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The Parliament of the
Commonwealth of Australia

HOUSE OF REPRESENTATIVES

Presented and read a first time

**National Disability Insurance Scheme
Legislation Amendment Bill 2013**

No. , 2013

(Families, Housing, Community Services and Indigenous Affairs)

**A Bill for an Act to amend the *National Disability
Insurance Scheme Act 2013*, and for related
purposes**

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1 **A Bill for an Act to amend the *National Disability***
2 ***Insurance Scheme Act 2013*, and for related**
3 **purposes**

4 The Parliament of Australia enacts:

5 **1 Short title**

6 This Act may be cited as the *National Disability Insurance Scheme*
7 *Legislation Amendment Act 2013*.

8 **2 Commencement**

9 (1) Each provision of this Act specified in column 1 of the table
10 commences, or is taken to have commenced, in accordance with
11 column 2 of the table. Any other statement in column 2 has effect
12 according to its terms.
13

Commencement information		
Column 1	Column 2	Column 3
Provision(s)	Commencement	Date/Details
1. Sections 1 to 3 and anything in this Act not elsewhere covered by this table	The day this Act receives the Royal Assent.	
2. Schedule 1, items 1 to 19	Immediately after the commencement of Chapter 3 of the <i>National Disability Insurance Scheme Act 2013</i> .	
3. Schedule 1, item 20	The day after this Act receives the Royal Assent.	
4. Schedule 1, items 21 to 26	Immediately after the commencement of Part 4 of Chapter 4 of the <i>National Disability Insurance Scheme Act 2013</i> .	
5. Schedule 1, items 27 to 32	The day after this Act receives the Royal Assent.	
6. Schedule 1, item 33	Immediately after the commencement of Chapter 3 of the <i>National Disability Insurance Scheme Act 2013</i> .	
7. Schedule 1, items 34 to 43	Immediately after the commencement of Part 4 of Chapter 4 of the <i>National Disability Insurance Scheme Act 2013</i> .	
8. Schedule 1, items 44 and 45	The day after this Act receives the Royal Assent.	
9. Schedule 1, item 46	Immediately after the commencement of Chapter 5 of the <i>National Disability Insurance Scheme Act 2013</i> .	
10. Schedule 1, Parts 3 and 4	The day after this Act receives the Royal Assent.	
11. Schedule 1, Part 5	Immediately after the commencement of Chapter 5 of the <i>National Disability Insurance Scheme Act 2013</i> .	
12. Schedule 2, items 1 to 5	The day after this Act receives the Royal Assent.	
13. Schedule 2, items 6 to 26	Immediately after the commencement of Chapter 3 of the <i>National Disability Insurance Scheme Act 2013</i> .	

Commencement information

Column 1	Column 2	Column 3
Provision(s)	Commencement	Date/Details
14. Schedule 3	The day this Act receives the Royal Assent.	

1 Note: This table relates only to the provisions of this Act as originally
2 enacted. It will not be amended to deal with any later amendments of
3 this Act.

4 (2) Any information in column 3 of the table is not part of this Act.
5 Information may be inserted in this column, or information in it
6 may be edited, in any published version of this Act.

7 **3 Schedule(s)**

8 Each Act that is specified in a Schedule to this Act is amended or
9 repealed as set out in the applicable items in the Schedule
10 concerned, and any other item in a Schedule to this Act has effect
11 according to its terms.

1 **Schedule 1—Amendment of the National**
2 **Disability Insurance Scheme Act 2013**

3 **Part 1—Amendments relating to National Disability**
4 **Insurance Scheme rules**

5 **1 Paragraph 22(1)(b)**

6 Repeal the paragraph, substitute:

- 7 (b) the person satisfies any other requirements in relation to age
8 that are prescribed by the National Disability Insurance
9 Scheme rules.

10 **2 Paragraph 23(1)(c)**

11 Omit “in relation to residence”.

12 **3 At the end of subsection 23(3)**

13 Add:

- 14 ; and (d) may require that a person satisfy a prescribed requirement
15 relating to either or both of the following:
16 (i) the purpose for which the person resides in a particular
17 geographical area;
18 (ii) exceptional circumstances applying in relation to the
19 person.

20 **4 Subsection 27(1)**

21 Omit “(1)”.

22 **5 Subsection 27(2)**

23 Repeal the subsection.

24 **6 Paragraph 33(5)(d)**

25 Repeal the paragraph, substitute:

- 26 (d) apply the National Disability Insurance Scheme rules (if any)
27 made for the purposes of section 35; and

28 **7 Section 34**

29 Before “For”, insert “(1)”.

1 **8 Subparagraph 34(f)(ii)**

2 Omit “disability;”, substitute “disability.”.

3 **9 Paragraphs 34(g) and (h)**

4 Repeal the paragraphs.

5 **10 At the end of section 34**

6 Add:

- 7 (2) The National Disability Insurance Scheme rules may prescribe
8 methods or criteria to be applied, or matters to which the CEO is to
9 have regard, in deciding whether or not he or she is satisfied as
10 mentioned in any of paragraphs (1)(a) to (f).

11 **11 Subsection 35(1)**

12 Omit “prescribe”, substitute “make provision in connection with the
13 funding or provision of reasonable and necessary supports or general
14 supports, including but not limited to prescribing”.

15 **12 Paragraph 35(1)(a)**

16 Omit “a method for assessing, or criteria for”, substitute “methods or
17 criteria to be applied, or matters to which the CEO is to have regard,
18 in”.

19 **13 Subsection 35(2)**

20 Omit all the words from and including “methods” (first occurring) to
21 and including “funded” (third occurring), substitute “National Disability
22 Insurance Scheme rules referred to in subsection (1) may relate to the
23 manner in which supports are to be funded or provided and by whom
24 supports”.

25 **14 Subsection 35(3)**

26 Repeal the subsection.

27 **15 Subsections 35(4) and (5)**

28 Omit all the words from and including “methods” (first occurring) to
29 and including “relating”, substitute “National Disability Insurance
30 Scheme rules referred to in subsection (1) may relate”.

1 **16 Paragraph 40(2)(b)**

2 Omit “the criteria (if any)”, substitute “any matters and applying any
3 criteria”.

4 **17 After subsection 44(1)**

5 Insert:

6 (1A) The statement of participant supports in a participant’s plan must
7 not provide that a plan nominee is to manage the funding for
8 supports under the participant’s plan to any extent if the plan
9 nominee is an insolvent under administration.

10 **18 After subsection 44(2)**

11 Insert:

12 (2A) The statement of participant supports in a participant’s plan must
13 not provide that a plan nominee is to manage the funding for
14 supports under the participant’s plan to a particular extent if the
15 CEO is satisfied that management of the plan to that extent would
16 present an unreasonable risk to the participant.

17 **19 Subsection 44(3)**

18 Omit all the words after “prescribe”, substitute “criteria the CEO is to
19 apply and matters to which the CEO is to have regard in considering
20 whether either of the following would present an unreasonable risk to
21 the participant:

- 22 (a) a participant managing the funding for supports under the
23 plan;
24 (b) a plan nominee managing the funding for supports under the
25 plan”.

26 **20 At the end of subsection 70(1)**

27 Add:

28 ; and (e) the CEO is satisfied that the applicant is suitable to manage
29 the funding for supports under plans or provide supports
30 under plans, as the case requires, applying any criteria and
31 having regard to any matters prescribed by the National
32 Disability Insurance Scheme rules for the purposes of this
33 paragraph.

1 **21 Subsection 74(6)**

2 Omit “criteria”, substitute “requirements with which the CEO must
3 comply, criteria that the CEO is to apply or matters”.

4 **22 Subsection 75(4)**

5 Omit “criteria”, substitute “requirements with which the CEO must
6 comply, criteria that the CEO is to apply or matters”.

7 **23 Section 80 (heading)**

8 Repeal the heading, substitute:

9 **80 Duties of nominees to participant etc.**

10 **24 At the end of subsection 80(4)**

11 Add:

12 ; or (c) to inform the CEO and the participant if the nominee has,
13 acquires, or is likely to acquire, any interest, pecuniary or
14 otherwise, that conflicts or could conflict with the
15 performance of the nominee’s duties.

16 **25 Paragraph 88(6)(b)**

17 After “criteria”, insert “the CEO is to apply or matters”.

18 **26 Paragraph 93(b)**

19 Before “matters”, insert “criteria the CEO is to apply or”.

20 **27 Subsection 209(2A)**

21 Omit all the words after “provide”, substitute:

22 for:

23 (a) the CEO to specify assessment tools; and

24 (b) the circumstances in which the CEO is to use the tools.

25 **28 National Disability Insurance Scheme rules made before**
26 **commencement**

27 If, before the commencement of this item, National Disability Insurance
28 Scheme rules were made for the purposes of a provision of the *National*
29 *Disability Insurance Scheme Act 2013* referred to in an item of this
30 Schedule:

Schedule 1 Amendment of the National Disability Insurance Scheme Act 2013
Part 1 Amendments relating to National Disability Insurance Scheme rules

- 1 (a) those rules are taken to be, and to have been at all times, as
2 valid as they would have been if the amendments made by
3 this Schedule had been in effect when the rules were made;
4 and
5 (b) anything done under those rules is taken to have been at all
6 times as valid as it would have been if the amendments made
7 by this Schedule had been in effect when the rules were
8 made.

1 **Part 2—General amendments**

2 **29 Paragraphs 3(1)(g) and 4(11)(c) and (13)(c)**

3 Omit “mainstream”.

4 **30 Section 9 (definition of *early intervention supports*)**

5 Repeal the definition.

6 **31 Section 9 (definition of *plan nominee*)**

7 Omit “the plan nominee”, substitute “a plan nominee”.

8 **32 Section 9 (definition of *registered provider of supports*)**

9 After “person”, insert “or entity”.

10 **33 Paragraph 24(1)(d)**

11 Omit “and” (first occurring), substitute “or”.

12 **34 Subsection 74(1A)**

13 Repeal the subsection, substitute:

14 (1A) If:

15 (a) a State or Territory Minister; or

16 (b) the head (however described) of a Department of State of a
17 State or Territory;

18 has parental responsibility for the child, the CEO must not make a
19 determination under paragraph (1)(b) in relation to the child unless
20 the Minister or the head of the Department, as the case may be, has
21 agreed in writing to the making of the determination.

22 **35 Subsection 75(3A)**

23 Repeal the subsection, substitute:

24 (3A) If:

25 (a) a State or Territory Minister; or

26 (b) the head (however described) of a Department of State of a
27 State or Territory;

28 has guardianship of the child, the CEO must not make a
29 determination under subsection (2) or (3) in relation to the child

1 unless the Minister or the head of the Department, as the case may
2 be, has agreed in writing to the making of the determination.

3 **36 Subsection 78(5)**

4 After “doing”, insert “, or being supported to do,”.

5 **37 Subsection 86(1)**

6 Omit “the *plan nominee*”, substitute “a *plan nominee*”.

7 **38 At the end of section 86**

8 Add:

9 (6) To avoid doubt, the CEO may appoint more than one person to be
10 a plan nominee of a participant for the purposes of this Act.

11 **39 Paragraph 90(4)(b)**

12 Before “the nominee”, insert “in response to the notice,”.

13 **40 Paragraph 90(4)(b)**

14 Omit “and is likely to have an effect referred to in paragraph 83(1)(b)”.

15 **41 At the end of subsection 90(4)**

16 Add:

17 ; and (c) having regard to that response, the CEO is satisfied that it is
18 appropriate to do so.

19 **42 Paragraph 99(j)**

20 Omit “74(4)(c)”, substitute “74(5)(c)”.

21 **43 At the end of section 99**

22 Add:

23 ; (r) a decision under section 190 not to write off a debt;
24 (s) a decision under section 192 that the CEO is not required to
25 waive a debt;
26 (t) a decision under section 193 not to waive a debt;
27 (u) a decision under subsection 194(3) or (4) that the CEO is not
28 required to waive a debt;
29 (v) a decision under section 195 not to waive a debt.

1 **44 Subparagraph 118(1)(a)(iv)**

2 Omit “mainstream”.

3 **45 Section 193**

4 Omit “must”, substitute “may”.

5 **46 Application—compensation in respect of personal injury**

6 (1) Chapter 5 of the NDIS Act, and National Disability Insurance Scheme
7 rules made for the purposes of subsections 35(4) and (5) of that Act,
8 apply in relation to action that is taken to claim or obtain compensation
9 in respect of a personal injury:

10 (a) whether the personal injury occurs before, on or after the
11 commencement of Chapter 5 of the NDIS Act; and

12 (b) whether the action is taken before, on or after that
13 commencement; and

14 (c) if the action was taken before that commencement—whether
15 or not the action was brought to a conclusion before that
16 commencement.

17 (2) In this item:

18 *NDIS Act* means the *National Disability Insurance Scheme Act 2013*.

1 **Part 3—Minor amendments relating to information**

2 **47 Subsection 60(1)**

3 Omit “obtain”, substitute “collect”.

4 **48 Subparagraph 60(2)(d)(iii)**

5 Omit “authorisation”, substitute “consent”.

6 **49 Subsection 60(3)**

7 Omit “obtaining”, substitute “collection”.

8 **50 Paragraph 61(a)**

9 Omit “obtains”, substitute “collects”.

10 **51 Paragraph 61(b)**

11 Omit “obtain”, substitute “collect”.

12 **52 Subparagraph 66(1)(b)(ii)**

13 Repeal the subparagraph, substitute:

14 (ii) to a person who has the express or implied consent of
15 the person to whom the information relates to collect it;
16 or

1 **Part 4—Amendments relating to actuarial, audit and**
2 **risk management activities**

3 **53 Section 125A**

4 Repeal the section, substitute:

5 **125A Matters to be considered in performing functions**

6 In performing its functions, the Board must have regard to:

- 7 (a) relevant actuarial analysis and advice; and
8 (b) relevant advice and reports provided by the audit committee
9 established and maintained by Board members under
10 section 32 of the CAC Act.

11 **125B Rules about management of risk and performance of Board’s**
12 **functions**

13 The Minister administering the *Insurance Act 1973* may, by
14 legislative instrument, determine rules that:

- 15 (a) relate to the management of risks, whether financial or not,
16 that are likely to be faced by the Agency; and
17 (b) must be complied with by the Board in performing its
18 functions.

19 **54 Subparagraph 180B(1)(a)(iii)**

20 Repeal the subparagraph, substitute:

- 21 (iii) on the basis of information held by the Agency, any
22 trends in provision of supports to people with disability;

23 **55 Application**

24 The amendment of paragraph 180B(1)(a) of the *National Disability*
25 *Insurance Scheme Act 2013* by this Part applies to assessments to be
26 made the first time, and each later time, an annual report on the Agency
27 under section 9 of the *Commonwealth Authorities and Companies Act*
28 *1997* is being prepared.

1 **Part 5—Amendments relating to compensation**

2 **56 After paragraph 99(o)**

3 Insert:

- 4 (oa) a decision under subsection 104(5A) to refuse to extend a
5 period;
- 6 (ob) a decision under paragraph 105(4)(a) to take action to claim
7 or obtain compensation;
- 8 (oc) a decision under paragraph 105(4)(b) to take over the conduct
9 of a claim;

10 **57 After subsection 104(5)**

11 Insert:

- 12 (5A) The CEO may, on application by the participant or prospective
13 participant, extend the specified period.

14 **58 At the end of section 105**

15 Add:

- 16 (5) Before taking action to claim or obtain compensation, or taking
17 over the conduct of an existing claim, the CEO must have regard to
18 the following:
- 19 (a) the disability of the participant or prospective participant;
- 20 (b) the circumstances which give rise to the entitlement or
21 possible entitlement to compensation;
- 22 (c) any impediments the CEO may face if the CEO takes the
23 action or takes over the conduct of the claim;
- 24 (d) any reasons given by the participant or prospective
25 participant as to why he or she has not claimed or obtained
26 compensation (including in response to a notice under
27 subsection 104(2));
- 28 (e) the impact (including any financial impact), of the CEO
29 taking the action or taking over the conduct of the claim, on
30 the participant or prospective participant and his or her
31 family;
- 32 (f) any other matter the CEO considers relevant, having regard
33 to the objects and principles set out in Part 2 of Chapter 1 of
34 this Act.

- 1 (6) The CEO must not take any action to claim or obtain
2 compensation, or take over the conduct of an existing claim,
3 unless:
4 (a) the CEO has notified the participant or prospective
5 participant, in writing, that the action is being considered;
6 and
7 (b) 28 days have passed since the notice was given.

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2

Schedule 2—Amendments of other Acts

3

Administrative Appeals Tribunal Act 1975

4

1 After paragraph 19(2)(b)

5

Insert:

6

(baaa) National Disability Insurance Scheme Division;

7

2 Paragraph 19(2)(c)

8

Omit “and”.

9

3 After subsection 19(3B)

10

Insert:

11

National Disability Insurance Scheme Division

12

(3C) A member must not be assigned to the National Disability Insurance Scheme Division unless the Minister has consulted with the Minister responsible for administering the *National Disability Insurance Scheme Act 2013* in relation to the assignment of the member.

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(3D) A non-presidential member must not be assigned to the National Disability Insurance Scheme Division unless the Minister is satisfied that the non-presidential member:

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20

(a) has training, knowledge or experience relating to disability;

21

or

22

(b) has other relevant knowledge or experience that will assist the non-presidential member in considering matters relating to the National Disability Insurance Scheme.

23

24

25

Age Discrimination Act 2004

26

4 After paragraph 41(1)(fb)

27

Insert:

28

(fba) the *National Disability Insurance Scheme Act 2013*; or

5 After subsection 41(2B)

Insert:

(2C) This Part does not make unlawful anything done by a person in direct compliance with a regulation, rule or other instrument under the *National Disability Insurance Scheme Act 2013*.

Social Security Act 1991**6 After paragraph 8(8)(jaf)**

Insert:

(jag) an NDIS amount;

(jah) any return on a person's NDIS amounts that the person earns, derives or receives;

7 Subsection 9(1)

Insert:

designated NDIS amount means:

(a) an NDIS amount that is deposited in an account with a financial institution; and

(b) any return on the NDIS amount that a person earns, derives or receives.

8 Subsection 9(1) (at the end of the definition of *financial investment*)

Add "or a designated NDIS amount".

9 Subsection 9A(7) (paragraph (e) of the definition of *liquid assets*)

Omit "person.", substitute "person;".

10 Subsection 9A(7) (at the end of the definition of *liquid assets*)

Add:

but does not include the sum of NDIS amounts paid to the person and any return on those amounts that the person earns, derives or receives, less the sum of amounts spent by the person in accordance with an NDIS plan under which the amounts were paid.

1 **11 After paragraph 14A(1)(db)**

2 Insert:

- 3 (dc) the sum of NDIS amounts paid to the person and any return
4 on those amounts that the person earns, derives or receives,
5 less the sum of amounts spent by the person in accordance
6 with an NDIS plan under which the amounts were paid; or

7 **12 Section 19B (at the end of the definition of *liquid assets*)**

8 Add:

- 9 ; or (i) the sum of NDIS amounts paid to the person and any return
10 on those amounts that the person earns, derives or receives,
11 less the sum of amounts spent by the person in accordance
12 with an NDIS plan under which the amounts were paid.

13 **13 Subsection 23(1)**

14 Insert:

15 *NDIS amount* has the same meaning as in the *National Disability*
16 *Insurance Scheme Act 2013*.

17 *NDIS participant* means a participant within the meaning of the
18 *National Disability Insurance Scheme Act 2013*.

19 *NDIS plan* means a plan, for an NDIS participant, within the
20 meaning of the *National Disability Insurance Scheme Act 2013*.

21 **14 After section 1037**

22 Insert:

23 **1038 Mobility allowance not payable when person is NDIS**
24 **participant**

25 A mobility allowance is not payable to a person if:

- 26 (a) the person is an NDIS participant; and
27 (b) an NDIS plan is in effect for the NDIS participant; and
28 (c) the NDIS plan contains a statement specifying the reasonable
29 and necessary supports that will be funded under the National
30 Disability Insurance Scheme (within the meaning of the
31 *National Disability Insurance Scheme Act 2013*).

15 After paragraph 1118(1)(sa)

Insert:

- (sb) if a person has received an NDIS amount—the amount worked out under subsection (1AD);

16 After subsection 1118(1AC)

Insert:

NDIS amounts

(1AD) For the purposes of paragraph (1)(sb), the amount that may be disregarded is the value of the sum of:

- (a) the NDIS amounts received by the person; and
(b) any return on those amounts that the person earns, derives or receives;

less the sum of the amounts spent by the person in accordance with an NDIS plan (whether in the person's capacity as an NDIS participant or as a person managing the funding under an NDIS plan for an NDIS participant).

17 Application—qualification for health care card

(1) This item applies to a person on a day, on or after the commencement of this item, if:

- (a) on that day the person is a participant (within the meaning of the *National Disability Insurance Scheme Act 2013*); and
(b) immediately before becoming a participant the person was receiving mobility allowance; and
(c) immediately before becoming a participant the person was qualified for a health care card because of subsection 1061ZK(7) of the *Social Security Act 1991*; and
(d) mobility allowance is not payable to the person because of section 1038 of the *Social Security Act 1991*.

(2) Subsection 1061ZK(7) of the *Social Security Act 1991* continues to apply to the person as if the person were receiving mobility allowance on that day.

1 ***Veterans' Entitlements Act 1986***

2 **18 Section 5 (index of definitions)**

3 Insert:

NDIS amount	5Q(1)
NDIS participant	5Q(1)
NDIS plan	5Q(1)

4 **19 After paragraph 5H(8)(pab)**

5 Insert:

- 6 (paba) an NDIS amount;
- 7 (pabb) any return on a person's NDIS amounts;

8 **20 Subsection 5J(1)**

9 Insert:

10 *designated NDIS amount* means:

- 11 (a) an NDIS amount that is deposited in an account with a
12 financial institution; and
- 13 (b) any return on the NDIS amount that a person earns, derives
14 or receives.

15 **21 Subsection 5J(1) (at the end of the definition of *financial***
16 ***investment*)**

17 Add "or a designated NDIS amount".

18 **22 Subsection 5JA(7) (paragraph (e) of the definition of *liquid***
19 ***assets*)**

20 Omit "person.", substitute "person;".

21 **23 Subsection 5JA(7) (at the end of the definition of *liquid***
22 ***assets*)**

23 Add:

24 but does not include the sum of NDIS amounts paid to the person
25 and any return on those amounts that the person earns, derives or
26 receives, less the sum of amounts spent by the person in
27 accordance with an NDIS plan under which the amounts were paid.

1 **24 Subsection 5Q(1)**

2 Insert:

3 *NDIS amount* has the same meaning as in the *National Disability*
4 *Insurance Scheme Act 2013*.

5 *NDIS participant* means a participant within the meaning of the
6 *National Disability Insurance Scheme Act 2013*.

7 *NDIS plan* means a plan, for an NDIS participant, within the
8 meaning of the *National Disability Insurance Scheme Act 2013*.

9 **25 After paragraph 52(1)(oa)**

10 Insert:

11 (oaa) if a person has received an NDIS amount—the amount
12 worked out under subsection (1DAA);

13 **26 After subsection 52(1D)**

14 Insert:

15 *NDIS amounts*

16 (1DAA) For the purposes of paragraph (1)(oaa), the amount that may be
17 disregarded is the value of the sum of:

- 18 (a) the NDIS amounts received by the person; and
19 (b) any return on those amounts that the person earns, derives or
20 receives;

21 less the sum of the amounts spent by the person in accordance with
22 an NDIS plan (whether in the person's capacity as an NDIS
23 participant or as a person managing the funding under an NDIS
24 plan for an NDIS participant).

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Schedule 3—Income tax amendments

3

Income Tax Assessment Act 1997

4

1 Section 11-15 (after table item headed “life insurance companies”)

5

Insert:

6

National Disability Insurance Scheme

NDIS amounts..... 52-180

7

2 Section 12-5 (after table item headed “motor vehicles”)

8

Insert:

National Disability Insurance Scheme

National Disability Insurance Scheme expenditure 26-100

9

3 At the end of Division 26

10

Add:

11

26-100 National Disability Insurance Scheme expenditure

12

A participant (within the meaning of the *National Disability Insurance Scheme Act 2013*) cannot deduct under this Act a loss or outgoing to the extent the loss or outgoing is funded (including funded by way of reimbursement) by an *NDIS amount the participant *derives.

13

14

15

16

17

4 At the end of Subdivision 40-C

18

Add:

19

40-235 Adjustment: National Disability Insurance Scheme costs

20

The *cost of a *depreciating asset does not include an amount to the extent that section 26-100 prevents the amount from being deducted (even if some other provision also prevents it being deducted).

21

22

23

24

Note: Section 26-100 denies deductions for National Disability Insurance Scheme expenditure.

25

1 **5 At the end of Subdivision 52-H**

2 Add:

3 **52-180 National Disability Insurance Scheme amounts are exempt**

4 An *NDIS amount *derived by a participant (within the meaning of
5 the *National Disability Insurance Scheme Act 2013*) is exempt
6 from income tax.

7 **6 At the end of section 110-38**

8 Add:

9 (7) Expenditure does *not* form any part of any element of the **cost base**
10 to the extent that section 26-100 prevents it being deducted (even if
11 some other provision also prevents it being deducted).

12 Note: Section 26-100 denies deductions for National Disability Insurance
13 Scheme expenditure.

14 **7 After subsection 110-55(9F)**

15 Insert:

16 (9G) Expenditure does *not* form any part of any element of the **reduced**
17 **cost base** to the extent that section 26-100 prevents it being
18 deducted (even if some other provision also prevents it being
19 deducted).

20 Note: Section 26-100 denies deductions for National Disability Insurance
21 Scheme expenditure.

22 **8 Subsection 995-1(1)**

23 Insert:

24 **NDIS amount** has the meaning given by the *National Disability*
25 *Insurance Scheme Act 2013*.

26 **9 Application**

27 The amendments made by this Schedule apply to assessments for the
28 2013-14 income year and later income years.