



Free school lunches	
Party:	Australian Greens
Summary of proposal: The proposal would see every public school funded to provide a nutritious lunch to every student. The proposal would start on 1 July 2025	

Costing overview

The proposal would be expected to decrease the fiscal and underlying cash balances by around \$15.9 billion over the 2025-26 Budget forward estimates period (see Table 1). This impact reflects an increase in administered expenses. Departmental costs would not be expected to be material.

The proposal would be expected to have an impact beyond the 2025-26 Budget forward estimates period. A breakdown of the financial implications (including separate public debt interest (PDI) tables) over the period to 2035-36 is provided at Attachment A.

The financial implications of this policy are uncertain and sensitive to the following factors:

- The varied costs of ingredients, labour, and capital across regional and non-regional areas in Australia, and any potential economies of scale from buying in bulk.
- The number of days which students attend school in person, which could change year-to-year, geographically, or due to other factors such as illness and personal reasons.
- The rate at which schools can build the infrastructure and hire the sufficient labour required to support the provision of free meals for all students.
- Changes in the growth of public schools and associated public student enrolments.

Table 1: Free school lunches – Financial implications (\$m)^{(a)(b)}

	2025-26	2026-27	2027-28	2028-29	Total to 2028-29
Fiscal balance	-2,410.0	-4,380.0	-4,500.0	-4,610.0	-15,900.0
Underlying cash balance	-2,410.0	-4,380.0	-4,500.0	-4,610.0	-15,900.0

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.

(b) PDI impacts are not included in the totals.

Key assumptions

The Parliamentary Budget Office (PBO) has made the following assumptions in costing this proposal.

- Eligible public schools are State or Territory primary and high schools (including colleges – year 11 and 12 - in Tasmania and the ACT)

- In 2025-26, the average meal cost would be around \$7.20 and would increase in line with CPI over the medium term and would be consistent across Australia.
 - The average meal cost (and capital below) was based on the costs of the 2022 and 2023 Tasmanian School Lunch Project as evaluated by the Menzies Institute for Medical Research in 2024. The average meal cost under the Tasmanian School Lunch Project were reduced by an assumed rate of 10%, with consideration to economies of scale and bulk production costs.
 - These costs excluded the State Government Department of Health staff to support the project.
- In addition to the meal cost per student there are capital and operating costs (such as infrastructure, electricity, labour or rent). This would be around \$2.80 per student per meal and would increase in line with CPI over the medium term.
 - There would be an additional 50% uplift in year 1 capital and operating costs to account for the investment and set-up required to equip schools to supply student meals.
- State and territory governments would be responsible for administering the program on an ongoing basis, with no departmental costs to the Australian Federal Government.
- The policy would begin on 1 July 2025. However, schools would need a period of time (until 1 January 2026) to install any required infrastructure before free school meals could be provided.
- Meals would be available each school day for all students attending eligible public schools.
- The number of eligible students would be based on projected school enrolments for each government school across Australia over the medium term.
- Student attendance rates would remain stable over the medium term.

Methodology

The estimated financial impact was calculated by multiplying the cost of meals (including capital and operating expenses) by the number of eligible students and the average number of school days each year. This was then scaled down by the national average attendance rate of public schools.

A provision in the first year of the policy to account for infrastructure investment as specified above.

Financial implications were rounded consistent with the PBO's rounding rules.¹

Data sources

The Department of Education provided forecasts on student enrolments in Australian public schools, as at the 2025 Pre-election Economic and Fiscal Outlook update.

Australian Curriculum Assessment And Reporting Authority (ACARA) [Student attendance](#), accessed 13 May 2025.

ACT Government (2025) [Term dates and public holidays - Education](#), accessed 13 May 2025.

Commonwealth of Australia (2025) *Pre-election Economic and Fiscal Outlook 2025*, Commonwealth of Australia.

¹ <https://www.pbo.gov.au/for-parliamentarians/how-we-analyse/pbo-rounding-rules>

South Australia Government Department of Education (2025) [Term dates for South Australian state schools](#), accessed 13 May 2025.

Government of Western Australia Department of Education (2025) [Term dates - Department of Education](#), accessed 13 May 2025.

Northern Territory Government (2025) [School term and holiday dates in NT](#), accessed 13 May 2025.

NSW Government Department of Education (2025) [2025 term dates](#), accessed 13 May 2025.

Queensland Government Department of Education (2025) [School holidays and term dates](#), accessed 13 May 2025.

State Government of Victoria (2025) [School term dates and holidays in Victoria](#), accessed 13 May 2025.

Tasmanian Government Department for Education, Children and Young People, (2025) [School terms and holidays - Department for Education, Children and Young People](#), accessed 13 May 2025.

University of Tasmania's Menzies Institute for Medical Research (2024) [School Lunch Project Evaluation: Final Report 2024](#), accessed 13 May 2025.

Attachment A – Free school lunches – Financial implications

Table A1: Free school lunches – Fiscal and underlying cash balances (\$m)^(a)

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
Expenses													
Administered													
<i>School lunches for every public school child</i>	-2,410.0	-4,380.0	-4,500.0	-4,610.0	-4,730.0	-4,840.0	-4,950.0	-5,060.0	-5,180.0	-5,300.0	-5,440.0	-15,900.0	-51,400.0
Total (excluding PDI)	-2,410.0	-4,380.0	-4,500.0	-4,610.0	-4,730.0	-4,840.0	-4,950.0	-5,060.0	-5,180.0	-5,300.0	-5,440.0	-15,900.0	-51,400.0

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

Table A2: Free school lunches – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances (\$m)^{(a)(b)}

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
Fiscal balance	-50.0	-210.0	-410.0	-630.0	-870.0	-1,120.0	-1,390.0	-1,680.0	-1,980.0	-2,310.0	-2,660.0	-1,300.0	-13,310.0
Underlying cash balance	-40.0	-170.0	-360.0	-580.0	-810.0	-1,060.0	-1,320.0	-1,600.0	-1,910.0	-2,230.0	-2,580.0	-1,150.0	-12,660.0

- (a) As this table is presented as a memorandum item, these figures are not reflected in the totals above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary².
- (b) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

² [Online budget glossary – Parliamentary Budget Office \(pbo.gov.au\)](https://pbo.gov.au)