

# Australian Labor's NDIS legislation will have a “devastating” impact on disabled people

Mike Head

29 August 2024

Prime Minister Anthony Albanese's Labor government last week joined hands with the right-wing parties, including the Liberal-National Coalition, to ram through legislation explicitly designed to cut projected spending on the National Disability Insurance Scheme (NDIS) by \$60 billion over the next decade.

The NDIS is based on a voucher scheme, creating a “market.” Participants who qualify receive a set amount of money to purchase various support services. Corporate entities compete with public and community-run services for the “business” of providing these services.

At present, the NDIS covers 661,000 participants, only a fraction of the estimated 5.5 million people in Australia with a disability. The government's aim is to reduce that number substantially, first of all by cutting off 60,000 children with autism or developmental delays.

The NDIS cuts are the spearhead of a wider assault on social spending, deepening cuts to public health, education and housing already begun in Labor's first three budgets since scraping into office in 2022.

In an interview with the WSWS, Advocacy for Inclusion acting CEO Craig Wallace began by explaining the “devastating” impact the new laws will have on disabled people. Many face being removed from the scheme, having their support programs cut or being hit with debt notices for allegedly exceeding authorised spending.

“A piece of legislation has been passed that changes the entire scope of the scheme,” Wallace said. “It was intended as an entitlement-based scheme but the changes go back to meaning that the agency [the National Disability Insurance Agency, or NDIA] decides what kinds of support people can receive, and they have to undergo ‘assessments’ based on impairment, not their circumstances.

“The changes raise concerns people may also be issued with Robodebt-style debts for allegedly spending money

on unauthorised supports,” he added. That was a reference to the previous Coalition government's automated Robodebt scheme, which illegally claimed nearly \$2 billion from at least 433,000 welfare recipients, shattering lives and causing suicides in an effort to slice billions of dollars off the welfare budget.

Wallace expanded on his concerns about the debt recovery powers of the NDIA. “We had this from Centrelink in the Robodebt scheme. The list of prescribed supports is so confusing that it will be a lawyers' picnic for years. People will get caught up by making mistakes about what they can claim. We have already seen debts levied against NDIS participants.”

(A day after the interview, a NDIA spokesperson told the *Australian* that it had sent debt collection notices for a total of \$26 million to 336 participants in the 12 months to July 2024. Among them was 27-year-old Hannah Friebel, who took her own life after receiving a NDIA debt recovery notice of nearly \$30,000.)

Wallace said he was most worried by the “highly prescriptive” list of supports that could be funded. It excluded a whole host of health supports, including “anything that is not highly specialised,” such as electrical generators and batteries that people use to charge their wheelchairs or keep ventilators going, and general appliances like smart whitegoods.

“People can't buy their own smart whitegoods and furniture that double as a disability appliance,” he explained. “They have to go to registered providers. It forces people into a parallel world...”

“We need to keep people with high needs out of residential homes, in which there is a toxic atmosphere. We all know about the poor conditions in aged care facilities, but it is just as important to stop young people from being forced into congregated living.”

Wallace said the changes were “rolling the clock back to the old system.” People were to be shunted onto

“foundational supports” that were supposed to be provided by state and territory governments.

“The states and territories have to step up for the losers in this scheme, but they are not ready and willing to do so,” he said. “The states have certainly not done things in schools and hospitals that could enable people to thrive. For that you also need accessible buildings and facilities as well as preventative programs.”

Wallace said the Labor government had engaged in a “quick and dirty process” to push through the changes, with “faux consultation” with disability organisations, “under pressure from right-wing populist media.”

Wallace said he and other disability advocates and organisations were opposed to the fact that the Labor government had implemented only 13 of the 222 recommendations from a four-year Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability, and also brushed aside hundreds of submissions made to a NDIS review and two parliamentary committee inquiries.

“I am angry because it was like the government set out with a destination already in mind. We made hosts of submissions. We told them about dodgy providers and price-gouging. We said the problems lie with providers exploiting the system, not primarily the clients. All the organisations were saying this, but it was like a fake consultation.

“We all said it was the wrong way to go to blame the clients, but the government just went ahead and cooked up deals with the Liberals to get the law through. In many ways, they have gone further than the things that the Liberals tried to do under Stuart Robert (the then NDIS minister).”

Along with harsher “debt recovery” and prescriptive lists of supports, those measures included “agency assessments” rather than the Liberals’ proposed “independent assessments.” Under Labor, “plans in the desk drawer were dusted off.”

Wallace condemned the “populist” media campaigns directed against NDIS recipients, such as complaints that they were accessing sexual services, when these were a handful of cases around Australia. Recipients were also denounced for taking holidays, when that was part of normal life and the “difference between respite and holidays is thin.”

Asked about the role of NDIS Minister Bill Shorten, who claims that the cuts are necessary to “save” the NDIS—which he helped devise under the Gillard Labor government in 2012?13—by making it “sustainable,”

Wallace commented:

“Many people are disappointed with where Shorten finds himself. I think the creation of the NDIS under Gillard was well-intentioned but people are now struggling to understand what the agenda is.”

Asked about the privatisation of services through the NDIS scheme from the outset, Wallace said large corporate providers had vested interests in the NDIS, and profited from it, as well as in block state funding for services, so there were “capitalists at either end of the spectrum and they were there before the NDIS.”

Wallace commented that the NDIS cuts showed the priorities of governments, including the Labor government. “People can judge for themselves when they pour money into nuclear submarines or tax breaks for the high-income brackets, instead of accessible and affordable housing. Governments do not seem to want to reform society to make it more inclusive.

“For example, there is the threat of COVID. Some people, including myself, cannot go anywhere or do anything because of the danger of being infected. People are getting ill and dying every day due to COVID.”

Wallace concluded: “Some people thought Labor would be better on these things, but they are not. They would have expected a more positive approach. We feel abandoned on multiple levels by governments of all persuasions. They have ignored the Disability Royal Commission, slashed the NDIS and left us behind in an ongoing health crisis. I feel like we are living in a social Darwinist society.

“Governments spent \$579 million on the disability royal commission but only accepted 13 recommendations. That money could have provided a part-time disability integration assistant for every school in Australia for one year.”

As the Socialist Equality Party has insisted, high quality and freely accessible care and services must be a basic social right, along with the right to public education and healthcare, for all people, including those with disabilities, but this is incompatible with the capitalist profit system.



To contact the WSWS and the Socialist Equality Party visit:

**[wsws.org/contact](https://www.wsws.org/contact)**