

Federal Budget Submission: Automatic Insulin Delivery (AID) Systems

Recommendation 1: Subsidise insulin pumps to increase access to Automatic Insulin Delivery (AID) systems, 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.

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. More than 145,000 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.

Automatic Insulin Delivery (AID) delivers extensive benefits

Diabetes technologies can help reduce 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. This 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).

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

Our proposal focuses on driving clinical benefits and equitable access

Recognising budget pressures, this proposal recommends providing subsidies for priority populations (2027) 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 are:

- People planning pregnancy and those who are pregnant (1,281 people)
- People under 21 years of age (19,410 people)
- People with socio-economic disadvantage (13,735 people)
- Aboriginal and Torres Strait Islander peoples (3,976 people).

The recent Federal Parliamentary Inquiry into Diabetes supported this policy proposal. The Committee’s report, 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 T1D. In the final report, the inquiry identified a gradual increase as a useful next step, a recommendation followed in this proposal.

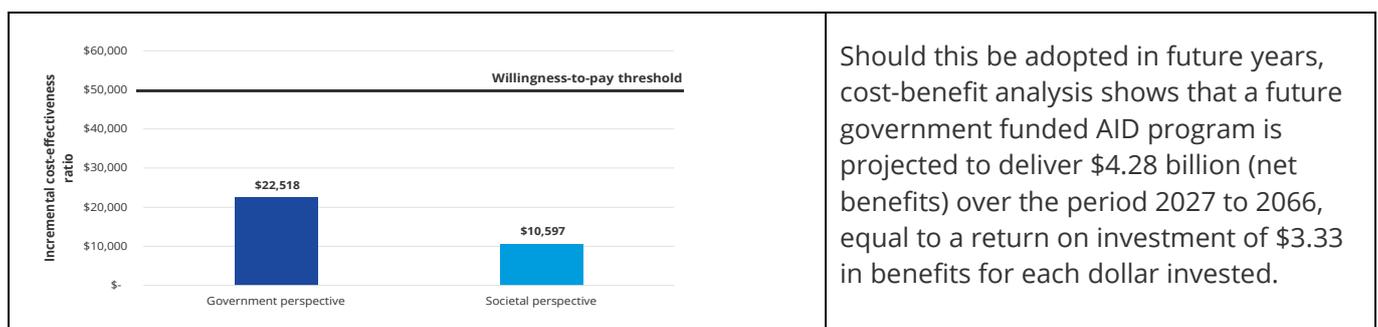
Estimated cost to the federal government

Table 1: Estimated cost to federal government over 4 years (2027-2030)	4-year cost
Total cost for roll out	\$ 298.95 million
Total product cost (including consumable cost-savings) <small>*Note due to overlap between cohorts, individual cohort costs add up to more than the total product cost</small>	\$282.7 million
People planning pregnancy and those who are pregnant (1 281 people)	\$25.0 million
People under 21 years of age (19 410 people)	\$169 million
People with socio-economic disadvantage (13 735 people)	\$88.4 million
Aboriginal and Torres Strait Islander peoples (3 976)	\$29.6 million
Implementation costs	
Workforce, NDSS service and evaluation costs or IPP replacement cost-savings	\$16.25 million

Subsidising AID is cost-effective for government

Subsidising 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



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 (net benefits) over the period 2027 to 2066, equal to a return on investment of \$3.33 in benefits for each dollar invested.

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