



LGBTIQA+ - Health and Social Services - Free gender-affirming care	
Party:	Australian Greens
Summary of proposal: The proposal would ensure gender-affirming care is free and publicly accessible. The proposal would be ongoing and start on 1 July 2026.	
Additional specifications (based on further advice provided): This proposal would provide universal funding via the Medicare Benefits Schedule (MBS) for patient consultation, medical interventions, and surgical procedures for gender affirmation in people with gender incongruence by implementing the recommendation of the Australian Society of Plastic Surgeons (ASPS) to the Medical Services Advisor Committee (MSAC).	

Costing overview

The proposal would be expected to decrease the fiscal and underlying cash balances by around \$114 million 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 small differences in financial implications between the fiscal balance and the underlying cash balance are due to differences in timing between when the service is provided and when the government payment is made.

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.

This costing is highly uncertain and particularly sensitive to the estimated population of transgender and gender diverse people, and the estimated take up rates.

Any further flow-on costs to the Pharmaceutical Benefits Scheme or other public health expenditure are highly uncertain and as such have not been included in this costing.

Table 1: LGBTIQ+ - Health and Social Services - Free gender-affirming care – Financial implications (\$m)^{(a)(b)}

	2025-26	2026-27	2027-28	2028-29	Total to 2028-29
Fiscal balance	-	-37.4	-38.3	-37.9	-113.6
Underlying cash balance	-	-36.1	-38.3	-39.1	-113.5

(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.

Key assumptions

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

- The majority of the gender affirming medical interventions would occur for adults between 18-50 years old.
- The proportion of the population which are transgender or gender diverse is 1.05%.
 - This is taken as the mid-point from Cheung et al (2019), *Position statement on the hormonal management of adult transgender and gender diverse individuals*, Medical Journal of Australia.
- Of the transgender or gender diverse population, around one-third are anticipated to undertake gender affirming consultations, medical interventions, and surgical procedures under this proposal.
 - This is taken from a retrospective audit of 540 Australian transgender individuals from Cheung et al (2018).
- The current transgender or gender diverse population who are likely to take up medical interventions would do so over a 3-year period.
- 5% of gender affirming surgeries are assumed to access existing MBS items that are not specifically listed for the indication of gender affirmation.
- All individuals who take up gender affirming medical interventions will access MBS items in relation to GP consultations, specialists, sexual health practitioners and psychiatrists.
- Surgery related MBS items would only be accessed by the proportion of transgender or gender diverse individuals who currently receive those types of surgeries.
 - These proportions are calculated based on the surveys of gender affirming surgeries in the transgender and gender diverse population in Australia as in Bretherton et al. (2020) and Cheung et al. (2018).
- Existing MBS items would be consistent with the proposed procedures in the ASPS application to the MSAC which are used to determine the estimated benefit per medical intervention and surgical procedure.

Methodology

Administered expenses were calculated by multiplying the estimated increase in additional take up of medical interventions for transgender or gender diverse individuals by the average benefit for each MBS item they are expected to undertake. The estimated take up and applicable MBS item are as outlined in *Key assumptions*.

Ongoing departmental expenses for administering the program were calculated by multiplying the estimated increase in services by the estimated unit cost for administering the affected service items provided by Services Australia.

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.¹

Data sources

Bretherton, I, Thrower, E, Zwickl, S, Wong, A, Chetcuti, D, Grossmann, M, et al. 2020, 'The Health and Well Being of Transgender Australians: A National Community Survey', *LGBT Health*, vol. 8, no. 1, 2021/01/01, pp. 42-49.

Cheung, AS, Ooi, O, Leemaqz, S, Cundill, P, Silberstein, N, Bretherton, I, et al. 2018, 'Sociodemographic and Clinical Characteristics of Transgender Adults in Australia', *Transgend Health*, vol. 3, no. 1, pp. 229-238.

Cheung, AS, Wynne, K, Erasmus, J, Murray, S & Zajac, JD 2019, 'Position statement on the hormonal management of adult transgender and gender diverse individuals', *Medical Journal of Australia*, vol. 211, no. 3, pp. 127-133.

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

Medical Service Advisory Committee, MSAC Application [1754 – Surgical procedures for gender affirmation in adults with gender incongruence](#).

Services Australia provided the Services Australia Funding Model as at the 2025-26 Budget.

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

The Department of Health and Aged Care provided MBS data on service levels and benefits for relevant MBS items.

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

Attachment A – LGBTIQ+ - Health and Social Services - Free gender-affirming care – Financial implications

Table A1: LGBTIQ+ - Health and Social Services - Free gender-affirming care – Fiscal balance (\$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													
Additional MBS Services	-	-37.2	-38.1	-37.7	-4.5	-4.4	-4.3	-4.1	-4.2	-4.1	-3.9	-113.0	-142.5
Departmental													
MBS Services	-	-0.2	-0.2	-0.2	..	..	..	..	..	..	..	-0.6	-0.6
Total – expenses	-	-37.4	-38.3	-37.9	-4.5	-4.4	-4.3	-4.1	-4.2	-4.1	-3.9	-113.6	-143.1
Total (excluding PDI)	-	-37.4	-38.3	-37.9	-4.5	-4.4	-4.3	-4.1	-4.2	-4.1	-3.9	-113.6	-143.1

(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.

.. Not zero but rounded to zero.

- Indicates nil.

Table A2: LGBTIQ+ - Health and Social Services - Free gender-affirming care – Underlying cash balance (\$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													
Additional MBS Services	-	-35.9	-38.1	-38.9	-4.5	-4.4	-4.3	-4.1	-4.2	-4.1	-3.9	-112.9	-142.4
Departmental													
MBS Services	-	-0.2	-0.2	-0.2	..	..	..	..	..	..	..	-0.6	-0.6
Total – payments	-	-36.1	-38.3	-39.1	-4.5	-4.4	-4.3	-4.1	-4.2	-4.1	-3.9	-113.5	-143.0
Total (excluding PDI)	-	-36.1	-38.3	-39.1	-4.5	-4.4	-4.3	-4.1	-4.2	-4.1	-3.9	-113.5	-143.0

(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.

.. Not zero but rounded to zero.

- Indicates nil.

Table A3: LGBTIQ+ - Health and Social Services - Free gender-affirming care – 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
<i>Fiscal balance</i>	-	-0.8	-2.5	-4.3	-5.5	-5.9	-6.4	-6.8	-7.3	-7.9	-8.4	-7.6	-55.8
<i>Underlying cash balance</i>	-	-0.6	-2.1	-3.8	-5.2	-5.8	-6.2	-6.7	-7.2	-7.7	-8.3	-6.5	-53.6

- (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)