

# Australian budget further cuts public school funding

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Virtually all the media coverage of the Australian Labor government's 2026-27 budget since it was handed down last week has focused on limited changes to the property tax investment regime, featuring a tweaking of some negative gearing, trusts and capital gains tax breaks.

This buries the essential features of the budget: brutal cuts to social spending to pay for more billion-dollar handouts to big business and a further expansion of massive military spending in preparation for war.

Altogether, as Treasurer Jim Chalmers boasted for the benefit of the financial markets and the corporate elite, the budget contains another \$63.8 billion in cuts to social programs over the next four years, spearheaded by the gutting of the National Disability Insurance Scheme (NDIS).

The budget papers reveal more of the social assault—none of which has been mentioned in the media. One of the areas most affected are public (government) schools, where educators and students in every state or territory have for years already faced crushing workloads, oversized classes, burnout, inadequate resources and a deepening staffing crisis as teachers quit in growing numbers.

To maintain the Albanese government's "fiscal discipline," the budget not only continued to cut overall spending on public schools in real terms, compared to soaring inflation. It announced several major spending cuts, misleadingly described as "reprioritisations," that will worsen the intolerable conditions for teachers, education support staff and students. These include:

- **Student Engagement and Wellbeing:** Funding for this program, originally established during the first phase of the COVID-19 pandemic, has been cut to a quarter, dropping from \$4 billion to \$1 billion for the 2026–27 financial year.

Funding under this program allowed some schools to directly hire or contract additional school student support

staff, psychologists, guidance officers and mental health counsellors to cope with student wellbeing problems, including anxiety and other mental health issues.

While the pandemic intensified these problems, they are more broadly rooted in the deteriorating social conditions, especially in working-class areas, including the cost-of-living and housing affordability crises and the high level of youth unemployment, which reached 10.1 percent in March.

In various states and territories, schools could use funds to subsidise activities such as peer-support programs, free breakfast clubs, lunchtime sports, art, music or drama programs, creative arts spaces, social clubs, excursions and school camps. The program also funded the rollout of a voluntary mental health check, designed to help schools identify at-risk students.

- **Disability Funding:** Despite the expected tens of thousands of children to be cut off the NDIS, the budget outlines \$417 million in savings over four years within the Education Department. This money could be used to pay for teacher aides, classroom resources and equipment to help children with a disability, behavioural problem or disorder such as ADHD or autism.

Officially, these cuts will tighten compliance and crack down on what the budget papers describe as "inappropriate allocation" of disability funding by schools. Conversely, \$40.4 million will be spent to enforce stricter claiming audits.

- **National Teacher Workforce Action Plan:** This program, which was presented as a scheme to boost teacher numbers by attracting more people to the profession and retain more teachers in the workforce, will be cut, from \$48 million this financial year to \$44 million next financial year, and to \$17.6 million by 2029-30.

This plan was adopted in 2022 to supposedly resolve the acute teaching staff shortages. It included measures such as scholarships, streamlined visas, mentoring for early

career teachers and the funding of workload reduction initiatives, none of which have resolved the staffing crisis, due to ongoing real pay cuts, under-resourcing and stress.

## Overall funding cuts

These are only the most visible cuts in the budget. Overall, for primary and secondary schools, the budget continues funding decreases in real terms. It provides \$34.4 billion in so-called Better and Fairer Schools funding for 2026–27. This allocation comprises recurrent and capital funding for government and non-government schools across all states and territories.

This is about a 14 percent rise over the two years since the 2024–25 budget, only little more than the official annual inflation of around 5 percent over that period and the 0.7 percent growth in student numbers.

This figure particularly disguises the continuing cuts in real terms to public schools, compared to religious and private schools, especially since the last Labor governments of Kevin Rudd and Julia Gillard from 2007 to 2013 introduced the so-called Gonski funding model.

Despite inflation, fuelled by the Labor government-backed criminal US-Israeli war on Iran, already hitting 4.6 percent in March, federal funding for public schools will grow by just 4.1 percent (rising from \$12.2 billion to \$12.7 billion) in 2026–27.

That figure does not count similar cuts in real funding by the state and territory governments—which provide the bulk of the money for public schools—that have produced the appalling conditions confronting educators and students.

By contrast, the Albanese government will keep boosting the funding for private and religious schools. Their funding is set to grow by 19.3 percent over the next four years, climbing from \$20 billion to \$24.5 billion by 2029–30, while federal funding for public schools will rise by just 18.4 percent.

This gulf has widened under Labor's Gonski finding. The Productivity Commission's Report on Government Services 2025 reported that over the decade from 2014–15, total per student funding to public schools increased by 18.6 percent from \$17,540 to \$21,550 at an average of 1.9 percent per year, which was far below inflation. However, federal funding to private schools increased by 43.2 percent in real terms on a per student

basis over the same decade.

As the NDIS is torn apart, this disparity will become especially acute in disability support funding for government schools, which educate the highest proportions of students with disabilities. According to an Australian Education Union (AEU) report, there are more than 200,000 students in the public school system who have been assessed as having a disability, yet their schools receive no disability loadings under the Gonski scheme.

As these numbers soar due to the slashing of the NDIS, schools will have to compete for grants under the yet-to-be established Thriving Kids programs, for which the budget allocated just \$2 billion over five years. This means that teachers and education support workers, already over-stretched and under-resourced, will face even greater workloads, inevitably also to the detriment of not just children with development problems but all students.

None of this intensifying decades-long assault would be possible without the role of the AEU and other education trade union apparatuses, which have opposed and blocked any unified fight by educators. Instead, they have imposed repeated enterprise agreements that have cut wages in real terms and permitted unbearable workloads.

In its latest sellout deal with the Victorian state Labor government, the AEU is now trying to impose—by totally anti-democratic means—a four-year no-strike agreement that amounts to a further real pay cut and does nothing to address the core issues of workloads, staffing and under-resourcing raised by educators.

To defeat this Labor offensive and its policing by the union bureaucrats, educators and students have to create new forms of organisation—rank-and-file committees, totally independent of the trade unions, that will develop and fight for demands based on their needs, not the dictates of the corporate elite and the war machine.

To discuss these issues, and how to halt the imperialist war on Iran and Labor's accompanying austerity program, register to join the upcoming public meetings called by the Socialist Equality Party (SEP) and the International Youth and Students for Social Equality (IYSSE). Register here.



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