



Cheaper medicines

\$3.2 billion

total investment in
cheaper medicines

\$689.1 million

reducing the maximum
PBS general patient
co-payment from
\$31.60 to \$25

\$1.8 billion

new and amended
PBS listings

\$564.1 million

first Pharmaceutical
Wholesaler Agreement

Summary

The 2025–26 Budget includes a \$3.2 billion investment to make cheaper medicines even cheaper.

Australians will pay less for the medication they rely on, through a further reduction to the maximum Pharmaceutical Benefits Scheme (PBS) co-payment for people with a Medicare card and no Commonwealth concession card. From 1 January 2026, the most a patient need pay for a medicine listed on the PBS will drop from \$31.60 to just \$25.

New medicines listed on the PBS will make it cheaper for women to access oral contraception, and medicines for menopause, endometriosis, and breast cancer. Other new PBS listings will slash the cost of medicines for people with a range of cancers, arthritis and Cushing's syndrome.

A new agreement with the National Pharmaceutical Services Association will keep vital medicines on pharmacy shelves and prices for patients down, even in the face of the rising costs of distributing medicines.



Two new national trials will make it cheaper and easier for over 250,000 women who hold a concession card to get oral contraceptives and treatment for uncomplicated urinary tract infections at their local pharmacy.

The 2025–26 Budget delivers further real cost-of-living relief on top of the \$1.3 billion that Australians have saved from cheaper medicines so far:

- \$480 million – more free and cheaper medicines, sooner, with a 25% reduction in the number of prescriptions a concessional patient must fill before the PBS Safety Net kicks in, with general patients similarly benefitting with a reduction of around \$80 to their PBS Safety Net threshold (July 2022)
- \$625 million – the largest cut to the cost of medicines in the history of the PBS, with the maximum cost of a prescription falling to \$30, from \$42.50 (January 2023)
- \$165 million – 60-day prescriptions saving time and money for millions of Australians with an ongoing health condition (three phases from September 2023)
- \$9 million – freezing the cost of PBS medicines, with co-payments not rising with inflation for all Australians for the first time in 25 years, and the concessional co-payment frozen at its current level of \$7.70 until 2029.

Who benefits

Millions of Australians who rely on medicines listed on the PBS will benefit when cheaper medicines get even cheaper (\$689.1 million). From 1 January 2026, the maximum cost of a PBS prescription for people without a Commonwealth concession card will be cut from \$31.60 to \$25.

An Australian who previously paid \$31.60 per prescription a month for their regular medicine will save \$79.20 a year. Families filling 4 prescriptions a month will save as much as \$316.80 a year.

If any of those medicines are eligible for a 60-day prescription and are prescribed as such, the patient will save a further \$150 a year.

Four out of 5 PBS medicines will become cheaper for general non-Safety Net patients, saving Australians over \$200 million more each year.

The maximum general patient co-payment was cut from \$42.50 to \$30 in 2023 – the largest cut to the cost of medicines in the 75-year history of the PBS.

Without these cheaper medicines reforms and the new measures in the 2025–26 Budget, the maximum PBS general patient co-payment would have been more than \$50 in 2026, more than double the new \$25 co-payment.

The last time the PBS general patient co-payment was below \$25 was in 2004.

All medicines that pharmacies can discount today, will be able to be discounted once the copayment is cut to \$25.

That's because – just like with the 2023 reduction to a \$30 copayment – the legislation will include specific provisions to protect the availability of discounting.

Patients will continue to benefit from affordable PBS medicines when they need them through their local pharmacy thanks to the First Pharmaceutical Wholesaler Agreement.

The \$4.2 billion agreement with the National Pharmaceutical Services Association means the rising costs of distributing medicines across the country will not be passed on to consumers.

It delivers a 34% increase in funding for medicine wholesalers, including to guarantee access to PBS medicines for all Australians from every community pharmacy. It will help manage onshore medicine shortages (\$135 million) and ensure better access to specialised medicines, including treatments under the PBS IVF program and the Highly Specialised Drugs Program (\$275.2 million).

Around 250,000 women who hold a concession card will be able to consult a pharmacist, at no cost, for treatment of uncomplicated urinary tract infections (UTIs) and to access oral contraceptives. Two national trials will mean eligible women can get the care they need from a pharmacist. If they require medications, they'll only pay the usual medicine cost.

Hundreds of thousands of Australians will have access to life-changing medicines at an affordable price thanks to the listing of new medicines on the PBS. Some of these could cost over \$600,000 per course of treatment without subsidy. Listing them on the PBS means that eligible patients will now pay a maximum of \$31.60 per prescription (dropping to \$25 on 1 January 2026) or just \$7.70 with a concession card.



Around 8,500 Australian women could save more than \$2,300 a year from the listing of relugolix with estradiol and with norethisterone (Ryeqo[®]) on the PBS. The listing will help women experiencing moderate to severe pain from endometriosis who cannot get adequate relief from other hormonal treatments and painkillers.

Some of the most commonly used contraceptive pills, Yaz[®] and Yasmin[®], have been listed on the PBS – the first listings of new types of oral contraceptives in decades. Around 50,000 women each year, who would otherwise pay up to \$380 per year, will now pay \$126.40 a year (dropping to \$100 a year from 1 January 2026), or just \$30.80 a year with a concession card.

Drospirenone (Slinda[®]) will be listed on the PBS for the first time as a new contraceptive option. Drospirenone is a progestogen-only pill and may be used by women who cannot take contraceptives with estrogen. The listing will benefit around 100,000 women.

Around 150,000 women will save up to \$290 a year (\$370 per year from 1 January 2026), or up to \$577 a year with a concession card, through the listing of 3 new menopausal hormone therapies. Estradiol (Estroge[®]), progesterone (Prometrium[®]) and estradiol and progesterone (Estroge[®] Pro) are the first new types of menopause treatments listed on the PBS in more than 20 years. The listings will save women experiencing menopause money and expand affordable treatment options.

Women with specific low levels of reproductive hormones will have earlier access to the combination therapy follitropin alfa with lutropin alfa (Pergoveris[®]) through the PBS. Previously this treatment was only funded for later IVF cycles. These patients will also have better access to up to 4 Pergoveris[®] pens per script – double the previous maximum quantity – which means they'll only pay one PBS co-payment. Without the PBS subsidy, 4 pens would cost more than \$3,500.

Certain patients with metastatic prostate cancer will benefit from the listing of talazoparib (Talzenna[®]), used in combination with enzalutamide (Xtandi[®]). Talazoparib prevents cancer cells from repairing their DNA and slows the cancer's growth. Without subsidy, patients could have to pay about \$101,000 per course of treatment.

Women with human epidermal growth factor receptor 2 (HER2)-negative metastatic breast cancer with a confirmed breast cancer gene (BRCA1 or BRCA2) mutation will benefit from the expanded listing of olaparib (Lynparza[®]). Olaparib blocks the ability of cancer cells to repair DNA damage, helping to destroy the cancer cells and also slowing its progression. Without subsidy, olaparib would cost patients about \$72,000 per course of treatment.

Australians with a type of non-small cell lung cancer (NSCLC) will have access to selpercatinib (Retevmo[®]) under the PBS. NSCLC is the most common type of lung cancer, accounting for about 85% of all diagnoses. However, rearranged during transfection (RET) fusion-positive NSCLC represent only 1 to 2% of these. Without subsidy, patients could pay more than \$280,000 per course of treatment.

Australians with endogenous Cushing's syndrome will benefit from the listing of osilodrostat (Isturisa®), which would normally cost around \$119,000 per year of treatment.

Risankizumab (Skyrizi®) is being expanded to treat severe psoriatic arthritis. Around 3,500 patients accessed a comparable treatment through the PBS in 2024. Without subsidy, they might pay around \$27,000 per year of treatment.



Case study

Ritesh is 45 and lives in Launceston. She's currently taking the PBS medicine Estrogel® (estradiol) to treat her menopause. She has a Medicare card but isn't a concession cardholder.

Ritesh uses the gel daily, which means filling up to 12 prescriptions per year, currently costing her \$379.20 for her medication each year (\$31.60 per prescription).

When cheaper medicines get even cheaper from 1 January 2026, Ritesh will pay just \$25 per prescription, or \$300.00 each year for her medication, a saving of \$79.20.

Ritesh's medicine is also eligible for a 60-day prescription. If her doctor gives her a 60-day prescription, she'll save a further \$150 a year.