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Unemployment Surge Highlights Flaws in Migration-Driven NDIS Job Boom

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Australia's unemployment rate rose to 4.3% in June 2025, highlighting weaknesses in the migration-fuelled job growth linked to the National Disability Insurance Scheme (NDIS). This article examines the artificial nature of the NDIS-driven job surge, its reliance on migrant workers, and the Albanese government's failure to address underlying economic vulnerabilities.

The NDIS, now costing approximately \$51 billion annually, has driven a care economy boom, employing over 310,000 full-time equivalent

workers, according to a January 2025 Sydney Morning Herald report. Economist Justin Fabo, cited in a March 2025 MacroBusiness article, noted that healthcare and social assistance, boosted by NDIS demand, accounted for 57% of job growth over the two years to February 2025. However, this surge—heavily dependent on migrant workers—masks deeper structural issues. A 18 July 2025 News.com.au report described the job market as “a bit artificial,” with the unemployment rise from 4.1% to 4.3% signalling a slowdown in non-market sectors like healthcare. Net overseas migration rebounded strongly to around 195,000 in 2022–23, according to Ai Group data, propping up these jobs without addressing underlying inefficiencies.

Critics argue that the unchecked growth of the NDIS diverts resources away from more productive sectors. The e61 Institute warned in October 2024 that the care economy’s workforce share has increased from about 10% to 15% over the past decade, which reduces overall productivity and risks worsening outcomes for lower-income households. Veteran economist Chris Richardson told the Sydney Morning Herald, “The NDIS employs more people than mining, but its economic value is harder to quantify.” Meanwhile, the Albanese government’s efforts to ensure NDIS sustainability involve plans to cut about \$60 billion in spending over the next decade, according to the World Socialist Web Site. These measures focus on cost-cutting rather than addressing worker shortages or investing in training for local workers, leaving the system vulnerable.

With global uncertainties such as potential U.S. tariff escalations, Australia’s reliance on migration to sustain NDIS jobs is unsustainable. The Labor government’s failure to invest in skilled local labour or pursue meaningful NDIS reforms risks deepening economic fragilities.

A balanced strategy that combines fiscal responsibility with workforce development is urgently required to stabilise Australia's economy.