



Investment into essential healthcare	
Party:	Australian Greens
Summary of proposal: The proposal would provide one-off payments to the states and territories to help eliminate public hospital waiting lists. The proposal would take effect on 1 July 2026.	
Additional information (based on further advice provided): The payment to each state and territory would be based on the number of patients on elective surgery waiting lists who have been waiting longer than clinically indicated for their category as at 30 June 2026. All patients in clinical urgency categories 1, 2 and 3 would be eligible. The payment rate per patient would be based on the national efficient price for each category of surgery as per the Independent Hospital Pricing Authority's cost determinations.	

Costing overview

The proposal would be expected to decrease the fiscal and underlying cash balances by around \$748 million 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.

Table 1: Investment into essential healthcare – Financial implications (\$m)^{(a)(b)}

	2025-26	2026-27	2027-28	2028-29	Total to 2028-29
Fiscal balance	-	-748.0	-	-	-748.0
Underlying cash balance	-	-748.0	-	-	-748.0

(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.

- Indicates nil.

Uncertainties

The Parliamentary Budget Office (PBO) has not made any assessment as to whether the specified funding would be sufficient to meet the objectives of the proposal.

The PBO cannot quantify the payment rate as specified due to a lack of data. PBO is unable to separate a given surgery by urgency or determine if a surgery is elective for pricing purposes. As a result, to cost this policy, PBO assumes that the specified payment (implied by each urgency category

of elective surgery) would be similar to the payment implied by a weighted average service mix across all types of surgery, regardless of urgency or whether it is elective.

Key assumptions

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

Eligible patients

- Approximately 60,000 patients are expected to be waiting longer than clinically indicated for their category of urgency as at 30 June 2026.
 - It is estimated 310,000 patients would be on the waiting list for elective surgery, regardless of wait time.
 - The total number of patients on the waiting list is consistent with data reported by states and territories as at 30 June 2024, grown in line with population growth.

Price per patient

- The 2026-27 National Efficient Price (NEP) would be approximately 5.6% higher than the 2025-26 NEP determination.
- The payment per patient would be approximately \$12,500.
 - The payment is consistent with the forecast 2026-27 National Efficient Price scaled by the weighted average of all surgical procedures in the Australian Refined Diagnosis Related Groups (AR-DRG) version 10 in 2022-23.

Methodology

Eligible patients

The number of patients on the wait lists as at 30 June 2024 was adjusted for the proportion of patients waiting longer than clinically indicated for treatment reported by the Australian Institute of Health and Welfare (AIHW) in 2023-24.

As waitlist data could not be located for Tasmania and the Northern Territory. Accordingly, waitlists were estimated based on the proportion of the national waitlist in 2021-22 attributed to these jurisdictions by the Australian Medical Association.

This number of eligible patients, as a proportion of total population, was used to forecast the number of eligible patients as at 30 June 2026 per *Key Assumptions*.

Price per patient

The 2025-26 price weights for each service were applied to the number of services delivered in 2022-23 to calculate the average price weight for a surgery, as per *Key Assumptions*.

Procedures now classified as 'interventions' but previously classified as 'other' in AR-DRG version 8 were removed to exclude non-surgical procedures.

The payment per patient was set equal to the forecast 2026-27 price per surgery. The price per surgery was calculated by multiplying average work units per surgery by the price per work unit (the PBO forecast 2026-27 National Efficient Price), as per *Key Assumptions*.

Other

Financial implications were rounded consistent with the PBO's rounding rules¹.

Data sources

Australian Institute of Health and Welfare, [Elective surgery waiting times 2022-23 data table](#), accessed 18 May 2025.

Australian Institute of Health and Welfare, [Australian Refined Diagnosis-Related Groups \(AR-DRG\) version 8.0 data cube, 2017-18](#), accessed 18 May 2025.

Australian Institute of Health and Welfare, [Australian Refined Diagnosis-Related Groups \(AR-DRG\) version 10.0 data cube, 2022-23](#), accessed 18 May 2025.

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

Independent Health and Aged Care Pricing Authority, [2025-26 National Efficient Price Determination](#), accessed 18 May 2025.

State government wait list data

Australian Medical Association, [Addressing the elective surgery backlog](#), accessed 18 May 2025.

Bureau of Health Information (NSW), [Elective surgery](#), accessed 18 May 2025.

Canberra Health Services, [Elective surgery waitlist](#), accessed 18 May 2025.

Department of Health (WA), [Elective Surgery Monthly Report](#), accessed 18 May 2025.

Queensland Health, [Planned surgery](#), accessed 18 May 2025.

SA Health, [Elective surgery dashboard](#), accessed 18 May 2025.

Victorian Agency for Health Information, [Patients waiting for treatment](#), accessed 18 May 2025.

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

Attachment A – Investment into essential healthcare – Financial implications

Table A1: Investment into essential healthcare – 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>Payment to States and Territories</i>	-	-748.0	-	-	-	-	-	-	-	-	-	-748.0	-748.0
Total (excluding PDI)	-	-748.0	-	-	-	-	-	-	-	-	-	-748.0	-748.0

- (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.
- Indicates nil.

Table A2: Investment into essential healthcare – 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	-	-16.6	-33.8	-35.3	-36.9	-38.6	-40.3	-42.1	-44.0	-46.0	-48.1	-85.7	-381.7
Underlying cash balance	-	-12.4	-29.5	-35.0	-36.5	-38.1	-39.9	-41.7	-43.5	-45.5	-47.6	-76.9	-369.7

- (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.
- Indicates nil.

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