



Australian Government
Department of Finance
The Treasury

PUBLIC RELEASE OF 2022 ELECTION COMMITMENT COSTING

Name of proposal costed:	
Costing Identifier:	COA 003
Summary of costing:	<p>This costing outlines the financial implications of expanding the Continuous Glucose Monitoring (CGM) Initiative so that all people with type 1 diabetes (T1D) would be eligible for subsidised CGM. People in this expanded cohort would be required to make a co-payment to access this scheme.</p> <p>Those who are currently eligible for subsidised CGM devices are:</p> <ul style="list-style-type: none">• children and young people, under 21 years of age, with T1D;• people with T1D aged 21 years or older who have concessional status;• women with T1D who are planning for pregnancy, pregnant or immediately post-pregnancy; and• children and young people with conditions very similar to T1D, who require insulin. <p>The expansion of the initiative would have no impact on people currently receiving subsidised CGM devices.</p> <p>This costing also includes of the costs of expanding eligibility for the Insulin Pump Program (IPP) from 18 to up to 21 years of age.</p>
Ongoing or Terminating (including date)^(a)	Ongoing Start date: 1 July 2022
Person making the request:	Prime Minister.
Date costing request received:	22 April 2022.
Date of public release of policy:	17 April 2022.
Date costing completed:	29 April 2022
Additional information requested (including date):	Not applicable.
Additional information received (including date):	Not applicable.

(a) Ongoing policies continue indefinitely (until a decision is made to cease or alter the program). Terminating measures end on a date set out in the initial policy and a further decision is required to continue the program beyond this date.

Financial implications (outturn prices)^(b)

Impact on	2021-22	2022-23	2023-24	2024-25	2025-26
Underlying Cash Balance (UCB) (\$m)	0.0	-57.8	-64.7	-71.8	-78.9
Fiscal Balance (\$m)	0.0	-57.8	-64.7	-71.8	-78.9

(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 positive number for the UCB indicates an increase in revenue or a decrease in expenses or net capital investment in cash terms.

Where relevant, state that the proposal has been costed as a defined or specified amount.

Not applicable.

Where relevant, include separate identification of revenue and expense components.

	2021-22	2022-23	2023-24	2024-25	2025-26
Expense	0.0	-69.3	-77.6	-86.1	-94.6
Revenue	0.0	11.5	12.9	14.3	15.7

UCB and FB impacts are the same.

Where appropriate, include a range for the costing or sensitivity analysis.

Not applicable.

Qualifications to the costing (including reasons for the costing not being comprehensive).

Not applicable.

Where relevant, explain effects of departmental expenses.

Not applicable.

Where relevant, explain the reason for any significant differences between the assumptions specified in a party costing request and those used in a Treasury or Finance costing.

Not applicable.

Other comments (including reasons for significant differences between the estimated impact on the fiscal and underlying cash balances).**Where relevant, include an explanation of the medium-term implications of the proposal.^(c)**

Not applicable.

(c) Information on the medium term implications will be provided if the cost of the policy is expected to be significantly different beyond the forward estimates period. The medium term is considered to be the 7 years after the current forward estimates.

Background information

Costing methodology used:

This costing was derived using the following inputs and assumptions:

- The current population of Australians registered for the National Diabetes Support Scheme (NDSS) who are not presently eligible for the CGM.
- Additional participants will have access to all devices currently available through the CGM Initiative and will take up those devices in the same proportions as current scheme participants.
- A reduction in revenue to the NDSS, as this proposal will result in a reduction in revenue received from co-payments for blood glucose test strips (BGTS).
- New participants will contribute a co-payment of \$390 per person annually, based on an amount of \$15 per fortnight currently payable for BGTS.
- The expansion of the IPP will provide an additional 35 pumps per year. This has costs of \$6,400 per insulin pump, \$2,254 for insulin consumables and \$150 in reduced costs from less usage of needles and syringes.
- \$170,000 will be provided to Diabetes Australia to support implementation.

Statistical data used

The population used for this is based on the current number of National Diabetes Support Scheme (NDSS) registrants.

Behavioural assumptions used (as appropriate):

Not applicable.

Attachment A – Expansion of the Continuous Glucose Monitoring Initiative – financial implications

Table A1: Expansion of the Continuous Glucose Monitoring Initiative – Fiscal and underlying cash balances (\$m)^(a)

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Revenue													
<i>Non-tax revenue</i>	11.5	12.9	14.3	15.7	17.2	18.6	20.1	21.5	22.8	23.3	23.4	54.4	201.3
Total – revenue	11.5	12.9	14.3	15.7	17.2	18.6	20.1	21.5	22.8	23.3	23.4	54.4	201.3
Expenses													
<i>Administered expenses</i>	-69.3	-77.6	-86.1	-94.6	-103.2	-111.9	-120.6	-129.3	-136.8	-140.2	-140.7	-327.6	-1,210.3
Total – expenses	-69.3	-77.6	-86.1	-94.6	-103.2	-111.9	-120.6	-129.3	-136.8	-140.2	-140.7	-327.6	-1,210.3
Total (excluding PDI)	-57.8	-64.7	-71.8	-78.9	-86.0	-93.3	-100.5	-107.8	-114.0	-116.9	-117.3	-273.2	-1,009.0

(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. 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.

Table A2: Expansion of the Continuous Glucose Monitoring Initiative – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances (\$m)^{(a)(b)}

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
<i>Fiscal balance</i>	-0.7	-2.1	-3.7	-5.4	-7.5	-10.0	-13.0	-16.5	-20.5	-25.1	-30.5	-11.9	-135.0
<i>Underlying cash balance</i>	-0.6	-1.9	-3.5	-5.2	-7.3	-9.7	-12.6	-16.1	-20.0	-24.5	-29.9	-11.2	-131.3

(a) As this table is presented as a memorandum item, these figures are not reflected in the totals in the table 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.

² [Online budget glossary – Parliament of Australia \(aph.gov.au\)](https://aph.gov.au)