

Disability doesn't discriminate. And yet for Australians with disability, where you live or how you or a loved one acquire a disability can radically change the care and support you receive. Last year the Productivity Commission reported into disability care and support in Australia, describing the current system as "underfunded, unfair, fragmented and inefficient." The Productivity Commission recommended a complete overhaul of disability care and support, through a National Disability Insurance Scheme.

The Australian Government has taken up the mantle for change. At this Grattan Institute event, Jenny Macklin, the Commonwealth Government's first Minister for Disability Reform, discussed the Government's work to build a National Disability Insurance Scheme. An NDIS requires the complete redesign of the delivery of disability care and support based on commercial insurance principles, to insure all Australians against the cost of care for significant and permanent disability. It seeks to tailor care and support based on individual need, and for the first time, will give people with disability and their carers more choice and control over the care and support they receive.

Speakers: **Minister Jenny Macklin, Minister for Families, Community Services and Indigenous Affairs and Minister for Disability Reform**

John Daley, CEO Grattan Institute

AUDIO: This is a podcast from Grattan Institute, www.grattan.edu.au.

JOHN DALEY: We're here today to talk about disability reform. It's a terrific moment to talk about this. We're a couple of weeks away from a federal budget. As we know, from next week onwards it will be very difficult to talk about policy and it will be very easy to talk about money, and it will be very easy to talk about politics. But given that disability reform is a substantial issue facing our community today, it's a great opportunity to talk about the policy and question if it is heading in the right direction. It's a topical issue — one which has been significant in the Australian media over the last two years and the Council of Australian Governments at its forthcoming meeting will be considering a significant report on the issue.

And it's a difficult issue. It's one in which we face a range of problems, from the fact that the support you receive if you are injured at work is very different from the support you receive if you happen to be injured at home. The support you receive if you are injured in a traffic accident is very different from the support you receive if you are on a bicycle. So there are a whole series of anomalies in our system. And at the same time there are many, Productivity Commission included, who consider that we may not be using our resources as wisely as we could, and in particular the support that we provide to people with disabilities could be delivered a lot more efficiently. And consequently we are very lucky to have with us today Minister Jenny Macklin. She is the Minister for Families, Community Services and Indigenous Affairs and the Minister for Disability Reform in the Gillard Government. I will confess I was slightly interested that we have a Minister for Disability Reform and not a Minister for, say, energy reform or a number of other areas. I hope that's not because this is the only area in which there is reform going on.

Jenny Macklin became the Member for Jagajaga in 1996 in the Commonwealth parliament. For those of you who are not electoral tragics, Jagajaga is an area that is outer north-east of Melbourne towards Heidelberg and Eltham. She was Deputy Leader of the Opposition between 2001 and 2006 and she was appointed as a Minister in 2007. And as a Minister she has delivered Australia's first paid parental leave scheme and a significant increase in the pension, old age pension, and was closely involved in delivering the national apology to the Stolen Generations. And as the government's first Minister for Disability Reform, she's obviously now leading the government's work in this area and particularly on the National Disability Scheme.

Minister Macklin, it's a privilege to have you here today and to discuss this topic which is so essential for fairness in our community. Thank you.

MINISTER MACKLIN: Thank you very much, John, for your very warm welcome. I'd like to particularly thank Grattan Institute for having us all here today and for sponsoring this important discussion. I'd like to publicly acknowledge the traditional owners of the land on which we're having this lecture today and to especially acknowledge any Elders who may be with us and to recognise Elders past.

There are a lot of very significant people here today and I do want to especially acknowledge those of you who are advocates, people with disability, families and carers, those of you who've really been campaigning for a National Disability Insurance Scheme (NDIS) for a very long time. This is a very exciting time for you in particular and I do want to especially acknowledge you. There are some particular people who, if they're not here yet, may be coming soon. Bruce Bonyhady the Chairman of Uralla, who would be well known to you all, Dr Rhonda Galbally, the Chair of the National People with Disability and Carer Council, Stella Young is down the front here from ABC Ramp Up. She's already asked me how much we're putting in the budget. And Alan, very good to see you here, Alan Blackwood from Young People In Nursing Homes Alliance.

This is an extremely exciting time to be involved in public policy and this reform is the most exciting area that we could ever hope to be involved in. Dare I say it, this is a revolutionary change in social policy and really the biggest change for our generation. I want to set out for you today the scale of the change we're embarking on and also its rationale. And of course we're talking about our National Disability Insurance Scheme.

I don't need to tell an audience like this that doing something different is desperately needed in disability. Each and every one of us knows that disability does not discriminate. It could happen to anyone. Any one of us at any time could have an accident, we could fall off a ladder, we could have a stroke, any one of us could have a child or a grandchild born with cerebral palsy or Down syndrome and on average every 30 minutes in Australia we're having somebody diagnosed with a significant disability.

It is the case that today, disability equates to disadvantage. And people with disabilities and their carers are the most disadvantaged groups among the most disadvantaged groups in Australian society. And that's particularly the case in terms of social isolation, financial status, and personal wellbeing.

The Productivity Commission has described it — and I have to say this expression now is pretty famous — as unfair, underfunded, fragmented and inefficient. The Productivity Commission estimates that around 410,000 people in Australia have significant and permanent disabilities that require ongoing care and support. Around 295,000 people are supported today through our current arrangement. So there's a significant group getting very little. It's an approach where access to services and support at the moment really depends on your postcode and also the cause of your disability much more than your need. As many of you would know, people wait years for something like a wheelchair, carers can't see a future and instead see the prospect of years without respite stretching into their old age where they don't know what will happen to their son or daughter when they're too old to care for them. A story I'm sure you're familiar with. These are the frustrations of a system that responds to each crisis, that drips out support rather than invests in a person's future. They are the frustrations of a system in crisis.

Price Waterhouse Coopers has estimated that over the next 20 years or so the inefficiencies of the system and the collapse of informal care will see disability expenditure skyrocket. In reality it's no system at all. This really is what struck me when I first became a Minister back in 2007, the lack of a system and the terrible consequences of that failure for people with disability and for their families and carers. People with disability and their carers are shut out from opportunities and from independence.

So when we first came into government we did get stuck in trying to build a system where there wasn't one. We commenced negotiations straight away with the states and territories and signed a new National Disability Agreement very quickly. That was fundamentally to deliver a doubling of money for disability care and support. And as John mentioned, we also have delivered historic increases, not just to the aged pension but also to the disability support

pension and to carer payments. We agreed the first National Disability Strategy, a 10 year plan to increase access and support for people with disability, but across the whole network of social supports, health, education, employment systems. We released the first National Carer Strategy to better recognise and support carers. So we have been working to close a number of different gaps that were very evident. Funding for early intervention, we've significantly increased that for little children who have a disability, and we've put in extra money for capital for supported accommodation.

Another big decision was to uncap the disability employment service. We had very long queues because there were caps on the amount of assistance you could get for disability employment, and we've put some extra money into education services for children with a disability. All of these are good things to do. All of them are important of course for the people who want us to see extra services delivered for people with disability and their families and carers. But I will say to you very, very clearly today, it is not enough. It is not enough and to put it bluntly, we cannot build a National Disability System with these sorts of band-aids.

When we were these new arrivals back as Ministers in 2007, I was visited by an old friend who I'm pleased to say is actually here today, Brian Howe, the former Deputy Prime Minister, and he brought Bruce Bonyhady with him. Bruce, as I'm sure many of you would know, is not only the Chair of Uralla, but also the father of two boys with cerebral palsy. Now Brian and Bruce, if you've ever had anything to do with them, they do go about things with a missionary zeal. And they came in to see me when I was a new Minister, very enthusiastic and they made it very clear to me then that we needed a major change in the way we thought about disability care and support. And I remember Brian saying on that day, we're thinking about it the wrong way. Really, it's an insurance and risk issue. This of course tallied with the thinking of Sydney actuary, John Walsh, who had recommended to governments a long term care scheme for catastrophic injuries.

There are two central ideas then that really go to the heart of what a National Disability Insurance Scheme means. One is that disability is for a lifetime, so we should take a lifelong approach to providing care and support. And secondly, that an insurance approach allows us to share the cost of risk across the community. This is the approach that's now been detailed by the Productivity Commission report into disability care and support which of course was released by the Prime Minister last August. It does recommend that we create a national disability insurance scheme. I do want to take this opportunity to publicly acknowledge the incredible work done by Patricia Scott and her team including Associate Commissioner John Walsh and the independent panel including Bruce Bonyhady and Rhonda Galbally for their enormous contribution in the development of the Productivity Commission's report. It was a lot of work, 18 months of work, thousand submissions, and a very, very radical idea at its heart, to change the system of disability care and support.

Now all of us of course are familiar with the idea of insurance for our cars or our homes. It is all about, in those instances, sharing the risk of something happening. We joined together, all of us, in the Australian community to insure ourselves for health needs through Medicare. And in most states now the risk of injury from a motor vehicle accident is covered with no fault insurance schemes. The Productivity Commission in fact recommends we extend these arrangements for catastrophic injury across the country through a national injury insurance scheme. But outside these no fault schemes today, there is no universal insurance against the risk of disability through either accident or disease or for those born with a disability.

So a National Disability Insurance Scheme would ensure all Australians for the cost of care and support in the event of significant and permanent disability. 'Cause one thing's for sure, the risk of disability is universal, it could happen to anyone at any time. So to spread the risk across the community would require a small investment from all of us for a very significant return. And the return is the reassurance of support in the event of something happening to any one of us or one of our loved ones. Like Medicare, NDIS would provide universal coverage to Australians. And like Medicare, it too will be built by a Labor government.

But I want to really draw out the differences between an NDIS and Medicare. Medicare of course meets the immediate health needs of Australians, but the NDIS that we want to build has

to do more than meet immediate needs. It has to meet the care and support needs of people across a person's life. It must also consider a person's living circumstances in working out the right care and support for them. It demands a funding pool based on actuarial assessment of need rather than historical budget allocations. And it needs to manage the costs, and this is a very important part of the thinking that's gone into the development of this scheme, it must manage the costs over the course of a person's lifetime within an independent insurance framework.

Significant and permanent disability is the challenge of a lifetime, but the way we currently provide care and support to people with disability of course doesn't reflect that at all. Instead, it considers support as a year by year proposition moving from one budget cycle to the next. And when you're balancing an annual budget, a very big outlay for intensive early intervention therapies, for example, or home modifications could take a big whack out of the budget. Providing some respite or a little bit of additional attendant care is a much cheaper way for governments to try and keep patching up the system. But of course the problem with that approach is that we miss out on the opportunity to invest to improve a person's life, and to save in the long term with much smarter investments in the individual person.

Home modifications, for example, might be expensive up front. Any of us who've renovated our homes can certainly attest to that. But if they afford a person with significant disability the opportunity of greater independence, or if they mean that a parent carer can continue to care for their loved one, then of course it's a very good investment.

Insurance principles allow us to see that with expert knowledge, a sufficient funding pool and good information, you can make a positive investment over the course of a person's life. And very importantly, you create a system incentive to deliver better outcomes for people, the complete reverse of the current arrangements. So rather than forcing people to compete for services, we'll be forcing the system to deliver the best possible outcomes for people with disability and their families and carers.

The scheme administrators and insurance approach demands a long term understanding of the liabilities of the scheme and the impact of different ways of providing support. So with good data, administrators will be able to build a picture up from an individual across the system. We'll learn the most effective ways to help people achieve better outcomes and to act early rather than wait for a crisis to hit.

One of the things we will learn is the most efficient ways of working. The Productivity Commission in fact argued in their report that the economic benefits of an NDIS would outweigh its costs, eventually, because an insurance approach encourages independence for people with disability. The approach supports choice for people with disability, their families and carers, and puts people in control of the care and support that they receive based on their need. Of course it's not about building a rolled gold service. Instead it's about responding to peoples' needs over their lifetimes by providing reasonable and necessary support. It's also not about replacing the care of parents or family. Each of us knows that the carer family, the support of friendship groups in communities is absolutely critical to improving the lives of people with disability. Social isolation is one of the big causes of disadvantage for people with disability and also for their families and carers. The care of a loved one will always mean more than formal attendant care.

But our current system doesn't support long term sustainable care, and it doesn't support community based care. Instead it exploits the love of family carers, too often leaving them exhausted and alone. The flexibility of an insurance approach and a concern to drive the best outcomes for people with disability and their carers recognises that family and community support, and also seeks to make those sustainable over the long term. So we are all about looking to build a system that by its very nature does all that we can to avoid crisis, building a smart system, and I'll just say again, it really is the most significant social reform that we've seen since we introduced Medicare in Australia all those years ago.

It is a big task, so there are a lot of pieces to put in place. And like any well-oiled machine, of course it means that we have to get the different bits to work together. Of course at the moment the states and territories are the levels of government largely responsible for both the funding

and delivering of care to people with disability needs. So we do need to work with the states and territories. But governments alone of course are not the keepers of knowledge in building this system. What's going to be very important, and this of course hasn't been done in this area before, we are going to need to call on the expert advice of those in commercial insurance, both for their initial guidance and also in implementation. Very importantly too, it will be those with lived experience, people with disability, their families, carers, disability care workers, service providers, representative organisations and of course advocates.

The reality is we haven't done this before. It's a big thing to do. The Productivity Commission recommended that the launch of a National Disability Insurance Scheme occur from the middle of 2014. They suggested involving this new approach in selected regions around the country. What they recommended is that people with disability who have significant and ongoing care and support needs would be assessed, and would work with local area coordinators or case managers and their families and carers to make a plan for their lifetime care and support needs. The Productivity Commission identified that the launch will be essential to test the operation of the scheme. And I do want to emphasise how important that will be. It hasn't been done before. We will need to have a way to make sure we're getting it right. We also need to make sure we get the transition right, not only for people with disability and their families and carers, but also for the providers of care. We have an understanding right now of how it might work in theory, but of course we're going to be responsible for making sure it works in practice.

I know that more funding is needed to progress to a launch. It is an absolutely critical cog in the whole machine. It is the case that disability care and support has been chronically underfunded for decades. It's also true that the cost of launching and building an NDIS is very significant. The Productivity Commission has estimated the additional cost of an NDIS at maturity would be in the range of six and a half to eight billion dollars per annum in today's dollars. The Australian Government Actuary is currently validating these estimates and working with state and territory and the Commonwealth Treasury on these important figures.

At the same time that we are seeking to make this major social policy change, we are, as a nation, still feeling the reverberations of the global financial crisis and I'm sure you've all been reading that we are experiencing, both at the Commonwealth and state level, the impact on our tax receipts. So finding the money in this environment is a difficult task. This sits very awkwardly with our desire to create real change for people with disability and their families and carers. And I can assure you it isn't the only task at hand. But it's also the case that even though money is critical and we have to do our best. There are many other things that we have to do. If we are to build this great new insurance scheme from the ground up, we can't just pay more. And I think that's a message I've heard loud and clear from people with disabilities and their families, please don't just add to the current broken system. So we have got that message and over the last eight months we've been working to really lay the foundations for the launch of a national disability insurance scheme. We want to get the foundation work done by the middle of next year, and that's around a year ahead of the timetable set out by the Productivity Commission.

But there are a lot of critical pieces of work that are underway. One of the most difficult of course is to define the eligibility for the scheme. Who will be entitled to what? What is reasonable, what will be a reasonable and necessary level of support. We do want to make sure that we have national quality standards, that it won't continue to be the case that the level of care and support you get in Perth is completely different from what you might get in Brisbane. The assessment tools, those of you who are currently involved in the disability support system would know that you can be assessed again and again and again and of course at the moment there is no consistency to it. We want proper assessment tools that don't put that burden on people. So working out the packages of support, what constitutes reasonable and necessary, particularly when we know that people with disability have a wide range of different needs. So there's that side of the task that we're already embarked upon.

And then of course there's the business systems. There are all the things needed to build an independent insurance framework so that we can have a system picture of what works for people with disability and their carers and how we will manage costs over time. All of these are critical pieces of work that we want to have done before we start. Each of them will affect the design of the scheme and each of them need to fit together seamlessly. Currently we have eight

different systems and very different starting points across the states and territories. And within the states and territories we have a huge range of different types of providers: service providers with very different funding arrangements, some states have started embarking on individual funding arrangements, others have really only just started that more person-centred approach. So for service providers, this is a really big change and it'll need all of our support to change to this new approach.

It will be a significant business transition for those service providers and that will especially be the case for smaller organisations. We need to make sure that transition is smooth because a lot of people with disability are currently supported by these organisations and we need to make sure it all works. The other group of people who are critical is the workforce. We will need a much bigger workforce, a lot more people working in this sector to deliver the extra level of care and support. But we also need the workforce to be working in a very different way. And so they too are going to need a lot more support as they change the way they do things. We also want to make sure that the workforce gets the support they need, the rights and protections for a safe and good job.

And of course for many people with a disability and for their carers, this will be the first time that they actually have some real choices about how to spend their money on the things that they want. For some, daily transactions like buying the groceries are going to be a new experience. A wonderful thing for people to have the opportunity to control their lives, but of course we also want to make sure that the management of funds is done in a way that looks after peoples' interest. We need to make sure that there are safeguards in place to support people as they exercise that critical choice and control. And also to make sure that people are able to make informed choices. So making these big transitions, whether it's for the individual person with a disability, for their families, for their carers, for the organisations and for the workforce, all of these different groups of people need to be supported. It will require all of us to change the way we think.

For governments, to make a big shift in the way we think, to taking an insurance approach rather than a block funding of grants, it does require us as Ministers to hand over the reins of control to those who are going to manage the scheme, to those who will run an independent authority. And that doesn't necessarily come easy to Ministers. Ministerial oversight will continue to be necessary, and we're still working on the governance and scheme operations. We, as individual Ministers have responsibilities for public expenditure. And that will need to be reflected in governance arrangements. But to operate well, we do need to make sure that the insurance scheme is independently managed, and not subject to the vagaries of annual budget cycles or political changes so that we can really get this right for the long term for people with disability.

We want to move away from a system in which, I'm sure many of you have heard people with disability describe it like this, in which people with disability, their families and carers are forced to ask for everything in the hope of getting something. Just ask for the lot and then you might get something, all because people are so fearful that they'll end up with nothing. We want to really change that so that people are able to know and understand that the future will respond to their needs. I think this will take time as well. People will need to learn to trust that there is a system that is based on their lifetime of need. It is going to be a real change in mindset and one that we are going to need to work on together. But it is a really great time to be involved. It is a wonderful opportunity for all of us to come together to build this National Disability Insurance Scheme. So although we've got a lot of work to do, we have come a long way since that day in 2008 when Brian and Bruce walked into my office. And I do really want to say today that in very large part that has been due to the enormous courage and advocacy by people with disability, their families, their carers who have told their stories, who've been prepared to go public and tell their stories, who've really brought this issue out into the light, away from the way it's been hidden behind closed doors for so many decades. It really has propelled disability onto the front pages of our newspapers. But it's also, if I can really say this to the people engaged in disability and the carer movements, it is the determination and unity of this sector, the unity that has really driven a coordinated desire to see a National Disability Insurance Scheme that has really woken this issue up.

I am acutely conscious of how long people have waited, how long people have been arguing for this change and how really the story of disability is so often about waiting: waiting for a new wheelchair as your child grows, waiting at the end of a phone for that respite care that you're desperate for. I know people have waited long enough. We are now on the path to building a National Disability Insurance Scheme. All of that doesn't take away from how big it is and how hard it's going to be and how difficult the fiscal environment is, but we do intend to put people with disability and their carers and families first. You as the advocates and the activists have really done the enormous work to herald the call that we are now responding to, to all of those experts who've done the work developing the ideas and the approach, it is now up to all of us together to make this happen. Thank you very much.

JOHN DALEY: Thank you very much, Minister. The Minister has agreed to take questions, so I'm going to take my opportunity to ask mine first. One of the advantages historically of things like workers compensation schemes was they effectively put the cost of increasing the risk of accidents towards the activities that created those risks. So if you were, for example, engaged in agriculture or mining, which were relatively speaking high risk activities, you paid a higher premium, and that cost eventually then got passed through to consumers. Will we still have that allocation of risks, or is that something that those costs are no longer borne by those activities that specifically increase risks like that?

MINISTER MACKLIN: We are seeking to add to the system of no fault insurance schemes that currently exist for transport accidents and to add to the workers compensation schemes. We're not seeking to replace those schemes. What we're seeking to do is build a scheme where the risk will effectively be covered by each and every one of us. This is one of the most difficult decisions that the government has to make about how it will be funded, and a lot of thinking is going to that right now.

AUDIENCE: Minister, Woody Marrick is my name from the Disability Action Group Eastern Region. On several accounts I have asked you yourself, Minister Butler and your Parliamentary Secretary down to one of our meetings and I've been told no on each occasion. Now, you've mentioned also before that you were excited. It is an exciting future. But if you're in a wheelchair, where's the excitement? And also, one more thing, have you ever been in a wheelchair?

MINISTER MACKLIN: No I haven't.

AUDIENCE: Okay. I invite you to use my scooter for a day. Thank you.

MINISTER MACKLIN: Thank you. I haven't been in a wheelchair, but if I could just say I was trying to get across at least some sense of our understanding of the frustration people have with how long it's going to take to build a new National Disability Insurance Scheme, but I hope I was able to also explain the huge amount of work that is underway to build such a new approach. So yes, it's still a frustrating time as we do the technical work or build the foundations, but I think you can hear from all the different things that we do have underway that we're serious about making these big changes.

AUDIENCE: Hello, thanks Minister. It's really inspiring to hear such a commitment to this scheme. I work in a disability organisation in Melbourne and I guess one of the concerns about the change to an insurance led scheme is the move away from some of the innovation and policy development work that's so crucial to continuing to develop new ideas, new service types etc. Could comment about whether or not you see that as a problem with changing the nature of this disability support scheme?

MINISTER MACKLIN: In fact quite the reverse. I think one of the great things about an insurance approach is that there will be an incentive to constantly seek better ways to do things. I think that's at the essence of what we're trying to create. One of the problems, as you would know from being in the position you're in, is that there's been a real inertia in the way that we've traditionally funded disability support. I do think that we are seeing some change and you're obviously part of that, but the system itself isn't driving that change. People like yourself, and other advocates are driving it so that we see more individualised care and support, individuals

having greater choice over what it is they might be able to receive. But it's not the system itself that's driving it and that's what we want to change.

AUDIENCE: Hi Minister, and thank you. I also think that this has been a fantastic presentation, it's very encouraging. My name's Liat Harrower. I have a few hats on. I'm a consumer advocate and lobbyist for families caring for children with chronic or terminal illnesses. I'm also the Deputy Chair at the Children's Hospital Family Advisory Council. My question relates to the cost of equipment, and how much work has actually gone into looking into the individual cost of equipment, especially as it relates to children who are obviously growing and needing changes fairly rapidly. In particular a cost of a child's wheelchair, for instance, my son's chair cost about \$14,000 and it was a manual chair, and I can buy a car for that amount or less with air conditioning and CD stacker. In regard to the six and a half to eight billion dollars that this scheme is going to cost, I would think that it would be really important to look at the cost of this equipment.

MINISTER MACKLIN: Absolutely.

AUDIENCE: After my son's death I found that same wheelchair was available from the supplier for \$3,300. How much effort is going into reducing the overall costs of this scheme based on that?

MINISTER MACKLIN: That is absolutely at the heart of what we're doing right now. The Productivity Commission itself did a lot of that actuarial work in the development of the costings. They looked at a range of different costs of care and support, including essential equipment as you've just described. But it may not be a wheelchair, it might be equipment of a different type that a person with a different type of disability might need. So they've done exactly that. That's why we've also got the Commonwealth actuary now working through all of those figures again because this is a lot of money we're talking about. So we do need to make sure both from the perspective of people with disabilities and their carers and families, and from the point of view of the Commonwealth and the states that we understand what our starting point is. Price Waterhouse Coopers has also done a lot of actuarial work, so they've gone through exactly what you're talking about, looking at the range of care and support equipment, what the supported accommodation needs might be for people given the huge variation of needs that people with disability have.

AUDIENCE: Jenny, I was really pleased to hear to you touch on the cultural change that's going to be necessary. And you know, we're all people in this room who are already aware of the NDIS. I come across people all the time who are not engaged with the disability system at all. And I'm reminded of just how ingrained that culture of giving people the minimum that they need to survive is. An activist who's much older than me, told me a joke. He said, how many occupational therapists does it take to change a light bulb? Two. One to take the old one out and the other one to tell you why you can't have a new one. And I thought that speaks to the overall problem of the culture of disability in Australia and I'm wondering if you have any specific thoughts around how the money is only one small part of how we are going to change the way people think about the quality of life that people with disabilities in Australia deserve.

MINISTER MACKLIN: Stella, I think that's so true and that's why I spent quite a bit of time on it today because one of the things that we talked about recently at the National Disability and Carers Council was exactly this. And it's ingrained in a person with a disability as well; how can I get something, I'll fill out a form for all of those light globes 'cause somebody might give me one. And then I might end up with 10 when I only needed one. How do you build that sense of trust? So one of the things we're talking about with the council is how to do that work with disability groups, how to do it with advocates, how to do it with family and carer groups. We also have created, as I know you're aware, but for the benefit of others, a national advisory group which has individuals on it of different types of people, some advocates, some people with disabilities, carers and so on. And their job is to really do some systematic consultation with groups and to really see what is it that we might need to do to really work with providers, work with groups of workers, work with individual groups of people with disabilities, carers, and families. I think it's going to be different in different circumstances.

AUDIENCE: When I was discussing coming to this meeting with my neighbours, both of whom are deputy principals at a high school in the western suburbs, and I said insurance scheme, the first thing they said was, another Medibank levy and another Queensland flood levy. That was their first reaction. Now their second reaction was, well we have to look after kids in our classes and we've got one boy, he's in Year 10, he can write his name, that's all because he missed out by one point on qualifying for special assistance. And they said in our opinion the system's already over-bureaucratized, we need more freedom to make allowances for the students we have to educate. In the insurance scheme you need a premium and an assessment process. So my first question is, who is going to pay the premiums and who will decide that? And secondly, how will the assessment process work?

MINISTER MACKLIN: Two very important points. One really goes to the opening question which is who's paying. And of course we're still working on that and we'll have more to say about that sometime soon. And on the other question, the assessment process, I made some remarks about the assessment process in my contribution today. This is absolutely critical. Who is going to do the assessment, where in the whole process will the assessment be done? That's one of the big pieces of work that's currently underway. The actual development of we're calling a common assessment tool so that you don't have to be assessed every time you need a different piece of equipment, or a different piece of care. It's also critical that we get a common assessment tool across the system, so that's something we're working on with the states and territories. Each of those points you're making is absolutely front and centre of the work we're doing.

AUDIENCE: Thank you. Jan Black from the Municipal Association of Victoria. In relation to catastrophic injury, I think the Productivity Commission looked at local government rates as contributing to the national injury insurance scheme. Is that still being pursued?

MINISTER MACKLIN: We're doing two things at once. As I've talked about today, we're doing all the work to build a National Disability Insurance Scheme, but we're also pursuing the other major recommendations from the Productivity Commission which is what do we need to do to build a national injury insurance scheme, and how will that fit with the existing motor vehicle schemes, workers compensation schemes as well. So my colleague, Bill Shorten, is responsible for that and he's working with the states and territories on exactly that.

AUDIENCE: Thanks. It's a really interesting question around eligibility. I'm just wondering if in any of the modelling it includes the intersection with this reform and mental health reform, for example, will this include disability that's a result of serious mental health issues?

MINISTER MACKLIN: Also a very good question. It has to, in my view. It's very important that in the same way that we're looking at the needs of other people with significant and permanent disabilities, the same goes for a person with a significant and permanent psychiatric illness. One of the issues that we have to think about in that regard is that sometimes a significant psychiatric illness occurs in an episodic way. So these are issues that we're thinking about.

AUDIENCE: My name's Kirsty Wilson. I'm the principal of a legal advocacy organisation. For first question is in relation to independent advocacy and how that will be funded through the system. And the second one is, there will be people with disabilities obviously who won't fit within the insurance scheme, what happens to them, because they also will need services and if they miss out by a mark or through the assessment process, they're not going to get the services that they need. And that is a real concern.

MINISTER MACKLIN: I might go back to the education question too and link the two of these because they really go to the boundary questions. There'll be boundaries for the group that you're talking about, people who don't have permanent disability, people who don't have what's assessed as significant. And so we do need to work with the states and territories on the level of care that will be provided for those people. And also, if I can just use that as a segue to the education point, I thought where you might have been going with your question was how do we fit in with other mainstream areas of service delivery like schooling? So all of these are issues that have to be resolved. Another area that I know some of you are very interested in is how we fit with aged care. One of the recommendations in the Productivity Commission report which

we're still working through is they recommended a 65 years of age cut off. These are difficult issues to resolve and so we're still going through each of them. On the advocacy question, that will need to be part of some form of funding review as to whether or not it'll be in the NDIS, has not been finalised. You're right, there's always going to need to be a role for advocacy.

AUDIENCE: Hello, Minister. My name's Kirsty and I work in holistic wellbeing. I'm just wondering with the diversity of your portfolio and the new thinking that the government's taking really radical action with, and the connections that disability reform has with mental health, whether the new thinking can apply to other systems as well, and whether it will reach to Indigenous communities where perhaps funding isn't working as well?

MINISTER MACKLIN: On the Indigenous issues, we've certainly thought about how Indigenous people who may have a significant and permanent disability will be able to access this insurance scheme because for many of them there are no services, or very limited services, in some places. That from a service delivery point of view is very serious and obviously with my other responsibilities as the Minister for Indigenous Affairs, I'm acutely aware of those matters. We're going to need to work not just with Indigenous people but with service providers to make sure that people have choices, especially in remote Australia.

AUDIENCE: Is it more about government and groups going into the communities to ask them what they want? Is that the people-centred approach that you're reaching towards?

MINISTER MACKLIN: With the National Disability Insurance Scheme, it starts from that premise. It starts from the needs of the individual. We're talking about looking at the assessment of the needs of an individual. And also thinking about how that person is going to be able to control what they get and how they get it. That will be just as important for an Indigenous person as any other Australian.

JOHN DALEY: Minister, can I thank you very much for today. It's been a really thoughtful presentation. You've really painted for us a picture of how this could affect anyone and indeed those who are not affected probably have no idea what that experience would look like. You've outlined many of the problems with the existing system. If nothing else, you've convinced us that the design issues that are raised by a new system are considerable, but nevertheless things that you are thinking about very hard. I think the questions we've had perhaps have illustrated that even better. How do we maintain incentives to innovate, how do we ensure that we're costing equipment correctly, how do we get cultural change, how does this interact with various other injury schemes, a huge range of issues all of which will need to be solved in order for this to be successful reform. And finally thank you to the audience. As I said, it's been a tremendously thoughtful session today. I don't think any of us will come away thinking that we have this one completely solved but at least confident that we are making some progress. We look forward to seeing this area of policy develop.

AUDIO: This has been a podcast from Grattan Institute. Want to hear more? Check out our website, www.grattan.edu.au.

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