

# Australia's new disability scheme: A vehicle for austerity

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Just three days after being reinstalled as prime minister, Kevin Rudd officially launched the National Disability Insurance Scheme—now rebadged as DisabilityCare Australia. Labor's plan, partially funded by a 0.5 percent income tax levy to finance the care needs of some 400,000 disabled people, is one of the main planks of its campaign for re-election.

"When the full scheme is rolled out nationally by July 2019, about 460,000 Australians with disability will get the support they deserve," Rudd declared in Newcastle, one of four trial sites for the scheme. It was, he insisted, a "momentous achievement."

Like his predecessor, Julia Gillard, who publicly wept in parliament when she introduced the legislation last month, Rudd claimed to be dedicated to ensuring a better future for the disabled and their family carers.

"We understand the need to keep the economy strong, but we also understand that to be authentically Australian is to have an open heart to all Australians," the prime minister enthused. The intended message was that Labor, in contrast to the Liberal-National opposition, remains a party committed to social justice-type reforms amid escalating corporate demands for cost-cutting.

DisabilityCare Australia, however, is not just consistent with Labor's broader austerity agenda, but pivotal to it. In part, its role is to provide a pretext for deep cuts in other areas. "To make these wise investments [in disability support], we've got to make responsible savings," Gillard told parliament during May's budget session.

Even this tactic underplays DisabilityCare's long-term function: to reclassify as many disabled people as possible as capable of employment. Those deemed able to work will no longer receive the disability support pension (DSP), but will be pushed onto far-lower

Newstart unemployment benefits and pressured to take low-paid jobs. While DSP payments—\$733.70 a fortnight for single people—condemn recipients to poverty, unemployment benefits are currently just \$497 a fortnight.

Big business and its supporters see the slashing of DSP payments as the holy grail of welfare "reform." According to the Centre for Independent Studies, a right-wing think tank, governments' failure to make deep cuts to the DSP is the "last great unsolved problem" of welfare. The number of DSP recipients increased from 623,000 in 2001 to over 830,000 in 2012, a growth mainly explained by the aging of the workforce and the prevalence of work-related illnesses among over 55-year-olds. One third of all people receiving DSP suffer from a mental illness.

In 2011, the Productivity Commission prepared the report on which Labor's disability plan is based. It argued that a fully-functioning scheme would allow the government to force as many as 310,000 disabled people off DSP and potentially into the workforce. Even with a projected up-front cost of \$22.2 billion per year, the scheme would eventually produce a substantial net budget saving.

In the words of the Productivity Commission, the goal is to encourage "economic engagement," that is, participation in the workforce. That is why disabled people over the retirement age will be barred from the scheme, and forced onto aged pensions, regardless of their needs.

Accounting firm PriceWaterhouse Coopers stated that DisabilityCare would strengthen the country's gross domestic product (GDP) by between 0.9 and 1.4 percent per year. Deloitte, another professional services giant, estimated that if 60 percent of the disabled were made to enter the workforce, GDP would

increase by \$40 billion.

Despite DisabilityCare's goal appearing in black and white in the Productivity Commission report, no media coverage in recent months has even mentioned the nexus between the proposed scheme and driving people off DSP.

That many of those with a disability, and their carers, have greeted Labor's promises with a sense of relief is not difficult to understand. Many have lived their whole lives in desperate situations with little or no assistance. DisabilityCare will supposedly provide "long term, high quality support." That commitment, however, is heavily qualified. Support will be provided only to a level that the government determines is "reasonable and necessary." The official goal, where possible, is "independence and day-to-day living skills."

The reality is that DisabilityCare is a voucher system. The disabled, who qualify for the scheme, will be permitted to spend a certain sum on care or assistance, choosing from competing service providers. This market-style mechanism is designed to relentlessly push down costs, above all wages. The disability and community services sector already pays some of the country's lowest wages, with about a third of workers employed on an insecure, casual basis.

Labor's scheme makes no provision for the training of the estimated 100,000 extra workers that will be needed in the next five years to put the plan into effect. State-based training institutions (such as Technical and Further Education) are already suffering from crippling funding cuts, with the threat of more. These bodies would need to double their 15,000 annual enrolments in disability care courses in order for DisabilityCare to function as announced.

Regardless of which party forms the next government, its agenda will be deep and brutal cuts, especially to welfare, health and education. DisabilityCare is a spearhead in that regard, which is why it has received the bipartisan support of the Liberal-National opposition.

Against the austerity agenda of the capitalist parties, the Socialist Equality Party advances a socialist program to address the health needs of society. Instead of poverty-level pensions and welfare payments, a decent annual living wage, covering all needs, must be guaranteed to everyone as a basic right. This must be paid not only to all workers, but to all those who, due to

disability, old age, illness or care responsibilities, are unable to work.

First-class health care, including access to the latest medical technologies and treatments, must be guaranteed free to all, without fees or caps on treatment. This must cover all health requirements, from birth to death, including hospital, dental, psychiatric, rehabilitation, aged care, and the needs of the disabled.

None of these measures can be implemented without a fundamental reorganisation of the Australian and world economy in the interests of the majority. A workers' government based on socialist policies must be established, which will place the banks and major corporations under public ownership and democratic control, and direct society's wealth to meeting social need, not private profit. The SEP is standing Senate candidates in the forthcoming federal election in order to fight for the development of an independent political movement of the working class on the basis of this socialist and internationalist perspective.

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