FEDERAL BUDGET SUBMISSION AUTOMATED INSULIN DELIVERY SUBSIDY

RECOMMENDATION 1

diabetes australia

ads Australian Diabetes Society

ADEA Your trusted partner in diabetes care

Breakthrough T1D™ Formerly JDRF

ADIPS Australasian Diabetes in Pregnancy Society

ANZSPED Australia and New Zealand Society for Paediatric Endocrinology and Diabetes

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Executive summary

Australians living with diabetes should have access to the technology they need to live well. The diabetes community has united in our advocacy on this issue, to ensure people living with diabetes can receive the right support and care.

More than 144,000 Australians are living with type 1 diabetes. The impact of this condition on an individual is profound. Food, exercise, stress and sleep all affect the day-to-day management of diabetes and creates a physical, emotional and psychological cost to the individual.

Diabetes (all types) contributes an estimated $14.2 billion impact[1] on the Australian health system. The annual cost to the economy in 2022 was forecast to grow to $45 billion per annum by 2050.[2]

Diabetes technologies can help reduce these individual and systemic costs.

In recent years significant advancements in diabetes technologies have substantially improved the lives of type 1 diabetes, particularly through the introduction of Automated Insulin Delivery (AID) systems.

AID systems help people living with type 1 diabetes to substantially improve their blood glucose levels while reducing the burden associated with managing their insulin. These systems provide real-time, precise insulin adjustments and are now the standard of care, offering clinical benefits as well as improved quality of life over traditional pumps or multiple daily injections (MDI).

Unfortunately, Australians living with type 1 diabetes do not have subsidised access to the insulin pumps that are a necessary component of an AID system.

This submission proposes targeted reforms that will deliver better outcomes for individuals, families, and the health system by increasing access to insulin pump subsidies.

The recommendation put forward is designed to improve affordability, equity, and access to modern technologies, while leveraging the trusted infrastructure of the National Diabetes Services Scheme (NDSS).

Together, the diabetes sector makes this recommendation to the Australian Government.

Recommendation 1:

***Agree to subsidise insulin pumps to increase access to* Automatic Insulin Delivery (AID), through the NDSS to an eligible population of 38,000 people with type 1 diabetes at a cost of $298.95 million over four years, from 2027 to 2030. Priority groups in the initial rollout include children and young adults under 21, people experiencing socioeconomic disadvantage, Aboriginal and Torres Strait Islander peoples, and people planning pregnancy or pregnant.**

A collaboration from the diabetes sector

Diabetes Australia, in collaboration with the diabetes sector, submitted a Pre-Budget Submission for the 2026-27 Federal Budget to improve access to diabetes technologies.

Endorsements

Automated Insulin Device (AID) systems help people living with type 1 diabetes to substantially improve their blood glucose while reducing the burden associated with managing their insulin. These systems provide real-time, precise insulin adjustments and are now the standard of care, offering far greater benefits than traditional pumps or multiple daily injections (MDI).

Recommendation 1 within the submission, to subsidise access to automated insulin device (AID) systems, has been formally endorsed by Diabetes Australia, Australian Diabetes Society (ADS), the Australian Diabetes Educators Association (ADEA), Australasian Diabetes in Pregnancy Society (ADIPS), Breakthrough T1D, Diabetes WA, Healthy Living NT, Diabetes Victoria and Diabetes SA. We acknowledge that, at the time of submission, several other organisations are progressing through their governance processes to consider endorsement, and we will update the endorsement list as these approvals are confirmed.

As a sector, we are united in providing the best possible outcomes for people living with diabetes.

Stakeholder engagement

In the development of this submission, sector working groups were convened with broad diabetes expertise, including health professionals, researchers, health insurers, industry and, most importantly, people living with type 1 diabetes in 2024 and 2025.

We acknowledge the insights and expertise of these groups, which has helped define the problem, consider the evidence, and develop recommendations to improve equitable access to diabetes management technologies for Australians living with diabetes. The outcome of this engagement represents a collaborative voice from the diabetes sector, presented through this submission.

Technology to support self-management in diabetes

Australia has a high rate of type 1 diabetes compared to many other countries globally. Type 1 diabetes affects an estimated 145,000 Australians[3]. Children aged 10–14 years' experience the highest incidence[4] (35/100,000) per annum. It is an autoimmune condition with no known prevention or cure.

In recent years significant advancements in diabetes management technology have improved quality of life and health outcomes for people living with type 1 diabetes.

Insulin pumps with CGM enable AID systems

An **Automated Insulin Delivery (AID) system** helps people living with type 1 diabetes to manage their blood glucose levels. It combines three parts:

- **An insulin pump** that delivers insulin
- **A Continuous Glucose Monitor (CGM) - a sensor** that tracks blood glucose levels in real time
- **Smart software** that calculates and adjusts insulin delivery as needed. As some actions are still needed by the person living with diabetes, current available systems are not fully automatic and are known as "hybrid closed loop".

At present the Australian Government funds CGMs for all people living with type 1 diabetes, Funding for insulin pumps would facilitate access to an AID system. These systems work increasingly like an artificial pancreas[5].

AID is the international standard of care in the management of type 1 diabetes

AID systems can transform diabetes care. These systems provide real-time, precise insulin adjustments in response to glucose levels measured continuously and now represent the standard of care[6] for people living with Type 1 diabetes, offering far greater benefits than traditional pumps or multiple daily injections (MDI).

AID systems reduce the frequency of severe hypoglycaemia (low blood glucose), enabling improved blood glucose management to reduce the risk of complications, as well as reducing costs associated with ambulance use, emergency department presentations and hospital admissions. AID also reduces elevated glucose levels which lead to long term complications by maximising the time that the person spends in the target blood glucose range. It can also reduce the fear of hypoglycaemia, diabetes-related distress and depressive symptoms. These benefits can be life changing for people living with type 1 diabetes.

- Improved diabetes management with AID systems contributes directly to addressing the cost of diabetes-related hospitalisations for individuals and the health system (recent Australian economic data indicates ~71.6% of diabetes costs stem from hospitalisations).
- Using AID helps people to self-manage their diabetes well, which reduces stress, supports good mental health and increase productivity.

Benefits to the individual and family

Research demonstrates that people living with type 1 diabetes can make up to 180 extra health related decisions each day, equating to over 65,000 extra decisions each year[7]. The mental load is further impacted by constant calculations, finger-pricks, and fear of sudden medical episodes compromising a person's functioning. These factors impact personal independence, and can make daily routine, such as education, work, socialisation, and self-care challenging. This impact also extends to those who care for people living with diabetes, for example parents who often manage their child's diabetes in addition to other family, work and social commitments.

AID case study



Holly's story

Holly was diagnosed with type 1 diabetes at six years of age, but it wasn't until she was 28 that she had her first ever full night of sleep. This was thanks to her Automated Insulin Delivery (AID) system.

AID systems combine insulin pumps and continuous glucose monitors, automating insulin delivery and improving quality of life.

Before having an AID system, Holly had a manual pump and a CGM.

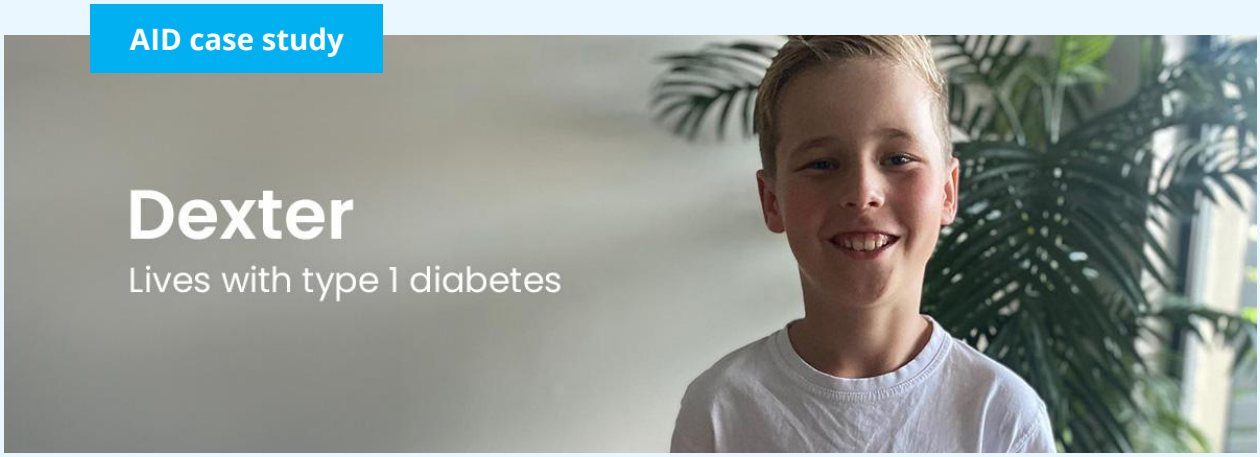
"You have all the information with the CGM… you can see what's happening minute to minute. But then I had to make all the treatment decisions," says Holly.

She found the heavy burden of constant decision-making overwhelming. It led to extreme levels of diabetes distress.

Fortunately, today, life looks a lot different for Holly thanks to her insulin pump.

"My life is so much easier on an automated insulin delivery system… when you transition to a system like this and you're no longer making these decisions; you have capacity to think about the other things in your life that aren't diabetes. And so, it's honestly life changing."

Holly feels extremely fortunate to be able to access her AID system through her private health insurance and strongly believes the current disparity in affordable access to diabetes technology needs to be addressed.



Dexter's story

"I am 11 years old and live with type 1 diabetes. I have been using a pump for nearly three years. Using a pump means I don't have to give myself a needle every time I want to eat. It also means I can be more independent from my parents. Now I know a bit more about how to use my pump I can spend time at friends' houses and go on school camps, all without having to worry about the needles, safety of needles, and the injections.

"At the moment I can have a pump because of Mum and Dad's health insurance (which is in excess of $600 per month). Sometimes I worry about what kind of job I will get because if I don't get a good job, I won't be able to afford the insurance I need for a pump.

"If the government make accessing a pump more affordable, I can grow up confident that I will have the option to choose the best care for myself, the care I want, whether it be needles or pump therapy. I also know lots of DiaBuddies who can't afford insurance and don't have a pump. It would be nice if they got access to one too."

In addition to quality-of-life impacts, there is a significant financial burden for people living with all types of diabetes who, on average, spend $4,000 per year managing their condition. Diabetes Australia research has also found that 66% of people living with all types of diabetes reported spending more on diabetes management now than five years ago, and 61% described the cost of accessing diabetes medicines and technology as their greatest challenge. The report also noted that people living with type 1 diabetes spend nearly twice as much as those living with other types of diabetes. This cost makes it hard to access essential diabetes technology.

AID case study



Ulla's story as a mum

Ulla's daughter, Patisepa, was diagnosed with type 1 diabetes when she was 9.

Her mum said the diagnosis was very hard for Patisepa mentally.

"She often didn't eat because she hated the finger-prick tests and worried the needle would break in her tummy or wherever she was injecting," Ulla said.

Despite the financial hardship, Ulla, a single working Mum with three children, joined the top tier of private medical insurance to get her daughter an insulin pump.

Patisepa's glucose levels and her health, both physical and mental, improved dramatically when she combined CGM and the pump.

"Our life is so much easier with a pump. Although it's very hard financially, it's worth it because I don't want Patisepa to just survive with diabetes. I want her to live her best life, and an insulin pump helps her do that."

Access to AID in Australia is mostly limited to people who can afford private health insurance

Australia is falling behind other countries when it comes to providing access to insulin pumps as a pathway to AID. Many countries began implementing subsidised access to insulin pumps over 15 years ago. Countries including New Zealand, the United Kingdom, Canada (by province), Japan, France, Scandinavia and Germany all offer publicly subsidised access to AID technology.

In the United Kingdom, insulin pumps are funded through the National Health Service (NHS) for people living with type 1 diabetes who struggle to reach target HbA1c levels. In addition, AID is available for people with type 1 diabetes who are under the age of 18, pregnant or planning pregnancy, or who are using either an insulin pump or CGM but are unable to prevent serious hypoglycaemia[8].

In 2022, the Australian Government expanded access to CGM for all people living with type 1 Diabetes. The positive impact of this move has already been observed. However, as of 2025, only around 30% of Australians living with type 1 diabetes can access an insulin pump (and therefore benefit from AID) through purchasing top-level private health insurance (PHI), or by self-funding. AID technology is costly for individuals (e.g. an $8,500 insulin pump lasting four years), putting it out of reach for many Australians with type 1 diabetes.

The Australian Government provides some subsidy for the use of this technology:

- Insulin Pump Consumables (IPCs) are subsidised through the National Diabetes Services Scheme. However, limiting insulin pumps to those who can afford top-level private health insurance or afford out-of-pocket costs worsens the inequities in government support and leaves many people behind.
- Australia also has a small, government-funded Insulin Pump Program (IPP), administered by Breakthrough T1D, that provides insulin pumps to children and young adults under 21 years of age with type 1 diabetes who meet financial and clinical eligibility requirements. The program in FY25/26 provides access to fully subsidised insulin pumps for up to 395 children, a reduction from FY24/25 of 694 subsidised insulin pumps. However, when they turn 21 their eligibility ceases and their access to pumps is dependent on self-funding or PHI when their current pumps reach the 4-year lifespan. This results in many children needing to return to less optimal care such as multiple daily injections with CGM.

Recommendation

It is within this context that we make the following recommendation to the Federal Government:

Agree to subsidise insulin pumps to increase access to **Automatic Insulin Delivery (AID), through the NDSS to an eligible population of 38,000 people with type 1 diabetes at a cost of $298.95 million over four years, from 2027 to 2030. Priority groups in the initial rollout include children and young people under 21 years of age, people experiencing socioeconomic disadvantage, Aboriginal and Torres Strait Islander peoples, and people who are planning pregnancy or are pregnant.**

Focused on driving clinical benefits and equitable access

Recognising budget pressures, this proposal recommends providing subsidies for priority populations over a staged roll-out. From a health equity perspective, these priority populations face higher risks and greater barriers to care. The proposed priority groups of people living with type 1 diabetes are (in no particular order):

- People planning pregnancy and those who are pregnant
- People under 21 years of age
- People with socio-economic disadvantage
- Aboriginal and Torres Strait Islander peoples[9]

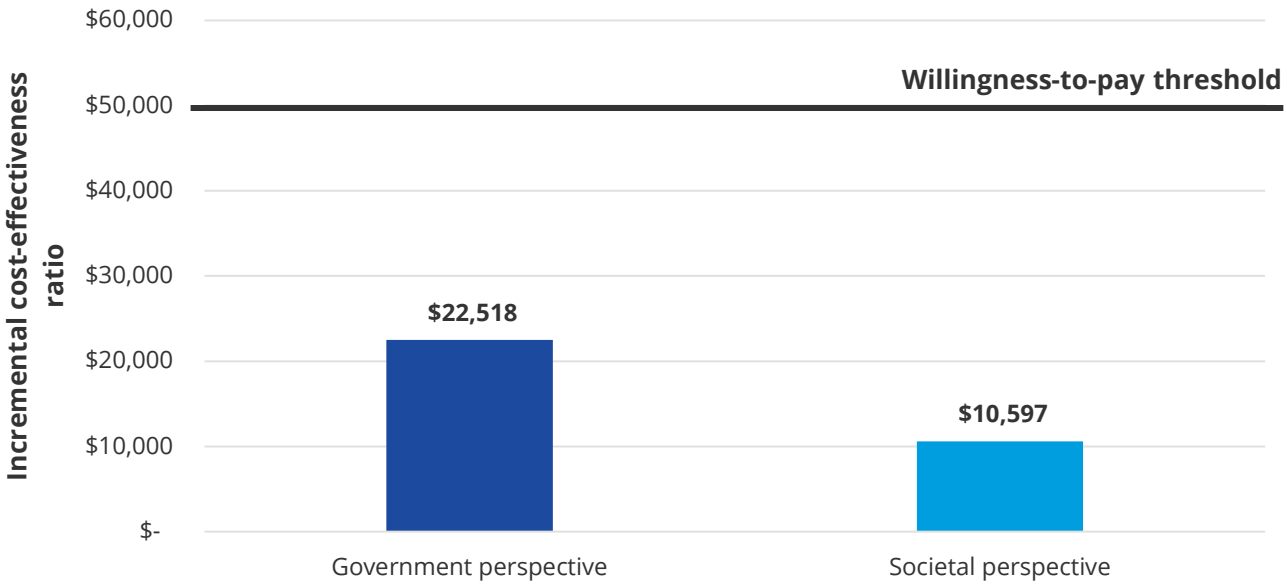
The recent Federal Parliamentary Inquiry into Diabetes supported this policy proposal. The Committee's report, tabled on 3 July 2024, states that "ensuring better access to this technology for all Australians must be a priority". Specifically, Recommendation 16 to government identified the need to explore expanding subsidised access to insulin pumps and therefore enabling AID for all Australians with type 1 diabetes. In the final report, the inquiry identified a gradual increase as a useful next step, a recommendation which has been followed in this proposal.

Subsidising AID is cost-effective for government

Subsiding insulin pumps to increase access to AIDs for an eligible population of 38,000 across four priority groups over 4 years (2027-2030) will provide benefits to individuals and government.

Adopting this policy now will enable government to expand to a universal program in future years. Our modelling shows that over the next 40 years, the AID program would be cost-effective for both government and the community, delivering health benefits and savings in return for the cost.

Chart 1. Incremental cost-effectiveness ratio of the proposed AID program, compared to current care



Source: Diabetes Australia estimates (2025)
Notes: Analysis uses a discount rate of 5% as per PBAC guidance.

Should this be adopted in future years, cost-benefit analysis shows that a future government funded AID program is projected to deliver $4.28 billion in net benefits over the period 2027 to 2066, equal to a return on investment for the Australian society of $3.33 in benefits for each dollar invested.

Table 1 Note: The economic modelling for AID and consumables was based on full recommended retail price (RRP).

Table 1: Forecasted policy impacts over the next 40 years (discounted impacts)

	Recommendation (AID)
Costs	
Total policy cost	**$1,840.51 million**
Benefits	
Released health care sector capacity	**$888.14 million**
a) Avoided hospitalisations, Emergency Department visits and ambulance costs	*$770.02 million*
b) Avoided out-of-hospital care	*$118.12 million*
Increased workforce productivity	**$459.38 million**
a) Avoided absenteeism	*$70.28 million*

b) Avoided workforce exits	*$389.09 million*
Avoided informal care costs	**$79.65 million**
Improved quality of life	**$4,694.20 million**
Total policy benefits	**$6,121.41 million**
Net benefits	
Net benefits to society *(Benefits minus costs)*	**$4,280.89 million**
Benefit-cost ratio *(Benefits divided by costs)*	**3.33**

Notes: Figures are discounted at 5% per annum. Policy costs are calculated using retail prices for consumables.

Estimated cost to the federal government

The estimated cost to the federal government of the initial targeted roll-out of this proposal:

Time period	2027-30
Cost outlay	$312.8 million
Cost savings	-$13.86 million
Net cost	**$298.95 million**

Notes: All values are expressed in real 2025 dollars.

Cost estimates are based on:

- A targeted initial roll-out (2027-2030) for **priority populations.**
- A **brand-agnostic** approach, meaning the subsidy applies to eligible systems that meet agreed clinical and technical standards rather than specific brands.
- The government paying the current full **market rate** for insulin pumps, noting it will be up to government to negotiate a final price point for insulin pumps.
- Priority populations receiving **fully-subsidised** insulin pumps with no co-payment.
- An **uptake curve** with priority group uptake converging to 67% by 2030.
- **Delivery model and administrative arrangements** leveraging existing NDSS infrastructure for registration and supply, complementing and integrating with current

arrangements for insulin pump consumables and continuous glucose monitoring for people living with type 1 diabetes.

- **Workforce support** for the initiation of AID systems, which requires a series of interactions between the healthcare professional and the person with diabetes over six to 12 weeks, from pre-pump/AID education to stabilisation, and ongoing monitoring and support. This support requires the funding of five consultations in the first year with Credentialled Diabetes Educators (CDEs), together with guidelines and a national training program for the health workforce. Coordination across federal, state and territory health systems will enable the health system to be ready for increased uptake of AID systems.
- A formal and embedded **evaluation** to inform any further expansion of access.

[1] Asiamah-Asare, B. K. Y., Randall, S., Mnatzaganian, G., Varhol, R., Lee, C. M. Y., Chai, K., Boyd, J., Cowen, G., Shakya, S., Gao, L., & Robinson, S. (2025). The economic impact of diabetes: Assessing incremental direct costs in Australia using linked administrative data. Diabetes & Metabolic Syndrome: Clinical Research & Reviews, 19(9), 103302. https://doi.org/10.1016/j.dsx.2025.103302.

[2] Diabetes Australia. (2022). *Change the Future: Reducing the impact of the diabetes epidemic*. https://www.diabetesaustralia.com.au/wp-content/uploads/Diabetes-Australia-Report-2022_Change-the-Future_1.0.pdf

[3] https://www.ndss.com.au/about-diabetes/diabetes-facts-and-figures/australian-diabetes-map/

[4] Diabetes Australia. (2025). *Equitable Access to Diabetes Technology* (p. 15). https://www.diabetesaustralia.com.au/wp-content/uploads/2024-Diabetes-Australia-Position-Statement-Equitable-Access-to-Diabetes-Technology-summary.pdf

[5] Diabetes Australia (2024). *Equitable Access to Diabetes Technology*. https://www.diabetesaustralia.com.au/wp-content/uploads/2024-Diabetes-Australia-Position-Statement-Equitable-Access-to-Diabetes-Technology.pdf

[6] Consensus Statement on Automated Insulin Delivery for Type 1 Diabetes in Australia. https://www.change.org/p/make-automated-insulin-delivery-affordable-for-all-australians-with-type-1-diabetes/u/32728614

[7] Diabetes Australia. (2023, September 4). *The challenges of diabetes*. https://www.diabetesaustralia.com.au/blog/the-challenges-of-diabetes/#:~:text=It%27s%20estimated%20that%20people%20living,your%20physical%20and%20mental%20wellbeing

[8] National Health Service. (2024, October 31). *Treatment for type 1 diabetes*. NHS UK. https://www.nhs.uk/conditions/type-1-diabetes/treatment/

[9] Implementation should be co-designed with Aboriginal and Torres Strait Islander peoples and community-controlled health services to ensure culturally safe models of access, education, and follow-up.