

Australia: Labor accuses schools of fraud to justify disability education cuts

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New data has indicated the scale of the Albanese Labor government's assault on disability funding in schools. More than 300 independent schools have been forced to repay \$12 million in funding already, and this is just the start.

Schools with high numbers of students with complex needs are sacking learning support staff, cutting programs and receiving multi-million dollar repayment demands.

The government announced a \$463 million "savings" measure for disability education funds in its May budget. Cuts that the government insists are a crackdown on "inaccurate claiming" and "inappropriate allocation" will have a serious impact on 2027 school budgets across the country.

Funding for students with disabilities in public schools is managed by state governments. Independent schools, including those that cater to students with extensive disabilities and vulnerable students who otherwise cannot access education, are funded by the federal government.

The claw back of funds has been presented in the corporate media as schools being caught rorting the system. But this obscures the real scandal: Labor is dismantling disability support for vulnerable children, using the language of "fraud" and "compliance" to do it.

One example is Melbourne's Hester Hornbrook Academy. Last month the Albanese government demanded the school repay \$23 million in disability funding—two thirds of its entire federal grant revenue from 2025. The immediate consequence has been the sacking of more than 20 teachers and staff, with further cuts expected. The students who lose out are disadvantaged young people.

Hester Hornbrook is a special assistance school

catering to students who have disengaged from mainstream education, or have cognitive disabilities, social and emotional challenges, and histories of trauma. It charges no fees and depends almost entirely on government grants. It has grown to more than 700 students across five campuses.

School Can't Australia, a network of more than 19,000 parents and carers supporting young people with school attendance difficulties, has described such schools as simultaneously "schools of last resort" and "schools of renewed hope." Its director, Tiffany Westphal, warns that without intensive supports, "vulnerable students are at risk of engagement with the mental health, family support and youth justice systems."

The government's case rests on a claim that the Hester Hornbrook school inflated its disability classifications. The media has focused on apparent quotes from a leaked internal email and on the school's claim that more than 90 percent of its students fell into a high needs category. The email purportedly shows a manager instructing staff to document "additional extensive adjustments" because "this makes a real difference to funding." In other words, staff were reportedly being urged to record the extra supports they provided. This is precisely what the government requests of these schools. To treat this as evidence of fraud is to cover up the structure of the funding system itself.

The disability loadings are calculated through a Nationally Consistent Collection of Data (NCCD), which relies on teachers' professional judgment and self-reporting. The system does not require a medical diagnosis. It requires schools to document "reasonable adjustments" and then pays them per student based on how many adjustments they demonstrate.

Schools must now also demonstrate renewed parent consultation, prove that students in the top “extensive” category need support “at all times” and rule out other factors such as academic performance, learning difficulties, limited attendance or family disruption.

Sarah Langston, CEO of the Australian Neurodivergent Parents Association, told the *Herald Sun*: “Changing the test does not make disabled people less disabled. Changing a classification does not make a child need less support.” She warned the changes would result in “more shortened days, exclusion, prolonged absence and children pushed out of school.” This was “an urgent education, human-rights and child-safeguarding issue.”

The schools being hit hardest are not elite private colleges but special assistance schools, flexi schools and community schools that serve the most marginalised children. The government is clawing back money from the institutions that have taken on the task of educating students that the mainstream system has failed.

Across Australia, more than one million school students, 25.7 percent of all enrolments, received an educational adjustment due to disability in 2024, up from 18 percent in 2015. This rising need is not evidence of over-claiming but reflects the deepening social crisis, the growing recognition of disability, and the collapse of other support systems. Labor’s response is to frame the growing numbers as a problem of “fraud” to be punished, rather than a need to be met.

The slashing of disability support funding for education is part of the Albanese government’s broader war on people with disabilities. In August, Labor and the Liberal-National Coalition struck a backroom deal to rush the National Disability Insurance Scheme (NDIS) bill through parliament, slashing \$38 billion from the scheme over four years. Some 241,000 people are being removed from the scheme, the majority of them children. This is the largest cut to a social program in Australian history.

The burden is falling on already crisis-ridden public education and health systems. Tens of thousands of children stripped of NDIS supports are arriving in classrooms with heightened needs and no corresponding increase in resources, specialist staff or funding. Along with public health workers, teachers and education support staff are on the frontline of the

NDIS cuts.

By branding schools and families as potential fraudsters, the government seeks to divide the working class, set “taxpayers” against “rorters” and obscure the fact that the resources exist to fully fund disability support services many times over.

The Albanese government’s May budget, while slashing the NDIS and school disability funding, poured billions more dollars into military spending, including for the \$368 billion AUKUS nuclear submarine program, to prepare for war.

The education staff who are losing their jobs, the students who are losing their support services, and the families fighting the NDIS cuts are all victims of the same anti-working-class program. The Albanese government, like its capitalist counterparts internationally, is decimating social services, including public education and health, to satisfy the demands of the financial markets, boost corporate profits and pay for massive increases in military spending.

The answer is not to appeal to one parliamentary party or another. The Liberal-National Coalition is in lockstep agreement with the Albanese government’s cuts, while the Greens have worked to divert popular opposition into politically bankrupt and dead-end pleas to their fellow parliamentarians.

People with disabilities, families, carers, teachers, education support workers and the broader working class need to establish rank-and-file organisations, independent of the trade union bureaucracies, which have sought to stifle the opposition to Labor’s agenda. What is required is the mobilisation of the working class, based on a socialist perspective, against the profit system that is plunging into war and social reaction.



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