

# Australian government's NDIS review paves way for deeper cuts to disability services

Mike Head  
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The interim report of the Australian Labor government's cost-cutting review into the National Disability Insurance Scheme (NDIS) was released last Friday. It provides no details whatsoever of how the government plans to slice \$74 billion off its funding for critically-needed disability services over the next decade, as declared by Labor's May 9 federal budget.

Nevertheless, the report sounds an ominous note. "The NDIS is an uncapped, needs-based scheme," it states. "However, the NDIS must also be sustainable and its costs predictable for governments and the public."

This sends a clear message that, as the corporate elite and media are demanding, moves are being prepared to impose new caps and eligibility restrictions on NDIS programs. This will inflict even greater difficulties and hardships on the estimated 2.4 million people aged under 65 years who have disabilities, including children and their parents.

As the WSWWS warned from the outset, when the previous Gillard Labor government introduced the NDIS in 2013, it was a pro-business blueprint designed to shut down state-run disability services, shift people into a voucher-based disability market based on profiteering corporate providers and strip away Disability Support Pension (DSP) entitlements.

In 2011, the Gillard government had already announced the largest crackdown on DSP eligibility in Australian history by introducing harsher "impairment tables" used to judge those applying. By 2020, the number of DSP recipients aged 16–64 had declined from around 802,000 in 2012 to 660,000, an 18 percent cut.

The overall result has been a disaster for most people with disabilities. A 2021 survey of people with disabilities conducted by the Melbourne Disability Institute, in partnership with the Brotherhood of St. Laurence and Baptcare, published in June 2022, reported that 90 percent of respondents said the support and services they received were inadequate to meet their needs.

Now the Albanese Labor government is trying to politically exploit the predictable failures, cruelties and crisis produced by this privatisation in order to initiate an even more damaging cutback and restructuring.

There was another telling warning sign last week when NDIS Minister Bill Shorten quickly back-tracked on a media interview in which he had suggested that it "wasn't the end of the world" if the government did not meet its budget target of slashing the NDIS spending growth rate from 14 percent to 8 percent annually to

meet the \$74 billion goal.

"Rest assured the Albanese government is absolutely committed to scheme growth targets of 8 per cent," Shorten said.

Treasurer Jim Chalmers also weighed in to recommit the government to delivering on that target, reassuring the financial markets of Labor's "fiscal responsibility" and its capacity to hold the line in the face of mounting working-class discontent over the worsening cost of living and social crisis, including on disability services.

The NDIS was one of the biggest targets of the May 9 budget, which also inflicted substantial cuts to funding for public health, schools, tertiary education and housing. At the same time, it allocated hundreds of billions of dollars for income tax cuts for the wealthy and purchases of AUKUS submarines and other weaponry to prepare to join a US war against China.

Yet the budget said nothing about how the huge NDIS cutback would be achieved, seeking to keep the public in the dark as much as possible. Last month, equally deceptively, Shorten laid out plans to cut \$15.3 billion off NDIS funding over the next four years, supposedly without affecting the quality or availability of services.

Implausibly, Shorten claimed that most of the savings could come by putting participants on longer-term assistance plans and streamlining application response times in an effort to reduce the high numbers of complaints and legal appeals from people denied eligibility or adequate help.

Clearly, however, these measures—even if implemented—will not satisfy the government-corporate demands for much more fundamental cuts.

Commissioned by Shorten and the government last October, the NDIS review panel was, above all, charged with making recommendations about how to make the scheme "fiscally sustainable."

The panel consists of Lisa Paul, a former federal public service chief, and Professor Bruce Bonyhady, one of the NDIS's original architects. For now, instead of making recommendations, their interim report poses five revealing questions, asking for submissions.

Question one is "Why is the NDIS an oasis in a desert?" That is a muffled reference to the fact nearly all other disability services, once provided by state, territory and local governments, and by learning difficulty programs in government schools, have been eliminated over the past decade, as intended by the Gillard

government.

There were 592,059 participants in the NDIS as of March—only about a quarter of all those with disabilities. Data collated last November by the Per Capita think tank showed a precipitous decline in disability service funding in all states and territories, from over \$7 billion a year in 2015-16, before the full NDIS rollout, to less than \$1 billion in 2020-21. There has also been a sharp decline in local government spending, in real terms, on related services.

At the same time, the Per Capita report found that NDIS “Tier 2” programs—meant to be provided to people classified as less seriously disabled, and therefore denied care packages—constituted less than 1 percent of NDIS spending. It said this funding appeared to be lower than aggregate state-level spending on Tier 2-type activities that predated the NDIS.

Question two is: “What does reasonable and necessary mean?” That is the test for the level of assistance offered to NDIS participants. According to the report, the test is “poorly defined,” adding: “This unresolved issue is the cause of many of the scheme’s challenges—including stressful, time-consuming and poor planning experiences, inconsistent and inequitable decisions about funding and disputes between participants and the Agency.”

While the report requests suggestions as to how to tackle this issue, the government’s clear thrust is to “define” the test to further restrict access to care packages. The report itself states: “The NDIS was never designed to support all people with disability.”

Question three is: “Why are there many more children in the NDIS than expected?” In particular, about 54 percent of NDIS participants under the age of 18 have autism, and 21 percent have developmental delay. Eleven percent of boys aged between five and seven are NDIS participants; 5 percent of girls in this age bracket are on the scheme.

While the causes of this are no doubt complex, and demand further probing, the report concedes that this reliance on the NDIS “reflects a lack of supports for children with disability, outside the NDIS, in mainstream settings.” It comments: “With so few supports outside the NDIS, it is not surprising that parents are fighting to get their children with developmental concerns, delays and disabilities into the NDIS.”

Even more revealing is question four: “Why aren’t NDIS markets working?” The report states: “The markets in the NDIS have not worked as originally imagined. Competition has not produced improved quality, innovation or diversity of services for all participants in all locations.”

The truth is that the “markets” are working exactly as the WSWS warned. People with a disability have become individual “clients.” They must negotiate contracts for support plans delivered by businesses that compete in “the disability service industry,” including by price-gouging, while slashing costs and the training, wages and conditions of disability support workers.

Far from proposing any reversal of this disastrous privatisation, the report proposes the impossible—making the profit-driven markets serve working people. It asks: “What needs to be done to ensure NDIS markets serve the interests of people with disability, rather than the other way round?”

Finally, question five cuts to the chase: “How do we ensure that the NDIS is sustainable?” The report asks for proposals to ensure that the NDIS can “contribute to the new sustainability framework foreshadowed by National Cabinet.” That is the cost-cutting demanded by this Labor government-dominated cabal of federal, state and territory government leaders.

One of the most cynical claims made by the government and big business backers of the NDIS is that it boosts the economy by equipping participants to enter the workforce. The Per Capita think tank, for example, calculated in 2021 that every dollar spent on the NDIS “injected” \$2.25 back into the economy.

Essentially this means providing employers with a new source of cheap, government-subsidised labour. Under the government’s Supported Wage System (SWS), people with disabilities can be paid as little as \$102 a week—less than an eighth of national minimum wage of \$882.80 per week! According to the government’s SWS web site: “Under SWS, special workplace arrangements are created so that employers can pay wages to a person with disability based on how productive they are in their job.”

None of this is enough for the financial oligarchs and their media outlets. A June 30 editorial in the *Australian* called for harsher eligibility restrictions, as well as means testing and co-payments to compel people with disabilities to pay for services. The NDIS required “tough love” to survive, it insisted.

Such is the ruling class’s contempt for working-class lives. Many NDIS participants have complex needs, including for personal help with daily living, respite care, travel assistance, specialised equipment, home modifications and disability accommodation.

Free and guaranteed access to high-quality healthcare for all, including disability services, is a basic social right. The provision of care for those with a disability cannot be left in the hands of the financial elite and its political representatives, whether Labor or Liberal-National. It requires a fight to overturn the capitalist profit system itself.



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