

ECR-2025-3078

IVF accessibility	
Party:	Australian Greens

Summary of proposal:

The proposal would make In Vitro Fertilisation (IVF) more affordable by:

- Doubling the Medicare Benefits Schedule (MBS) rebates
- Removing the altruistic surrogacy exclusion for MBS items.

The proposal would be ongoing and start on 1 July 2026.

Additional information (based on further advice provided):

MBS items to support IVF would be the following under the Assisted Reproductive Technology (ART) Services subgroup in the MBS book: 13200, 13201, 13202, 13209, 13212, 13215, 13218, 13251.

### Costing overview

The proposal would be expected to decrease the fiscal and underlying cash balances by around \$1.2 billion over the 2025-26 Budget forward estimates period (see Table 1). This impact reflects an increase in administered and departmental expenses. The difference between the fiscal and underlying cash balances represents the time lag between when services are delivered, and rebates are paid.

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 are uncertain and are sensitive to the assumptions on service mix and behavioural response. In addition:

- Due to lack of available information, the Parliamentary Budget Office (PBO) has assumed no behavioural response, meaning the financial impact may be understated.
- The impact of removing the altruistic surrogacy exclusion is highly uncertain due to the limited data on existing altruistic surrogacies

Table 1: IVF accessibility - Financial implications (\$m)(a)(b)

	2025-26	2026-27	2027-28	2028-29	Total to 2028-29
Fiscal balance	-	-400.1	-413.1	-427.2	-1,240.4
Underlying cash balance	-	-387.0	-412.1	-427.2	-1,226.3

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

2025 Election Commitments Report: ECR-2025-3078

<sup>(</sup>b) PDI impacts are not included in the totals.

<sup>-</sup> Indicates nil.

### Key assumptions

The PBO has made the following assumptions in costing this proposal.

 The service mix under both components would be similar to the service mix in 2023-24 for relevant MBS items.

#### **Double the MBS rebates**

- Service volume would grow in line with population growth.
- Implementation could be achieved within existing departmental resources.

#### Removing the altruistic surrogacy exclusion

- Approximately 100 babies would have been delivered in 2023-24 through altruistic surrogacy and this figure will grow in line with population growth.
  - This is informed by the University of New South Wales Assisted Reproductive Technology in Australia and New Zealand 2021 report.
- The cost to the MBS per baby born through altruistic surrogacy will be similar to the cost per baby born through ART (this cost includes unsuccessful ART cycles).
- Departmental costs would be equal to the per service MBS administrative cost provided by Services Australia plus \$1 million in 2026-27 to implement policy and IT system changes.

# Methodology

#### **Double the MBS rebates**

- Benefits for each service were grown with Wage Cost Index 5, consistent with existing indexation arrangements.
- Service volume was grown with population as per *Key assumptions*.
- The cost was calculated by multiplying the increased benefits per service under the policy by the number of services.

#### Removing the altruistic surrogacy exclusion

- The number of babies born through altruistic surrogacies was estimated as per Key assumptions.
- The cost was calculated by multiplying the estimated number of babies through altruistic surrogacy by the estimated cost per baby in the total population.

The MBS liability factor was then applied to the administered expenses to determine the difference between the fiscal and underlying cash balances.

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

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

## Data sources

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

Services Australia (2024) *Medicare item reports*, accessed 9 May 2025.

The Department of Health and Aged Care provided the MBS liability factor as at 2025-26 Budget.

The Department of the Treasury provided Australian demographic projections across the forward estimates and medium term.

University of New South Wales (2023) <u>Assisted Reproductive Technology in Australia and New Zealand</u> <u>2021</u>, accessed 9 May 2025.

# Attachment A – IVF accessibility – Financial implications

Table A1: IVF accessibility – Fiscal 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													
Double MBS rebates for IVF	-	-397.0	-411.0	-425.0	-440.0	-456.0	-472.0	-489.0	-506.0	-524.0	-542.0	-1,233.0	-4,662.0
Altruistic surrogacy eligibility	-	-2.1	-2.1	-2.2	-2.3	-2.4	-2.5	-2.5	-2.6	-2.7	-2.8	-6.4	-24.2
Total – administered	-	-399.1	-413.1	-427.2	-442.3	-458.4	-474.5	-491.5	-508.6	-526.7	-544.8	-1,239.4	-4,686.2
Departmental	Departmental												
Service administration and IT upgrades	-	-1.0										-1.0	-1.0
Total (excluding PDI)	-	-400.1	-413.1	-427.2	-442.3	-458.4	-474.5	-491.5	-508.6	-526.7	-544.8	-1,240.4	-4,687.2

<sup>(</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.

<sup>..</sup> Not zero but rounded to zero.

<sup>-</sup> Indicates nil.

Table A2: IVF accessibility - 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
Payments													
Administered													
Double MBS rebates for IVF	-	-384.0	-410.0	-425.0	-440.0	-456.0	-472.0	-488.0	-506.0	-523.0	-542.0	-1,219.0	-4,646.0
Altruistic surrogacy eligibility	-	-2.0	-2.1	-2.2	-2.3	-2.4	-2.5	-2.5	-2.6	-2.7	-2.8	-6.3	-24.1
Total – administered	-	-386.0	-412.1	-427.2	-442.3	-458.4	-474.5	-490.5	-508.6	-525.7	-544.8	-1,225.3	-4,670.1
Departmental													
Service administration and IT upgrades	-	-1.0										-1.0	-1.0
Total (excluding PDI)	-	-387.0	-412.1	-427.2	-442.3	-458.4	-474.5	-490.5	-508.6	-525.7	-544.8	-1,226.3	-4,671.1

<sup>(</sup>a) 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 A3: IVF accessibility – 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	-	-9.0	-27.0	-46.0	-68.0	-91.0	-116.0	-143.0	-172.0	-203.0	-237.0	-82.0	-1,112.0
Underlying cash balance	-	-6.0	-22.0	-41.0	-62.0	-85.0	-110.0	-136.0	-165.0	-195.0	-228.0	-69.0	-1,050.0

<sup>(</sup>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>.

<sup>..</sup> Not zero but rounded to zero.

Indicates nil.

<sup>(</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 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.

Indicates nil.

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