

Australia: National Cabinet agrees on plan to drive tens of thousands of children off NDIS disability support

Max Boddy**4 February 2026**

At a closed-door “National Cabinet” meeting on Friday, Australia’s Labor government, headed by Prime Minister Anthony Albanese, reached an agreement with the states and territories to impose sweeping austerity cuts to disability support. The deal will drive annual growth in spending on the \$52 billion National Disability Insurance Scheme (NDIS) down to 5–6 percent, from about 9.5 percent last year, amounting to cuts of tens of billions of dollars over the coming decade.

Central to the agreement is Labor’s “Thriving Kids” program, advanced as the first stage of a new “foundational supports” regime; cut-price programs, outside the NDIS, based on already overstretched state-level health, education and community services. Thriving Kids targets children aged eight and under with developmental delay and/or autism assessed as having “low” to “moderate” support needs.

Its purpose is to shunt tens of thousands of children off the NDIS by blocking access and funnelling both existing and future participants into cheaper, state-run programs, dumping the burden of care onto families and chronically underfunded pre-schools, schools and hospitals.

The deal was finalised under mounting pressure from the corporate elite for sweeping pre-budget cuts. In a submission to Treasury, the Australian Chamber of Commerce and Industry demanded more than \$50 billion a year be slashed from federal spending, placing the NDIS squarely on the chopping block.

Labor wasted no time in spelling out the meaning of the deal, releasing its Thriving Kids “model” on Monday. The framework lays out a rationing system designed to push children off NDIS-funded disability

supports. The agreement also exposed the depth of the crisis confronting state services. Thriving Kids is not scheduled to begin until October 2026, with full rollout delayed until January 2028, reflecting the fact that state health, education and community systems simply are not equipped to absorb the huge numbers of children being diverted from the NDIS.

Under Thriving Kids, children assessed as having “low needs” will have no access to funded therapeutic disability support, forcing families, who are able, to pay for private services. Parents will be directed to token parenting programs, peer groups, supported play activities and phone advice lines. Allied-health professionals, where involved at all, appear only in advisory or group roles, not as providers of treatment.

Children classified as having “moderate” needs will receive only marginally more: limited, time-restricted access to allied-health services delivered through hubs or education settings and tightly controlled by referral pathways. There is no guarantee of continuity or duration. Once these short interventions end, families are pushed back onto overburdened “universal” services.

The comments of Health Minister Mark Butler confirm that Thriving Kids has nothing to do with helping children with disabilities “thrive,” but is aimed at slashing funding. He explained that at present, 120,444 children receive “low or moderate” supports through the NDIS, costing the federal government \$1.8 billion annually. National Cabinet has pledged \$4 billion over five years, which includes all the costs of roll-out, to replace this funding, with only half coming from the federal government. In other words, federal funding for these children over five years will drop

from \$9 billion to just \$2 billion.

If you take the current cohort of children, the funding amounts to just \$6,000–\$7,000 per child per year. But as more children classified as “low” or “moderate” are excluded from the NDIS in the future, saving the federal government more money, their only avenue will be the Thriving Kids scheme which will receive no extra money for five years at least. Once the child turns eight, there will be no ongoing program.

Thriving Kids advisory group chair Professor Frank Oberklaid made clear that very limited assistance will be available under the program, declaring that “many, many children just need a bit of support over six or 12 months in order to thrive.” The “many, many children” that he is talking about are those whose parents had to jump through a maze of regulatory hoops to prove that their children require ongoing assistance.

The original design of the NDIS was as a cost saving scheme to limit disability support to the very needy and to open up a new arena for profit to private providers. The market-based program allocated individualised budgets to families and carers who could then shop around for services. The fact that the scheme was expanded beyond the original forecasts only exposed the fact that a vast unmet need existed before its introduction.

Thriving Kids’ impact on families will be severe. When it was first announced in August last year, Adelaide mother Lisa Goodwin, whose twins are autistic, described it as “a betrayal of our children,” insisting that “autism is a lifelong diagnosis.” She explained that she had to apply three times before her children were accepted onto the NDIS and then spent years fighting funding cuts through appeals.

“It’s a constant fight for your child,” she said, involving relentless advocacy and the need to repeatedly “prove your child is struggling.” Like many families, she feared Thriving Kids will rip away even these hard-won supports and replace them with vague promises of “mainstream” services that are already inaccessible, under-resourced or unaffordable.

These concerns were echoed in *No Child Left Behind*—a report commissioned as part of the government’s own consultation process on Thriving Kids. Based on submissions from families and service providers, it warned that information and navigation supports cannot substitute for hands-on, ongoing

professional assistance, particularly for children labelled as having “mild” or “moderate” needs.

A tragic episode last week in Western Australia has brought the enormous pressures facing parents looking after autistic children into sharp focus. In Perth, 16-year-old Leon Clune and 14-year-old Otis Clune were found dead alongside their parents in their Mosman Park home, in what police have described as an apparent murder-suicide.

Both boys had severe autism, with Otis non-verbal. Friends, teachers and support workers described the family as exhausted and isolated, caring full-time for children with complex needs amid chronic sleep deprivation. They had reportedly had their NDIS supports cut.

Thriving Kids is only one element of Labor’s broader assault on disability support and functions as a test case for deeper and wider cuts. By targeting children with so-called “low or moderate” needs, the government is establishing the principle that entire layers of disabled people can have their supports reduced, capped or withdrawn in the name of “sustainability.”

The deep inroads into the NDIS are inseparable from Labor’s wider austerity program being prepared ahead of the federal budget which will boost military spending and corporate handouts at the expense of essential social services. The working class must reject the lie that high-quality disability support is an unaffordable luxury. The fight for comprehensive, freely accessible disability support for all is bound up with a broader political struggle for a socialist program to reorganise society to meet the pressing social needs of the majority not the profits of the ultra-rich.



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