

# Australia Labor government unveils plans to slash disability funding

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The full depth and harshness of the Albanese government's blueprint to gut the National Disability Insurance Scheme (NDIS) came into clearer view last week.

NDIS Minister Bill Shorten released the final report of the government's review of the scheme, containing sweeping recommendations to slash spending, especially for children. This fleshes out Labor's plans to impose an 8 percent annual cap on funding increases, in order to satisfy the cost-cutting demands of the corporate and financial elite.

Despite some weasel words about not cutting off children already on the scheme, Shorten outlined measures to block most children from the NDIS, and to use "assessors" to deny access to many adult applicants as well. Having denounced the previous Liberal-National government for such moves, the Labor government is now proceeding with them.

The Productivity Commission, the pro-market think tank that drafted the scheme for the Gillard Labor government a decade ago, estimated that the NDIS would cost \$22 billion a year, but it is costing more than \$35 billion. That is set to rise to \$50 billion next year, by some estimates. Shorten is in charge of slicing billions of dollars off the funding.

The chief mechanism for reining in costs will be pushing children with autism and developmental delays out of the scheme. Shorten told the National Press Club last Thursday that "almost half of participants in the scheme are children. None of the actuaries saw that coming."

People with psychosocial disabilities also have been earmarked for removal. To accomplish this and more, the review recommends removing medical diagnoses as the central basis for entry to the NDIS. Currently, several diagnoses mean automatic access to the scheme,

including some categories of autism. This will be replaced by assessments of "significant functional impairment and need."

There are around 4.5 million people in Australia with a disability. The NDIS only supports those under 65, regardless of the age they were diagnosed or acquired a disability. That leaves 2.5 million people who are eligible. However, the scheme's design is for just 510,000.

Of the 610,000 people currently on the scheme, around 313,000 are under 18 years of age. Of that group, 75 percent have a diagnosis of autism or developmental delay, accounting for more than a fifth of the scheme's cost.

The reasons for the significant influx of children with these diagnoses are complex, but a significant factor is the dismantling of education and early intervention supports. This means families are forced to seek out a diagnosis to give them access to the NDIS to receive any basic support.

That is why Shorten often refers to the NDIS as a "lifeboat in an ocean." That must end, he insisted. The purpose of the government's review was to "reboot" the NDIS, he said, "to restore the original intent of the scheme to support people with permanent and significant disability."

The review recommends the employment of "navigators" and "assessors" whose job will be to redirect applicants away from the scheme. The navigators will redirect people to "mainstream supports," i.e., non-NDIS supports, and the assessors will determine if someone is allowed into the scheme based on their arbitrarily defined "substantially reduced functional capacity," not a medical diagnosis.

The use of assessors is reminiscent of the last Liberal-National government's proposed "independent

assessments.” Shorten opposed that plan as “proof positive” that the Morrison government intended to “slash, slash, slash.” Such a program is now being implemented by Labor.

Likewise, the review recommends legislating a narrower definition of the “reasonable and necessary” support services that the NDIS will fund, echoing the Morrison government’s proposals.

To facilitate the removal of people from the scheme, the NDIS review made a series of recommendations to introduce “foundational supports.” These are non-existent but will supposedly be provided by state-based institutions such as schools, healthcare and early childhood facilities.

The federal government has cobbled together a deal with the states and territories to provide half the funding for this, by giving them tax and other concessions. The details are opaque and murky, but it appears the share of state and territory funding will be capped at \$10 billion over five years, to be matched by the federal government.

This little over \$4 billion a year will be a drop in the ocean. Schools and hospitals are already at breaking point, with mass understaffing and infrastructure failures. Labor’s federal budget in May cut education funding in real terms and slashed the annual health budget by \$11 billion.

The review also proposes government regulations to oversee the disability “market,” which has produced a predictable disaster by privatising services, leading to profiteering at the expense of clients. The review states: “Service providers have responded to market settings that reward the volume of supports provided rather than quality of supports or outcomes for participants.”

Between April to June of 2022–23, over 154,000 unregistered providers received payments from the scheme. These providers do not have to comply with any standards of support, except for basic expectations in the NDIS Code of Conduct. They far outnumber the approximately 16,000 registered providers.

The review recommends that all providers be registered, but with reduced registration requirements. There will also be much tighter price caps for services and equipment, which is likely to undercut clients’ needs.

However, none of these measures will resolve any of the inherent issues produced by the so-called disability

market. The NDIS was developed by the Gillard government to cut costs by ending direct governmental support for those with a disability and pushing all services into a profit-driven system.

When the NDIS was introduced in 2013, the states and territories immediately set about ending what remained of government-based supports. That accelerated the disintegration of special needs programs at schools, with parents being directed instead to the NDIS. Carers and advocacy programs were eviscerated and the remaining large residential facilities, supporting individuals with complex needs, were shut down, resulting in several deaths.

A December 7 *Australian Financial Review* editorial demanded that the government go further in demolishing the scheme. “The NDIS was established a decade ago amid the China-based resources boom that over-inflated political expectations of what governments could provide, especially for worthy causes such as severe disability and children’s education,” it stated contemptuously. The editorial concluded: “As harsh as it may sound, expectations of what the NDIS can do, and for whom, have to be wound back.”

This is a blatant statement that capitalism cannot afford basic care for people with disabilities, even as Labor allocates hundreds of billions of dollars for war and militarism, and income tax cuts for the wealthy.

Free, high-quality access to healthcare for all is a fundamental social right, including for those with a disability. Left in the hands of the financial elite and their political servants, including the Labor Party and the Liberal-National Coalition, services will continue to be slashed, creating social misery.



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