

# Australian Labor government's austerity legislation provides for complete gutting of disability supports

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Legislation introduced by the Labor government to parliament on Thursday makes clear that its massive cuts to the National Disability Insurance Scheme (NDIS) involve nothing less than the complete gutting of the program upon which 760,000 disabled people rely.

The NDIS Amendment Bill 2026 was introduced just two days after Labor's federal budget, which slashed funding to the disability scheme by \$35-\$38 billion over the next four years in the largest single cut to a government program in history.

The speed with which the legislation was tabled underscores the reality that this offensive, building on more than two years of cuts to the NDIS including through the mass removal of autistic children, is to begin immediately.

Not a single one of the amendments is aimed at improving the conditions of disabled people.

Instead, they outline multiple mechanisms through which the cuts can be enforced, including a punitive "functional assessments" regime to which all current and future participants will be subjected; a massive restriction of eligibility, and the automation of payment reductions.

The legislation includes unilateral powers for the Health and Disability Minister Mark Butler, and his successors in the role, to slash funding to whole categories of the NDIS by up to 99 percent, based on financial imperatives. Those dictatorial provisions make clear that Labor is going to proceed with the cuts, whatever their impact, even in the face of mass opposition.

The NDIS was never a program of universal assistance to the disabled. It created a privatised market, with the government effectively funding supports that were delivered by businesses.

However, when it was introduced in 2013, the then Labor government presented the NDIS as a guarantee that disabled people would get the support they required. Now, even that pretence is being overturned.

The 2013 legislation introducing the NDIS declared that its purpose was to:

"Provide reasonable and necessary supports, including early intervention supports, for participants in the National Disability Insurance Scheme."

Labor's new amendment would change that to:

"Provide NDIS supports to participants in the National Disability Insurance Scheme that are reasonable and necessary, so far as is consistent with the financial sustainability of the scheme."

The legislation's explanatory memorandum explicitly states that because of that cost-cutting imperative, the NDIS funding for disabled people can be "less than the actual cost of providing or acquiring the support" that they require.

## Functional assessments

The explanatory memorandum repeats Butler's earlier complaints that access to the NDIS has been based on medical diagnoses. Instead, the legislation provides for an entirely new framework, where all current and future participants will be assessed based on their "functional capacity."

Given the centrality of this assessment regime to the cuts, the legislation is strikingly vague. The memorandum boasts that the amendments include a definition, but when one turns to the text of the bill it states only that "functional capacity" is a "person's ability to undertake the activity without assistance from other people, assistive technology or modifications."

The second element of the definition states that functional capacity should be considered "in a context that excludes, as far as possible, the impact of the person's environmental and personal circumstances."

An entire clause of the original 2013 legislation, requiring that supports and funding take into account the personal circumstances of NDIS participants is to be repealed.

That is a recipe for the bare minimum of assistance to be provided. If a disabled person suffers from paraplegia, for instance, and they live high in an apartment block without an elevator, that would have a very immediate bearing on the support that they require. According to the legislation, however, the examination of "functional assessment" is to be blind to such factors.

In the lead-up to the budget, Butler also proclaimed that the "functional assessments" regime would scarcely take into account medical diagnoses. Different cohorts of participants would be subjected to similar examinations, regardless of whether they had a physical, neurodevelopmental or psycho-social disability.

He made clear that such tests would measure the bare basics of functionality, giving examples in a *Sydney Morning Herald* interview of such things as getting out of bed and going to the toilet. Such metrics would exclude whole cohorts, including many with neurodevelopmental conditions, because they could be deemed able to perform those tasks and therefore to not require assistance.

The legislation, however, does not indicate in the slightest how the "functional assessments" regime will operate or to what tests NDIS participants will be subjected. Instead, it declares that the NDIS "rules may make provision for determining any matter" related to "functional assessment."

Given that the government has already declared that the cuts will require the removal of up to 300,000 participants, this is a clause that will enable the NDIS administrators to devise whatever examinations they wish, with

the explicit aim of kicking people off the scheme.

### **A major attack on eligibility**

In addition to providing for mass removals, the legislation is aimed at making it as hard as possible to get onto the NDIS.

To even be considered for the NDIS under the new laws, an applicant must establish that they have “undertaken all appropriate treatment.” Such treatment is also defined in the most general terms, such that it could mean almost anything.

In practice, disabled people and their families will be forced to pay out of pocket for specialists and other expensive private services to try to establish their eligibility.

And the measure for entrance to the NDIS is not whether alternative treatments will cure an individual of a condition of disability or otherwise. It is sufficient that such a treatment could “alleviate” the impact of an ailment for access to be denied. That could be invoked to block virtually anyone from getting onto the NDIS, even if they clearly have a permanent disability.

The whole premise of the cuts is that there is some other service that those on the NDIS could access. But that is a lie. The explanatory memorandum itself, while speaking in vague terms, makes clear that in practice such alternatives are the underfunded public schools and hospitals, or aged care facilities.

The government has touted the introduction of “foundational supports” for those removed from the NDIS or denied access. But it is funding such supports at just \$5 billion over the next five years, or less than a seventh of the funds being gouged out of the NDIS.

The brutal reality is highlighted by a measure in the legislation that has scarcely received any coverage. When the NDIS was established in 2013, a National Injury Insurance Scheme (NIIS) was announced as an alternative for those with traumatic injuries, including those acquired at work and in motor vehicle accidents.

But the NIIS, as a federal program, was largely stillborn. Instead, it simply refers to a patchwork of state-based compensation schemes. That meant that a cohort with severe acquired injuries entered the NDIS.

Labor’s legislation, for the first time, explicitly decrees that all disabilities resulting from a workplace or motor vehicle accident are excluded from the NDIS. Instead, those people will have to navigate workers’ compensation, notorious for denying or restricting payouts, even when they are a matter of life and death, and traffic accident schemes, which have a similar reputation.

In addition to excluding those whole cohorts, the legislation formalises what NDIS administrators have previously attempted to apply in practice, namely that disabled people can only receive support under the scheme for the condition with which they entered it.

The explanatory memorandum positively boasts of the barbarity of this new provision. It cites the hypothetical case of a man who entered the NDIS as a result of an intellectual impairment and was subsequently involved in a car accident that left him a paraplegic. The man would get nothing from the NDIS for his paraplegia and would instead be directed to seek compensation from a traffic scheme, the memorandum states.

### **A plethora of other cuts**

The same brutal logic pervades all of the amendments. A set of them

permit the use of automated programs to manage the funds of NDIS recipients. That is straight from the playbook of Robodebt, an earlier government program that sent false debt notices to welfare recipients, driving numbers to desperation and even suicide.

Another set of amendments is explicitly aimed at making it more difficult for NDIS participants to request an “unscheduled plan reassessment.” Such requests are made because the circumstances of a disabled person have worsened and they objectively require more support.

A whole section mandates that NDIS administrators ensure that the cheapest available supports are purchased and that a “cost benefit” analysis is made in relation to them. The memorandum includes another ghoulish example, of a man who requires a wheelchair because his motor neurone disease is worsening, and concludes that it would be cheaper to lease a chair than to purchase one because he won’t be around for long.

### **Labor government on a collision course with the working class**

The powers for the health minister to simply cut off funding to whole sections of the NDIS are aimed at ensuring that if all of these measures do not add up to the cost-slashing target, he can effectively pull the plug.

The legislation explicitly states that his decisions cannot be challenged through a tribunal.

That points to the other reason for the authoritarian powers—the recognition that the cuts will provoke widespread opposition and resistance, from NDIS participants, their families and workers in the sector, who face mass job cuts.

Labor is setting up an architecture to run roughshod over such opposition, as it implements the dictates of the banks and the corporations. That is inseparable from the broader agenda of austerity and war, of which the NDIS cuts are a component.

While it is slashing disability support to the bone, Labor is pouring unprecedented resources into the military machine, to participate in illegal wars such as the criminal assault on Iran, and the preparations for a catastrophic conflict with China. At the same time, it has implemented a raft of anti-democratic measures, targeting opposition to the genocide in Gaza, which can be deployed against broader hostility to war and to the social austerity that pays for it.

The consequences of the slashing of the disability programs will be born by the families of the disabled as well as the teachers, education support staff, doctors and nurses in the public schools and hospitals where disabled people will be forced to turn for support. This will result in prolonged waiting lists and reduced treatment for all patients in hospitals and the accelerating crisis of public schools as they are forced to bear an intolerable burden to support those abandoned by the NDIS.

Any illusion that the union leaders involved in the disability, education, nursing and care sectors will organise any opposition to these cuts must be dispelled. No campaign has been launched to fight these measures. The silence of the unions is deafening, which enables the government to launch and inflict what will be the most brutal and inhumane assault on the lives and wellbeing of those most in need and defenceless.

That underscores the need to form rank-and-file committees, independent of the unions, among NDIS participants, workers in the sector and much more broadly. Such committees can mobilise the strength of the working class, in a political and industrial fight against the onslaught.

This is a political fight against the Labor government, a ruthless instrument of big business and the banks, and it is one that poses the need for a socialist perspective that completely rejects the subordination of

social needs to the insatiable drive for profit.



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