

### ECR-2025-3160

\$800 back to school payment								
Party:	Australian Greens							
Summary of proposal:								
The proposal would provide an annual payment of \$800 to families at the start of the school year for each child attending a public school.								
Payment would be provided in January of each year, with an initial 50% payment in July 2025.								
The proposal would be ongoing and start on 1 July 2025.								

## Costing overview

The proposal would be expected to decrease the fiscal and underlying cash balances by around \$9.7 billion over the 2025-26 Budget forward estimates period (see Table 1). This impact reflects an increase in administered and departmental expenses.

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 the proposal are sensitive to future enrolments at government schools.

### Table 1: \$800 back to school payment – Financial implications (\$m)<sup>(a)(b)</sup>

	2025-26	2026-27	2027-28	2028-29	Total to 2028-29
Fiscal balance	-3,250.0	-2,146.0	-2,147.0	-2,148.0	-9,691.0
Underlying cash balance	-3,250.0	-2,146.0	-2,147.0	-2,148.0	-9,691.0

(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 assumed that the administration of the back-to-school payment would be undertaken by Services Australia, with associated administration costs consistent with current Services Australia costs for similar activities.

# Methodology

The government school population forecasts from 2025 to 2036 were provided by the Department of Education.

- The government school student population for each grade was multiplied by their respective payment amounts.
- The administration cost for Services Australia was multiplied by the number of families expected to access the payment.
  - To determine the number of families, the eligible student population was divided by the average number of children per household.
- The first financial year will see 2 payments, July 2025 and January 2026.

Financial implications were rounded consistent with the PBO's rounding rules.<sup>1</sup>

## Data sources

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

Information on average number of school aged children per household was sourced from the Australian Bureau of Statistics '<u>Census of population and Housing</u>', accessed on 13 May 2025.

The Department of Education provided the Commonwealth Recurrent Schools Funding Model as at Pre-election Economic and Fiscal Outlook 2025.

<sup>&</sup>lt;sup>1</sup> <u>https://www.pbo.gov.au/for-parliamentarians/how-we-analyse/pbo-rounding-rules</u>

## Attachment A – \$800 back to school payment – Financial implications

	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													
Back to school payments	-3,100.0	-2,070.0	-2,070.0	-2,070.0	-2,070.0	-2,070.0	-2,070.0	-2,060.0	-2,060.0	-2,060.0	-2,060.0	-9,310.0	-23,760.0
Departmental													
Services Australia	-150.0	-76.0	-77.0	-78.0	-79.0	-80.0	-81.0	-82.0	-83.0	-83.0	-85.0	-381.0	-954.0
Total – expenses	-3,250.0	-2,146.0	-2,147.0	-2,148.0	-2,149.0	-2,150.0	-2,151.0	-2,142.0	-2,143.0	-2,143.0	-2,145.0	-9,691.0	-24,714.0
Total (excluding PDI)	-3,250.0	-2,146.0	-2,147.0	-2,148.0	-2,149.0	-2,150.0	-2,151.0	-2,142.0	-2,143.0	-2,143.0	-2,145.0	-9,691.0	-24,714.0

### Table A1: \$800 back to school payment – Fiscal and underlying cash balances (\$m)<sup>(a)</sup>

(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 negative 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 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 payments or net capital investment in cash terms.

### Table A2: \$800 back to school payment – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances (\$m)<sup>(a)(b)</sup>

	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	-70.0	-190.0	-300.0	-410.0	-520.0	-640.0	-760.0	-900.0	-1,030.0	-1,180.0	-1,330.0	-970.0	-7,330.0
Underlying cash balance	-50.0	-160.0	-270.0	-380.0	-490.0	-610.0	-730.0	-860.0	-1,000.0	-1,140.0	-1,290.0	-860.0	-6,980.0

(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 glossary<sup>2</sup>.

(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 negative 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 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 an increase in receipts or a decrease in payments or net capital investment in cash terms.

<sup>2</sup> Online budget glossary – Parliamentary Budget Office (pbo.gov.au)