

Chapter 1

Introduction

Purpose and background

1.1 The Social Services Legislation Amendment (Transition Mobility Allowance to the National Disability Insurance Scheme) Bill 2016 (the Bill) seeks to implement a 2016-17 Budget measure to support the transition of the mobility allowance to the National Disability Insurance Scheme (NDIS).¹ In March 2013, the then Government identified the mobility allowance as one of 17 Commonwealth programs that would transition to the NDIS.²

1.2 The mobility allowance is a payment available to eligible people with disability, illness or injury who cannot use public transport without substantial assistance and who participate in 'approved activities'. This includes travel to and from home to paid work, voluntary work, study or training or to look for work. Recipients of NDIS funding packages are not eligible for the mobility allowance.³

1.3 The Bill aims to transition the mobility allowance to the NDIS by:

- changing the qualification criteria for mobility allowance from 1 January 2017 consistent with the criteria for the NDIS; and
- ceasing the mobility allowance from 1 July 2020 to ensure the NDIS is the main source of support for people with disability who need assistance to enable them to engage in the workplace and other economic activities.⁴

Key provisions

1.4 The Bill is comprised of one schedule proposing amendments to the following legislation:

- *Social Security Act 1991*;
- *Social Security (Administration) Act 1999*;
- *Farm Household Support Act 2014*;
- *Income Tax Assessment Act 1997*; and
- *National Disability Insurance Scheme Legislation Amendment Act 2013*.

1 Budget 2016-17, *Budget Measures – Budget Paper No. 2*, 3 May 2016, p. 142, http://budget.gov.au/2016-17/content/bp2/html/bp2_expense-21.htm (accessed 19 October 2016).

2 Department of Social Services (DSS), *Submission 8*, p. 4.

3 Department of Human Services, Mobility Allowance, <https://www.humanservices.gov.au/customer/services/centrelink/mobility-allowance> (accessed 19 October 2016).

4 Explanatory Memorandum (EM), p. 1.

1.5 The proposed measures are expected to cost \$46.5 million over the forward estimates.⁵

Part 1 – Amendments of mobility allowance provisions

1.6 Part 1 seeks to amend the qualification criteria for mobility allowance from 1 January 2017. These changes would bring the criteria in line with qualification criteria for the NDIS. The key changes to the criteria are listed in Table 1.1 below.

Table 1.1 – Summary of proposed changes

Changes to mobility allowance criteria		
	Current	Proposed
Definition of eligible person	A 'handicapped person' defined as someone who: <ul style="list-style-type: none"> • has a physical or mental disability; and • has turned 16.⁶ 	A person who: <ul style="list-style-type: none"> • has a physical or mental disability and the Secretary is of the opinion that the disability is either permanent or likely to last for at least 12 months; and • be at least 16 and under 65 years of age.⁷
Qualifying activities	<ul style="list-style-type: none"> • Gainful employment • Vocational training • Job search activities • Voluntary work • Vocational rehabilitation program.⁸ 	<ul style="list-style-type: none"> • Gainful employment • Vocational training
Continuation period	12 week continuation period, provided requirements met. ⁹	4 week continuation period. ¹⁰
Allowance advance	Available on request, provided requirements met. ¹¹	No allowance advance. ¹²
Transition to NDIS	Ineligible if receiving NDIS funding package.	Ineligible if receiving NDIS funding package. Individuals who transition to the NDIS but subsequently cease to

5 EM, p. 1.

6 The Bill proposes repealing the current definition of 'handicapped person' in the *Social Security Act 1991*, Part 2.21, <https://www.legislation.gov.au/Details/C2016C00929> (accessed 19 October 2016).

7 EM, p. 1.

8 *Social Security Act 1991*, Part 2.21, Division 1, section 1035 (2).

9 *Social Security Act 1991*, Part 2.21, Division 4, section 1046.

10 EM, Item 34, p. 4.

11 *Social Security Act 1991*, Part 2.21, Division 3, section 1045.

12 EM, Item 26, p. 5.

		be NDIS participants will be also be ineligible.
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Part 2 – Cessation of mobility allowance

1.7 Part 2 seeks to cease the mobility allowance from 1 July 2020.¹³

Consideration by other committees

Parliamentary Joint Committee on Human Rights

1.8 The Parliamentary Joint Committee on Human Rights (PJCHR) raised concerns about the compatibility of the Bill with the right to equality and non-discrimination on the basis of age. The PJCHR sought advice from the Minister of Social Services (Minister) on:

- whether the 'continuity of support' arrangements for existing recipients of mobility allowance provides for the same level of support as that existing under the current allowance; and
- whether there is comparable assistance under the aged care system for persons aged 65 and older to participate in work and other approved activities (given there may be persons who are not currently receiving the allowance and who, if the program were not closed, would otherwise be eligible to receive mobility allowance).¹⁴

1.9 The PJCHR had not considered a response from the Minister at the time of the tabling of this report.

Senate Standing Committee for the Scrutiny of Bills

1.10 The Senate Standing Committee for the Scrutiny of Bills had no comment on the Bill.¹⁵

Conduct of the inquiry

1.11 The provisions of the Bill were referred to the committee on 13 October 2016 for inquiry and report by 21 November 2016.¹⁶ On 21 November 2016, the Senate agreed to extend the reporting date to 23 November 2016,¹⁷ and subsequently to 24 November 2016.¹⁸ The proposals to refer the Bill requested that the committee consider:

- impacts of the abolition of the mobility allowance in 2020;

13 EM, p. 2.

14 Parliamentary Joint Committee on Human Rights (PJCHR), *Human rights scrutiny report: report 8 of 2016*, 9 November 2016, pp 10 – 11.

15 Senate Standing Committee for the Scrutiny of Bills, *Alert Digest 8/16*, 9 November 2016, p. 49

16 Journals of the Senate, *No. 11–13 October 2016*, p. 326.

17 Journals of the Senate, *No. 16–21 November 2016*, p. 494.

18 Journals of the Senate, *No. 18–23 November 2016*, p. 580.

- implications for current mobility allowance recipients after they transition off the payment in 2020; and
- impacts on people with disability.¹⁹

1.12 Details of the inquiry, including a link to the Bill and associated documents, were placed on the committee's website.²⁰ The committee wrote to 70 organisations and individuals inviting submissions by 4 November 2016. Submissions continued to be accepted after that date.

1.13 The committee received 21 submissions to the inquiry and held a public hearing in Canberra on 21 November 2016. Submitters and witnesses are listed at Appendices 1 and 2.

1.14 The committee thanks those organisations and individuals that made submissions to the inquiry and gave evidence at its public hearing.

19 Senate Standing Committee for Selection of Bills, *Report No. 7 of 2016*, Appendices 8 and 9.

20 See: Community Affairs Legislation Committee, http://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Community_Affairs/MobilityAllowance (accessed 22 November 2016).