Australia: The fraud of Labor's NDIS and Gonski "reforms"

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A main plank of Prime Minister Julia Gillard's re-election campaign is the boast that her minority Labor government is legislating two major progressive social reforms, the National Disability Insurance Scheme (NDIS) and the new Gonski model for school funding.

Enthusiastically backed by every section of the mass media, Gillard is promising new public spending to improve public schools and to ensure that the disabled and their carers receive high quality, lifelong treatment and support. Every aspect of the Labor government's propaganda is marked by unbridled cynicism and duplicity. Turning reality on its head, what are being sold as progressive "reforms" are in reality regressive, pro-market measures that are aimed at further privatising the provision of social services and slashing public spending in the long-term.

After opposition leader Tony Abbott declared his support, the prime minister this week announced that legislation will be passed through parliament before the September election, rolling out the NDIS across the country over the next five years. The new scheme will be partially funded by an additional income tax levy on working people of between 0.5 and 2 percent, raising $3.3 billion a year, or less than half the anticipated net costs of the NDIS when it is fully operational in 2018-19.

Part of the shortfall will be covered by government attacks on recipients of the disability support pension (DSP). While this has received far less media coverage than the new levy, the *Australian* reported Tuesday that the Gillard Labor government's upcoming budget will include measures emulating those of the British government, which last year moved to cut welfare spending on the disabled by 20 percent through the introduction of harsh new requirements for demonstrating disability levels.

At first glance this appears contradictory. The disabled are to be pushed off the DSP, plunging many into poverty and financial insecurity, in order to fund a scheme that Gillard has insisted is designed "to build a better life for Australians with significant and permanent disability [and] provide peace of mind to all Australians that if they or a loved one acquire a disability, they will be supported". In fact there is no contradiction—the new NDIS and the assault on the DSP are joint measures aimed at cutting government spending and at dragooning more disabled people into the low-wage workforce.

The NDIS, or DisabilityCare as the government has branded it, is based on a voucher scheme for the disabled. Potential recipients will be assessed at a "Local Disability Care" office and those who qualify will then receive a set amount of money, based on providing various services addressing personal care, therapy, transport assistance and other needs. Corporate entities will then "compete" with public and community-run services for the "business" of providing these facilities.

The model for the NDIS was initially developed by the right-wing think tank, the Institute for Public Affairs, which issued a detailed report on the issue in 2006. Its proposed voucher system was broadly similar to the Productivity Commission's recommendations in a report last year. The Productivity Commission is a semi-independent appendage of the federal Treasury, tasked with devising measures for boosting corporate profits.

The underlying premise of the NDIS is that the government should no longer be responsible for providing services for the care of the disabled. Instead, this should be left up to the market, with corporate entities vying for a share of the lump sum awarded to those eligible for disability "insurance". The inevitable outcome will be a race by businesses in the "disabled market" to maximise their profits by cutting costs at the expense of services. As in every other sphere, in order to win contracts, businesses will tend to exaggerate the level and quality of services, or descend into outright rorting. At the same time, the NDIS

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will create a lucrative new market for finance capital. As has happened already with the semi-privatised healthcare and childcare sectors, those powerful corporate lobby groups that will emerge in the disability "industry" will sabotage any proposal to improve publicly-provided services, which would undermine their own operations.

The Productivity Commission report emphasised the need to wind back the disability support pension at the same time as the insurance scheme was rolled out, or as the report put it, "aligning the goals" of the DSP with the NDIS, namely to encourage "economic engagement", i.e., participation in the workforce. That is why disabled people over 65 years old will be barred from accessing the insurance scheme money.

The Productivity Commission demanded that the DSP no longer be seen as a potential lifelong benefit—it even proposed dropping the word "pension" and defining the payment as "a transitional disability benefit for those with some employment prospects". While about 800,000 people are currently on the DSP, the Productivity Commission anticipates that just over 400,000 would be able to access the NDIS, with the rest--hundreds of thousands of disabled people--being shunted into the low-wage workforce. The Productivity Commission has demanded, for example, that the blind no longer be automatically eligible for the DSP, and that more people with psychiatric problems be forced to look for work, along with those who suffer musculoskeletal conditions.

The Productivity Commission concluded that the "fiscal gains from reductions in DSP beneficiaries" would allow government spending to be reduced by $2.7 billion a year.

The Gillard government's great "progressive" reform turns out to be nothing but a ruthless cost cutting exercise targeting some of the most vulnerable members of society. And she has cynically exploited the desperate situation facing many of the disabled, their families and carers in order to sell this regressive scheme.

The situation is no different with the new Gonski school funding model. Outlined by former stock exchange chairman David Gonski, the new model embraced by the government sets in place the framework for a voucher system, by allocating a set amount of public money for schools, both public and private, based on the background and composition of their students. In a move even more regressive than Gonski's proposal, Gillard ruled out his suggestion that some of the wealthiest private schools be given less public money. Instead, she has permanently entrenched the grossly inequitable funding system enacted by former prime minister John Howard. The new funding model, Gillard declared, "strips away all the old debates about private versus public and puts children at the centre of the funding system". The inevitable result will be to further starve public schools of money and resources, especially in working class areas, and to encourage families to place their children in private schools.

The additional funding committed as part of this pro-privatisation agenda will be ripped out of the university system, triggering layoffs and course closures, and exacerbating student hardship. Moreover, the schools' money is being tied to conditions that further extend the influence of standardised testing, with school funding and teachers' employment security and salaries more openly tied to test outcomes. Schools' operations and classroom curricula are already directly tied to corporate demands for a more "productive" workforce.

There has not been a socially progressive social reform enacted in Australia for more than three decades. The rise of globalised productive techniques has seen governments internationally compete with one another for investment by slashing taxes on corporations, driving down wages, tearing up workplace protections, and gutting welfare and public services. The eruption of the global economic crisis has vastly accelerated these processes, with governments in Europe setting new benchmarks for global "competitiveness" through an unfolding social counter-revolution aimed at impoverishing the working class through the destruction of jobs and working conditions, along with the old welfare state. Gillard's so-called reforms, including the NDIS and Gonski, are part of her efforts to secure the continued backing of the corporate elite by convincing them of her determination to proceed with the its austerity agenda. This is a bipartisan class assault, which will rapidly accelerate after the September election, whichever of the major parties forms government.

For all disabled people, accessing high quality and freely accessible care and services, in order that they and their families and careers have the opportunity to fully participate in society, should be a basic social right, along with the right to public education and healthcare. These rights have become fundamentally incompatible with the continued existence of the capitalist profit system.

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