

Australian unions complicit in Labor's gutting of national disability scheme

Richard Phillips
30 June 2026

The supportive reaction of Australia's trade union apparatus to the Albanese Labor government's assault on the National Disability Insurance Scheme (NDIS)—the largest cut to any social program in the country's history—is a warning to the entire working class.

Labor's legislation, the centrepiece of the government's May budget, will slash \$37.8 billion from the NDIS over the next four years. Under the bogus claim of combating “waste” and making the scheme “sustainable”—i.e., what the financial elite deems affordable—Labor will remove or rule ineligible more than 300,000 people from the scheme.

Thousands of disabled people, family members, carers, disability organisations and health professionals across the country have denounced the legislation as a life-threatening attack and a violation of the rights of disabled people to receive necessary healthcare.

Ever reliable as an industrial police force for governments and big business, the union apparatus has lined up behind Labor's agenda and offered its assistance. This is spelled out in submissions this month to a Senate inquiry by the Australian Council of Trade Unions (ACTU) and five health and public sector unions, including the Health Services Union (HSU), the Australian Services Union and the Community and Public Sector Union.

Notwithstanding quibbling over aspects of the NDIS legislation, no union submission calls for its defeat but instead appeals to the government to give the unions a seat at the table to better design and impose the measures. While various amendments are proposed to smooth its implementation, they make no fundamental change to the foundation of Labor's agenda—that billions of dollars must be cut from the NDIS, now and in the future.

In its submission, the ACTU embraced the government's cost-cutting framework while requesting further consultation over the potential impact on injured workers who are on the NDIS and receiving WorkCover payments. The Australian Services Union welcomed the government's campaign against alleged fraud before advancing a series of proposals concerning workforce planning and provider regulation.

The Community and Public Sector Union acknowledged growing frustration among NDIS participants and mounting pressure on current National Disability Insurance Agency staff as services are cut. But rather than opposing the legislation, it argues that the National Disability Insurance Agency administering the cuts should receive greater resources and consultation.

The most enthusiastic endorsement of the NDIS cuts has come from the HSU, which represents tens of thousands of disability support workers. When the NDIS cuts were first announced in April 2026, the union hailed the gutting of the scheme as “a genuine turning point” and “an important step in the right direction.”

After the budget was handed down in May, the HSU, like union officials across the country, hailed it, claiming Labor's fraudulent, virtually non-existent tax concessions and other minor changes would reduce the cost of living for workers and overcome the housing affordability crisis. Labor's tax reforms, the HSU said, would “provide real relief for members across health, aged care and disability.”

Similarly, the HSU submission claims that mandatory registration of NDIS providers and similar measures would “remove poor-quality providers,” “improve safety” and bring “stability” to the sector.

The ejection of 300,000 people from the NDIS will

not bring “safety” and “stability” but their opposite. According to Bloomberg Economics analyst James McIntyre, up to 140,000 jobs in the disability and social assistance sector will be destroyed over the next four years.

This means increased workloads, intensified staffing shortages and the undermining of wages, conditions and health standards throughout the whole sector, with flow-on effects as disabled people are forced into public hospitals and other under-resourced health and education facilities.

That the union apparatus has signalled to the government and employers that it will assist in this process is no surprise. For decades, the union bureaucracy has functioned as an industrial arm of governments and employers, suppressing opposition from workers while collaborating in restructuring, privatisation, wage suppression and attacks on public health and other vital social services.

A vast gulf, however, separates the treacherous response of the unions from the sentiments of the thousands of others who made submissions and gave public testimony to the Senate inquiry, explaining what the legislation would mean in practice.

Scores of witnesses warned that Labor’s legislation would produce devastating human consequences. Their concern was not how the cuts should be implemented but why they must be stopped.

Speaking from direct experience, they explained that the proposed changes would deny people essential support, force families into crisis, drive many disabled people into hospitals or institutional care, and strip participants of fundamental rights by replacing needs-based support with budget-driven eligibility tests.

Parents described years spent fighting to secure basic support for children with profound disabilities and warned that the legislation would make access even more arbitrary. Health professionals warned that reducing access to therapy, equipment and community support would inevitably lead to worsening health, increased hospital admissions and preventable suffering.

This deep-seated opposition cannot move forward if it remains tied to the parliamentary manoeuvres of the Greens or to attempts to pressure the trade unions to change course.

This poses the necessity for health and disability

workers and others in vital social services to take matters into their own hands by building rank-and-file committees, independent of the unions and the Labor Party, to organise opposition to Labor’s austerity agenda and the militarist program driving it.

Labor’s evisceration of the NDIS is not an isolated measure but part of a broader offensive against the social rights of the working class internationally. Governments everywhere are slashing spending on vital social programs and services, diverting funds into the military in preparation for war. The active participation of the trade unions in this process is a warning to disabled people and their families, and to the entire working class, that they will stop at nothing to impose these measures.

On May 7 this year, the Health Workers Rank-and-File Committee unanimously adopted a resolution opposing Labor’s NDIS cuts and discussed a campaign to mobilise health workers against the government’s assault. It called for the immediate reversal of all announced cuts, the abolition of the “functional assessment” regime, the reinstatement of every participant removed from the scheme, the defence of all jobs, wages and conditions, and the redirection of the vast sums allocated to militarism into healthcare, disability services and other urgent social needs.

That points the way forward. The defence of disability rights, decent jobs and universal, high-quality public healthcare depends not upon parliamentary manoeuvres or appeals to the union bureaucracy, but upon the independent political mobilisation of the working class against Labor’s austerity program and the capitalist system from which it flows. We urge all those who agree with this perspective to contact the Health Workers Rank-and-File Committee.



To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact