

Australia: Labor government's NDIS overhaul excluding thousands of children from disability support

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The federal Labor government is carrying out a drastic overhaul of the National Disability Insurance Scheme (NDIS), aiming to cut \$60 billion from projected disability spending over the next decade.

The cost-cutting restructure was made possible by legislation passed in August with the support of the Liberal-National opposition. It will involve removing thousands of people from the NDIS, while dramatically reducing funding for those who remain on the scheme.

While the new cost-cutting planning framework is not set to be fully in place until September, the Labor government has already started kicking thousands of children off the NDIS. According to the *Saturday Paper*, the Labor government intends to slash spending by \$500 million in the next year through the campaign to exclude children.

Last month, the government announced it would spend \$280 million in 2025–26 to establish a 1,000 person workforce to re-assess the eligibility of NDIS participants according to stricter new criteria.

Late last year, more than 1,000 automated letters a week were being sent out to families of children with disabilities and adults with permanent and profound impairments, in what one NDIS participant described to the *Saturday Paper* as a “fishing exercise.”

The letters demand that the recipients produce “evidence” of their continued eligibility within just 28 days—even over the Christmas holiday period—or face being thrown off the scheme. No details of why participants’ eligibility is being questioned, or what additional “evidence” is needed, are contained in the letters.

The use of automated letters, without any follow-up via phone to ensure that participants understood what was being demanded of them, recalls the “Robodebt” scheme

implemented by the previous Liberal-National Coalition government. Between 2015 and 2019, the automated system unlawfully extracted almost \$2 billion from more than 433,000 welfare recipients, devastating lives and driving some to suicide. Despite the notorious reputation of “Robodebt,” the Labor government continues to employ similar punitive methods to slash welfare costs.

In the six weeks to 9 November, 7,487 of these “reassessments” were performed. 5,872 concerned 7- and 8-year-old children, at least 48 percent of whom were dumped from the NDIS.

The National Disability Insurance Agency (NDIA), which administers the NDIS, claimed in its 2023–24 annual report, published in late December, that “increased numbers of participants [were] leaving the NDIS as their support needs stabilise, including children who leave the NDIS after achieving their goals.” The actual number of children who “no longer need supports” is listed as “not available” in the report, supposedly due to a computer glitch.

The *Saturday Paper* cites rejection letters from the NDIS admitting that children thrown off the scheme still require “intensive support,” but that this is the responsibility of other departments to provide. This is despite the acknowledgement that areas such as the “Health System may not be equipped with ‘enough’ funding to appropriately support an individual’s needs.”

These cuts have been applied immediately, although state government funded “foundational supports,” which are supposed to replace services no longer funded by the NDIS, are only scheduled to start in July. Moreover, no detail has been made public about what these “foundational supports” actually are or who will be able to access them.

As early as September last year, the AEIOU Foundation

for Children with Autism reported a dramatic, unannounced reduction in the annual funding for children with autism, whose NDIS plans were cut by up to 60 percent, throwing families into acute crisis.

The Labor government's attack on the support provided for children with disabilities is part of a broader drive to slash NDIS spending.

A confidential internal brief from the Department of Social Services, obtained by the *Saturday Paper* in December last year, revealed the introduction of a rigid "needs assessment" framework, which is designed to slash the already paltry supports people with a disability receive by transforming the way funding is allocated.

Under the existing scheme, participants who qualify receive a set amount of money to pay for various support services. The Labor government's latest cost-cutting overhaul transforms this voucher-based system into a ration-based one.

The new model introduces a strict "needs assessment" framework, based on detailed reviews of participants' everyday activities. For instance, the assessment will count how many times each day a person needs assistance to get out of bed, shower, or leave the house. Funding will then be tightly linked to these specific actions.

The model also shifts from annual plan reviews to long-term budgets lasting up to five years, forcing NDIS participants to undergo a reassessment process in which they will be required to estimate precisely what services they will require over potentially a five-year period.

The NDIS was never designed to deliver the high-quality care and support promised to people with disabilities. Instead, the underlying premise was always to eliminate government-funded disability services and funnel vast sums of public money into corporate providers, under the guise of establishing a "market."

From the outset, access to the scheme was deliberately restricted and the number of support plans capped. Many people were excluded, particularly those with psychosocial disabilities or who were classified as having "low-level" support needs.

Although an estimated 5.5 million Australians have a disability, fewer than 700,000 are covered by the NDIS.

The social consequences have been devastating. Essential services across the country have been dismantled, including long-standing disability support facilities for individuals with complex and multiple disabilities. Residents have been relocated to underfunded, privately operated group homes. Many have died in the process.

The private disability market has proven wholly inadequate to address the complex needs of people with disabilities. Numerous reports reveal participants dying while waiting for essential equipment to be provided.

Labor's assault on disability supports is an essential element in its broader austerity agenda. Amid rising inflation, homelessness and unemployment, Labor has targeted cuts for welfare recipients, asylum seekers and immigrants, education and health services, while ensuring massive tax breaks for the wealthy and setting aside billions for US-led war preparations against China.

The latest massive cost-cutting exercise is framed as an effort to ensure the NDIS's "sustainability" under the pretext of soaring costs due to widespread fraud and roorting.

This is a sham, aimed at covering up the fact that cost blowouts are an inevitable consequence of privatisation and the transformation of vital public services into profit-generating endeavours.

The only "solution" to this under capitalism is the one adopted by the Labor government—the broad-scale disqualification of people with disabilities from support measures.

This will result in a massive increase in inequality, with only the wealthy able to afford private disability support services, while working-class families are forced to make do with whatever limited assistance is available from the overcrowded and underfunded public health and education systems, or appeal to charity organisations.

The working class must reject the lie that high-quality disability care is an unaffordable luxury. The defence of living standards for people with disabilities is inseparable from the broader struggle against austerity, privatisation, and inequality.



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