

Australia: Disability services cuts spearhead Labor's productivity "roundtable"

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22 August 2025

Just three months after being re-elected, the Albanese Labor government used a three-day "Economic Reform Roundtable" this week to outline far-reaching measures to boost corporate profits and cut social spending, none of which were mentioned during the campaign for the May 3 election.

With the full complicity of the trade union chiefs, who eagerly took part in the closed-door sessions of 25 handpicked participants from the corporate and political establishment, the event became a vehicle to launch deeper cuts to social programs, starting with the National Disability Insurance Scheme (NDIS).

In the middle of the "roundtable," after months of promising there would be no changes to NDIS eligibility, Health Minister Mark Butler announced plans to restrict children's access to the NDIS, with the goal of shaving billions of dollars from government outlays, primarily to make way for sharp increases in military spending.

Tens of thousands of children diagnosed with autism and other developmental conditions will be barred from the scheme from 2027, supposedly to be shunted into yet-to-be devised cost-cutting programs in partnership with the state and territory governments, to be cynically called "Thriving Kids."

In the lead-up to the roundtable summit, Prime Minister Anthony Albanese personally led the assault on the NDIS, declaring that it was "never envisaged that 40 percent of the population would be on it."

That is a transparent fraud. Currently about 2.8 percent of the population, or 740,000 people, utilise the NDIS. A largely privatised program introduced by the previous Gillard Labor government in 2013, the NDIS only covers a small proportion of those with disabilities.

Previous promises by the Labor government that people barred from the NDIS would become eligible for non-existent "foundational supports" to be provided by state and territory governments by July 2025 have proven to be a mirage. Not one state has agreed to deliver the "supports" and none have committed themselves to co-financing "Thriving Kids" either.

According to the Parliamentary Budget Office, if Labor succeeds in its goal of cutting the NDIS annual financial growth rate from 10 percent to 5.5 percent by 2026–27, the scheme would be \$128 billion cheaper over the next 10 years,

all at the expense of predominantly working-class children.

Corporate media outlets hailed the gutting of the NDIS as just a first step toward what they and the government have labelled "budget repair." That is a euphemism for axing social programs as part of an agenda of austerity and war preparations.

The Murdoch media's *Australian* welcomed the NDIS attack as an initial downpayment, saying: "Anthony Albanese has taken a major first step in using the mandate from his dominant 94-seat election victory to tackle a deeply sensitive and politically challenging issue that governments have been unable to address."

"The shake-up was not taken to voters before the May 3 election but it is the right decision, done early... It is part of a bigger challenge to break what is now a widespread community expectation that it is possible for government to cater for every need."

An editorial in the newspaper on Friday directly linked the move to the Trump administration's demands for the government to lift military spending to 3.5 percent of gross domestic product (GDP), in preparation for a war against China:

"In Australia's current strategic circumstances, amid international consensus when comparable countries are lifting defence spending to at least 3.5 percent of GDP, as called for by our major ally, the US, it is an area where increased outlays to secure the nation's security are essential."

Meeting the Trump administration's demand would cost the federal budget almost \$210 billion extra over a decade, according to Parliamentary Budget Office figures. That is on top of annual outlays already rising to \$100 billion over that period, without even fully accounting for the \$368 billion allocated for AUKUS attack submarines.

Vulnerable families relying on NDIS services are not Labor's only target. During the roundtable, Social Services Minister Tania Plibersek also unveiled a multi-billion dollar cut to aged pensions and other welfare payments by lifting the "deeming" rate on any assets held by recipients.

Labor's initial increase of half a percentage point in the deeming rate will strip an estimated \$1.8 billion from pensioners and welfare recipients over four years, and that will rise further because Plibersek said this was only the first

instalment.

Originally billed as a summit to lift productivity—that is, driving up output per worker for the sake of corporate profit—the roundtable became also focused on a broader assault on working-class conditions, under the banners of “resilience” and “budget sustainability and tax reform.”

With the agreement of the key union participants—Australian Council of Trade Unions (ACTU) secretary Sally McManus and ACTU president Michele O’Neil—the summit produced an extensive outline of measures to fatten corporate profits, including:

- Freezing changes to the National Construction Code, effectively reducing quality, energy efficiency and safety standards for property developers and construction companies, supposedly to reduce the worsening housing affordability crisis affecting millions of working-class households. During the 2023 election campaign, Labor said it opposed the Liberal-National Coalition’s call for such a freeze, saying it would lead to the building of “shoddy homes.”

Cutting the already inadequate environmental laws in order to speed up approvals for mining, energy, industrial and housing projects. This is being done on the basis of the fraudulent and unsubstantiated claim that the Environment Protection and Biodiversity Act is currently holding up 30,000 housing approvals, supposedly preventing the government from delivering on its sham election pledge to build 1.2 million homes in five years.

- Setting up a partnership between the unions and the billionaire-dominated Tech Council of Australia (TCA) to supervise the accelerated corporate use of artificial intelligence (AI) at the inevitable expense of workers’ jobs and conditions. On behalf of the ACTU, McManus described as a “breakthrough” a side agreement she made with Scott Farquhar, the TCA chairman and billionaire co-founder of Atlassian, for the unions to be a “worker voice in the co-design of AI.”

- Laying the foundation for deeper pro-business “tax reform” under the banner of “finding an affordable way to incentivise business investment.” That essentially means reducing corporate taxes to compete with the cuts being made in the US and internationally, possibly combined with increasing the rate and breadth of the Goods and Services Tax (GST) to shift more of the tax burden onto unavoidable spending by working-class households.

Editorials in the *Australian* and the *Australian Financial Review* (AFR) cautiously welcomed these commitments, while insisting that the ruthless NDIS measures had to be matched across-the-board.

“These are all good ideas,” the AFR editorialised, “but will not solve the underlying malaise that has resulted in Australia’s GDP per capita going backwards for nine of the past 11 quarters...”

“Three-and-a-half months into its second three-year term, the

government can’t just sit on its hands when it comes to difficult reform. The prime minister must invest his political capital, and the Treasurer must deploy his considerable communication skills, and advance a truly pro-growth, pro-productivity agenda before the next election due in 2028.”

In reality, this offensive will intensify long before the next election. The tariff wars launched by the Trump administration, in particular targeting China, which is Australian capitalism’s largest export market by far, signal the breakdown of the post-World War II economic order.

In opening the roundtable, Treasurer Chalmers provided a pale outline of what lies ahead. He spoke of “four major economic shocks in less than two decades” and of living in “a permanent state of upheaval.” In other words, the Labor government will seek to deliver whatever is demanded of it by the corporate ruling class amid the plunge into trade war and war.

At the May 3 election, Labor obtained a large parliamentary majority, but only a third of the overall vote, and that was on a negative basis. It won because of popular hostility to Trump’s fascistic “Make America Great Again” war on the world and the American working class. Now the Albanese government is escalating its own offensive on working-class living standards, which have already fallen sharply since it first took office in 2022.

This will trigger deeper working-class opposition. Under these conditions, the collaboration between the ACTU leaders and the big business chiefs at the roundtable is a warning of the role that the union apparatuses, despite their vastly reduced membership and legitimacy in the eyes of workers after decades of sellouts, will seek to play as the industrial police of Labor’s austerity and war agenda.

Workers cannot defeat this offensive without breaking out of the stranglehold of the union bureaucrats, through the building of rank-and-file committees, together with their class brothers and sisters worldwide, in order to fight the capitalist system’s global lurch into austerity, dictatorship and war.



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