FEDERAL BUDGET SUBMISSION CONTINUOUS GLUCOSE MONITORS SUBSIDY

RECOMMENDATION 2

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 equitable access to the evidence-based technologies that support safe, effective self-management and reduce avoidable complications.

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 1.3 million Australians are living with type 2 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 create a physical, emotional and psychological cost to the individual. People with diabetes spend an average of $4,000 annually managing their condition, before the added costs of any complications.[1]

Diabetes (all types) contributes an estimated $14.2 billion impact[2] on the Australian health system. The annual cost to the economy in 2022 was forecast to grow to $45 billion per annum by 2050.[3]

Diabetes technologies can help reduce these personal and health system costs.

In recent years significant advancements in diabetes technologies have substantially improved the health of those living with diabetes, particularly with the introduction of the continuous glucose monitoring (CGM) device. These are wearable medical devices that track glucose levels continuously through the day and night and improve diabetes self-management and quality of life for users.

Currently, Australian Government subsidies for CGM devices are only available for people living with type 1 diabetes. These devices are still unaffordable for many people living with type 2 and other types of diabetes who require insulin.

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

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

Together, Diabetes Australia and the broader diabetes sector make this recommendation to the Australian Government.

Recommendation 2:

Agree to subsidise continuous glucose monitoring (CGM), through the NDSS, to an eligible population of 16,000 people with type 2 diabetes and 'other' forms of diabetes who require multiple daily insulin injections at a cost of $106.48 million over four years, from 2027 to 2030. Groups to be prioritised for subsidised CGM should include people with 'other' types of insulin treated diabetes such as type 3c, people with type 2 diabetes who are health care card holders, Aboriginal and Torres Strait Islander peoples with type 2 diabetes, under 21s with type 2 diabetes, and women with type 2 diabetes planning pregnancy through to six months post birth.

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.

Recommendation 2 within the submission, to improve access to continuous glucose monitors, has been formally endorsed by Diabetes Australia, the Australian Diabetes Society, the Australian Diabetes Educators Association, the Australasian Diabetes in Pregnancy Society, Diabetes SA, Diabetes Victoria, Diabetes WA and Healthy Living NT. 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 our commitment to providing the best possible outcomes for people living with diabetes.

Stakeholder engagement

In the development of this submission, sector working groups were convened with appropriate broad expertise, including health professionals, researchers and policymakers, with consultation with health insurers, industry and, most importantly, people living with type 2 and other forms of diabetes in 2024 and 2025.

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

Technology to support self-management in diabetes

Australia is in the midst of a type 2 diabetes epidemic. There are currently around 1.3 million Australians diagnosed with type 2 diabetes, and an estimated 500,000 who remain undiagnosed and unaware. The number of Australians living with type 2 diabetes has more than tripled in the past 30 years from 379,000 in 1990[4]. There are also around 13,000 people diagnosed with 'other' rare types of diabetes, such as Maturity-Onset Diabetes of the Young, latent autoimmune diabetes in adults, pancreatic diabetes and Cystic Fibrosis Related Diabetes (CFRD)[5].

Type 2 diabetes is a chronic condition where the body doesn't produce enough insulin in the presence of insulin resistance, leading to elevated glucose levels. Acute diabetes-related complications include hyperosmolar hyperglycaemic state (HHS) and hypoglycaemia, both requiring immediate medical attention, and higher risk of infections. As people live longer with diabetes, it can lead to serious complications, including heart disease, kidney disease, blindness, foot disease and amputations and significant mental health challenges[6].

For the purposes of this submission, other forms of diabetes are those other than type 1, type 2 or gestational diabetes, incorporating a collection of conditions that, similarly, to type 1 diabetes, require treatment with insulin. These include specific genetic, autoimmune and structural conditions that impair insulin production or function.

Continuous glucose monitoring devices

Continuous Glucose Monitoring (CGM) devices are wearable medical devices that track glucose levels continuously through the day and night. These devices consist of a sensor which consistently measures glucose levels; a transmitter that sends glucose readings wirelessly to a display device; and the display device (receiver or smartphone) which shows glucose levels in real-time, with glucose trends and high and low glucose alerts.

CGMs measure glucose every 1-5 minutes, providing continuous information about a person's glucose levels. In addition to being visible to the user themself, CGM data can be shared (with consent) with health professionals, family members, compatible third-party apps and devices, and other secure cloud-based services.

The use of CGMs provides real-time feedback on how food, exercise and medication affect glucose levels. This visibility helps people connect their actions to outcomes and enhances motivation for change and management[7].

As well as acting as a behaviour modification tool, CGMs can improve ongoing self-management, reduce diabetes distress and assist healthcare professionals in making therapeutic decisions.

The benefits are extensive

Evidence indicates that CGM can deliver clinically meaningful benefits for people living with insulin-treated type 2 diabetes and other insulin-dependent forms of diabetes, including improved glycaemic outcomes and quality of life, with potential reductions in acute events and long-term complications.

Behavioural and Engagement Benefits

- *Positive Lifestyle Changes:* CGM encourages positive changes to diet and physical activity plans through real-time feedback.
- *Enhanced Self-Efficacy:* Increased sense of control and active engagement in diabetes management, leading to better long-term outcomes.

Quality of Life Benefits

- *Lower Diabetes Distress*: CGM use improves emotional wellbeing, reduces fear of hypoglycaemia, and enhances confidence in self-management.
- *Greater Convenience*: Eliminates frequent painful finger-prick tests, saves time (diabetes self-management can take >2 hours/day) and supports self-management.
- *Improved Daily Functioning*: Users report better sleep, mood stability, and ability to meet work and family responsibilities.

Clinical Benefits

- *Improved Glycaemic Management:* CGM provides real-time glucose data, increasing time spent in a healthy glucose range (time-in-range) and reducing glycaemic variability – key predictors of complications such as retinopathy, neuropathy, and renal and cardiovascular disease. In pregnancy, improved glycaemic control is associated with reduced risk of adverse maternal and neonatal outcomes (including congenital malformations).
- *Reduced Hypoglycaemic Events:* Continuous monitoring linked to alarms help prevent severe lows, reducing hospital admissions and ambulance call outs.
- *Better Decision-Making:* CGM enables dynamic feedback for people living with diabetes and clinicians, supporting personalised adjustments beyond HbA1c measures.

System-Level Benefits

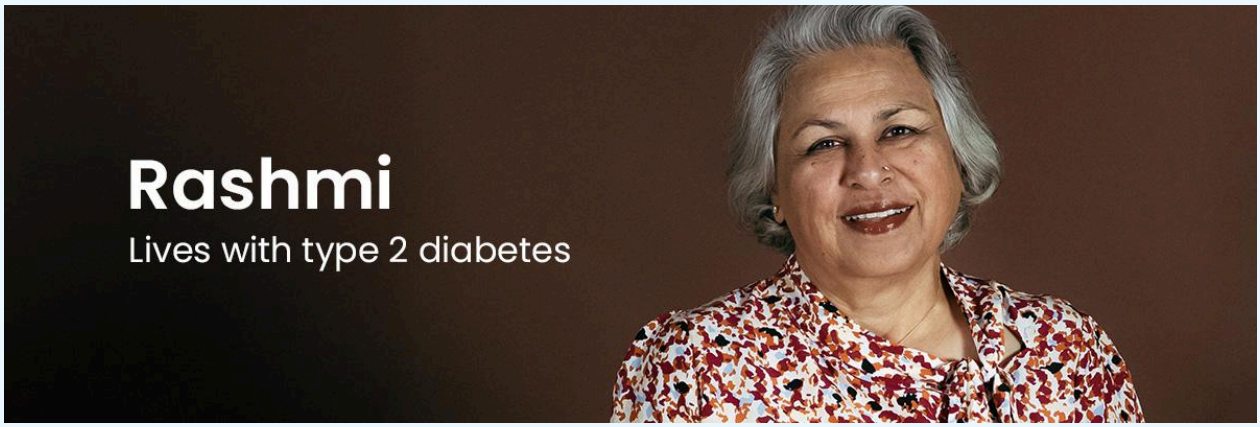
- *Reduced Healthcare Costs:* Healthcare consultations are more timely and effective; there are fewer hospitalisations and complications which free up health system capacity.
- *Supports Telehealth:* Real-time data sharing enables virtual consultations, improving access to healthcare for rural and remote communities.

Equitable access is currently limited by cost

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, for people living with type 2 and 'other' types of diabetes, access is only possible for those who can afford it. With continuous use, CGMs cost between $2,000 and $4,000 annually.

Lived experience cases



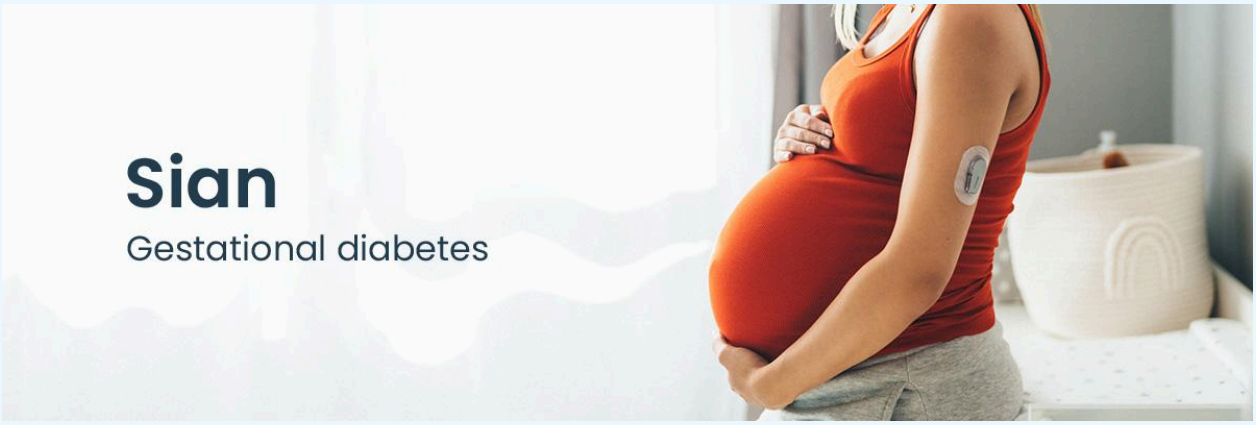
Rashmi's story

"Through my (type 2 diabetes) journey I discovered that my body reacts differently to different foods and my glucose levels vary not just with food intake, but the lack of it too. A reliable CGM would be invaluable as an aid to motivate and keep those glucose levels steady, but the lack of funding makes it prohibitive.

CGM is something that is potentially lifesaving for people who want to manage their blood glucose to as near normal without risking hypoglycaemic episodes. The costs are currently prohibitive and there is no help for people with type 2 diabetes or people who deal with hypoglycaemia to gain access to these.

I can no longer closely monitor my glucose as my fingers are sore and the will to constantly check wanes. I often wake up with lows and have to take glucose which inevitably leads to me feeling unwell for the whole day.

Being able to access CGM would be huge. It would mean I could more closely monitor my glucose levels and titrate the insulin dose without needing to bother my GP, and function better overall."



Sian's story

"I fell pregnant with my first daughter in 2002 while living in a remote Aboriginal community in Western Australia. Due to limited access to healthcare, I moved to Darwin to receive better support. During that pregnancy, I was diagnosed with gestational diabetes (GDM), which was controlled through diet. I had two more healthy pregnancies in 2005 and 2006, both cleared for diabetes through the oral glucose tolerance test. However, I was later diagnosed with type 2 diabetes in 2014.

In 2018, I found out I was pregnant again, this time with type 2 diabetes. I felt overwhelmed with the information and process, as diabetes became my second job.

I had to constantly monitor my blood sugar levels and learn how to administer and adjust insulin. It was hard for me, considering the potential negative outcomes if I failed to manage my diabetes properly. As a mother, it was my responsibility to take control of my diabetes and ensure that I grew a healthy baby who would be strong.

The first trimester of my pregnancy was the toughest stage for me as I was constantly worried about my baby's health and safety. I felt alone and would have liked more support from clinicians. It felt like I was just given insulin and told to manage my diabetes without anyone asking how I was doing. Fortunately, by the 20-week mark, I received a flood of support. The support and guidance from my hospital diabetes team were invaluable, without them I wouldn't have had a healthy baby.

Throughout my pregnancy, I had to prick my finger four or more times every day as well as injecting insulin before every meal. When you're working and looking after a family, this is such a challenge. Our mob, especially out in remote communities, find it really hard to do the sugar checks. Access to CGM would make the world of difference to women who live with type 2 diabetes and are pregnant or planning pregnancy, to ensure they and their baby stay healthy and strong."

John's story

John, 55, was diagnosed with type 2 diabetes about six years ago. A heavy vehicle operator, John's condition was extremely serious when eventually diagnosed and he was told by doctors in emergency that he had probably lived with diabetes for many years.

"I've been on insulin since I was diagnosed but I couldn't bring my glucose levels back into a healthy range. Flash glucose monitoring (a type of CGM) has changed my life and health," John said.

"I understand a lot more about what affects my glucose levels now, especially with my food choices, so I know what to do to be healthier.

"I fully support the Federal Government helping us to access this technology.
It helped me a lot."

Health Professional perspectives

Elizabeth Watkins

Clinical Nurse Manager and Diabetes Educator, Royal Darwin Hospital (Speaking 7 March 2024 during the Parliamentary Inquiry into Diabetes in Australia – Darwin public hearing)

Type 3C

"Certainly, the high-risk group that we would really love to see the NDSS subsidy expand to is pancreatic type 3c diabetes, because it's quite difficult to manage - almost even harder than type 1 diabetes to manage, in a way - because of the destruction of the alpha cells in the pancreas. They have hypoglycaemia, or they are more prone to hypoglycaemia, and they lose that awareness of the warning signs as well."

***P*lanning pregnancy with type 2 diabetes**

"We have to ask them to check their sugar levels first thing in the morning - before they have breakfast, lunch and dinner - two hours after they have breakfast, lunch and dinner, before bed and sometimes overnight. It's so much. It's such a lot. It hurts, it's inconvenient and it's not nice to go through. That will also help the baby to not be exposed to such high glucose levels in utero. This affects the baby's health outcomes too."

***Being aged u*nder 21**

"This is also a strong and powerful educational tool for the kids to see on their phones or their readers that after they have a can of Coke their sugars are sky high. They're often so shocked, and that's enough for them just to use that as an educational tool to see what happens when they're choosing to eat that kind of food and drink. It's really incredible and amazing, especially at diagnosis for kids to really see and understand what diabetes is doing to them."

Cheryl Sanderson

Clinical Diabetes Educator/Diabetes Nurse Executive, Mala'la and Red Lily Aboriginal Community Controlled Health Services in West Arnhem land.

"In the remote Aboriginal communities where I work, there's a lot of fear and shame about living with diabetes and that can negatively impact diabetes management.

For women planning a pregnancy, CGMs are a game-changer. They provide a clear blood glucose profile, helping women to improve their levels before becoming pregnant. That means better health for mum and bub. I've seen how devastating uncontrolled glucose can be during pregnancy, and I've also seen how quickly things improve when women have access to CGM data. This is not just about numbers; it's about giving women the tools to care for their own health and their baby's health.

The hardest part is that these devices aren't funded for ongoing use, so access is limited. We often have to ration them, which means people miss out. It also makes it hard to build a person's confidence in using the technology.

When CGMs are used, the results are powerful. Nurses and diabetes educators can collaborate more effectively with midwives and dietitians, tailoring advice based on real-time data. Even fly-in fly-out healthcare teams benefit because the data travels with the patient. This is the future of diabetes care—though I'll admit, the administrative workload is heavy.

I've seen the difference CGMs make. They turn fear into knowledge and give people with type 2 diabetes better control over their health. Women with type 2 diabetes who are planning pregnancy should absolutely have cheaper access to them."

Pictured: Cheryl Anderson, CDE and Dr Matthew Hare, Endocrinologist.

Recommendation

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

Agree to subsidise continuous glucose monitoring (CGM), through the NDSS, to an eligible population of 16,000 people with type 2 diabetes and 'other' forms of diabetes who require multiple daily insulin injections at a cost of $106.48 million over four years, from 2027 to 2030. Groups to be prioritised for subsidised CGM should include people with 'other' types of insulin treated diabetes such as type 3c, people with type 2 diabetes who are health care card holders, Aboriginal and Torres Strait Islander peoples with type 2 diabetes, under 21s with type 2 diabetes, and women with type 2 diabetes planning pregnancy through to six months post birth.

Focused on driving clinical benefits and equitable access

Recognising government budget pressures, this proposal recommends granting access to CGM devices for five priority populations. From a health equity perspective, these priority populations face higher risks and greater barriers to care.

In using these criteria, the populations are (in order of priority):

- Women with type 2 diabetes planning pregnancy through to six months post birth
- People with other forms of diabetes requiring multiple daily injections including type 3c – conditions similar to type 1 diabetes
- People with type 2 diabetes who are health care card holders requiring multiple daily injections
- Aboriginal and Torres Strait Islander people with type 2 diabetes requiring multiple daily injections a basal bolus regimen
- People with type 2 diabetes under 21 years of age requiring multiple daily injections

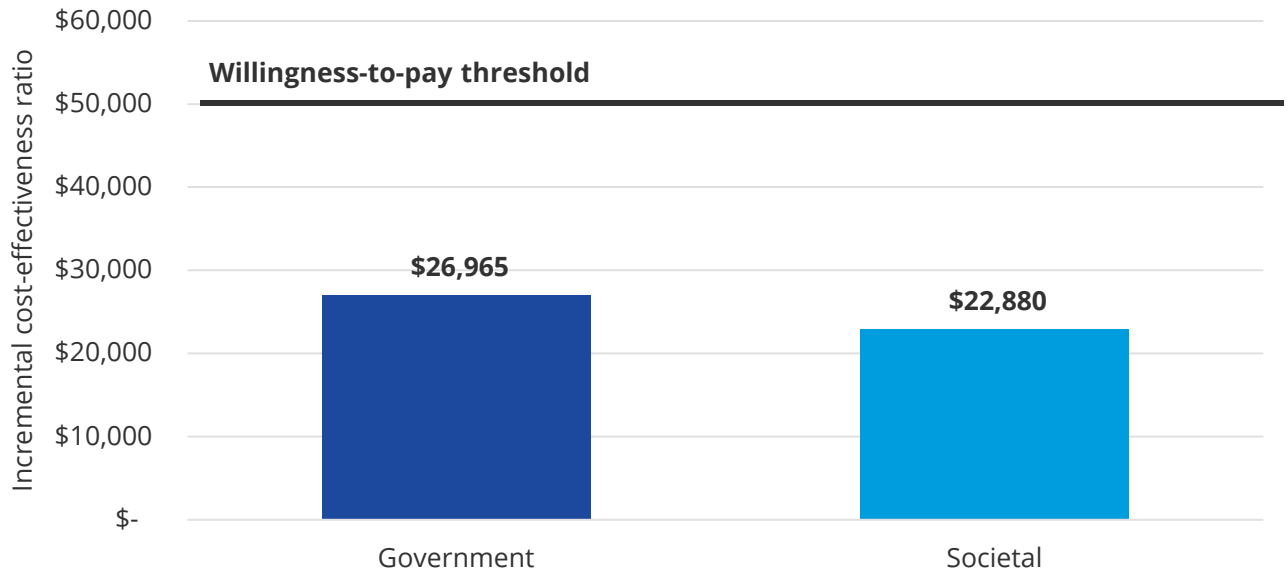
For the purposes of this submission, 'other forms of diabetes' refers to diagnoses other than type 1 diabetes, type 2 diabetes, and gestational diabetes, where ongoing insulin therapy is required due to impaired insulin secretion and/or action. This includes specific genetic, autoimmune and pancreatic conditions.

Together, the eligible populations equate to approximately 16,000 people in 2027, of which an expected take-up rate would reach 70% or 12,700 people by 2030.

Subsidising CGMs is cost effective for government

Our modelling shows that over the next 40 years, the proposed CGM program would be cost-effective for both government and the community, delivering health benefits and savings in return for the cost. (Chart 1Chart 1. Incremental cost-effectiveness ratio).

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



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

Should the program be adopted in future years, cost-benefit analysis shows that it will deliver net benefits to the Australian society, valued at $1.13 billion over the period 2027 to 2066, equal to a return on investment for the Australian society of $2.69 in benefits for each dollar invested (Table 1).

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

	Recommendation (CGM)
Costs	
Total policy cost	**$641.95 million**
Benefits	
Released health care sector capacity	**$339.78 million**
a) Avoided hospitalisations, maternal and neonatal hospital costs, Emergency Department visits and ambulance costs	*$302.40 million*
b) Avoided out-of-hospital care	*$37.37 million*
Increased workforce productivity	**$55.07 million**
a) Avoided absenteeism	*$11.01 million*
b) Avoided workforce exits	*$44.05 million*
Avoided informal care costs	**$11.28 million**
Improved quality of life	**$1,318.82 million**
Total policy benefits	**$1,724.94 million**
Net benefits	
Net benefits to society *(Benefits minus costs)*	**$1,082.99 million**
Benefit-cost ratio *(Benefits divided by costs)*	**2.69**

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 (4-year cost)
Unique people subsidised in 2030^	12,700 of an eligible 16,000
Cost outlay	
Overall Costs:	$121.58 million
Cost savings	
Consumable cost savings	-$15.09 million
Net costs	
Total cost	**$106.48 million**

Notes: ^The total number of unique people that receive access to a CGM over the period 2027-2030 is 18,492. This is higher than the number of people subsidised in 2030 as some individuals are assumed to discontinue use due to mortality, cessation of technology, or temporary circumstances such as pregnancy.

Cost estimates are based on:

- A targeted rollout (2027-2030) for **priority populations.**
- A **brand-agnostic** approach, meaning the subsidy applies to eligible technology that meets agreed clinical and technical standards, rather than specific brands.
- The government paying current market rate for CGMs, noting it will be up to government to negotiate a final price point for CGMs.
- Priority populations receiving a **fully subsidised** CGM with no co-payment.
- An **uptake trajectory** that converges to 70% within the first four years of eligibility for the target population.
- **Delivery model and administrative arrangements** leveraging existing NDSS infrastructure which complements and integrates with current arrangements for continuous glucose monitoring for people living with type 1 diabetes. The NDSS provides an established national infrastructure for eligibility verification, registration, product supply and governance, enabling a scalable and equitable rollout while minimising administrative overhead.
- **Workforce support** for the use of CGM devices to ensure the technology is used optimally, covering device selection and initiation, sensor insertion and troubleshooting, understanding glucose data and alerts, sick day management and safety protocols, digital literacy and app use, and optimisation and ongoing support. This training and support will be achieved through funding five consultations in the first year with Credentialled Diabetes Educators (CDEs) in primary care and as part of a multidisciplinary team, together with appropriate training for the health workforce and referral pathways.
- A formal and embedded **evaluation** to inform any further expansion of access.

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