

Thank you for providing the Department with the opportunity to make a submission.

Yours sincerely

Serena Wilson

3 November 2016

SOCIAL SERVICES LEGISLATION AMENDMENT (TRANSITION MOBILITY ALLOWANCE TO NATIONAL DISABILITY SCHEME) BILL 2016

This submission by the Department of Social Services provides information on the measure contained in the *Social Services Legislation Amendment (Transition Mobility Allowance to the National Disability Insurance Scheme) Bill 2016*.

The components in this Bill are designed to support the transition of Mobility Allowance funding to the National Disability Insurance Scheme (NDIS) and to ensure that the NDIS is the main program of support for people with a disability who need assistance to enable them to fully engage in the workforce and other economic activities.

The NDIS is the new way of providing individualised support for eligible people with a permanent disability or a significant functional impairment. The NDIS will provide about 460,000 Australians with a disability under the age of 65 with the reasonable and necessary supports they need to live fruitful and successful lives.

There are several differences in the eligibility requirements for assistance through Mobility Allowance and the NDIS, including the level and duration of disability required and the age of eligibility requirements. NDIS recipients must make a request for NDIS support before the age of 65, whereas there is currently no upper age limit for Mobility Allowance.

NDIS eligibility requires that a disability is likely to be permanent and resulting in a 'substantial reduced functional capacity' affecting an individual's capacity for social and economic participation. Mobility Allowance eligibility requirements are broader – requiring a disability that prevents an individual from using public transport for an extended period (one year or more).

In order to better align Mobility Allowance with the NDIS there will be some changes to eligibility rules for new claimants and changes to ongoing entitlement rules for all recipients from 1 January 2017.

Mobility Allowance disability criteria will be aligned with the NDIS disability criteria which means new claimants must have a permanent or significant disability which prevents them from using public transport without substantial assistance, and be undertaking paid work or vocational training.

Mobility Allowance will also only be available to new claimants under 65 years, consistent with the NDIS rules. People over 65 who are currently receiving Mobility Allowance and who will be ineligible for NDIS supports will be provided with continuity of support, which will initially be provided through the Mobility Allowance program, pending finalisation of long-term arrangements. These changes ensure that those who become eligible for the payment from 1 January 2017 are people who are more likely to be eligible for NDIS support.

The changes to eligibility will not apply to existing Mobility Allowance recipients. However, recipients who lose entitlement to payment and wish to reclaim Mobility Allowance will be assessed under the new rules.

Mobility Allowance will no longer be available to individuals who transition to the NDIS but subsequently cease to be NDIS participants. This ensures that eligible participants fully utilise the range of services that will be available to them in the NDIS and prevents a person who receives a package of supports from being able to opt out of the NDIS in order to re-claim Mobility Allowance.

Currently, a person who is qualified for Mobility Allowance can receive a 12 week continuation period, during which they may continue to receive a payment while not participating in a qualifying activity.

The continuation period will reduce from 12 weeks to 4 weeks. The existence of the 12 week continuation period has not led to any appreciable increase in the level of workforce participation of Mobility Allowance recipients.

From 1 January 2017, the Mobility Allowance advance will also cease to be available. Currently, in order for a person to qualify for the Mobility Allowance advance, the Secretary must be satisfied that the person will continue to be qualified for Mobility Allowance for at least 26 weeks from the day on which the person receives the advance. Given that recipients commenced transitioning to the NDIS from 1 July 2016, removing the Mobility Allowance advance ensures that recipients do not receive Mobility Allowance payments and NDIS supports for the same period.

The Mobility Allowance advance is intended to assist recipients with any large or upfront transport-related costs associated with undertaking qualifying activities. Unlike advances for other income support and family assistance payments, the Mobility Allowance advance is not intended to be used for general costs of living expenses and is not made on the basis of hardship. There is no assessment made of a person's ability to pay back the advance and there is no discretion to change the rate of repayment.

Importantly, 90 per cent of Mobility Allowance recipients are also receiving another income support payment and will continue to have access to advance payments under their primary payment. The remaining 10 per cent have other means of support which preclude them from receiving a means-tested income support payment, therefore hardship is unlikely to be an issue.

The changes to eligibility and ongoing entitlement rules are designed to support the transition of Mobility Allowance funding to the NDIS, as recipients move from payment to NDIS, or continuity of support arrangements.

Eligibility for social security pensions or benefits will not be affected by these changes. The majority (90 per cent) of Mobility Allowance recipients are currently eligible to receive a primary income support payment, such as Disability Support Pension. Most of these recipients also have automatic access to concession cards and a range of supports, employment services and training opportunities through their jobactive and Disability Employment Services providers.

Ceasing Mobility Allowance from 1 July 2020 following the full roll out of the NDIS will not disadvantage most recipients as the payment will be replaced with individualised supports provided through the NDIS.

Current recipients of Mobility Allowance, who are still in receipt of the payment as at 30 June 2020, will continue to receive support in the longer term under the Government's commitment to provide continuity of support for existing Commonwealth clients.

Individuals who will no longer have access to Mobility Allowance and are ineligible for the NDIS have a range of other assistance to help them. Some of these assistance programs provide services to address mobility issues faced by individuals. Assistance programs available to these individuals include:

- GST exempt purchase of cars for work use, where the individual has a disability affecting them to the extent they cannot use public transport;
- the Employment Assistance Fund, providing financial assistance for people with disability or their workforce modification equipment or services;
- Employment services, through jobactive, Disability Employment Services and the Community Development Program assisting job seekers (including those with disability) become job ready and find work, including through providing wage subsidies;
- Disabled Australian Apprentice Wage Support Program, providing wage and mentoring support for the employers hiring apprentices and trainees with disability;
- State and territory transport, vehicle modification and parking subsidies.

Continuity of Support

In March 2013, the then Government identified 17 Commonwealth programs in scope to transition to the NDIS. Four programs are managed by the Department of Health (DoH) and the remaining 13 are managed by the Department of Social Services (DSS). Some are payment programs, and others are funded under a range of grant mechanisms. Both DSS and DoH have undertaken extensive work to ensure smooth and efficient progress.

Program transition involves the transfer of program funding, either in full or in part, to the NDIS. In 2019–20, NDIS funding will consist of \$11.5 billion from the Commonwealth, whilst the states and territories will contribute \$10.3 billion. The funds from the 17 Commonwealth programs will account for approximately \$1.1 billion, or 10 per cent of the Commonwealth's contribution to the NDIS.

Clients of existing programs may not meet the access requirements for the NDIS because of their age, residency status, or they may not meet either the disability requirements or early intervention access requirements for the Scheme.

The Commonwealth and the state and territory governments have committed to continue to provide support to current clients of transitioning disability services who do not meet the NDIS access requirements. This commitment is spelt out in the bilateral agreements for transition to full scheme. The commitment is that these clients will be provided with support to enable them to achieve similar outcomes to the outcomes they were aiming to achieve prior to the introduction of the NDIS.

Consideration is currently being given to the continuity of support arrangements that will apply to people ineligible to enter the NDIS.

As the Mobility Allowance payment transitions to the NDIS there will be a residual number of the current Mobility Allowance recipients who are ineligible for NDIS due to age and/or impairment. Funds for continuity of support have been modelled on the basis that approximately 30 per cent of individuals will require access to continuity of support arrangements. This group comprises around 4,000 (7 per cent) of current recipients aged 65 and over, and 14,000 (23 per cent) under the age of 65.

Mobility Allowance recipients who are ineligible for NDIS supports will be provided with continuity of support, which will initially be provided through the Mobility Allowance program, pending finalisation of long-term arrangements.