2026-27 Pre-budget Submission to the Australian Government: Diabetes Research Mission Funded via the MRFF/NHMRC

On Behalf of the Australian Diabetes Society, Australian Diabetes Educators Association and Diabetes Australia

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Executive Summary

According to the Australian Government's National Diabetes Services Scheme (NDSS), there are over 1.5 million Australians living with diabetes – 144,022 living with type 1 diabetes and 1.3 million people living with type 2 diabetes. Australian Institute of Health and Welfare (AIHW) data show that type 1 diabetes is responsible for around 19,000 years of healthy life lost annually (0.7 disability-adjusted life years (DALY) per 1,000 population) and contributes to 0.3% of all disease burden in Australia, while type 2 diabetes is responsible for a staggering 124,000 years of healthy life lost annually (4.7 DALY per 1,000 population) and contributes 2.2% to the total burden of all diseases in Australia. There were 1.2 million hospitalisations in 2021-22 amongst people with diabetes, with type 2 diabetes being responsible for 1.1 million of these hospitalisations.

In 2020/21, the Australian health system spent $3.4 billion treating diabetes, representing 2.3% of all disease expenditure. The annual direct healthcare costs of diabetes in Australia are estimated to exceed $14.2 billion. Over two thirds of this expenditure is for type 2 diabetes and its complications including eye disease, foot problems, heart attacks, strokes, kidney disease and nerve damage.

Given the burden of diabetes, we welcome the funding announcement of $50.1 million for the Breakthrough T1D Clinical Research Network (CRN), which will provide a boost to establishment of national early detection programs to enable the testing of clinical strategies to prevent type 1 diabetes. It is important to recognise, however, that almost 90% of the national diabetes disease burden is attributable to type 2 diabetes. Current annual research funding for type 2 diabetes of $34.1 million is insufficient to meet the health and economic challenges of this disease.

The Australian diabetes community, including major stakeholder organisations came together to develop the National Diabetes Research Strategy 2026-2035, which was released in November 2025. The Strategy provides a roadmap to drive impactful, equitable and sustainable diabetes research and improved diabetes care for the benefit of all Australians. It asks for a specific Medical Research Future Fund (MRFF)-funded Diabetes Health Mission to:

- Enable better health for all Australians living with diabetes
- Provide economic benefit to all Australians through driving innovative strategies that reduce diabetes health care costs and maximise commercial benefits of research findings.
- Grow and sustain a fit-for-purpose, interdisciplinary diabetes research workforce through targeted training and career-long support
- Implement cutting-edge multidisciplinary technologies to identify the root causes of diabetes and translate these discoveries into therapies developed and tested in Australia
- Establish National Diabetes Centres of Excellence to integrate core discovery capabilities with clinical research and implementation science, serving as multidisciplinary platforms for innovation, collaboration and impact

The Diabetes Health Mission would provide $270 million over 10 years under the MRFF to improve all aspects of diabetes and obesity and will make transformative improvements in diabetes to improve health for all Australians through:

- Reducing the number of Australians of all ages affected by diabetes
- Decreasing the impact of diabetes on all those affected across their life-course
- Understanding risk factors responsible for the development of diabetes
- Improving outcomes from acute and chronic complications of diabetes
- Ensuring that the best technologies, medicines and care are equitably available to all
- Australians with diabetes based on the best available evidence
- Informing health policy and public health interventions for diabetes.

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Introduction

The Australian Diabetes Society (ADS), Diabetes Australia (DA), and the Australian Diabetes Educators Association (ADEA) represent 1.5 million Australians living with known, diagnosed diabetes; approximately 500,000 Australians living with silent, undiagnosed type 2 diabetes; and around 2 million Australians living with prediabetes; as well as their families and carers, diabetes healthcare professionals and researchers.

The ADS is dedicated to reducing the incidence of diabetes and mitigating its impact on individuals, health systems and society. With more than 1,000 members, our organisation works daily alongside people living with or at risk of diabetes, their families and carers, healthcare professionals, researchers, funders, other diabetes-focused organisations and the wider community to create positive change in people's lives.

Diabetes In Australia

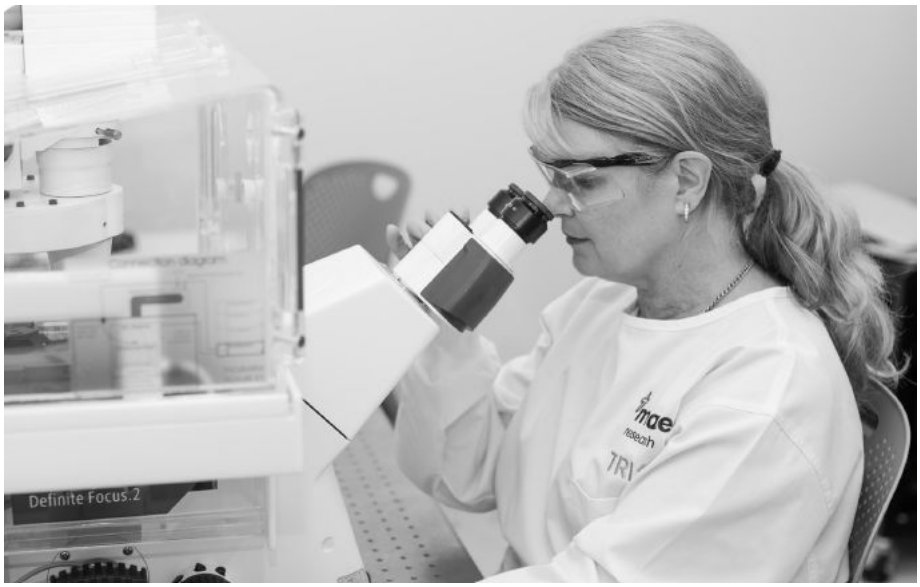
The diabetes epidemic remains one of the most significant and complex health challenges facing Australians. As of December 2025, more than 1.5 million Australians living with all types of diabetes are registered with the National Diabetes Services Scheme (NDSS) including:

- Type 1 diabetes: 144,022 people
- Type 2 diabetes: 1,326,834 people[1]

In the past 12 months alone, 106,248 individuals with diabetes were newly registered with the NDSS – equivalent to 290 new registrants per day.

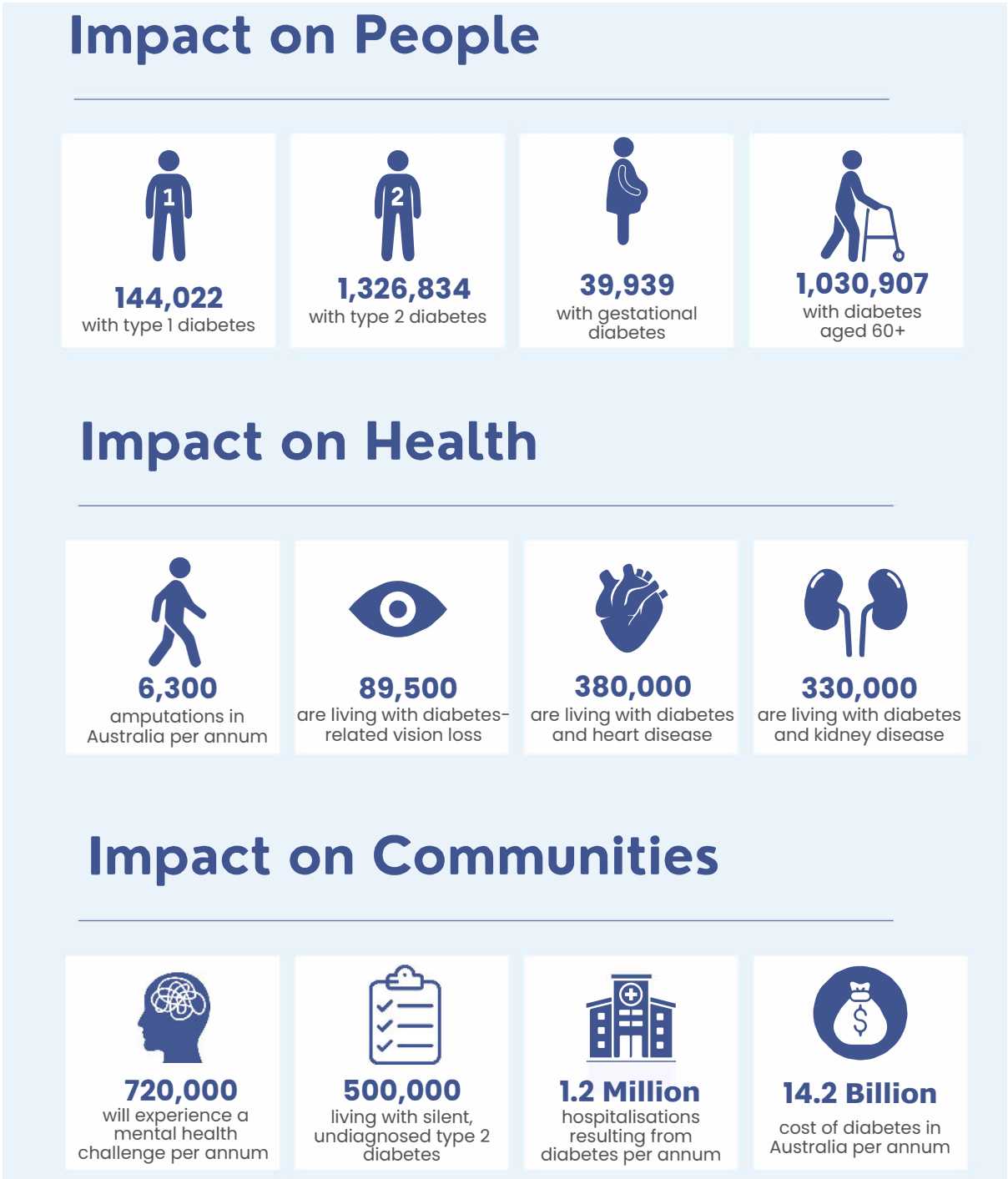
Since 2013 the number of Australians living with diabetes has increased by approximately 39%.
These figures are likely to underestimate the true prevalence of diabetes, given that the NDSS registration is voluntary and an estimated 500,000 Australians are living with undiagnosed type 2 diabetes.

Consequently, the total number of people with diabetes in Australia could be as high as 2 million – around 7.4% of the total population.



In 2021-22, it was estimated that over 1.2 million hospitalisations were attributed to diabetes. This accounts for 10% of total hospitalisations in Australia[2]. There are 6,300 preventable foot amputations every year due to diabetes[3]. Diabetes is the reason for >6.5 million visits to a GP practice annually[4], which is likely to underestimate community care workload as available data does not account for visits relating to diabetes complications (e.g. heart attack) or attendance by other health care workers such as nurse educators, dieticians and specialists. At any one time, approximately 25% of people in Australian hospitals have diabetes. Overall, diabetes is estimated to cost the Australian economy $14.2 billion each year in direct healthcare expenses[5].

The Health and Economic Impact of Diabetes in Australia



The Parliamentary Inquiry Into Diabetes

The Parliamentary Inquiry into Diabetes report which was released in June 2024 includes 23 recommendations, one of which (Recommendation 21) specifically advises the Australian Government to oversee diabetes research efforts. It states: *"The Committee recommends that the Australian Government takes steps to manage diabetes research efforts through the Australian Centre for Disease Control (CDC) by coordinating with the peak bodies such as JDRF and Diabetes Australia research priorities with an emphasis on equitable access and prevention. The Committee also recommends that the Australian Government considers increased funding for Type 1 diabetes research and clinical trials."*

It is evident that investing in diabetes research is crucial for advancing and integrating the latest technologies and therapeutics into clinical practice, thereby ensuring the delivery of high-quality, cost-effective, evidence-based care for people living with diabetes. To date, there been no official response to the findings of the Parliamentary Inquiry Into Diabetes published in June 2024.

Diabetes Research in Australia

Research is fundamental to understanding the cause(s) of all forms of diabetes and their complications and for developing effective treatments for this chronic condition. For example, the immunotherapies currently used to delay the onset of type 1 diabetes stem directly from decades of fundamental i.e. pre-clinical research using cell lines and animal models, as well as clinical research. Thanks to this concerted effort, **we are at the dawn of revolutionising the treatment of type 1 diabetes**.

Furthermore, the current and emerging **therapies transforming the treatment of type 2 diabetes** such as SGLT2 inhibitors, GLP-1 receptor agonists, and dual/triple/multiple agonists/antagonists – are all the results of substantial prior investment in both fundamental and clinical research.

Despite excellent progress, these new medicines and technologies are not magic bullets. Even semaglutide (Ozempic) which has been hyped as the miracle drug for type 2 diabetes, is not tolerated by a significant number of patients (perhaps 30%); discontinuation rates at 12 months can be as high as 50% and comes with several side effects including significant gastrointestinal issues, and significant muscle loss. Clearly, further research is required to understand type 2 diabetes and its complications so that we can develop more effective and durable therapies with fewer side effects.

Australia's diabetes researchers and research facilities are world-class[6]. In 2025, the NHMRC published a report that investigated the impact of diabetes research when compared to international funding agencies[7]. The return on investment by the NHMRC into diabetes research is significantly higher than funding agencies including: the Canadian Institute of Health Research (CIHR), European Commission framework programmes (EC), the Juvenile Diabetes Research Foundation (JDRF), the National Institutes of Health (NIH) and Wellcome. This includes publications counts and citation impact, field weighted citation impact, national and international collaborations, publications cited by patents, pharmacological and drug targeting interventions, commercialised or trademarked interventions, start-up companies, publications cited in policy documents and clinical guidelines and clinical trials.

Thus, many substantial diabetes-related health challenges remain, including the need to reform our healthcare systems to deliver better care in partnership with people with diabetes. Economic analysis shows medical research delivers a return of $5.80 for every dollar invested[8]. We anticipate that the return on investment for diabetes research is even higher. This return is generated through better treatments that reduce the impact of serious complications and prevent or reduce hospital admissions and primary healthcare visits. Research breakthroughs can also improve workforce productivity and provide opportunities for Australian businesses to commercialise the results of research.

The Diabetes Research Funding Crisis in Australia

Despite its critical importance, diabetes research funding in Australia has declined dramatically. According to data from the National Health and Medical Research Council (NHMRC), there has been a 48% decrease in diabetes research funding over the past 11 years, significantly affecting the diabetes research workforce.

Many outstanding researchers have left the field because of the difficulty securing salary support for themselves and their teams. The repercussions of this "brain drain" will persist for many years and may take decades to reverse. This loss in Australian talent has also resulted in lost skills in the critical area of research (STEM). Crucially, this will impede future advancements in diabetes care across Australia by limiting the discovery, translation and integration of innovative treatments for people living with diabetes.

NHMRC expenditure ($ million) by Former National Health Priority Areas 2013 to 2024[9]

Priority Areas	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Arthritis/ Osteoporosis	23.7	22.7	24.7	19.3	18.9	17.5	18.3	16.1	14.8	16	16.9	17.8
Asthma	21.5	23.6	22.7	15.3	13.3	15.7	13.8	13.3	14.1	12.5	11.8	9.2
Cancer	179.2	188.3	191.4	170.6	175.8	178.9	181.6	170.2	153.7	158.9	165.6	164.7
Cardiovascular Disease	117.1	129.4	130	114.9	111.4	105.3	112.6	107.6	102.5	97.5	93.1	88.8
Dementia[1]	24.9	31.5	33.4	45.6	50.2	60.9	71.2	64.1	55.3	51.5	44.2	38.8
Diabetes	**65.2**	**70.2**	**70.3**	**65.0**	**57.7**	**50.7**	**46.5**	**45.6**	**42.6**	**42.3**	**41.4**	**34.1**
Injury	45.4	58.4	61.5	45.8	44.2	49.9	51.1	49.8	46.6	49.8	49.2	48.8
Mental Health[2]	85.1	95.9	100	91.1	93.4	104.9	110.2	103.9	102.3	100.8	105.5	102.8
Obesity	41.7	40.7	39.0	28.1	27.6	23.0	23.5	24.3	23.1	20	18.4	16.0

48%

In 2024 the NHMRC provided $34.1 million to diabetes research, which is half the amount provided in 2013. This means that in 2013, NHMRC provided $59 in research funding for every person living with diabetes. In 2024, that figure fell to a mere $21 per person, despite inflation and a 39.7% increase in the number of people with diabetes over this period[1,8].

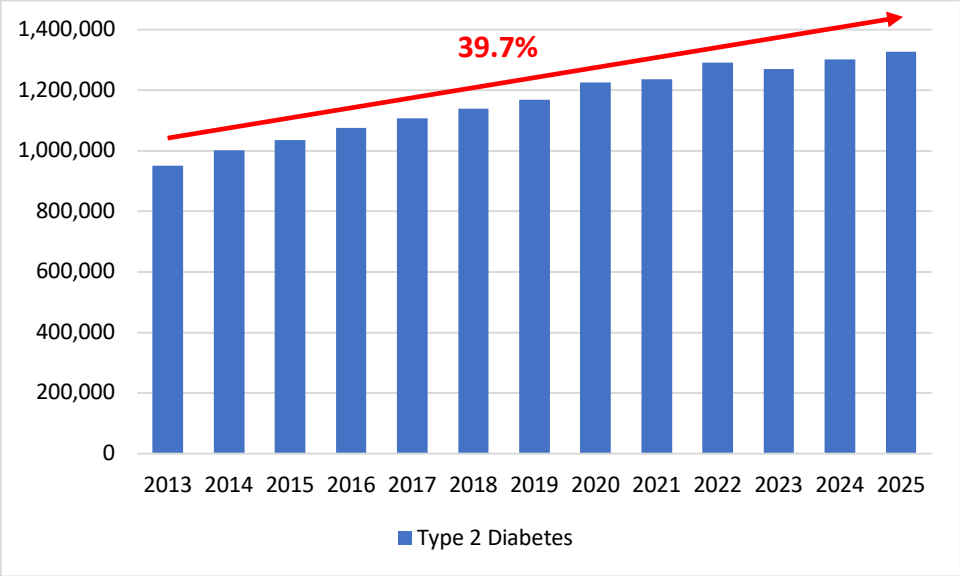
The prebudget submission from the Australian Association of Medical Research Institutes (AAMRI) also highlights the funding crisis for medical research in Australia and proposes 3 recommendations:

1. Increase MRFF annual disbursements and allocate a fixed minimum proportion to indirect (research-enabling) costs across all grants.
2. Increase Personnel Support Package (PSP) RATES across MRFF and NHMRC schemes to align with real-world salary obligations.
3. Strengthen workforce sustainability and institutional stability through targeted fellowships, increased IRIISS support, and a more sustainable NHMRC funding model.

This erosion of diabetes research funding over the past decade threatens to wipe out diabetes research in Australia. There is now a catastrophic depletion of the brightest and most talented diabetes researchers who understandably choose to move to other better funded disease areas, work overseas or move into industries outside of medical research.

The Problem

- The number of people living with type 2 diabetes has increased by 39.7% over the past 12 years
- Type 2 diabetes is responsible for 1.1 million hospitalisations per year
- There are approximately 6,300 preventable amputations per year due to diabetes
- Diabetes increases the risk of cardiovascular disease and death by 2-4-fold
- Diabetes is the leading cause of end stage kidney disease and dialysis costing the Australian healthcare system an estimated $1 billion annually
- Diabetes is the leading cause of blindness among working-age adults in developed countries
- The total healthcare cost associated with diabetes in 2025 was estimated at AUD 14.2 billion, and the total incremental cost associated with diabetes was estimated at AUD 7.3 billion[5]
- Research funding for diabetes has decreased by approximately 50%



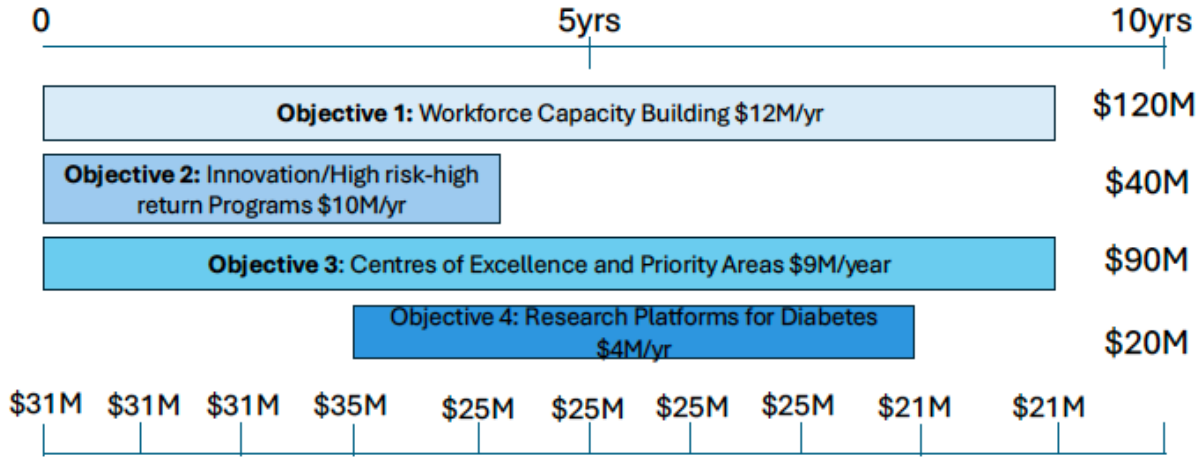
The Solution

We acknowledge and celebrate the 2024 announcement to fund the Clinical Research Network of Breakthrough T1D (formerly JDRF). This is a significant investment toward screening, detection and early management of type 1 diabetes and exploring the role of immunomodulatory therapies to prevent and treat type 1 diabetes. This investment into research will have a significant impact on people living with type 1 diabetes. Furthermore, the success of the Australian Centre of Accelerated Diabetes Innovation (ACADI) funded by Cardiovascular Mission - Medical Research Future Fund, via the Targeted Translation Research Accelerator program demonstrates how collaboration and a consortium of researchers can have a significant advancement.

To tackle the type 2 diabetes epidemic and the complications of both type 1 diabetes and type 2 diabetes, the diabetes research community came together during 2024-2025 and developed the National Diabetes Research Strategy 2026-2035[10], which identified the problem and provides a path forward to support and grow diabetes research in Australia. The National Diabetes Research Strategy **recommends investment of $270 Million over 10 years in research funding to establish an MRFF Diabetes Health Mission**. This investment will combat the growing burden of diabetes and its complications and will address the critical and targeted areas predicted to have the greatest impact of the lives of people with lived experience of diabetes and the growing national economic burden of this condition with significant funding investment for specific investigator grants.

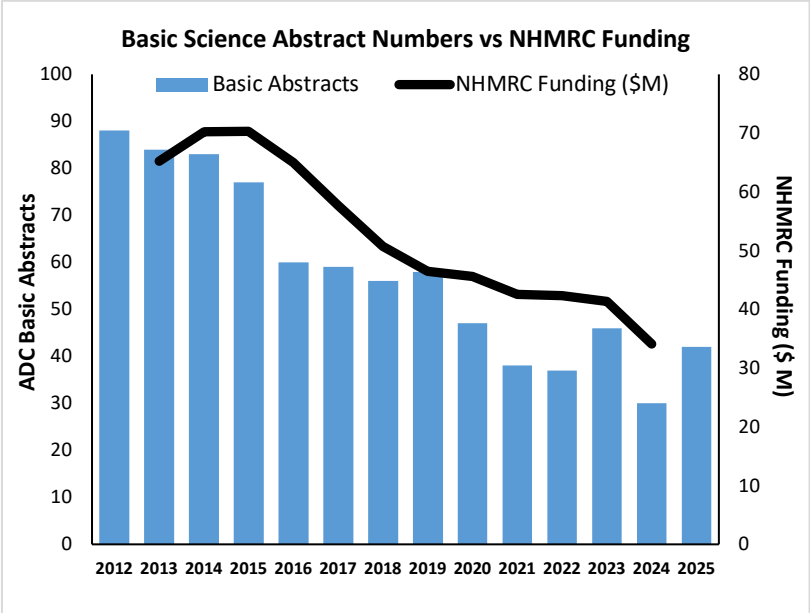
For more detail, the full National Diabetes Research Strategy 2026-2035 can be found at[10]:
https://www.diabetessociety.com.au/?s=national+diabetes+research+strategy

MRFF Diabetes Health Mission At A Glance



Objective 1 – To support, attract and retain a vibrant and sustainable research workforce

Australia is home to internationally competitive diabetes researchers who require sustainable, long-term support. This Diabetes Health Mission will help attract world-class talent to the sector and foster the development of the next generation of global leaders in diabetes research. However, there is clear evidence that the Australian diabetes research workforce has been significantly eroded over the past decade due to insufficient research funding. For example, the number of research project abstracts reporting new diabetes discoveries submitted to the Australian Diabetes Society meeting annual scientific meeting (attended by approx. 1,600 delegates) has declined by 58% since 2015.



To minimise duplication and administrative burden, we propose that applicants submit leadership fellowship applications through the NHMRC Early Leadership and Leadership schemes, with successful candidates remaining within those schemes. However, success rates for these programs are currently around 5%. When combined with the ongoing decline in the diabetes research workforce, this highlights the need for additional merit-based fellowships for applications that meet recommended funding scores but cannot be supported due to NHMRC budget constraints. This model is already employed by disease-specific missions in other areas, such as cancer. Five-year fellowships are recommended.

Investment: $120,000,000

Objective 2 - Innovation and "high risk" frontier research in Diabetes

Innovative, high-risk, or frontier research is often overlooked in conventional funding schemes, yet major scientific breakthroughs frequently arise from bold, unconventional ideas. Once these innovations are rigorously tested and shown to be safe, relevant, and effective for people living with diabetes, their rapid adoption can drive significant progress. History repeatedly demonstrates this pattern—from discoveries reflected in Nobel Prizes in Medicine to recent innovations accelerated during the COVID-19 pandemic. In both cases, transformative advances were able to surpass traditional barriers and timelines because of their profound impact on disease prevention, treatment, and management.

Investment: $40,000,000

Objective 3 – Specific support of identified research priorities for Diabetes

This component of the Mission seeks to support projects within defined Research Priority Areas, established through fair and inclusive processes that reflect the perspectives of people living with diabetes, health professionals, researchers, industry partners, policymakers, and stakeholder organisations in diabetes and obesity. These projects will focus on research that advances effective and efficient prevention and care, and that strengthens evidence-informed clinical and policy decision-making.

A key emphasis will be on identifying barriers to implementation and co-designing solutions that promote the uptake of high-value care while reducing low-value practices. Clinical trials will be designed to rigorously evaluate innovative interventions across primary care, acute care, rehabilitation, and community settings.

Investment: $90,000,000

Objective 4 – Connected and Collaborative - Research Platforms for Diabetes

This objective focuses on building and sustaining long-term partnerships that support integrated and interconnected research platforms aimed at improving outcomes for people living with diabetes. Successful missions have demonstrated the value of incorporating large-scale national and state data linkage systems (e.g., NDSS, National Integrated Health Services Information, Multi-Agency Data Integration Project) alongside primary care data systems to create comprehensive platforms that combine clinical, state, national, and additional datasets—including those from private health insurers and other organisations. Such integration enhances data security, supports software development, and enables governed access for research.

Existing clinical registries, trial networks, and biobanked cohorts could be unified to establish nationally significant research resources. Funding opportunities may be strengthened by encouraging sustainable partnerships with commercial diagnostic companies and fostering international collaborations with leading research institutions. Aligning this work with other MRFF missions would help minimise duplication of infrastructure, while also supporting capacity building in regional, rural, and underserved communities to improve both access to and participation in research.

Investment: $20,000,000

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