



Policy costing

Subsidising glucagon-like peptide 1 receptor agonist drugs (GLP-1 RAs) on the Pharmaceutical Benefits Scheme (PBS) for obesity and individuals with type 2 diabetes requiring intensive insulin therapy	
Person/party requesting the costing:	Dr Mike Freeland MP
Date costing completed:	4 April 2024
Expiry date of the costing:	Release of the next economic and fiscal outlook report.
Status at time of request:	Submitted outside the caretaker period
	<input checked="" type="checkbox"/> Confidential – <i>Authorised for public release on 24 June 2024</i> <input type="checkbox"/> Not confidential
<p>Summary of proposal:</p> <p>The proposal would subsidise GLP-1 RAs on the PBS for people who are obese and people with type 2 diabetes requiring intensive insulin therapy.</p> <ol style="list-style-type: none"> 1. Fully subsidise the patient PBS co-contribution for all GLP1-RAs available in Australia for people with type 2 diabetes requiring intensive insulin therapy 2. Fully subsidise the patient PBS co-contribution for all GLP1-RAs available in Australia for people with type 2 diabetes and who are obese requiring intensive insulin therapy. 3. Fully subsidise the patient PBS co-contribution for all GLP1-RAs available in Australia for people with type 2 diabetes, with or without requiring intensive insulin therapy. 4. Fully subsidise the patient PBS co-contribution for all GLP1-RAs available in Australia for people with type 2 diabetes and who are obese, with or without requiring intensive insulin therapy. 5. Partially subsidise (50%) the patient PBS co-contribution for all GLP1-RAs available in Australia for people with type 2 diabetes requiring intensive insulin therapy. 6. Partially subsidise (50%) the patient PBS co-contribution for all GLP1-RAs available in Australia for people with type 2 diabetes and who are obese requiring intensive insulin therapy. 7. Partially subsidise (50%) the patient PBS co-contribution for all GLP1-RAs available in Australia for people with type 2 diabetes, with or without requiring intensive insulin therapy. 8. Partially subsidise (50%) the patient PBS co-contribution for all GLP1-RAs available in Australia for people with type 2 diabetes and who are obese, with or without requiring intensive insulin therapy. <p>The proposal would commence from 1 July 2025.</p>	

Costing overview

The options in this proposal would be expected to decrease the fiscal balance by between around \$1.1 million and \$55.6 million, and the underlying cash balance by between \$1.1 million and \$54.4 million over the 2023-24 Budget forward estimates period (Table 1). This reflects an increase in administered expenses. The underlying cash balance impact differs slightly from the fiscal balance due to claims processing lags. This results in a very small proportion of claims processed in the year after the Pharmaceutical Benefits Scheme (PBS) prescription is dispensed and the expense is recorded.

The proposal would have an ongoing impact beyond the 2023-24 Budget forward estimates period. A breakdown of the financial implications (including separate public debt interest (PDI) tables) over the period to 2033-34 is provided at Attachment A. Additional distributional information of recent patient usage is provided at Attachment B.

The financial implications of this proposal are highly uncertain and sensitive to a range of assumptions, including the projections of prescription volume of the affected PBS items, the proportion of prescription volume associated with the treatment of type 2 diabetes in patients with obesity in the baseline over the costing period, any substitution effects associated with supply shortages and the introduction or discontinuation of GLP-1 RAs in the Australian market (for instance, Exenatide which was discontinued from the Australian market in December 2022), and any substitution effects between other treatments for type 2 diabetes. In particular, projections of prescription volume are significantly uncertain, reflecting an assumption that the availability of GLP-1 RA products will continue to be limited due to a worldwide shortage.¹

There are further inherent uncertainties around the behavioural responses to the proposed policy change from patients, pharmacies, and medical practitioners.

The proposal may also have further flow-on impacts to other public health expenditure such as the Medicare Benefits Schedule (MBS). However, these broader flow-on impacts are highly uncertain and, as such, have not been included in this costing.

¹ The Therapeutic Goods Administration (TGA) has advised health professionals not to prescribe semaglutide to new patients. [Ozempic \(semaglutide\) shortage collection | Therapeutic Goods Administration \(TGA\)](#)

Table 1: Subsidising GLP-1 RA on the PBS – Financial implications (\$m)^{(a)(b)}

	2023-24	2024-25	2025-26	2026-27	Total to 2026-27
Option 1: Fully subsidise for people with type 2 diabetes requiring intensive insulin therapy					
Fiscal balance	-	-	-4.6	-4.0	-8.6
Underlying cash balance	-	-	-4.4	-4.1	-8.5
Option 2: Fully subsidise for people with type 2 diabetes and who are obese requiring intensive insulin therapy					
Fiscal balance	-	-	-1.2	-1.1	-2.3
Underlying cash balance	-	-	-1.2	-1.1	-2.3
Option 3: Fully subsidise for people with type 2 diabetes with or without requiring intensive insulin therapy					
Fiscal balance	-	-	-29.4	-26.2	-55.6
Underlying cash balance	-	-	-28.2	-26.2	-54.4
Option 4: Fully subsidise for people with type 2 diabetes and who are obese with or without requiring intensive insulin therapy					
Fiscal balance	-	-	-7.8	-6.9	-14.7
Underlying cash balance	-	-	-7.5	-7.0	-14.5
Option 5: 50% subsidise for people with type 2 diabetes requiring intensive insulin therapy					
Fiscal balance	-	-	-2.3	-2.0	-4.3
Underlying cash balance	-	-	-2.2	-2.0	-4.2
Option 6: 50% subsidise for people with type 2 diabetes and who are obese requiring intensive insulin therapy					
Fiscal balance	-	-	-0.6	-0.5	-1.1
Underlying cash balance	-	-	-0.6	-0.5	-1.1
Option 7: 50% subsidise for people with type 2 diabetes with or without requiring intensive insulin therapy					
Fiscal balance	-	-	-14.7	-13.1	-27.8
Underlying cash balance	-	-	-14.1	-13.1	-27.2
Option 8: 50% subsidise for people with type 2 diabetes and who are obese with or without requiring intensive insulin therapy					
Fiscal balance	-	-	-3.9	-3.5	-7.4
Underlying cash balance	-	-	-3.7	-3.5	-7.2

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.

- Indicates nil.

Key assumptions

The Parliamentary Budget Office (PBO) has made the following assumptions in costing this proposal.

- The prescription volume for the affected PBS items would be consistent with the estimates provided by the Department of Health and Aged Care over the period to 2028-29. Beyond this period, the volume of prescriptions is expected to increase at a steady rate, in line with the growth trends projected for the 2028-29 period.
- Around 27% of patients who are prescribed GLP-1 RAs for the treatment of type 2 diabetes would be obese.
- The proportion of prescription volume of GLP-1 RAs that are prescribed in combination with insulin would be around 18%, consistent with the average proportion of GLP-1 RA prescriptions associated with Streamlined Authority Code 5469 over the period from 2019-20 to 2022-23, as provided by Department of Health and Aged Care.

- The average PBS co-contribution per patient who is prescribed GLP-1 RAs for the treatment of type 2 diabetes and is obese would be consistent with the average PBS co-contribution per patient who is prescribed GLP-1 RAs for the treatment of type 2 diabetes.
- There would be no impact on departmental resources for the administering agencies, as the proposal is not likely to necessitate significant investment in ICT or other system upgrades.

Methodology

- The average PBS co-contribution per patient who is prescribed GLP-1 RAs for the treatment of type 2 diabetes was calculated for each type of PBS beneficiary (general patients and concessional patients) by dividing the total PBS patient contribution by the prescription volume under the parameters specified for each option, over the period from 2019-20 to 2022-23, and then grown in line with the Consumer Price Index (CPI).
- The increase in administered expenditure was estimated by multiplying the average PBS co-contribution per patient by the projected volume of prescriptions dispensed under each option, consistent with the *Key assumptions* discussed above.

Financial implications were rounded consistent with the PBO's rounding rules as outlined on the PBO Costings and budget information webpage.²

Data sources

The Department of Health and Aged Care provided data on historical patient contribution and prescriptions from 2019-20 to 2022-23, and prescription volume projections over the forward estimates for eligible PBS items.

The Department of Finance and the Treasury provided indexation parameters as at the 2023-24 Mid-Year Economic and Fiscal Outlook.

ADEA (2022). [BYETTA® \(exenatide\) 5mcg & 10mcg pre-filled pens – Discontinuation from Australian Market](#). Accessed 20 March 2024.

Australian Bureau of Statistics (2023). [National Health Survey](#), reference period 2022. Accessed 26 March 2024.

Australian Institute of Health and Welfare (AIHW) (2021). [Australian Burden of Disease Study 2018: Interactive data on risk factor burden](#). Accessed 20 March 2024.

² <https://www.pbo.gov.au/for-parliamentarians/how-we-analyse/pbo-rounding-rules>

Attachment A – Subsidising GLP-1 RA on the PBS – financial implications

Table A1: Option 1 - Fully subsidise for people with type 2 diabetes requiring intensive insulin therapy – Fiscal balance (\$m)^(a)

	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	Total to 2026-27	Total to 2033-34
Expenses													
<i>Administered expenses</i>	-	-	-4.6	-4.0	-4.2	-4.5	-4.8	-5.1	-5.4	-5.8	-6.1	-8.6	-44.5
Total – expenses	-	-	-4.6	-4.0	-4.2	-4.5	-4.8	-5.1	-5.4	-5.8	-6.1	-8.6	-44.5
Total (excluding PDI)	-	-	-4.6	-4.0	-4.2	-4.5	-4.8	-5.1	-5.4	-5.8	-6.1	-8.6	-44.5

(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.

- Indicates nil.

Table A2: Option 1 - Fully subsidise for people with type 2 diabetes requiring intensive insulin therapy – Underlying cash balance (\$m)^(a)

	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	Total to 2026-27	Total to 2033-34
Expenses													
<i>Administered expenses</i>	-	-	-4.4	-4.1	-4.2	-4.5	-4.8	-5.1	-5.4	-5.7	-6.1	-8.5	-44.3
Total – expenses	-	-	-4.4	-4.1	-4.2	-4.5	-4.8	-5.1	-5.4	-5.7	-6.1	-8.5	-44.3
Total (excluding PDI)	-	-	-4.4	-4.1	-4.2	-4.5	-4.8	-5.1	-5.4	-5.7	-6.1	-8.5	-44.3

(a) 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.

- Indicates nil.

Table A3: Option 1 - Fully subsidise for people with type 2 diabetes requiring intensive insulin therapy – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances (\$m)^{(a)(b)}

	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	Total to 2026-27	Total to 2033-34
<i>Fiscal balance</i>	-	-	-0.1	-0.3	-0.5	-0.7	-1.0	-1.3	-1.6	-1.9	-2.3	-0.4	-9.7
<i>Underlying cash balance</i>	-	-	-0.1	-0.3	-0.5	-0.7	-1.0	-1.2	-1.5	-1.9	-2.2	-0.4	-9.4

- (a) As this table is presented as a memorandum item, these figures are not reflected in the totals in the tables 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 glossary³.
- (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.
- Indicates nil.

³ [Online budget glossary – Parliament of Australia \(aph.gov.au\)](https://aph.gov.au)

Table A4: Option 2 - Fully subsidise for people with type 2 diabetes and who are obese requiring intensive insulin therapy – Fiscal balance (\$m)^(a)

	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	Total to 2026-27	Total to 2033-34
Expenses													
<i>Administered expenses</i>	-	-	-1.2	-1.1	-1.1	-1.2	-1.3	-1.4	-1.4	-1.5	-1.6	-2.3	-11.8
Total – expenses	-	-	-1.2	-1.1	-1.1	-1.2	-1.3	-1.4	-1.4	-1.5	-1.6	-2.3	-11.8
Total (excluding PDI)	-	-	-1.2	-1.1	-1.1	-1.2	-1.3	-1.4	-1.4	-1.5	-1.6	-2.3	-11.8

(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.

- Indicates nil.

Table A5: Option 2 - Fully subsidise for people with type 2 diabetes and who are obese requiring intensive insulin therapy – Underlying cash balance (\$m)^(a)

	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	Total to 2026-27	Total to 2033-34
Expenses													
<i>Administered expenses</i>	-	-	-1.2	-1.1	-1.1	-1.2	-1.3	-1.3	-1.4	-1.5	-1.6	-2.3	-11.7
Total – expenses	-	-	-1.2	-1.1	-1.1	-1.2	-1.3	-1.3	-1.4	-1.5	-1.6	-2.3	-11.7
Total (excluding PDI)	-	-	-1.2	-1.1	-1.1	-1.2	-1.3	-1.3	-1.4	-1.5	-1.6	-2.3	-11.7

(a) 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.

- Indicates nil.

Table A6: Option 2 - Fully subsidise for people with type 2 diabetes and who are obese requiring intensive insulin therapy – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances (\$m)^{(a)(b)}

	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	Total to 2026-27	Total to 2033-34
<i>Fiscal balance</i>	-	-	-	-0.1	-0.1	-0.2	-0.3	-0.3	-0.4	-0.5	-0.6	-0.1	-2.5
<i>Underlying cash balance</i>	-	-	-	-0.1	-0.1	-0.2	-0.3	-0.3	-0.4	-0.5	-0.6	-0.1	-2.5

- (a) As this table is presented as a memorandum item, these figures are not reflected in the totals in the tables 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 glossary⁴.
- (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.
- Indicates nil.

⁴ [Online budget glossary – Parliament of Australia \(aph.gov.au\)](https://aph.gov.au)

Table A7: Option 3 - Fully subsidise for people with type 2 diabetes with or without requiring intensive insulin therapy – Fiscal balance (\$m)^(a)

	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	Total to 2026-27	Total to 2033-34
Expenses													
<i>Administered expenses</i>	-	-	-29.4	-26.2	-27.4	-29.2	-31.0	-33.0	-35.0	-37.3	-39.6	-55.6	-288.1
Total – expenses	-	-	-29.4	-26.2	-27.4	-29.2	-31.0	-33.0	-35.0	-37.3	-39.6	-55.6	-288.1
Total (excluding PDI)	-	-	-29.4	-26.2	-27.4	-29.2	-31.0	-33.0	-35.0	-37.3	-39.6	-55.6	-288.1

(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.

- Indicates nil.

Table A8: Option 3 - Fully subsidise for people with type 2 diabetes with or without requiring intensive insulin therapy – Underlying cash balance (\$m)^(a)

	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	Total to 2026-27	Total to 2033-34
Expenses													
<i>Administered expenses</i>	-	-	-28.2	-26.2	-27.3	-29.1	-30.9	-32.9	-35.0	-37.2	-39.5	-54.4	-286.3
Total – expenses	-	-	-28.2	-26.2	-27.3	-29.1	-30.9	-32.9	-35.0	-37.2	-39.5	-54.4	-286.3
Total (excluding PDI)	-	-	-28.2	-26.2	-27.3	-29.1	-30.9	-32.9	-35.0	-37.2	-39.5	-54.4	-286.3

(a) 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.

- Indicates nil.

Table A9: Option 3 - Fully subsidise for people with type 2 diabetes with or without requiring intensive insulin therapy – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances (\$m)^{(a)(b)}

	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	Total to 2026-27	Total to 2033-34
Fiscal balance	-	-	-0.7	-2.0	-3.3	-4.8	-6.5	-8.3	-10.3	-12.5	-14.9	-2.7	-63.3
Underlying cash balance	-	-	-0.5	-1.7	-3.1	-4.5	-6.2	-7.9	-9.9	-12.1	-14.4	-2.2	-60.3

- (a) As this table is presented as a memorandum item, these figures are not reflected in the totals in the tables 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 glossary⁵.
- (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.
- Indicates nil.

⁵ [Online budget glossary – Parliament of Australia \(aph.gov.au\)](https://aph.gov.au)

Table A10: Option 4 - Fully subsidise for people with type 2 diabetes and who are obese with or without requiring intensive insulin therapy – Fiscal balance (\$m)^(a)

	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	Total to 2026-27	Total to 2033-34
Expenses													
<i>Administered expenses</i>	-	-	-7.8	-6.9	-7.3	-7.7	-8.2	-8.7	-9.3	-9.9	-10.5	-14.7	-76.3
Total – expenses	-	-	-7.8	-6.9	-7.3	-7.7	-8.2	-8.7	-9.3	-9.9	-10.5	-14.7	-76.3
Total (excluding PDI)	-	-	-7.8	-6.9	-7.3	-7.7	-8.2	-8.7	-9.3	-9.9	-10.5	-14.7	-76.3

(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.

- Indicates nil.

Table A11: Option 4 - Fully subsidise for people with type 2 diabetes and who are obese with or without requiring intensive insulin therapy – Underlying cash balance (\$m)^(a)

	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	Total to 2026-27	Total to 2033-34
Expenses													
<i>Administered expenses</i>	-	-	-7.5	-7.0	-7.3	-7.7	-8.2	-8.7	-9.3	-9.9	-10.5	-14.5	-76.1
Total – expenses	-	-	-7.5	-7.0	-7.3	-7.7	-8.2	-8.7	-9.3	-9.9	-10.5	-14.5	-76.1
Total (excluding PDI)	-	-	-7.5	-7.0	-7.3	-7.7	-8.2	-8.7	-9.3	-9.9	-10.5	-14.5	-76.1

(a) 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.

- Indicates nil.

Table A12: Option 4 - Fully subsidise for people with type 2 diabetes and who are obese with or without requiring intensive insulin therapy – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances (\$m)^{(a)(b)}

	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	Total to 2026-27	Total to 2033-34
<i>Fiscal balance</i>	-	-	-0.2	-0.5	-0.9	-1.3	-1.7	-2.2	-2.7	-3.3	-3.9	-0.7	-16.7
<i>Underlying cash balance</i>	-	-	-0.1	-0.5	-0.8	-1.2	-1.6	-2.1	-2.6	-3.2	-3.8	-0.6	-15.9

- (a) As this table is presented as a memorandum item, these figures are not reflected in the totals in the tables 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 glossary⁶.
- (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.
- Indicates nil.

⁶ [Online budget glossary – Parliament of Australia \(aph.gov.au\)](https://aph.gov.au)

Table A13: Option 5 - 50% subsidise for people with type 2 diabetes requiring intensive insulin therapy – Fiscal balance (\$m)^(a)

	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	Total to 2026-27	Total to 2033-34
Expenses													
<i>Administered expenses</i>	-	-	-2.3	-2.0	-2.1	-2.3	-2.4	-2.5	-2.7	-2.9	-3.1	-4.3	-22.3
Total – expenses	-	-	-2.3	-2.0	-2.1	-2.3	-2.4	-2.5	-2.7	-2.9	-3.1	-4.3	-22.3
Total (excluding PDI)	-	-	-2.3	-2.0	-2.1	-2.3	-2.4	-2.5	-2.7	-2.9	-3.1	-4.3	-22.3

(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.

- Indicates nil.

Table A14: Option 5 - 50% subsidise for people with type 2 diabetes requiring intensive insulin therapy – Underlying cash balance (\$m)^(a)

	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	Total to 2026-27	Total to 2033-34
Expenses													
<i>Administered expenses</i>	-	-	-2.2	-2.0	-2.1	-2.2	-2.4	-2.5	-2.7	-2.9	-3.1	-4.2	-22.1
Total – expenses	-	-	-2.2	-2.0	-2.1	-2.2	-2.4	-2.5	-2.7	-2.9	-3.1	-4.2	-22.1
Total (excluding PDI)	-	-	-2.2	-2.0	-2.1	-2.2	-2.4	-2.5	-2.7	-2.9	-3.1	-4.2	-22.1

(a) 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.

- Indicates nil.

Table A15: Option 5 - 50% subsidise for people with type 2 diabetes requiring intensive insulin therapy – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances (\$m)^{(a)(b)}

	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	Total to 2026-27	Total to 2033-34
<i>Fiscal balance</i>	-	-	-0.1	-0.2	-0.3	-0.4	-0.5	-0.6	-0.8	-1.0	-1.2	-0.3	-5.1
<i>Underlying cash balance</i>	-	-	..	-0.1	-0.2	-0.4	-0.5	-0.6	-0.8	-0.9	-1.1	-0.1	-4.6

- (a) As this table is presented as a memorandum item, these figures are not reflected in the totals in the tables 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 glossary⁷.
- (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.
- Indicates nil.
- .. Indicates not zero but rounded to zero.

⁷ [Online budget glossary – Parliament of Australia \(aph.gov.au\)](https://aph.gov.au)

Table A16 : Option 6 – 50% subsidise for people with type 2 diabetes and who are obese requiring intensive insulin therapy – Fiscal balance (\$m)^(a)

	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	Total to 2026-27	Total to 2033-34
Expenses													
<i>Administered expenses</i>	-	-	-0.6	-0.5	-0.6	-0.6	-0.6	-0.7	-0.7	-0.8	-0.8	-1.1	-5.9
Total – expenses	-	-	-0.6	-0.5	-0.6	-0.6	-0.6	-0.7	-0.7	-0.8	-0.8	-1.1	-5.9
Total (excluding PDI)	-	-	-0.6	-0.5	-0.6	-0.6	-0.6	-0.7	-0.7	-0.8	-0.8	-1.1	-5.9

(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 negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms.

- Indicates nil.

Table A17: Option 6 – 50% subsidise for people with type 2 diabetes and who are obese requiring intensive insulin therapy – Underlying cash balance (\$m)^(a)

	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	Total to 2026-27	Total to 2033-34
Expenses													
<i>Administered expenses</i>	-	-	-0.6	-0.5	-0.6	-0.6	-0.6	-0.7	-0.7	-0.8	-0.8	-1.1	-5.9
Total – expenses	-	-	-0.6	-0.5	-0.6	-0.6	-0.6	-0.7	-0.7	-0.8	-0.8	-1.1	-5.9
Total (excluding PDI)	-	-	-0.6	-0.5	-0.6	-0.6	-0.6	-0.7	-0.7	-0.8	-0.8	-1.1	-5.9

(b) 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.

- Indicates nil.

Table A17: Option 6 – 50% subsidise for people with type 2 diabetes and who are obese requiring intensive insulin therapy – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances (\$m)^{(a)(b)}

	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	Total to 2026-27	Total to 2033-34
<i>Fiscal balance</i>	-	-	-0.1	-0.1	-0.1	-0.2	-0.2	-0.3	-0.3	-	-1.3
<i>Underlying cash balance</i>	-	-	-0.1	-0.1	-0.1	-0.2	-0.2	-0.2	-0.3	-	-1.2

- (a) As this table is presented as a memorandum item, these figures are not reflected in the totals in the tables 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 glossary⁸.
- (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.
- Indicates nil.
- .. Indicates not zero but rounded to zero.

⁸ [Online budget glossary – Parliament of Australia \(aph.gov.au\)](https://aph.gov.au)

Table A18 : Option 7 - 50% subsidise for people with type 2 diabetes with or without requiring intensive insulin therapy – Fiscal balance (\$m)^(a)

	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	Total to 2026-27	Total to 2033-34
Expenses													
<i>Administered expenses</i>	-	-	-14.7	-13.1	-13.7	-14.6	-15.5	-16.5	-17.5	-18.6	-19.8	-27.8	-144.0
Total – expenses	-	-	-14.7	-13.1	-13.7	-14.6	-15.5	-16.5	-17.5	-18.6	-19.8	-27.8	-144.0
Total (excluding PDI)	-	-	-14.7	-13.1	-13.7	-14.6	-15.5	-16.5	-17.5	-18.6	-19.8	-27.8	-144.0

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.

- indicates nil impact

Table A20: Option 7 - 50% subsidise for people with type 2 diabetes with or without requiring intensive insulin therapy – Underlying cash balance (\$m)^(a)

	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	Total to 2026-27	Total to 2033-34
Expenses													
<i>Administered expenses</i>	-	-	-14.1	-13.1	-13.7	-14.5	-15.5	-16.4	-17.5	-18.6	-19.8	-27.2	-143.2
Total – expenses	-	-	-14.1	-13.1	-13.7	-14.5	-15.5	-16.4	-17.5	-18.6	-19.8	-27.2	-143.2
Total (excluding PDI)	-	-	-14.1	-13.1	-13.7	-14.5	-15.5	-16.4	-17.5	-18.6	-19.8	-27.2	-143.2

(a) 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.

- Indicates nil.

Table A19: Option 7 - 50% subsidise for people with type 2 diabetes with or without requiring intensive insulin therapy – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances (\$m)^{(a)(b)}

	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	Total to 2026-27	Total to 2033-34
<i>Fiscal balance</i>	-	-	-0.3	-1.0	-1.7	-2.4	-3.2	-4.1	-5.1	-6.2	-7.4	-1.3	-31.4
<i>Underlying cash balance</i>	-	-	-0.3	-0.9	-1.5	-2.3	-3.1	-4.0	-5.0	-6.0	-7.2	-1.2	-30.3

- (a) As this table is presented as a memorandum item, these figures are not reflected in the totals in the tables 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 glossary⁹.
- (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.
- Indicates nil.

⁹ [Online budget glossary – Parliament of Australia \(aph.gov.au\)](https://aph.gov.au)

Table A22 : Option 8 - 50% subsidise for people with type 2 diabetes and who are obese with or without requiring intensive insulin therapy – Fiscal balance (\$m)^(a)

	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	Total to 2026-27	Total to 2033-34
Expenses													
<i>Administered expenses</i>	-	-	-3.9	-3.5	-3.6	-3.9	-4.1	-4.4	-4.6	-4.9	-5.3	-7.4	-38.2
Total – expenses	-	-	-3.9	-3.5	-3.6	-3.9	-4.1	-4.4	-4.6	-4.9	-5.3	-7.4	-38.2
Total (excluding PDI)	-	-	-3.9	-3.5	-3.6	-3.9	-4.1	-4.4	-4.6	-4.9	-5.3	-7.4	-38.2

(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.

- Indicates nil.

Table A20: Option 8 - 50% subsidise for people with type 2 diabetes and who are obese with or without requiring intensive insulin therapy – Underlying cash balance (\$m)^(a)

	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	Total to 2026-27	Total to 2033-34
Expenses													
<i>Administered expenses</i>	-	-	-3.7	-3.5	-3.6	-3.9	-4.1	-4.4	-4.6	-4.9	-5.2	-7.2	-37.9
Total – expenses	-	-	-3.7	-3.5	-3.6	-3.9	-4.1	-4.4	-4.6	-4.9	-5.2	-7.2	-37.9
Total (excluding PDI)	-	-	-3.7	-3.5	-3.6	-3.9	-4.1	-4.4	-4.6	-4.9	-5.2	-7.2	-37.9

(a) 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.

- Indicates nil.

Table A24: Option 8 - 50% subsidise for people with type 2 diabetes and who are obese with or without requiring intensive insulin therapy – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances (\$m)^{(a)(b)}

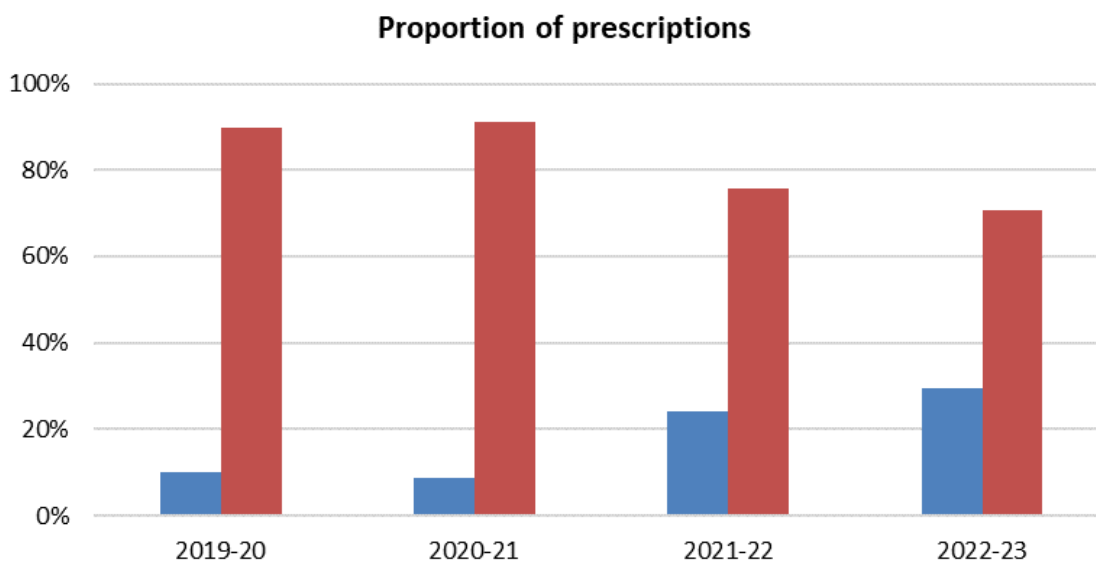
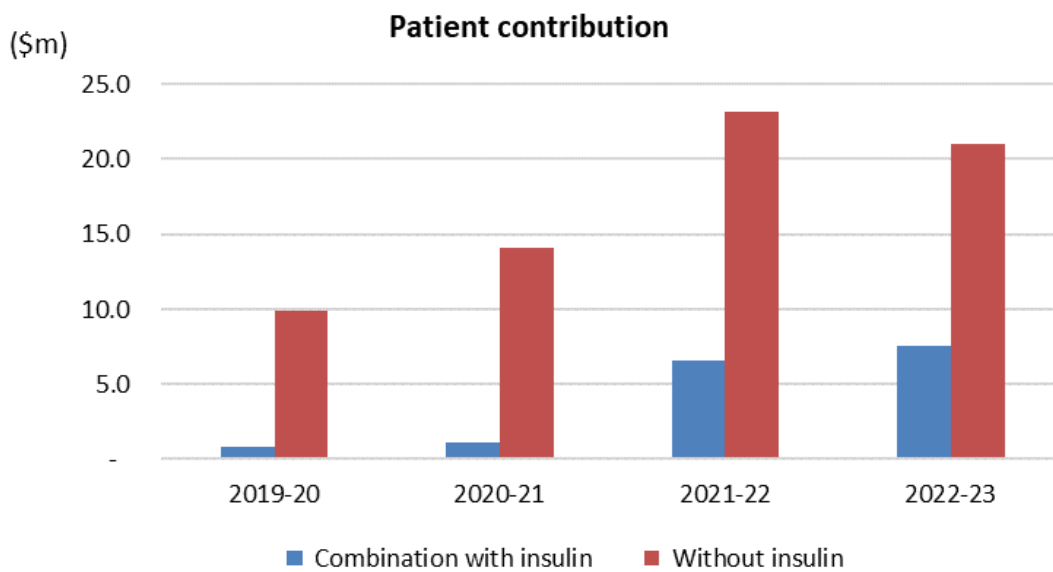
	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	Total to 2026-27	Total to 2033-34
<i>Fiscal balance</i>	-	-	-0.1	-0.3	-0.4	-0.6	-0.9	-1.1	-1.4	-1.7	-2.0	-0.4	-8.5
<i>Underlying cash balance</i>	-	-	-0.1	-0.2	-0.4	-0.6	-0.8	-1.1	-1.3	-1.6	-1.9	-0.3	-8.0

- (a) As this table is presented as a memorandum item, these figures are not reflected in the totals in the tables 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 glossary¹⁰.
- (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.
- Indicates nil.

¹⁰ [Online budget glossary – Parliament of Australia \(aph.gov.au\)](https://aph.gov.au)

Attachment B – Subsidising GLP-1 RA on the PBS – Distributional Analysis

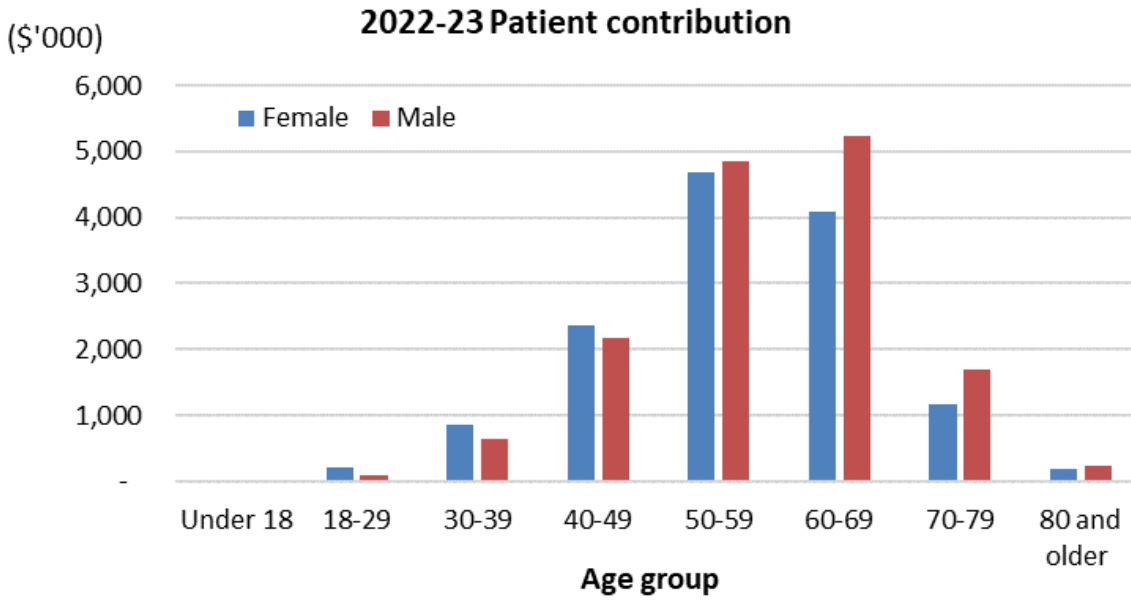
Figure B1: Recent GLP-1 RA prescriptions and patient contribution breakdown, by insulin inclusive and exclusive



	2019-20	2020-21	2021-22	2022-23
Patient contribution on GLP-1 RA items (\$m)				
Combination with insulin	0.8	1.1	6.5	7.6
Without insulin	9.9	14.1	23.2	21.0
Total	10.76	15.14	29.69	28.59
GLP-1 RA prescriptions ('000)				
Combination with insulin	66	83	409	530
Without insulin	596	860	1,276	1,277
Total	662	943	1,685	1,808

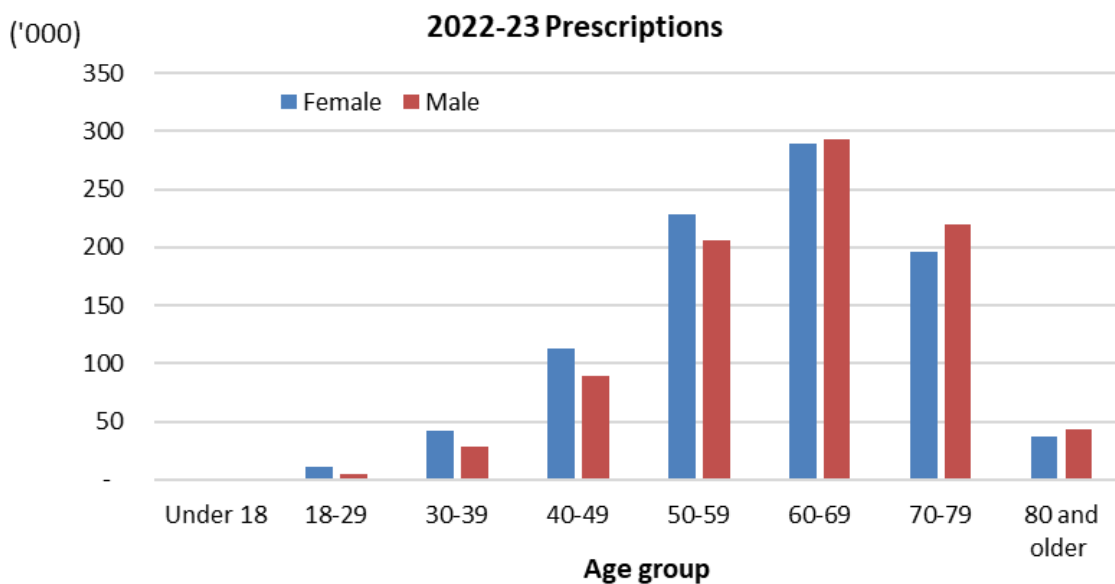
a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms.

Figure B2: Recent patient contribution on GLP-1 RA items, by gender and age group (\$'000)



	2019-20	2020-21	2021-22	2022-23
Female				
Under 18	1	1	7	7
18-29	44	79	228	213
30-39	207	327	849	860
40-49	766	1,096	2,354	2,363
50-59	1,671	2,318	4,693	4,674
60-69	1,552	2,098	4,092	4,085
70-79	450	622	1,162	1,166
80 and older	75	105	197	174
Male				
Under 18	2	2	4	5
18-29	34	54	116	94
30-39	220	320	687	650
40-49	828	1,169	2,288	2,176
50-59	2,017	2,833	5,268	4,856
60-69	2,122	2,998	5,608	5,243
70-79	650	930	1,779	1,699
80 and older	96	143	260	236

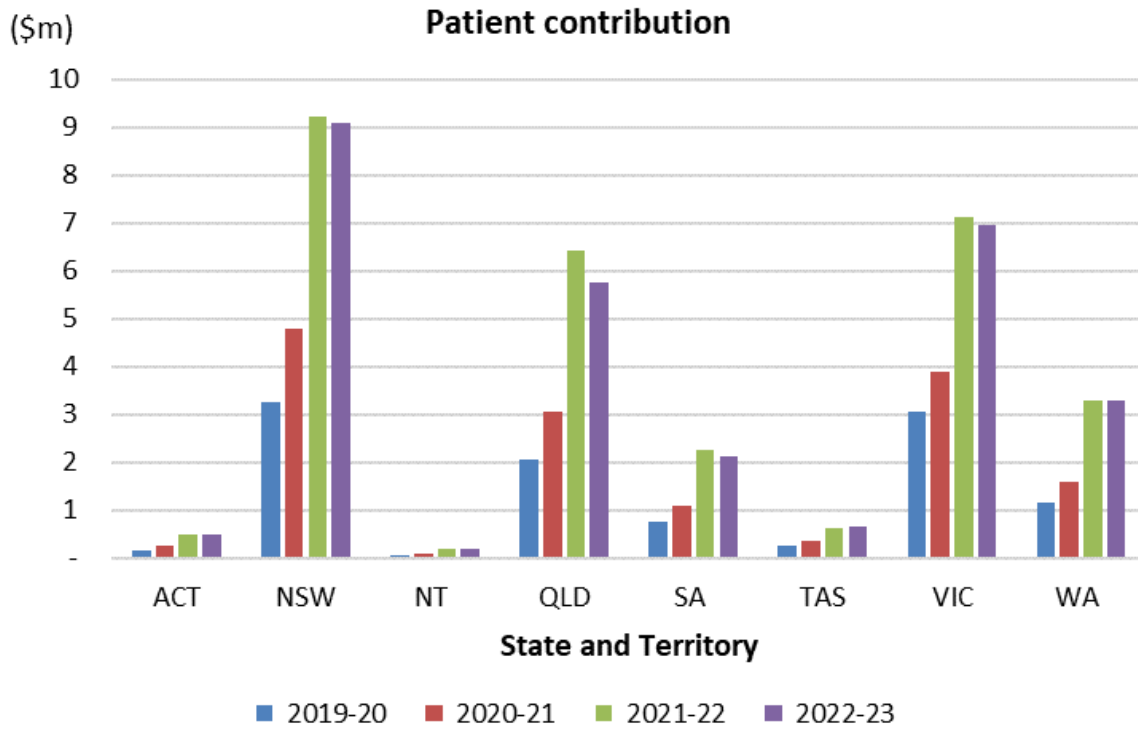
Figure B3: Recent prescriptions on GLP-1 RA items, by gender and age group ('000)



	2019-20	2020-21	2021-22	2022-23
Female				
Under 18
18-29	3	5	11	11
30-39	11	17	38	42
40-49	37	54	103	113
50-59	81	112	207	229
60-69	110	150	263	289
70-79	72	101	176	197
80 and older	14	21	37	37
Male				
Under 18
18-29	2	3	6	5
30-39	10	14	27	28
40-49	33	47	85	89
50-59	80	113	198	206
60-69	114	163	280	293
70-79	80	116	206	220
80 and older	15	23	43	44

.. indicates not zero but rounded to zero.

Figure B4: Recent patient contribution on GLP-1 RA items, by state and territory (\$m)



	2019-20	2020-21	2021-22	2022-23
ACT	0.16	0.26	0.50	0.48
NSW	3.27	4.81	9.22	9.10
NT	0.05	0.08	0.20	0.21
QLD	2.05	3.05	6.43	5.76
SA	0.76	1.10	2.26	2.13
TAS	0.27	0.36	0.64	0.66
VIC	3.05	3.88	7.12	6.96
WA	1.16	1.60	3.31	3.30
Total	10.76	15.14	29.69	28.59