



Expanding Newborn Screening	
Party:	Australian Labor Party
Summary of proposal: The proposal would expand the number of conditions screened for in the bloodspot screening of all newborn babies (existing screening ranges between 25 to 28 conditions depending on the state and territory). Newborn Bloodspot Screening programs would continue to be funded under the National Health Reform Agreement (NHRA) whereby the Australian Government contributes 45% of the growth in costs of all public hospital services. The proposal would also provide funding to support upgrades to screening facilities. Screening would be expanded to 80 conditions in total, with a start date of 1 July 2022.	

## Costing overview

The proposal would be expected to decrease the fiscal and underlying cash balances by around \$37 million over the 2022-23 Budget forward estimates period. This is primarily driven by an increase in administered expenses. The first-year impact of the proposal includes the cost of upgrading testing facilities for this proposal, which is offset by fewer tests in the first years as facilities are upgraded.

The proposal would have an ongoing impact beyond the 2022-23 Budget forward estimates period. A breakdown of the financial implications (including separate public debt interest (PDI) tables) over the period to 2032-33 is provided at Attachment A.

The estimates are highly sensitive to the estimated cost of adding additional groups of conditions to the screening program, both in terms of the conditions tested for, and the cost of those additional tests.

- The PBO has made use of publicly available<sup>1</sup> information on the estimated costs of increasing the number of conditions screened to 50 or 80.
- A significant increase in the number of conditions screened for in the routine newborn screening procedure may result in some efficiencies of scale – these have not been taken into account as they cannot be reliably determined.

The estimates do not take into consideration flow-on impacts on morbidity, mortality and broader health expenditure as a result of the expanded screening program.

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<sup>1</sup> See - [Better Access Australia](#)

**Table 1: Financial implications (\$m)<sup>(a)(b)</sup>**

	2022-23	2023-24	2024-25	2025-26	Total to 2025-26
Fiscal balance	-8.6	-9.3	-9.5	-9.8	<b>-37.2</b>
Underlying cash balance	-8.6	-9.3	-9.5	-9.8	<b>-37.2</b>

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

(b) PDI impacts are not included in the totals.

- Indicates nil.

## Key assumptions

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

### *Support to upgrade screening facilities*

Upgrades to screening infrastructure required to support the increased number of conditions being screened would be \$750,000 on average for each of the five testing centres that the PBO understands are currently used for screening.

### *Increased conditions tested*

- The baseline number of newborns tested in the first year of the proposal would be around 350,000 with growth in tests per year informed by population estimates produced by the Australian Bureau of Statistics.
  - The number of tests covering additional conditions would be half of this baseline level in the first year only, allowing for time to upgrade facilities.
- While the estimated cost per group of additional conditions covered varies, when averaged across the suite of additional conditions covered by this proposal the result is an average cost per additional condition of \$0.92, with this figure growing annually in line with standard arrangements for the indexation of Medical Benefits Schedule items.
- A small amount of additional departmental resourcing would be required to negotiate changes with providers and state and territory governments.

## Methodology

Estimated costs for infrastructure upgrades were calculated as \$750,000 multiplied by each of the five testing centres that would require an upgrade.

Estimated costs for the increased number of conditions covered by screening were calculated as the product of the estimated number of newborns screened, the increased number of conditions and the average cost per increased condition tested.

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

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<sup>2</sup> [https://www.aph.gov.au/About\\_Parliament/Parliamentary\\_Departments/Parliamentary\\_Budget\\_Office/Costings\\_and\\_budget\\_information](https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Budget_Office/Costings_and_budget_information)

## Data sources

Australian Bureau of Statistics (ABS), [Table B9. Population projections, by age and sex, Population Projections, Australia, 2017 \(base\) - 2066](#), ABS, Australian Government, accessed 25 January 2022.

The PBO drew on advice and information from [Better Access Australia](#).

The Department of Finance provided economic parameters as at the *Pre-election Economic and Fiscal Outlook 2022-23*.

## Attachment A – Expanding Newborn Screening– financial implications

**Table A1: Expanding newborn screening – Fiscal and underlying cash balances (\$m)<sup>(a)</sup>**

	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
<b>Expenses</b>													
<b>Administered</b>													
<i>Upgrade testing facilities</i>	-3.8	-	-	-	-	-	-	-	-	-	-	-3.8	-3.8
<i>Increase in number of conditions covered by screening</i>	-4.5	-9.3	-9.5	-9.8	-10.1	-10.4	-10.6	-10.9	-11.2	-11.4	-11.6	-33.1	-109.3
<b>Total – administered</b>	<b>-8.3</b>	<b>-9.3</b>	<b>-9.5</b>	<b>-9.8</b>	<b>-10.1</b>	<b>-10.4</b>	<b>-10.6</b>	<b>-10.9</b>	<b>-11.2</b>	<b>-11.4</b>	<b>-11.6</b>	<b>-36.9</b>	<b>-113.1</b>
<b>Departmental</b>													
<i>Department of Health</i>	-0.3	-	-	-	-	-	-	-	-	-	-	-0.3	-0.3
<b>Total – expenses</b>	<b>-8.6</b>	<b>-9.3</b>	<b>-9.5</b>	<b>-9.8</b>	<b>-10.1</b>	<b>-10.4</b>	<b>-10.6</b>	<b>-10.9</b>	<b>-11.2</b>	<b>-11.4</b>	<b>-11.6</b>	<b>-37.2</b>	<b>-113.4</b>
<b>Total (excluding PDI)</b>	<b>-8.6</b>	<b>-9.3</b>	<b>-9.5</b>	<b>-9.8</b>	<b>-10.1</b>	<b>-10.4</b>	<b>-10.6</b>	<b>-10.9</b>	<b>-11.2</b>	<b>-11.4</b>	<b>-11.6</b>	<b>-37.2</b>	<b>-113.4</b>

(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.

- Indicates nil.

**Table A2: Expanding newborn screening– Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances (\$m)<sup>(a)(b)</sup>**

	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
<b><i>Fiscal balance</i></b>	-0.1	-0.3	-0.5	-0.8	-1.0	-1.3	-1.6	-2.0	-2.4	-2.9	-3.4	-1.7	-16.3
<b><i>Underlying cash balance</i></b>	-0.1	-0.3	-0.5	-0.7	-1.0	-1.3	-1.6	-1.9	-2.4	-2.8	-3.4	-1.6	-16.0

- (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 glossary<sup>3</sup>.
- (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.