

Australia: Labor intensifies assault on disability funding ahead of May budget

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The Australian Labor government is stepping up its assault on disability funding, as Health Minister Mark Butler prepares to announce further cuts and sweeping changes to the National Disability Insurance Scheme (NDIS) in the coming week, ahead of the May federal budget.

Central to the government's plan is to nearly halve annual NDIS spending growth. Such savings cannot be achieved without forcing out large numbers of the roughly 760,000 participants currently on the scheme and slashing support for those who remain.

In late January, Butler established a new NDIS Sustainability Taskforce, headed by senior public servant Anthea Long. Described as a “razor gang,” it has been tasked with identifying and enforcing the cuts required to slash spending growth to a 5-6 percent growth cap from the current 10 percent.

For a program costing roughly \$50 billion a year, this translates into immediate cuts against previously projected spending of between \$2 and \$2.5 billion, with deeper reductions to follow.

The implementation of these measures is being accompanied by an escalating political and media campaign, led by Labor figures and the corporate press, to present the NDIS as an overextended scheme that must be “reined in.”

Labor MPs Michelle Ananda-Rajah and Mike Freeland, both physicians, have been prominent in advancing this line, lending it a veneer of clinical authority. Speaking to the *Sydney Morning Herald* in early April, they argued that the scheme has expanded beyond its original purpose and now includes too many people with so-called “mild” or “moderate” needs, particularly children with autism and developmental delays.

Ananda-Rajah described the NDIS as a “fundamentally flawed program,” warning that “the scheme will lose its

social licence unless we can make it affordable.” It is “robbing us of the fiscal space to make long-term investments,” she declared.

In reality, the government is painting hundreds of thousands of autistic children and their parents, whose needs have been professionally assessed, as sponging off the public purse in order to justify drastic cuts to make space for its top priorities—military spending and corporate subsidies. In other words, it is the government that is undermining the “social licence” or legitimacy of the scheme in the eyes of the public.

Prime Minister Anthony Albanese himself weighed in on Sunday, declaring, “It wasn’t intended that you’d have classrooms with four out of 10 kids on the NDIS”—a figure he did not substantiate. “It was about providing support for people with permanent disabilities that needed that support to fully participate in society.”

Albanese also repeated a theme being ramped up in the media that “some people, a small minority, have abused the system.”

Various media reports have recycled assertions that 6 to 10 percent of NDIS spending is “non-compliant, fraudulent or incorrect,” as the excuse to crack down on “rorts” and impose greater “discipline.” The figure originates from a 2025 Australian National Audit Office review of the National Disability Insurance Agency (NDIA) and misleadingly conflates administrative errors with deliberate fraud. The review found that the NDIA only examines 0.4 percent of claims by dollar value, a very small sample size.

Since coming to office in 2022, the Albanese government has used claims of “fraud” and “overuse” to justify tightening eligibility and advancing new assessment mechanisms, including moves toward government-appointed “independent” assessors to decide who will access NDIS.

Initial measures passed in October 2024 have already

narrowed eligibility and restricted the supports that can be funded. Implemented from May 2025, these changes are now translating into concrete cuts. According to the NDIA, among participants subjected to new three-month funding reviews, roughly one in five had their plans reduced, with average cuts of 22.5 percent.

These measures are already having a devastating impact. One family described an “overwhelming sense of doom.” Bonnie, in her 30s, whose sister Claire has a degenerative condition, told the *Guardian* in February that she fears Claire will be “left to rot” in a group home as her condition worsens.

The next step announced by Labor last year was the “Thriving Kids” model, which will begin rolling out in October. Children aged eight and under with developmental delay or autism assessed as having “low” or “moderate” needs will be pushed out of the NDIS and diverted into as yet undefined programs run by the states. Funding for “Thriving Kids” will be just \$4 billion over five years.

The needs of those classified as “mild” or “moderate” are not minor. Children in this category often require ongoing speech, occupational and psychological therapy, while struggling with communication, emotional regulation and daily functioning. They depend on structured support at school and at home. For parents, this means constant supervision, coordination of care and an ongoing struggle to secure adequate assistance.

As Alice Tran, mother of two boys with so-called “moderate” autism, told the Australian Broadcasting Corporation in late March, “they’re with me being supported and supervised 24/7 ... I’m not sure I would call that moderate.” She was forced to quit work to care for her children full time.

“There’s just so much you can’t see on paper with autism,” Tran said, explaining that she must constantly monitor her children to eliminate risk factors. She said the proposed group alternatives are unworkable. “We can’t even do group swimming lessons. I cannot imagine group therapy ... I wouldn’t even be able to get them in the room.”

The designation of “mild” and “moderate” serves a definite political purpose, establishing a framework for exclusion by defining a layer of participants as insufficiently severe. Data obtained by the *Sydney Morning Herald* from the NDIA indicates that around 120,000 children under eight who fall into this category will be shunted into Thriving Kids.

A further 187,000 participants aged nine and over are

classified in the same way, bringing the total to more than 300,000 people. While they have not yet been publicly targeted, there is no doubt this is being reviewed. Together, these participants account for just \$5 billion of the \$50 billion NDIS expenditure, indicating that the government will have to take further steps to slash the NDIS budget.

Once access is restricted on the basis of “severity,” the same logic can be extended more broadly into other disability categories, including physical, intellectual, psychosocial and sensory impairments—all of which have similar gradings.

The corporate press is already pressing for broader measures, including the introduction of means testing to thousands more NDIS participants. While Albanese has ruled this out, Labor senator Helen Polley called on Sunday for an “open conversation” about such proposals.

Speaking to the *Australian* this week, former Australian Competition and Consumer Commission chair Allan Fels highlighted another area for sweeping cutbacks, declaring that there were “savings to be made” from the \$6 billion spent on mental health supports within the NDIS.

Fels called for a “reorientation” of funding to deliver better “bang for their buck,” including by winding back so-called “daily living supports,” assistance with routine tasks such as cooking, cleaning, personal care, and maintaining stable housing, which many participants rely on to live independently.

Treasurer Jim Chalmers has described the May budget as the “most ambitious yet.” In practice, this will mean deep reductions in social spending, with the NDIS a central target, amid mounting fiscal pressures driven by rising military expenditure and Australia’s backing of the US-Israeli war against Iran.



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