

The Senate

Select Committee on
Health

Third interim report

Australian Hearing: too important to privatise

September 2015

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Table of Contents

Membership of the Committee	iii
Table of Contents	v
Terms of Reference	vii
Acronyms and abbreviations	ix
Recommendations	xi
Chapter 1.....	1
Introduction	1
Chapter 2.....	5
Proposed privatisation of Australian Hearing.....	5
Introduction	5
Role of Australian Hearing and National Acoustic Laboratories	6
Rationale for privatisation	10
Decision to privatise Australian Hearing deferred	21
Impact of privatisation.....	22
Chapter 3.....	31
Australian Hearing and NDIS.....	31
Introduction	31
Transition of Hearing Services Program to the NDIS.....	31
Government Senators' Dissenting Report	45
Appendix 1	49
Witnesses who appeared before the committee	49
Appendix 2.....	51
Submissions received by the committee	51

Appendix 3	53
Additional information and answers to questions on notice	53
Appendix 4	55
Extract from answers to questions on notice provided by Parents of Deaf Children	55

Terms of Reference

That a select committee, to be known as the Select Committee on Health, be established to inquire into and report on health policy, administration and expenditure, with particular reference to:

- a. the impact of reduced Commonwealth funding for hospital and other health services provided by state and territory governments, in particular, the impact on elective surgery and emergency department waiting times, hospital bed numbers, other hospital related care and cost shifting;
- b. the impact of additional costs on access to affordable healthcare and the sustainability of Medicare;
- c. the impact of reduced Commonwealth funding for health promotion, prevention and early intervention;
- d. the interaction between elements of the health system, including between aged care and health care;
- e. improvements in the provision of health services, including Indigenous health and rural health;
- f. the better integration and coordination of Medicare services, including access to general practice, specialist medical practitioners, pharmaceuticals, optometry, diagnostic, dental and allied health services;
- g. health workforce planning; and
- h. any related matters.



Acronyms and abbreviations

CAPD	Central Auditory Processing Disorder
CEO	Chief Executive Officer
COAG	Council of Australian Governments
CRC	Cooperative Research Centre
CSO Clients	Community Service Obligation Clients
CSO Program	Community Service Obligation Program
DES	Disability Employment Services
FAQ	Frequently Asked Questions
FOI	Freedom of Information
GDP	Gross Domestic Product
GP	General Practice
GPs	General Practitioners
LOCHI	Longitudinal Outcomes of Children with Hearing Impairment
MBS	Medicare Benefits Scheme
NAL	National Acoustics Laboratories
NCOA	National Commission of Audit
NDIS	National Disability Insurance Scheme
NICU	Neonatal Intensive Care Unit
OECD	Organisation for Economic Co-operation and Development
PODC	Parents of Deaf Children
PWC	PricewaterhouseCoopers
RIDBC	Royal Institute for Deaf and Blind Children

Recommendations

Recommendation 1

2.95 Based on the evidence and the concerns outlined by stakeholders, the committee recommends that Australian Hearing should not be privatised.

Recommendation 2

3.43 The committee recommends that the government provide clarity around the work already done on the transition of the Hearing Services Program to the National Disability Insurance Scheme. Any 'blueprint' or implementation plan should be made public as soon as it is finalised, so as to reassure stakeholders that the quality services provided by Australian Hearing continue to be available in order to ensure that hearing impaired Australians can live the life they deserve.

Chapter 1

Introduction

1.1 On 25 June 2014, the Senate established the Senate Select Committee on Health.¹ The final reporting date for the committee is 20 June 2016. The committee's resolution allows the committee to make interim reports such as this one.

Public hearings

1.2 The committee has completed 37 public hearings to date (a link to a full list of hearings is at Appendix 1).

1.3 Through its extensive program of public hearings, the committee has taken evidence from many health experts, practitioners, consumers and communities. The public hearing program has also enabled the committee to engage the wider Australian community, including those in rural and regional areas who may not normally be able to directly engage with a Senate Committee.

1.4 On 10 July the committee held a public hearing in Sydney at the Australian Hearing Hub to take evidence regarding the government's proposed privatisation of Australian Hearing Services and the National Acoustics Laboratories.

1.5 As part of its public hearing at the Australian Hearing Hub, the committee conducted a short site visit to better understand the work of Australian Hearing and the National Acoustics Laboratories.

Submissions

1.6 The committee has received 165 submissions since the beginning of its inquiry (a full list of submissions is at Appendix 2).² In relation to the proposed privatisation of Australian Hearing, the committee has received eight submissions.

1.7 The committee's terms of reference are wide-ranging and it is the committee's intention to explore various issues in depth over the course of its inquiry. While the committee is still accepting general submissions, the committee intends to seek submissions on specific topics as the need arises over the course of the inquiry.

1.8 Additional information, tabled documents, correspondence and answers to questions on notice received by the committee to date are listed at Appendix 3.

Health Committee's first interim report

1.9 The committee's first interim report was tabled on 2 December 2014.³ That report detailed the committee's findings and conclusions at that time, focussing on

1 *Journals of the Senate*, 25 June 2014, pp 996–998.

2 The submissions received by the committee can be accessed via the committee's website: www.aph.gov.au/Parliamentary_Business/Committees/Senate/Health/Health/Submissions.

3 *Journals of the Senate*, 2 December 2014, p. 1948.

issues raised during the committee's hearings and through submissions. Key areas of focus for the committee in its first report were:

- the government's proposed patient co-payments, cuts to hospital funding and the abolition of Australian National Preventative Health Agency;
- the government's plan to close the 61 Medicare Locals and replace them with 30 Primary Health Networks; and
- the merger of the Organ and Tissue Authority and the National Blood Authority.

Second interim report

1.10 The committee's second interim report was tabled on 24 June 2015.⁴ That report encompassed the committee's findings regarding the government's primary healthcare and general practice policies. In particular the report was a record of the government's frequent changes of policy since the 2014 Budget. The second interim report focused specifically on:

- the vital importance of general practice and primary healthcare and the threat posed by the government's numerous policy changes since the 2014 Budget;
- the responses of GPs and the primary healthcare sector to the government's various primary care policies; and
- an examination of the 2015-16 Budget's health measures and commentary from stakeholders.

Structure of this report

1.11 This report examines the government's proposed privatisation of Australian Hearing Services and the National Acoustics Laboratories. The proposal was originally recommended by the National Commission of Audit in February 2014.⁵ In the 2014-15 Budget the government allocated funding for a scoping study for the proposed privatisation of Australian Hearing.⁶ The 2015-16 Budget included the postponement of a decision on the scoping study, pending further consultation.⁷

1.12 This third interim report will outline the evidence taken at the hearing on 10 July and the submissions made by witnesses. Following this introductory chapter, the report is divided into two chapters:

- the impacts privatisation would have on users of the Australian Hearing services (Chapter 2); and
- the National Disability Insurance Scheme (NDIS) and Australian Hearing (Chapter 3).

4 *Journals of the Senate*, 24 June 2015, p. 2809.

5 National Commission of Audit, *Phase One Report*, paragraph 10.1 and recommendation 57.

6 2014-15 Budget, Budget Paper No. 2, Budget Measure: Smaller Government — scoping studies for four operations of government, p. 117.

7 Senator the Hon Mathias Cormann, Minister for Finance, media release, 'Further Consultation on Future Ownership Options for Australian Hearing', 8 May 2015.

Notes on references

1.13 References to submissions in this report are to individual submissions received by the committee and published on the committee's website. References to the committee Hansards are to the official transcripts.⁸

Acknowledgements

1.14 The committee thanks the various organisations and individuals that made written submissions, and those who gave evidence at the public hearing on 10 July into the proposed privatisation of Australian Hearing. The committee thanks the Australian Hearing Hub for hosting the hearing.

1.15 The committee particularly wishes to thank those who shared their personal experiences during the hearing on 10 July 2015 and through submissions to the committee's inquiry. Appendix 4 of this report is one example of the personal experiences of Australians with hearing impairment who have benefited from the services of Australian Hearing. More examples, taken from the Hansard transcript made on 10 July 2015, are included in the committee's report.

8 Committee Hansards can be accessed via the committee's website:
www.aph.gov.au/Parliamentary_Business/Committees/Senate/Health/Health/Public_Hearings.

Chapter 2

Proposed privatisation of Australian Hearing

Introduction

2.1 In 2006 the Access Economics report *Listen Hear! The Economic Impact and Cost of Hearing Loss in Australia* estimated that hearing loss affected one in six Australians. The report projected an increase to one in four Australian by 2050, with the ageing of the population.¹ In comparison, hearing loss in Aboriginal and Torres Strait Islander people is estimated to be four times the occurrence in the general population.²

2.2 In terms of children born with hearing loss, Ms Gina Mavrias, Operations Director, Australian Hearing, told the committee that:

...about one in every 1,000 children are born with a hearing loss, but that incidence actually increases, because children can acquire the hearing loss in their early years, so we find that it is somewhat closer to five in 1,000 births in terms of prevalence. Hearing loss has a very significant impact, obviously, in the child's development, ability to learn language, and also to realise their education and career goals, with regard to their contribution to society.³

2.3 Mr Steve Williamson, Chief Executive Officer of Deafness Forum Australia, told the committee that hearing loss has a 'significant and quantifiable economic cost and impact to Australia – one that far outweighs the current investments and expenditures'.⁴ Mr Williams cited the Access Economics 2006 report as having identified that:

...the real financial cost and net economic impact of the loss of wellbeing, when taken together, is a debt to the nation in the order of \$23 billion every 12 months. Due to the high social and financial cost that hearing loss has on Australian society a coordinated strategy that encompasses prevention, treatment and management would achieve improved health outcomes for the large proportion of the Australian population that is and will be affected by hearing loss. Deafness Forum believes that this would be best achieved by making hearing health a national health priority.⁵

1 Department of Health, *Submission 155*, p. 1.

2 Department of Health, *Submission 155*, p. 1.

3 Ms Gina Mavrias, Operations Director, Australian Hearing, *Committee Hansard*, 10 July 2015, p. 1.

4 Mr Steve Williamson, Chief Executive Officer, Deafness Forum of Australia, *Committee Hansard*, 10 July 2015, p. 16.

5 Mr Steve Williamson, Chief Executive Officer, Deafness Forum of Australia, *Committee Hansard*, 10 July 2015, p. 16.

2.4 Australian Hearing was established in 1947 in order to provide hearing services for children whose hearing had been affected by a series of rubella epidemics, and to assist World War II veterans who had suffered hearing damage.⁶ The Australian Hearing submission shows that in 2013-14 Australian Hearing:

- Provided 446,870 hearing health services to Australians.
- Visited 217 Outreach sites to support the hearing needs of Aboriginal and Torres Strait Islander communities.
- Fitted and followed up over 150,000 hearing devices.
- Total revenue was \$212 million.⁷

2.5 In February 2014 the National Commission of Audit (NOCA) recommended the privatisation of various bodies, including Australian Hearing.⁸

2.6 A scoping study was undertaken in 2014 by the Department of Finance into the possible privatisation of Australian Hearing. However in May 2015 the government stated that it would delay privatisation of Australian Hearing, pending further consultation with stakeholders.⁹ These further consultations are discussed in Chapter 3. No subsequent government announcements have been made since 8 May 2015, including in relation to the further consultation process. The future of Australian Hearing remains uncertain, pending a government decision.

2.7 This chapter examines the proposed privatisation of Australia Hearing and the effect such an action could have on provision of hearing services in Australia. In doing so, this chapter considers:

- the role of Australian Hearing and its research arm, the National Acoustic Laboratories;
- the government's rationale for the proposed privatisation;
- the scoping study conducted in 2014; and
- the effects of privatisation, as described by groups and individuals who use the services of Australian Hearing.

Role of Australian Hearing and National Acoustic Laboratories

Australian Hearing

2.8 Australian Hearing is a statutory authority constituted under the *Australian Hearing Services Act 1991*. It reports through a Board to the Minister for Human Services. The authority's activities centre on providing services to people who meet

6 Australian Hearing website, section 'About Australian Hearing', 19 December 2013, www.hearing.com.au/australian-hearing/ (accessed 7 September 2015).

7 Australian Hearing, *Submission 158*, p. 2.

8 National Commission of Audit, *Phase One Report*, paragraph 10.1.

9 Senator the Hon Mathias Cormann, Minister for Finance, media release, 'Further Consultation on Future Ownership Options for Australian Hearing', 8 May 2015.

the eligibility criteria of the Australian Government Hearing Services program. Australian Hearing does not provide services to private clients.¹⁰

2.9 The Australian Government Hearing Services program has two streams: the Voucher Program and the Community Service Obligation (CSO) Program.¹¹ These programs are described in further detail below.

Australian Government Hearing Services Program

2.10 Australian Hearing has over 450 locations around Australia.¹² This broad national coverage, which includes rural and remote areas, allows Australian Hearing to deliver the Voucher Program and CSO Program across Australia. As Australian Hearing explained in its submission, it is able to maintain consistency of service across metro, rural, and remote locations:

Clinical standards, protocols and quality measures ensure consistency of service delivery and device provision. Australian Hearing has a broad coverage nationally, particularly in rural and remote areas. Consistency of access is supported by the ability to move staff between locations if there is a shortage of appropriately skilled audiologists in the district. Tele-audiology is being increasingly used to allow specialists in one location to provide remote support to regional centres. Audiologists who visit remote Aboriginal and Torres Strait Islander communities fly in from all parts of the country, so the service is not reliant purely upon local clinicians. This allows continuity of service provision.¹³

Community Service Obligations Program

2.11 The CSO Program provides hearing services to those who are:

- younger than 26 years
- an eligible adult with complex hearing needs
- an Aboriginal and Torres Strait Islander who is over 50 years
- an Aboriginal and Torres Strait Islander participant in the Remote Jobs and Community Program or a former Aboriginal and Torres Strait Islander participant in a Community Development Employment Projects Program, who received hearing services before 30 June 2013.¹⁴

2.12 In total, Australian Hearing provides hearing services to over 46 000 Australians. The Australian Hearing submission provides a profile of CSO clients, reproduced at Figure 1 below.

10 Australian Hearing, *Submission 158*, p. 2.

11 Australian Hearing, *Submission 158*, p. 2.

12 Australian Hearing website, 'Find an Australian Hearing Centre or Visiting Site', <https://ahcentres.com.au/> (accessed 7 September 2015)

13 Australian Hearing, *Submission 158*, p. 4.

14 Australian Hearing, *Submission 158*, p. 2.

2.13 Australian Hearing is the sole provider to those eligible under the CSO. The program is funded through a Memorandum of Agreement with the Office of Hearing Services (Department of Health).¹⁵

Figure 1—Profile of CSO Clients¹⁶

Client Category	Number of clients (as at 30 June 2014)
Aided Young Australians (0–20 years)	18 896
Aided Young Adults (21–25 Years)	2 527
Complex Adults	22 346
Indigenous Eligibility	2 808
Total CSO Clients	46 577

2.14 Ms Mavrias from Australian Hearing explained that under the CSO Program there is no cost for parents for services provided by Australian Hearing, including all appointments and the devices for children under 26. Ms Mavrias also advised that the access to services provided across the country is the same.¹⁷

2.15 Australian Hearing representatives told the committee that there is significant evidence demonstrating the importance of early interventions for deaf and hearing impaired children. Ms Mavrias explained that early intervention improves language development, as well as social interaction. For young adults, a lack of early intervention can negatively impact on education and employment outcomes, as well as connectedness to society.¹⁸

Voucher Program

2.16 The Voucher Program provides services for those who meet the following eligibility criteria:

- a Pensioner Concession Card Holder
- receiving Sickness Allowance from Centrelink

15 Australian Hearing, *Submission 158*, p. 2.

16 Australian Hearing, *Submission 158*, p. 4.

17 Ms Gina Mavrias, Operations Director, Australian Hearing, *Committee Hansard*, 10 July 2015, p.6.

18 Ms Gina Mavrias, Operations Director, Australian Hearing, *Committee Hansard*, 10 July 2015, p.2.

-
- the holder of a Department of Veterans' Affairs Gold Card issued for all conditions
 - the holder of a Department of Veterans' Affairs White Card issued for specific conditions that include hearing loss
 - a dependent of a person in one of the above categories
 - a member of the Australian Defence Force; or
 - part of the Australian Government funded Disability Employment Services (DES) – Disability Management Service and referred by their Disability Employment Services case manager.¹⁹

2.17 The Voucher Program is also administered by the Office of Hearing Services, but in contrast to the CSO Program, Australian Hearing competes with 250 other service providers to deliver services through the Voucher Program. The Australian Hearing submission noted that 'in 2013–14 services under the Voucher Program accounted for 70% of Australian Hearing's revenue'.²⁰

2.18 Mr Bill Davidson, the Managing Director of Australian Hearing noted that with an ageing population, providing older Australians with accessible hearing services will be increasingly important and be a 'significant issue over the next 50 years'.²¹ Mr Davidson advised the committee that the average age of Australian Hearing's current client base is 72, and that 'probably the average of those clients, when we fit them at the age of 72, would have had a need [for a hearing aid] for some years prior to that'.²²

National Acoustics Laboratories

2.19 The National Acoustics Laboratories (NAL) is the research division of Australian Hearing. Its funding is provided through:

- A Funding Agreement with the Department of Health's Office of Hearing Services
- The HEARing Co-operative Research Centre (CRC)
- Research grants
- Other research contracts
- Commercialisation of some inventions.²³

2.20 The Australian Hearing submission describes the NAL's work as providing:

19 Australian Hearing, *Submission 158*, p. 2.

20 Australian Hearing, *Submission 158*, p. 2.

21 Mr Bill Davidson, Managing Director, Australian Hearing, *Committee Hansard*, 10 July 2015, p. 10.

22 Mr Bill Davidson, Managing Director, Australian Hearing, *Committee Hansard*, 10 July 2015, p. 10.

23 Australian Hearing, *Submission 158*, p. 3.

...leading research that is used worldwide. Assessment methods, prescription methods, evaluation methods, and signal processing software used within hearing aids developed at NAL, are used on a daily basis throughout the world.²⁴

2.21 Some examples of NAL research include:

Child Outcomes Study

The Longitudinal Outcomes of Children with Hearing Impairment (LOCHI) study has provided world-first evidence for the benefits of early intervention resulting from universal newborn hearing screening.

Central Auditory Processing Disorder (CAPD)

NAL has led the world in developing diagnostic and remediation software of a type of CAPD – spatial processing disorder (SPD). Children who have SPD are disadvantaged at school because they find it difficult to hear in the classroom environment. NAL has developed both diagnostic software and remediation software that cures children of this condition.²⁵

Rationale for privatisation

National Commission of Audit

2.22 The privatisation of Australian Hearing was first proposed by the NCOA in February 2014. In the section of its report 'Market based solutions',²⁶ the NCOA argued that 'the issue of privatisation has been largely dormant at a federal level' and that this had resulted in capital being 'locked up' in Commonwealth businesses and bodies.²⁷

2.23 The NCOA identified a number of bodies which it deemed fit for privatisation and recommended a schedule ranging from short term (2014–2016) to long term (post-2018). Australian Hearing was marked as a short term privatisation:

Australian Hearing – as a regulator, funder and owner of Australian Hearing, the Commonwealth plays a significant role in the hearing services market. The Government could examine the potential to increase contestability in markets where Australian Hearing has a monopoly and allow, through privatisation, it to compete in markets where it is currently precluded.

In addition, a scoping study could examine the future of the National Acoustics Laboratory and the appropriate model of industry regulation to preserve the intent of existing community service obligations.²⁸

24 Australian Hearing, *Submission 158*, p. 3.

25 Australian Hearing, *Submission 158*, p. 3.

26 National Commission of Audit, *Phase One Report*, paragraph 10.1 and recommendation 57.

27 National Commission of Audit, *Phase One Report*, paragraph 10.1.

28 National Commission of Audit, *Phase One Report*, paragraph 10.1.

Scoping study

2.24 The 2014-15 Budget allocated \$11.7 million for scoping studies into future ownership options for Australian Hearing, Defence Housing Australia Ltd, the Royal Australian Mint and the registry function of the Australian Securities and Investments Commission.²⁹ The scoping studies were 'to assess the likely sale environment for each business operation and seek to ascertain the optimal method and timing of sale'.³⁰

2.25 On 5 August 2014, the Minister for Finance, Senator the Hon Mathias Cormann, announced the appointment of PricewaterhouseCoopers (PWC) as the business advisers for the scoping study into privatisation of Australian Hearing. The Minister stated that the objectives of the scoping study would be to:

- *maintain service and quality levels for customers and private investors including in regional and rural Australia;*
- ensure any recommended outcome/s treat Australian Hearing...employees in a fair manner, including through the preservation of accrued entitlements;
- minimise any residual risks and liabilities to the Government; and
- maximise the benefits to the Government.³¹

2.26 The Minister noted that the scoping study recommendations would be considered as part of the 2015-16 Budget process.³²

2.27 Mr Robin Renwick, Acting First Assistant Secretary, Commercial Claims Division, Department of Finance told the committee that a scoping study is:

...an evidence based review: it looks at the industry; it looks at the business concerned; it looks at the market; it looks at all the policy issues around the entity being considered; and it looks at the possible options for taking it forward. As part of that process it talks to stakeholders, and that process would have completed around the end of 2014 with a report going to government at that point.³³

29 2014-15 Budget, Budget Paper No. 2, Budget Measure: Smaller Government — scoping studies for four operations of government, p. 117.

30 2014-15 Budget, Budget Paper No. 2, Budget Measure: Smaller Government — scoping studies for four operations of government, p. 117.

31 Senator the Hon Mathias Cormann, Minister for Finance, media release, 'Appointment of Advisers for Scoping Studies for Australian Hearing and Defence Housing Australia', 5 August 2014 (emphasis added).

32 Senator the Hon Mathias Cormann, Minister for Finance, media release, 'Appointment of Advisers for Scoping Studies for Australian Hearing and Defence Housing Australia', 5 August 2014.

33 Mr Robin Renwick, Acting First Assistant Secretary, Commercial Claims Division, Department of Finance, *Committee Hansard*, 10 July 2015, p. 71.

2.28 Mr Renwick advised the committee that the final report of the scoping study had been provided to government in December 2014.³⁴ Mr Renwick explained that the outcome of the scoping study was to have been considered by government in the 2015-16 Budget process, but that government deferred the decision.³⁵ The flow on actions from this decision are discussed below (at para 2.64).

Conduct of the scoping study

2.29 At its hearing on 10 July 2015 and through submissions, the committee heard that many stakeholders were concerned about the conduct of the scoping study. Concerns raised included:

- a lack of clarity around which groups were consulted by PWC as part of the scoping study;
- while there was no formal submission process, many groups made submissions and the status of these in the scoping study is unknown; and
- the scoping study and its conclusions have not been released, even to groups who participated in the process, leading to uncertainty and confusion over what has been recommended to government.

2.30 On this last point, witnesses told the committee that whilst being told nothing about the outcome of the scoping study, they were now being invited to workshops by the Department of Human Services and the Department of Health about transition of Australian Hearing to the NDIS. This evidence, and its effect on stakeholders, is discussed further in Chapter 3.

Submissions

2.31 The scoping study process did not seek submissions from stakeholders, nor did it advertise a process by which interested organisations and individuals could make submissions. Despite this, a number of organisations told the committee that they made submissions to PWC and the Department of Finance as they felt that it was important for their specialist knowledge to be included in the scoping study. For example Ms Margaret Dewberry, Adviser, Deafness Forum of Australia told the committee:

When the scoping study was first announced, Deafness Forum decided to put in a submission. There was no call for submissions that I was aware of, but we wanted those consultants to really understand about hearing loss and hearing services, so Deafness Forum and several other organisations put together some submissions to help inform on that. We consulted as part of

34 Mr Robin Renwick, Acting First Assistant Secretary, Commercial Claims Division, Department of Finance, *Committee Hansard*, 10 July 2015, p. 73.

35 Senator the Hon Mathias Cormann, Minister for Finance, media release, 'Further Consultation on Future Ownership Options for Australian Hearing', 8 May 2015.

that process, and it was very strong from families particularly that impartial, unbiased information was just so important.³⁶

2.32 Other groups used whatever mechanisms they could to find out about the progress of the scoping study so that they could make a submission. Mr Mark Wyburn, Ordinary Committee Member and Regional Representative, Parents of Deaf Children (PODC) told the committee that PODC had watched for when the Department of Finance released tender documentation for the scoping study advisers as a means of keeping informed about the process. Mr Wyburn explained that as there had been no public information about participating in the scoping study, PODC had taken the initiative to make a submission to PWC and the Department of Finance after seeing the tender for scoping study advisers advertised:

There was no call for participation, so ourselves, Deafness Forum, Aussie Deaf Kids, and Canberra Deaf Children's Association all put submissions in so that we would have a hearing. That was the only opportunity we had.³⁷

2.33 Several other groups were encouraged to make a submission by personal association. The Royal Institute for Deaf and Blind Children (RIDBC) were such a group, as Mr Christopher Rehn, Chief Executive explained:

Mr Rehn: Yes. We put a submission to the Commission of Audit and we then followed through, obviously, with the stakeholder discussions with PricewaterhouseCoopers.

CHAIR: Can you take me through the timing of that? When did you put your submission to the Commission of Audit? Were you sought as a participant or did you seek the opportunity yourself?

Mr Rehn: Through personal connections we were connected with the chair of the Commission of Audit and he asked the question whether there would likely be a response from the Royal Institute for Deaf and Blind Children in regard to the future of Australian Hearing, and we provided one.

CHAIR: Through a personal association you were invited?

Mr Rehn: That is right.³⁸

Scoping study consultation and issues

2.34 The organisations the committee spoke to which had made submissions, had, apparently as a result of their submissions, been consulted by PWC as part of the scoping study. These organisations included:

- Aussie Deaf Kids;³⁹

36 Ms Margaret Dewberry, Adviser, Deafness Forum of Australia, *Committee Hansard*, 10 July 2015, p. 19.

37 Mr Mark Wyburn, Ordinary Committee Member and Regional Representative, Parents of Deaf Children, *Committee Hansard*, 10 July 2015, p. 27.

38 Mr Christopher Rehn, Chief Executive, Royal Institute for Deaf and Blind Children, *Committee Hansard*, 10 July 2015, p. 33.

- Parents of Deaf Children;⁴⁰ and
- Deafness Forum of Australia.⁴¹

2.35 Other witnesses indicated that they had been consulted by PWC due to personal association with another organisation or individual. These organisations included:

- Royal Institute for Deaf and Blind Children;⁴² and
- The HEARing Cooperative Research Centre.⁴³

2.36 Some organisations told the committee that they were not invited to participate in the scoping study consultations. These included:

- Deaf Australia;⁴⁴ and
- Independent Audiologists Australia.⁴⁵

2.37 The limited consultations conducted by PWC appear to have lasted between one hour⁴⁶ and three hours⁴⁷ and were conducted either in person or over the phone.

2.38 In contrast to the ad hoc approach to contacting organisations described by witnesses, Mr Renwick told the committee that the PWC conduct of the scoping study had been organised around three levels of stakeholders:

- Australian Hearing itself;
- the government agencies with policy responsibility: Department of Human Services, Department of Health, and Department of Social Services; and
- key stakeholders within the hearing impaired community.⁴⁸

39 Mrs Ann Porter, Chief Executive Officer, Aussie Deaf Kids, *Committee Hansard*, 10 July 2015, p. 11.

40 Mr Mark Wyburn, Ordinary Committee Member and Regional Representative, Parents of Deaf Children, *Committee Hansard*, 10 July 2015, p. 26.

41 Ms Margaret Dewberry, Adviser, Deafness Forum of Australia, *Committee Hansard*, 10 July 2015, p. 11.

42 Mr Christopher Rehn, Chief Executive, Royal Institute for Deaf and Blind Children, *Committee Hansard*, 10 July 2015, p. 33.

43 Professor Robert Cowan, Chief Executive Officer, The HEARing Cooperative Research Centre Limited, *Committee Hansard*, 10 July 2015, p. 47.

44 Mr Kyle Miers, Chief Executive Officer, Deaf Australia Inc, *Committee Hansard*, 10 July 2015, p. 38.

45 Dr Louise Collingridge, Executive Officer, Independent Audiologists Australia, *Committee Hansard*, 10 July 2015, p. 50.

46 Professor Robert Cowan, Chief Executive Officer, The HEARing Cooperative Research Centre Limited, *Committee Hansard*, 10 July 2015, p. 47.

47 Mr Mark Wyburn, Ordinary Committee Member and Regional Representative, Parents of Deaf Children, *Committee Hansard*, 10 July 2015, p. 26.

2.39 This last group of stakeholders were identified for PWC and Department of Finance by departments with policy responsibility. Mr Renwick also explained that other groupings within the hearing impaired community were considered, such as the Parents of Deaf Children and the Deafness Forum.⁴⁹

2.40 In response to questions about the process the departments used for developing a stakeholder consultation list for the scoping study, Mr Renwick advised that:

It was probably more iterative that we got together. We had a fairly broad list and people just added to that list. Rather than bits of paper flying around, there was more a discussion as to who would be the appropriate parties to approach... Essentially, we came together in a room and we started to put together a list based on people's knowledge of the industry and knowledge of the parties involved. We developed a list from there, which I think was then circulated.⁵⁰

2.41 The Department of Finance was unable to provide a copy of the list of groups given to PWC to contact, and took the question on notice. The due date for answers to questions on notice was 4 September 2015 and by 16 September 2015, the Department of Finance has not provided its answers to the committee. Without this list, it is difficult to ascertain which groups were suggested by the departments for consultation and which groups were included in the PWC consultation because they made an unsolicited submission or because they had a connection to an related body, such as the NCOA.

2.42 It is not possible to ascertain the focus of the scoping study without access to its final report. However, witnesses described their experiences of the PWC consultation. This evidence asserted that the scoping study was focused more on the financial benefits of privatising Australian Hearing than on the potential impact on the hearing impaired community.

2.43 Mr Mark Wyburn, PODC, told the committee that the scoping study process had 'been very expedient and perhaps in our mind not engaging.' PODC had not been asked to provide a submission; they had 'had to put [their] foot in the door to make a submission so that [they] could get a hearing.'⁵¹ PODC's hearing with PWC lasted three hours, and Mr Wyburn described the experience as:

In our mind that is not an extensive hearing. Also, they are looking at a business model. We are concerned about service delivery and client

48 Mr Robin Renwick, Acting First Assistant Secretary, Commercial Claims Division, Department of Finance, *Committee Hansard*, 10 July 2015, p. 72.

49 Mr Robin Renwick, Acting First Assistant Secretary, Commercial Claims Division, Department of Finance, *Committee Hansard*, 10 July 2015, p. 72.

50 Mr Robin Renwick, Acting First Assistant Secretary, Commercial Claims Division, Department of Finance, *Committee Hansard*, 10 July 2015, p. 72.

51 Mr Mark Wyburn, Ordinary Committee Member and Regional Representative, Parents of Deaf Children, *Committee Hansard*, 10 July 2015, p. 26.

outcomes. I do not think the focus of that has been there, and we do not know the focus, because the scoping study has not been released, so we cannot even make an assessment of the level of academic or professional input they have had into what is best practice.⁵²

2.44 By contrast, Mrs Ann Porter, Aussie Deaf Kids, told the committee that PWC had been more interested in issues around NDIS when they had spoken to her organisation:

I guess the pathways and really the interface with the NDIS: how Hearing Services would interface with the NDIS, which we have found difficult to conceptualise. The Office of Hearing Services seems to feel that parents do not understand the NDIS. We do actually understand the NDIS, but we do not understand how the NDIS and the Hearing Services Program will actually interface and how that will work.⁵³

Committee view

2.45 The committee is concerned by the lack of clarity around how organisations were contacted for the scoping study and the apparent lack of rigour in the consultations with organisations. The committee considers it particularly disappointing that there was no public call for submissions to the scoping study, given the importance of ensuring that all groups were heard.

2.46 The committee heard evidence, discussed later in this chapter, of the ordeal which parents of deaf children struggle through when first presented with a diagnosis for their child. Similarly, the committee heard about the challenges faced by adults with deafness or hearing impairment and their need for effective access to services. These perspectives need to be recognised in any examination of the future services provided by Australian Hearing. The committee has not seen evidence that the scoping study was structured so as to take into account these important views and experiences.

2.47 The committee considers that Mrs Ann Porter, Aussie Deaf Kids, was correct when she said:

I also think parents are often the last people consulted. It seems to be that the providers and everybody else are the people who are often the first to know about anything. It must also be remembered that parent groups are largely run by volunteers. We have spent huge amounts of time trying to keep on top of this, and it has been hugely difficult for us. We all have other things that we do. Parents have really been on the back foot the whole time and trying to catch up along the way.⁵⁴

52 Mr Mark Wyburn, Ordinary Committee Member and Regional Representative, Parents of Deaf Children, *Committee Hansard*, 10 July 2015, p. 26.

53 Mrs Ann Porter, Chief Executive Officer, Aussie Deaf Kids, *Committee Hansard*, 10 July 2015, p. 12.

54 Mrs Ann Porter, Chief Executive Officer, Aussie Deaf Kids, *Committee Hansard*, 10 July 2015, p. 14.

2.48 The committee urges the government to have regard to the evidence it has received during its hearing on 10 July 2015 and through written submissions, before it makes any final decisions based on the PWC scoping study.

Scoping study findings not released

2.49 All witnesses the committee spoke to were keen to obtain a copy of the findings of the scoping study, particularly in order to better understand the future decisions the government may make regarding Australian Hearing's future.

2.50 With the scoping study not released, some groups such as PODC tried to obtain a copy through representations to their local members of Parliament and the Department of Finance. Ms Kate Kennedy, the Coordinator of PODC told the committee:

We made representation to John Alexander MP to ask through Senator Cormann, the Minister for Finance, whether we could [sight] at least some overview of the scoping study, or something from the scoping study. So we made that representation through him, and a letter from Minister Cormann was then sent to us in response to that. It took probably about a month. It said that we would not be able to sight it, because it was a cabinet in confidence document, I believe.⁵⁵

2.51 When these representations failed, PODC tried to request the scoping study under Freedom of Information (FOI). Ms Kennedy and Mr Wyburn of PODC, told the committee that the exorbitant cost of the FOI request prevented their volunteer organisation from proceeding further:

Ms Kennedy: We thought we might try to get access through a freedom of information request, so we formally submitted one. We received notification back that we would need to pay quite a lot of money in order to get access to information about the scoping study, and that information would not be guaranteed.

Mr Wyburn: That money was to investigate whether they would release the document in the first place. So we may have spent the \$1,700 to ask the legal department of the Department of Finance whether we could have access, and then they could come back and say no, anyway.⁵⁶

2.52 The PODC made an application to have the \$1700 fee waived on the grounds of financial hardship, but advised the committee that they had not received a response to their application.⁵⁷

55 Ms Kate Kennedy, Coordinator, Parents of Deaf Children, *Committee Hansard*, 10 July 2015, pp 27–28.

56 Ms Kate Kennedy, Coordinator, Parents of Deaf Children, Mr Mark Wyburn, Ordinary Committee Member and Regional Representative, *Committee Hansard*, 10 July 2015, p. 28.

57 Ms Kate Kennedy, Coordinator, Parents of Deaf Children, *Committee Hansard*, 10 July 2015, p. 28.

2.53 Deafness Forum of Australia also wrote to the Minister for Finance requesting a copy of the scoping study and was told that it could not be released as the document was commercial-in-confidence.⁵⁸

2.54 Even Australian Hearing has not seen the scoping study findings. As Mr Bill Davidson, the Managing Director of Australian Hearing told the committee:

We are currently not aware of the scoping study outcomes and recommendations. Government announced at the last budget that the decision regarding the future of Australian Hearing was to be deferred for further consultation to take place. I believe that is as a result of there being some confusion around the NDIS, and who is in and who is out, and the realisation by some parties that maybe there has not been adequate consultation with the various stakeholders. So the government has determined that they will do more effective consultation and come back with a recommendation, we believe, by the end of the year. Australian Hearing has registered to be involved in the next round of consultation, but we have yet to get a date for that consultation.⁵⁹

2.55 Mr Renwick told the committee that in his experience scoping studies were not publicly released. He explained that none of the scoping studies completed at the same time as that for Australia Hearing had been published.⁶⁰

2.56 The committee sought advice from the Finance Department regarding the status of the scoping study document:

Senator McLUCAS: You talked about [the scoping study having] cabinet-in-confidence and commercial-in-confidence considerations. Both of those terms have been used in the hearing today. Is the scoping study a cabinet document?

Mr Renwick: The scoping study will be considered by cabinet, so it will form a—

Senator McLUCAS: So, currently, it is not a cabinet document?

Mr Renwick: It will form a cabinet document. It has not been considered by government at this stage.

Senator McLUCAS: So, to this point in time, cabinet-in-confidence is not a consideration but commercial-in-confidence possibly will be a consideration?

Mr Renwick: There is information which could harm the commercial interest of the Commonwealth in terms of the commercial-in-confidence. It is yet to be considered by government. At this stage, it would be a report to

58 Mr Stephen Williamson, Chief Executive, Deafness Forum of Australia, *Committee Hansard*, 10 July 2015, p. 17.

59 Mr Bill Davidson, Managing Director, Australian Hearing, *Committee Hansard*, 10 July 2015, p. 9.

60 Mr Robin Renwick, Acting First Assistant Secretary, Commercial Claims Division, Department of Finance, *Committee Hansard*, 10 July 2015, p. 73.

government. It would come under cabinet-in-confidence once it is considered by government.

Senator McLUCAS: But, at this point, it is not cabinet-in-confidence?

Mr Renwick: Not as such.⁶¹

2.57 The Department of Finance later clarified this advice, explaining that:

The *Freedom of Information Act 1982* and the *Cabinet Handbook 8th Edition* provide that material that has been created for the purpose of preparing a submission to the cabinet, but has not yet been considered by the cabinet, such as the Australian Hearing scoping study, would be considered cabinet-in-confidence.⁶²

2.58 However, as part of the information sessions conducted in June 2015 by the Department of Health to inform stakeholders about the transition of Australian Hearing to the NDIS, some information was given about the issues arising from the scoping study. A document presented at the information sessions by the Department of Finance summarised the findings of the scoping study. These findings included:

- The Government has not yet considered the scoping study or made a decision on the future ownership options for Australian Hearing.
- The concerns raised by stakeholders during the scoping study process are closely related to issues being considered as part of the introduction of the NDIS. Regardless of the future ownership of Australian Hearing, these issues will need to be addressed as part of the NDIS transition planning.
- The Department of Health's Office of Hearing Services has responsibility for the Hearing Services Program. The Health policies that underpin the funding of hearing services in Australia, including Community Service Obligations, are not influenced by the ownership of Australian Hearing.
- Private providers already service the majority of hearing services clients in a competitive and mature market. The NDIS will introduce more choice and contestability, including for Community Service Obligation clients, meaning the market will continue to change.
- Unlike the current segmented approach to hearing service delivery, the NDIS will introduce greater flexibility, whole-of-life service and options for continuity of provider—which will be good for clients.

61 Mr Robin Renwick, Acting First Assistant Secretary, Commercial Claims Division, Department of Finance, *Committee Hansard*, 10 July 2015, p. 74.

62 Letter re clarification of evidence from 10 July 2015 public hearings, from Mr Robin Renwick, Acting First Assistant Secretary, Commercial Claims Division, Department of Finance, 12 August 2015, p. 1.

- Australian Hearing, however, will not be able to compete on a level playing field in the future unless it can evolve to meet the changing market.
- For example, Government ownership locks Australian Hearing out of participating in the private market and limits its ability to offer clients other products and services.
- Australian Hearing needs to diversify and offer clients a greater breadth of services, like other providers. Maintaining the status quo and not responding to the changing hearing services market is unlikely to provide the best outcome for clients and is not an optimal model for Australian Hearing.
- A question to consider is how to best support Australian Hearing to successfully adapt to the new environment and continue to provide the best outcome for clients?
- The National Acoustic Laboratories is highly regarded, internationally renowned and its independent research can continue regardless of the ownership model for Australian Hearing.⁶³

2.59 Deafness Forum of Australia, whose representatives attended the information sessions held by Department of Health and Department of Finance, also produced a summary of the sessions. This summary differed from that of the Department of Finance in that it provided more context to the sessions, including the options for the future of Australian Hearing:

- Keep the status quo. However, the NDIS will affect Australian Hearing regardless of future ownership;
- Investigate what can be done within Government which raises questions around competitive neutrality; or
- Private ownership.⁶⁴

Committee view

2.60 The committee considers that despite scoping studies usually not being publicly released, the release of an overview of the Australian Hearing scoping study's findings would greatly assist stakeholders and alleviate the confusion and uncertainty around Australian Hearing's future.

2.61 The apparent lack of process in the conduct of the scoping study is a further argument for greater transparency. The committee notes that the Department of Finance had to take on notice the question of who exactly had been included in PWC's

63 Document tabled by Ms Margaret Dewberry, Deafness Forum of Australia, titled 'NDIS Interface Information Sessions' authored by the Department of Health.

64 Deafness Forum of Australia, report on information released in June 2015 regarding the scoping study on privatisation of Australian Hearing, website www.deafnessforum.org.au/index.php/issues (accessed 7 September 2015)

consultations. This raises the question of how the department can ensure that all relevant stakeholders have had input into the scoping study.

2.62 After having the report of the scoping study for almost six months, the government deferred any decision on the future of Australian Hearing, subject to further consultations. Such a decision is additional proof that the scoping study did not undertake effective consultation initially.

2.63 Despite the Government refusing to release the scoping study, either to those groups which participated in the process or publicly, the Department of Finance has made some of the scoping study findings public via the information sessions. This information has not been widely distributed, and the "findings" are inconclusive. In the committee's view, the result is further confusion for stakeholders as to the future of Australian Hearing and the Government's decision making process.

Decision to privatise Australian Hearing deferred

2.64 The government decided to defer making a decision about the privatisation of Australian Hearing because it considered that 'further consultation with the hearing impaired community' was necessary.⁶⁵ A media release from the Minister for Finance on 8 May 2015 noted that consultation with the hearing community would centre on the 'implications of the introduction of the National Disability Insurance Scheme [NDIS] for government funded hearing services' as the full introduction of the NDIS in 2019-20 'will significantly change the way hearing services are delivered to Community Service Obligation client groups'.⁶⁶

2.65 Mr Renwick advised that the government had decided on the need for further consultation based on two findings arising from the scoping study:

One was a lack of understanding by the people that we spoke to around the implementation of the NDIS. In fact, most of the people we spoke to did not understand that hearing services would come under the NDIS. There were a number of issues that still needed to be resolved under the NDIS, and therefore there was a need to go out and let people know what was happening and what the implications for hearing services were.

The second key finding in that regard related to the implications of the NDIS on Australian Hearing itself, and that goes to the contestability of community service obligations. Currently, Australian Hearing can compete in the voucher market and has the community service obligations. It is prevented under legislation, and because of broader constitutional issues, from competing more broadly in the open market.⁶⁷

65 Mr Robin Renwick, Acting First Assistant Secretary, Commercial Claims Division, Department of Finance, *Committee Hansard*, 10 July 2015, p. 71.

66 Senator the Hon Mathias Cormann, Minister for Finance, media release, 'Further Consultation on Future Ownership Options for Australian Hearing', 8 May 2015.

67 Mr Robin Renwick, Acting First Assistant Secretary, Commercial Claims Division, Department of Finance, *Committee Hansard*, 10 July 2015, pp 71–72.

2.66 The government has advised publicly that consultations with the hearing community are to be concluded by the end of 2015 and a report will be provided to government at this time.⁶⁸ The consultations currently being conducted by Department of Health and Department of Finance regarding the transition of Australian Hearing to the NDIS are discussed in Chapter 3.

Impact of privatisation

2.67 The Deafness Forum of Australia described the impact of privatisation on Australian Hearing's participation in the Voucher Program as minimal, as this is already a competitive program. The important caveat to this assessment is that any new owner of Australian Hearing may not continue services in rural and remote areas given the cost:

Australian Hearing operates in a competitive environment to deliver services under the Australian Government Hearing Services Voucher Program. The Contract under the Voucher Program represents approximately 75% of Australian Hearing's revenue. According to evidence provided by officers from Australian Hearing at the Senate Estimates session in June 2014, the organisation has 30% of the Voucher market. It is expected that the sale of the agency would have minimal impact on clients accessing services through the Voucher Program, except perhaps in relation to accessibility. There is the potential for a loss of coverage for the Voucher Program. Australian Hearing may be the only Provider in some rural and remote areas and some of these service locations may be closed under new ownership arrangements as they may not be profitable, or the Centres may not have the client demand to justify ongoing operations particularly if the arrangements for delivering the CSO Program change as part of the sale.⁶⁹

2.68 In contrast, Australian Hearing is the sole provider of the CSO Program and receives government funding to deliver services to CSO clients. The Deafness Forum of Australian noted that:

Australian Hearing uses its buying power and infrastructure as a Voucher Program Provider to support the delivery of services under the CSO Program. In 2012-13 Australian Hearing also cross subsidised the CSO funding by approximately \$800,000 from its profit from the Voucher Program services. It is the CSO clients who would be most affected by any change to service delivery arrangements or the sale of the business.⁷⁰

2.69 The Deafness Forum of Australia observed that funding for the CSO Program was originally calculated on an 'avoidable cost methodology based on the cost of service delivery' in the years prior to the introduction of the Voucher Program and the

68 Senator the Hon Mathias Cormann, Minister for Finance, media release, 'Further Consultation on Future Ownership Options for Australian Hearing', 8 May 2015.

69 Deafness Forum of Australia, 'Submission in relation to the potential sale of Australian Hearing', August 2014, p. 6.

70 Deafness Forum of Australia, 'Submission in relation to the potential sale of Australian Hearing', August 2014, p. 6.

possibility of cross-subsidy.⁷¹ Currently, the benefits of the CSO Program being provided by Australian Hearing include:

- Volume purchasing arrangements and economies of scale in the maintenance of over 450 sites around Australia;
- A fixed funding amount which helps to drive efficiencies in program delivery; and
- Cross-subsidy from Australian Hearing's revenue through the Voucher Program.⁷²

2.70 The Deafness Forum of Australia argued that because the provision of CSO Program services runs at an overall deficit, privatisation would mean:

...an increase in the cost of delivering the CSO Program as the payment arrangements would need to be determined on a commercial basis. This would also have a flow on effect to the cost of services provided to Deaf and hearing impaired people under the NDIS.⁷³

2.71 The Deafness Forum of Australia also highlighted another possible economic impact of privatisation, by providing the following example from consultations with parents and other groups:

There was concern that changes to service delivery arrangements could change the focus of the Provider so that greater importance was placed on funding arrangements rather than the best outcome for the child. One family gave an example of accessing services under the *Better Start for Children with a Disability* initiative where they felt that the Providers were promoting programs in order to attract the funding rather than looking at the specific needs of the child and whether their program was the best one for the child. There was concern that this attitude may extend to hearing services if service delivery arrangements change.⁷⁴

2.72 Although the decision on the proposed privatisation of Australian Hearing has been delayed, strong concerns remain about the impact privatisation would have on access to services for those who are deaf or hearing impaired. Through evidence at its public hearing on 10 July 2015 at the Australian Hearing Hub and through written submissions, the committee heard that concerns about the proposed privatisation of Australian Hearing relate to:

71 Deafness Forum of Australia, 'Submission in relation to the potential sale of Australian Hearing', August 2014, p. 41.

72 Deafness Forum of Australia, 'Submission in relation to the potential sale of Australian Hearing', August 2014, p. 41.

73 Deafness Forum of Australia, 'Submission in relation to the potential sale of Australian Hearing', August 2014, p. 41.

74 Deafness Forum of Australia, 'Submission in relation to the potential sale of Australian Hearing', August 2014, p. 33.

- maintaining access to hearing services, particularly for parents of deaf children, very young children, and babies;
- maintaining standards of service in the CSO program if Australian Hearing were privatised, particularly to rural and remote areas and Aboriginal and Torres Strait Islander communities; and
- whether a competitive market would have any incentive to provide the types of services and ongoing research currently provided by Australian Hearing and the NAL.

2.73 Each of these issues is discussed below.

Maintaining access to hearing services

2.74 Through the CSO Program, Australian Hearing has an important role in providing access to hearing services for children who are born with or develop hearing impairment.

2.75 At its hearing on 10 July 2015, the committee heard of the experiences of parents who had accessed Australian Hearing services to help their children. Common to all these stories was the sense of relief parents felt when finding a service which they could trust would answer their questions and help their children. Ms Anna Messariti, President of the PODC told the committee:

My son Xavier, who is now six years old, failed his newborn hearing screening shortly after he was born. He was tested at two days of age and then again at six days of age. The second time he failed, we received a referral to the audiology department of Sydney Children's Hospital. At that stage, it had not even crossed my mind that he could be deaf. At 13 days of age he was tested again, this time more thoroughly by a senior audiologist at Sydney Children's Hospital in Randwick. It was a very long process. By the end of it, I went home with my baby, the diagnosis of a severely sloping sensorineural mild to moderately severe hearing loss, a Choices booklet, a couple of pamphlets about early intervention, referrals to Australian Hearing and a hospital service called Hearing Support, and a list of follow-up appointments. My partner was not even with me on that day, as we had not really comprehended the seriousness of our situation as a family.

At that point, I did not know what I was dealing with. After a few days of reading followed by comprehension, grief and fear, I slowly began to formulate many questions in my mind. There were too many to name. I had realised by then that interventions would be necessary and that I had to make critical decisions that would affect Xavier for the rest of his life. At the age of five weeks old, Xavier was fitted by Australian Hearing with his first set of hearing aids. He is now a thriving six-year-old and Australian Hearing is very much a part of our lives.⁷⁵

75 Ms Anna Messariti, President, Parents of Deaf Children, *Committee Hansard*, 10 July 2015, p. 24.

2.76 The committee heard much evidence regarding the importance of early diagnosis for children with hearing impairment. Ms Kate Kennedy, Coordinator of the PODC told the committee about her experiences of having a late diagnosis for her children and the impact this had:

Our experience with hearing loss is different from Anna [Messariti's] because my children are now in their late teens and early 20s. I have three children, and two of them are deaf. We did not have the benefit of newborn screening in those days. So I suppose my experience is perhaps a cautionary tale for where we maybe could go back to, because both my deaf children were diagnosed late, and I suppose what then took place was us really trying to catch up, because my daughter in particular had quite a language delay and, because she was nearing going into preschool, there was so much to do and so much to think about. I think finding Australian Hearing, for us, was when it all started to fall into place, but up until that time there were a lot of pieces of the puzzle that we were having trouble putting together. When we finally got a diagnosis, it was a relief, I suppose, but there was a lot of guilt attached to the fact that there was a late diagnosis, and what followed was that really we were playing catch-up for quite a long time.⁷⁶

2.77 Ms Kennedy noted that her experiences in comparison to Ms Messariti's, shows how far newborn screening has developed and how much of a role Australian Hearing has played in helping parents to access this technology and the necessary assistance for their children to overcome hearing impairment. Ms Kennedy observed:

The pathway now is so quick and it is quite clear, and I reflect on our experience and how different it is, I suppose. That flags for me the concerns if we are unpacking this pathway, changing this pathway or moving services from this pathway—what the risks might be in terms of that story for a whole lot of other people. We are an engaged family. We are well resourced. It was a nightmare.⁷⁷

2.78 Mr Christopher Rehn, CEO of RIDBC, advised the committee that thanks to Australian Hearing, Australia currently has a very high standard of detecting hearing impairment in newborns and young children. This would be at risk if Australian Hearing were to be privatised:

Importantly with Australian Hearing, the capture of children from newborn screening into service options that may be government or non-government provided has been really effective. We do not lose clients in Australia, in the main, through a gap between diagnosis and them finding their way into appropriate service provision. That is in the bilateral hearing loss category; I think it widens if you consider single-sided deafness issues. If Australian Hearing is not to exist or is to be fully privatised in a fully contestable

76 Ms Kate Kennedy, Coordinator, Parents of Deaf Children, *Committee Hansard*, 10 July 2015, p. 24.

77 Ms Kate Kennedy, Coordinator, Parents of Deaf Children, *Committee Hansard*, 10 July 2015, p. 24.

marketplace, preserving our track record from diagnosis through to intervention becomes really important and begs the question of how it is achieved.⁷⁸

2.79 The PODC's submission summed up the current situation regarding delivery of hearing services in Australia:

At the present time, high quality hearing services are delivered and made accessible to all eligible Australians, by expert practitioners. This high level of care must be maintained, so that the outcomes for deaf and hard-of-hearing children in Australia now and for future generations, can be maximized. Quality of care and outcomes must remain as the highest priorities. These should not be placed at risk by potentially short-sighted policies and practices that seek to explore “market forces” and “contestability” in the context of delivery models.⁷⁹

Services for rural, remote and Indigenous communities

2.80 Australian Hearing is the sole provider of the CSO Program, which covers newborns through to age 26. As sole provider, Australian Hearing is able to ensure that services are delivered consistently throughout Australia, including to rural and remote communities and Indigenous communities. Australian Hearing's Managing Director told the committee that Australian Hearing provides services to over 212 communities on a fly in/fly out or drive in/drive out basis. Australian Hearing has a memorandum of understanding with the local community and provides culturally appropriate services with full support from the community.⁸⁰

2.81 Mr Davidson explained that continuity of service was an important part of Australian Hearing's services in rural and remote communities:

We service [rural and remote communities] by drawing from about 98 clinicians, who volunteer to support communities, and they volunteer to support for two years. So, there is that commonality of clinicians going in so that the relationships remain strong. But it also means that the clinicians' skill standards go up and we have a good pool of clinicians to draw from. It is a complex and complicated service, in many ways, as servicing any community is. As you would imagine, apart from the cultural challenges there are the sheer physical challenges of going in there. Where possible we try to go in with other agencies so it is not a stand-alone visit and it can be a much more holistic service to the communities.⁸¹

2.82 Ms Gina Mavrias, the Operations Director of Australian Hearing, told the committee that cultural awareness training was standard for Australian Hearing

78 Mr Christopher Rehn, Chief Executive, Royal Institute for Deaf and Blind Children, *Committee Hansard*, 10 July 2015, p. 31.

79 Parents of Deaf Children, *Submission 156*, p. 1.

80 Mr Bill Davidson, Managing Director, Australian Hearing, *Committee Hansard*, 10 July 2015, p. 4.

81 Mr Bill Davidson, Managing Director, Australian Hearing, *Committee Hansard*, 10 July 2015, p. 4.

audiologists who were to work with Indigenous communities. But cultural awareness was only one part of the training Australian Hearing provides to audiologists working in rural, remote, and Indigenous communities:

...because a lot of the work we do in those communities involves children, there is a very high incidence of chronic middle ear problems. So the audiologists who do this work have training specifically around providing services to children and awareness about middle ear conditions. Sometimes the solutions need to be different compared with if it was more permanent hearing loss. So there is specific training just on the audiology around that service.

There are also challenges in working within the communities, so additional training is provided for people who go to the outreach sites, because they need to have the skills for liaising at a community level within both the school and other health services... There is more education involved, and a lot of working with others—teachers and families—around prevention and listening strategies. So the training is around paediatric skills but also around culturally appropriate skills.⁸²

2.83 The unique position of Australian Hearing as sole provider of the CSO Program means that it has the ability to provide these services to rural, remote, and Indigenous communities. Should Australian Hearing be privatised and the servicing of these communities left to a competitive market, it is doubtful that the services would be provided. In answer to a question on this point Mr Davidson observed:

Senator McALLISTER: ... It does not sound like an environment where, should we move to a different model or should Australian Hearing be privatised, there would be many competitors ready to provide a service of this kind, given the complexity of skill currently involved in delivering the service.

Mr Davidson: That is probably true. In fact, I think it is true at the present moment. If I were to put a commercial hat on, I would say that unless government was going to pay me excessive amounts I would be unlikely to put my hand up for that type of work [in rural, remote, and Indigenous communities]. I think that is another issue government has to consider with regard to the program going forward.⁸³

Loss of expertise, research, and independent advice

2.84 Australian Hearing's research arm, the NAL, has been responsible for significant advances in hearing technology and screening, particularly for newborns and young children. According to Mr Davidson, the relationship between Australian Hearing and the NAL is arguably unique in the world and creates advantages for Australians:

82 Ms Gina Mavrias, Operations Director, Australian Hearing, *Committee Hansard*, 10 July 2015, p. 4.

83 Mr Bill Davidson, Managing Director, Australian Hearing, *Committee Hansard*, 10 July 2015, p. 5.

With regard to the National Acoustic Laboratories and Australian Hearing, we are unique. I do not think there is another provider who is not a manufacturer who is so deeply embedded in research and research for public benefit. It is not research for commercial benefit at the present moment. All the NAL stuff goes into the public sphere to improve hearing solutions and to try to avoid hearing difficulties.

We work closely with NAL. They have access to some of our clients in order to do research and to collect data. We get no commercial benefit by having NAL in the family. It is really an arms-length, separately managed organisation doing great stuff. We bask in the afterglow, if you like, of having NAL in the family. I think they also benefit by having a larger parent so they can wrap their arms around them and support them on a needs basis. We do not support them financially and we get no commercial benefit.⁸⁴

2.85 Mrs Ann Porter, CEO of Aussie Deaf Kids echoed Mr Davidson's views on the importance of the research and data gathering work done by the NAL:

I think one of the massive issues that is going to be a problem with this is that we still do not have a national database of newborn hearing screening. One area where we do actually know a lot about what is happening with children is through Australian Hearing. And to lose that in the face of the fact that we do not have a national database—the states all have databases; some are better than others—without Australian Hearing I just do not know how we will follow these kids up and know where they are going... And we just cannot conceptualise how in a fee situation people are going to take time to provide the family with the support and time they need to come to the decisions they need to make.⁸⁵

2.86 In addition to the value of having the NAL partnered with Australian Hearing, witnesses also argued that the benefit of Australia Hearing lies in its independence and lack of a relationship to a manufacturer. In its submission, Deaf Australia observed:

The hearing industry is an unregulated business. Many hearing aid companies offer incentives to audiologists to promote their products. Australian Hearing is the only provider that is not wholly commercial and so is in a better position to offer unbiased advice on the best hearing products to suit individual need rather than advice based on making maximum profits.⁸⁶

2.87 Mr Davidson noted that Australian Hearing is in a position to use its bulk purchasing power to ensure the most efficient use of funds for Australians with hearing impairment. Other major players in the Australian market have, or are,

84 Mr Bill Davidson, Managing Director, Australian Hearing, *Committee Hansard*, 10 July 2015, p. 3.

85 Mrs Ann Porter, Chief Executive Officer, Aussie Deaf Kids, *Committee Hansard*, 10 July 2015, p. 14.

86 Deaf Australia, *Submission 159*, p. 2.

hearing aid manufacturers, and while they can access products at wholesale prices, the question is one of benefit to Australian health consumers:

...we are one of three or four major players in the Australian market. The other large players are international, multinational and multicountry providers. Some of them are actually hearing aid manufacturers and they would get the benefit of aids at wholesale rates that we only get because of the bulk purchasing that we have. So it depends on how government run future programs as to whether they would lose that benefit. Not having foresight into government decisions and government practices, I cannot comment, but it may well be that there is another way around that should there be privatisation.⁸⁷

Committee view

2.88 In its submission the Department of Health stated:

- hearing loss currently affects approximately one in six Australians, and this figure is predicted to increase;
- the incidence of ear disease and hearing loss in Aboriginal and Torres Strait Islander people is three times that of the general population; and
- the annual economic cost to Australia caused by hearing loss was estimated to be \$23 billion annually in 2005.⁸⁸

2.89 By comparison, the cost of the CSO Program in 2013-14 was around \$31.2 million.⁸⁹

2.90 The committee believes that the negative impacts of privatisation of Australian Hearing, far outweigh any possible benefits. In fact, with regards to benefits, the committee has heard no cogent arguments which support the privatisation of Australian Hearing for any purpose other than the NCOA's objective of reducing the number of government owned entities.

2.91 The evidence the committee has received has been overwhelmingly in support of maintaining Australian Hearing in its current form. Parents' groups told the committee that, given the choice of contestability and an open market, parents who are currently in the process of negotiating their way through providing the best opportunities for their children, oppose the notion of contestability because they understand it would not meet their children's needs.

2.92 A number of witnesses told the committee of their personal experiences accessing Australian Hearing services for either their children or themselves. These stories emphasise the vital role that Australian Hearing plays in providing trusted advice and an efficient and simple pathway to accessing services. The committee has documented some of these stories in its report. Appendix 4 includes an extract from

87 Mr Bill Davidson, Managing Director, Australian Hearing, *Committee Hansard*, 10 July 2015, p. 3.

88 Department of Health, *Submission 155*, p. 2.

89 Department of Health, *Submission 155*, pp 4 and 7–8.

the submission of Parents of Deaf Children to the PWC scoping study, with has more examples of the immense difference Australian Hearing has made to children's lives.

2.93 Also of great concern is the risk to hearing services for rural, remote, and Indigenous communities, should Australian Hearing be privatised. These are some of the most vulnerable people in Australia, and to leave the provision of their services to the market is to effectively deny them adequate services and access to services.

2.94 The committee considers that Australian Hearing addresses the needs of clients of the CSO Program and the Voucher Program, and does so in a highly efficient way. The unique role of Australian Hearing and the NAL means that Australia is a world leader in hearing technology and access to that technology for hearing impaired children and adults. The personal stories of individuals who are able to be highly productive and contribute to Australian society are testimony to the success of Australian Hearing's services. The committee cannot see any need to privatise Australian Hearing. In fact, should privatisation occur, the evidence the committee has heard indicates that Australians would lose a vital service.

Recommendation 1

2.95 Based on the evidence and the concerns outlined by stakeholders, the committee recommends that Australian Hearing should not be privatised.

2.96 Given the lack of clarity, and the apparent absence of a rigorous process around the scoping study conducted by PWC, the committee is greatly concerned that the government will not have all the necessary facts before it when making a decision about the future of Australian Hearing. Questions remain over the transition of Australian Hearing to the NDIS (examined in Chapter 3), and there is no transparency around any of the current round of consultations being conducted by the departments.

Chapter 3

Australian Hearing and NDIS

Introduction

3.1 The introduction of the NDIS in 2013 included a decision by the government to transition existing Commonwealth programs providing support for people with disability to the NDIS. One of these programs is the Hearing Services Program, which is scheduled to be transitioned to the NDIS nationally by 2019-20.¹

3.2 As noted in Chapter 2, the Hearing Services Program has two components: the CSO program and the Voucher program. According to the Hearing Services Program FAQ website, both the CSO program and the Voucher program will be transitioned to the NDIS.²

3.3 The information on the Hearing Services Program FAQ website was originally published on 7 May 2015, and updated on 17 June 2015.³ As noted in Chapter 2, Mr Renwick, Acting First Assistant Secretary in the Department of Finance, told the committee that the scoping study had in part revealed that 'there were a number of issues that still needed to be resolved under the NDIS...'⁴

3.4 Witnesses at the committee's 10 July 2015 hearing raised a number of unresolved issues around the transition of the Hearing Services Program to the NDIS. In particular, witnesses informed the committee that there was confusion around the effectiveness of privatising Australian Hearing and transitioning the Hearing Services Program into the NDIS. This chapter examines the issues raised by witnesses and submitters in relation to the transition of the Hearing Services Program to the NDIS, in the context of the proposed privatisation of Australian Hearing.

Transition of Hearing Services Program to the NDIS

3.5 Many witnesses supported the NDIS, and had only limited concerns regarding the transition of the Voucher Program to the NDIS. The fact that Australian Hearing competes with other providers to service clients in the Voucher Program means that a transition to the NDIS may be relatively straightforward as the NDIS is also structured as a competitive service area.

1 Office of Hearing Services, Department of Health, website page, 'FAQs on the NDIS interface and transition', www.hearingservices.gov.au/wps/portal/hso/site/about/national%20disability%20insurance%20scheme/ohs-and-ndis, (accessed 9 September 2015).

2 Department of Health, Office of Hearing Services Program, 'FAQs on the NDIS interface and transition', issued 7 May 2015, updated 17 June 2015.

3 Mr Robin Renwick, Acting First Assistant Secretary, Commercial Claims Division, Department of Finance, *Committee Hansard*, 10 July 2015, pp 71–72.

4 Mr Robin Renwick, Acting First Assistant Secretary, Commercial Claims Division, Department of Finance, *Committee Hansard*, 10 July 2015, pp 71–72.

3.6 The chief cause of concern for witnesses and submitters was the transition of the CSO Program to the NDIS, because clients would move from a sole provider situation to a competitive market. The Department of Finance explained that the scoping study found that stakeholders were confused about the Australian Hearing transition to the NDIS.⁵ However, Mrs Ann Porter, CEO of Aussie Deaf Kids, explained:

I guess the pathways and really the interface with the NDIS: how Hearing Services would interface with the NDIS, which we have found difficult to conceptualise. The Office of Hearing Services seems to feel that parents do not understand the NDIS. We do actually understand the NDIS, but we do not understand how the NDIS and the Hearing Services Program will actually interface and how that will work.⁶

3.7 Issues identified by witnesses relating to the proposed transition of the CSO Program to the NDIS included:

- difficulties for parents of newborns and young children in accessing assistance under the NDIS;
- vulnerable groups covered by the CSO Program would face difficult decisions over which providers to access;
- given the importance of early, quality, intervention for young children with hearing impairment, witnesses had concerns over the ability of the market to deliver consistent standards of care; and
- concerns about how the privatisation of Australian Hearing would affect CSO Program clients, on top of transition to the NDIS.

Accessing assistance

3.8 A number of witnesses told the committee of their experiences trying to access assistance for their hearing impaired children. Mrs Porter of Aussie Deaf Kids explained that:

It is just such an incredibly stressful and difficult time when your baby is diagnosed with a hearing loss. I have a deaf daughter. She is now 26. She first of all had a unilateral hearing loss, but then she lost her hearing overnight in her other ear. So I went from having a hearing child to a deaf child overnight, which is basically what happens with newborn hearing screening, where parents feel they have a hearing child and the next day they find that their baby is [deaf]. It just leaves you rudderless, I have to say. It is an incredibly challenging experience.

I am an occupational therapist. I worked within developmental clinics and in the assessment and follow-up of NICU [Neonatal Intensive Care Unit] babies at Westmead Children's Hospital. I could speak English. We had just

5 Mr Robin Renwick, Acting First Assistant Secretary, Commercial Claims Division, Department of Finance, *Committee Hansard*, 10 July 2015, pp 71–72.

6 Mrs Ann Porter, Chief Executive Officer, Aussie Deaf Kids, *Committee Hansard*, 10 July 2015, p. 12.

incredible troubles navigating the system because she came at a time when, really, there were no pathways. We anticipate the same thing happening [under the NDIS].⁷

3.9 Mrs Porter told the committee that the present situation, with Australian Hearing as sole provider of the CSO Program, provided a clear pathway for families in urgent need of assistance:

We have seen some of the issues in the NDIS—with the introduction of the NDIS and the issues that families have around choosing early intervention services and before the NDIS with Better Start. If we then add in trying to navigate finding the right hearing services, we really do think we are going to lose a lot of people. We have a less than two per cent loss to follow-up after newborn hearing screening because we have this pathway that is so clear. In the [United] States, I think it is nearly 50 per cent loss to follow-up. We can see it particularly in families from migrant backgrounds. As parents of deaf children, we do not really have much contact with Aboriginal and Torres Strait Islander families, but we do have a lot of contact with migrant families and the challenges that they face. So we are really fearful of the loss to follow-up with those families if we do not have very clear pathways and good information for those families.⁸

3.10 In its submission, the Deafness Forum of Australia compared the referral pathway under the NDIS to that currently used under the Australian Hearing CSO Program. The forum noted that the Australian Hearing pathway is more streamlined:

The pathway for accessing support under the NDIS is to confirm eligibility, develop a plan with an NDIS planner, choose supports, implement the plan and review the plan. The pathway for accessing hearing services under the CSO Program is more streamlined and therefore clients are able to access the support they need without delay. Currently Australian Hearing has arrangements in place to ensure that infants diagnosed with hearing loss through newborn hearing screening programs and older children diagnosed with hearing loss are seen urgently so they are provided with amplification and other support as quickly as possible. The eligibility checking is immediate and the planning is done with the service provider, i.e. Australian Hearing, so there is no delay between diagnosis and treatment. The arrangement where there is only one Provider nominated to deliver services to infants and children minimises the risk of them being lost to follow up.⁹

3.11 In contrast to the issues raised by witnesses, the information publicly available from the Office of Hearing Services (within the Department of Health) in the FAQ on the transition to NDIS states:

7 Mrs Ann Porter, Chief Executive Officer, Aussie Deaf Kids, *Committee Hansard*, 10 July 2015, p. 12.

8 Mrs Ann Porter, Chief Executive Officer, Aussie Deaf Kids, *Committee Hansard*, 10 July 2015, p. 12.

9 Deafness Forum of Australia, *Submission 150*, p. 10.

The early months for newborns diagnosed with hearing loss can be critical for the whole family and it is recognised that the existing referral pathways work well in ensuring that there is a minimal delay between the time of diagnosis and the delivery of hearing services.

It is important that the NDIS does not act as a barrier to this pathway and the NDIA will be consulting with stakeholders on how this can best be achieved...¹⁰

3.12 Ms Gina Mavrias, the Operations Director of Australian Hearing summarised the issues faced by parents of hearing impaired children, and underlined the importance of simple pathways to access hearing services:

It is a very difficult period for the families. One of the challenges will be: 'Where do I go and who will have the skills to help my child?' At the moment, they come to Australian Hearing and they know that the person they see has the skills to provide the services. Whatever service arrangement is around that needs to consider how parents quickly access services. Speed is really important in this time—we know speed is important for that child getting the best possible outcome. They need to know where to go and how to get in quickly, and there are also the challenges around what the best solution is for their child. Again, there is the need to walk them through the options—whether it is a hearing aid or a cochlear implant or something else—and knowing that they can make those decisions and that it is not a cost decision; it truly is a question of: 'What is the best outcome for my child?'¹¹

Committee view

3.13 The committee believes that the evidence clearly demonstrates that an essential part of the CSO Program is ease of access to services. Having a single pathway provides certainty, particularly for parents of children who have just been diagnosed with hearing impairment. The committee considers that a clear referral pathway to services should be maintained in the transition of the CSO Program into the NDIS.

Vulnerable groups

3.14 Deafness Forum of Australia noted that the CSO Program covers a number of other vulnerable groups in addition to providing services for children with hearing impairment. As described in Chapter 2, these groups include Aboriginal and Torres Strait Islander peoples aged over 50 years and under 65 years and those participating

10 Office of Hearing Services, Department of Health, website page, 'FAQs on the NDIS interface and transition', www.hearingservices.gov.au/wps/portal/hso/site/about/national%20disability%20insurance%20scheme/ohs-and-ndis, (accessed 9 September 2015).

11 Ms Gina Mavrias, Operations Director, Australian Hearing, *Committee Hansard*, 10 July 2015, pp 7–8.

in the Remote Jobs and Communities Program, and adults with complex hearing rehabilitation needs aged under 65 years.¹²

3.15 For these CSO clients, currently there is a simple pathway to access assistance. Deafness Forum of Australia described this situation:

Currently, if people qualify for the NDIS at the pilot sites and require hearing assistance, they are streamed to Hearing Services Providers through the Australian Government Hearing Services Program. If they meet the eligibility criteria for the CSO Program they are seen by Australian Hearing. Otherwise they have a choice of Providers under the Voucher Program. This ensures that the more complex clients are seen by Audiologists with the required expertise and receive the program of services and devices that are appropriate for their needs.¹³

3.16 With the transition to the NDIS and the introduction of contestability, Deafness Forum of Australia argued that clients in the CSO Program will be required to make decisions about service providers. Deafness Forum of Australia questioned whether there has been any assessment of the market for providing contestable services to CSO Program clients. Further, Deafness Forum of Australia, Deaf Australia, and Independent Audiologists Australia all told the committee that audiology was an unregulated profession in Australia, with difficulties around policing standards. For example Ms Leonie Jackson, Chief Executive Officer, the Deaf Society of NSW told the committee of her own experiences with private audiologists:

I personally have experienced going to a private audiology service, where I have been ripped off. They have tried to sell me a \$10,000 hearing aid that I did not need. They tried to charge me \$250 for the moulds, and I know it only costs \$60 at the most. So I have been very wary of private audiologists because of the experience that I have had previously myself.¹⁴

3.17 It is arguable whether consumers believe contestability and increased choice really is a benefit. The Deafness Forum of Australia submitted that it had tested through consultation the argument that contestability was a main benefit of moving the CSO Program to the NDIS. The results of these consultation were:

...while parents understand the potential benefit of having a choice of provider, they believe it is far more important to preserve the existing benefits available through having the Government Provider as the sole provider of services to children and their families. Issues relating to expertise, unbiased information and advice, and trust were more valued by families than having a choice of provider. Families believe this will ensure the best outcome for their child. There is also concern that families who are very vulnerable at the time their child is diagnosed with hearing loss and

12 Deafness Forum of Australia, *Submission 150*, p. 3. See also Chapter 2, para 2.11.

13 Deafness Forum of Australia, *Submission 150*, p. 3.

14 Ms Leonie Jackson, Chief Executive Officer, the Deaf Society of NSW, *Committee Hansard*, 10 July 2015, p. 57.

know very little about hearing impairment are not in a position to make an informed choice about different providers. The current arrangements provide a safety net for children and their families to ensure that the child's outcomes are not compromised.

The Deafness Forum consultation highlighted that families do not support contestability in the delivery of services to Deaf and hearing impaired children.¹⁵

Committee view

3.18 The evidence heard by the committee appears to indicate that the more choice or contestability in the market, the more difficult the decisions which need to be made by the individual seeking help. For vulnerable groups, this may result in being overwhelmed by the options available. The situation may also leave vulnerable groups open to exploitation if there are not adequate safeguards in place.

Consistent standards of care

3.19 A major concern of witnesses, relating to both the transition of the Hearing Services Program to the NDIS and the proposed privatisation of Australian Hearing, was maintaining consistent standards of care.

3.20 Mrs Porter of Aussie Deaf Kids told the committee that Australia is a world-leader in standards of care for children with hearing impairment, in large part thanks to the work of Australian Hearing. However, although Australian Hearing has world-leading expertise, Mrs Porter argued that there is little evidence of the market having providers of services for children with the same standard of service:

Parents have been enthusiastic supporters of the NDIS, as we can see the opportunities the scheme will provide for our children throughout their lives. However, the contestability of the Hearing Services Program is not one we support. It is a model that is untested for this group of clients in Australia. The UK has made adult hearing services contestable but has refrained from doing so for children's services. As parents, we are all too aware of the issues and burdens faced by parents in the US, where the process is contestable. This is not one that we want to see replicated here.

There is no evidence that there are providers with the skills, equipment, facilities and coverage to effectively deliver the hearing services required by children and their families. It is our contention that contestable hearing services have the potential to compromise the principles of good practice and put at risk the future of deaf and hard-of-hearing children and their families. We have identified numerous areas of concern that must be addressed to ensure that the system we transition to complies with the principles of best practice and continues to provide the services and support that the child and family need to optimise their potential.¹⁶

15 Deafness Forum of Australia, *Submission 150*, pp 9–10.

16 Mrs Ann Porter, Chief Executive Officer, Aussie Deaf Kids, *Committee Hansard*, 10 July 2015, p. 11.

3.21 Deafness Forum of Australia also argued that 'the private market does not currently provide services to Deaf and hearing impaired children.'¹⁷ Even if the private sector was to begin to provide services for children, and for other vulnerable groups of CSO Program clients, Deafness Forum of Australia asked what safeguards exist to ensure the quality of the service and the access of the service in rural and remote areas.¹⁸

3.22 Deafness Forum of Australia also observed that the quality of the service has a significant impact on the outcomes for the person seeking help:

Research indicates the expertise of the service provider has a significant impact on client outcomes. Consumers need certainty that they are accessing services from a clinician with the appropriate skills. If new service delivery arrangements are introduced, consideration needs to be given to the mechanism that would be used for clinicians to attain the competencies needed to deliver services to CSO clients in the future, and for consumers to be able to recognise that practitioners have the skill level required to provide these services.¹⁹

3.23 Deafness Forum of Australia argued that before the CSO Program moves to the NDIS, safeguards need to be in place to protect CSO clients and to ensure adequate service delivery. The safeguards recommended by Deafness Forum of Australia state that services:

- Are available in urban, rural and remote areas of Australia
- Are within a reasonable travel distance for clients
- Are delivered by professionals with an appropriate level of expertise
- Are delivered fairly and equitably
- Are delivered in a culturally sensitive way
- Are focussed on the best interests of the client and their family
- Are delivered consistently across service locations
- Are delivered according to international best practice recommendations
- Are available for all clients regardless of their age, level of disability, socio economic background or requirements for interpreter and translation services²⁰

3.24 In relation to services for children, the Deafness Forum of Australian suggested the following additional safeguards:

17 Deafness Forum of Australia, *Submission 150*, p. 8.

18 Deafness Forum of Australia, *Submission 150*, p. 8.

19 Deafness Forum of Australia, *Submission 150*, p. 6.

20 Deafness Forum of Australia, *Submission 150*, pp 7–8.

- The program allows for a family centred response, giving families time, information and support to allow them to make an informed decision for their baby or child
- The child receives an individually tailored program to meet the needs of the child and the family
- The child receives the services and devices they needed to achieve the best outcome
- There are strong relationships between audiological services, educational services and other support services including referrers
- The service is provided by highly skilled clinicians
- The clinical programs are research based and supported by clinical protocols
- The programs are provided with the focus on the best outcome for the child rather than a sales focus
- Services are equitable and not based on the family's ability to pay
- Information and guidance is impartial and unbiased
- Services are well located to minimise the need for travel²¹

Consultation on NDIS transition

3.25 As discussed in Chapter 2, the paucity of information provided by the department has led to stakeholder groups being confused and uncertain about the transition of Australian Hearing to the NDIS.²² As a result of the government's announcement to defer its decision on the scoping study, the Department of Health and the Department of Finance undertook further consultations with the hearing community about the transition to NDIS.

3.26 The consultations, called 'NDIS Transition Information Sessions', were conducted in Canberra, Sydney, and Melbourne in June 2015.²³ The information sessions were run by the Office of Hearing Services (Department of Health) and

21 Deafness Forum of Australia, *Submission 150*, pp 7–8.

22 Mr Robin Renwick, Acting First Assistant Secretary, Commercial Claims Division, Department of Finance, *Committee Hansard*, 10 July 2015, pp 71–72, see also document tabled by Ms Margaret Dewberry, Deafness Forum of Australia, titled 'NDIS Interface Information Sessions' authored by the Department of Health.

23 Office of Hearing Services, Department of Health, website page, 'National Disability Insurance Scheme', <http://hearingservices.gov.au/wps/portal/hso/site/about/national%20disability%20insurance%20scheme>, (accessed 9 September 2015).

included information from the Department of Finance regarding the findings of the scoping study into the privatisation of Australian Hearing.²⁴

3.27 The Office of Hearing Services is has also conducted 'NDIS Transition Planning Workshops' in August (10–18 August 2015), as well as at unspecified dates in September 2015.²⁵ The workshops are described as being held to 'help identify and discuss the key activities and steps to support a successful transition to the NDIS, including options for implementation'.²⁶

3.28 Interestingly, representatives from Australia Hearing were not part of the NDIS Transition Information Sessions, as Ms Mavrias indicated to the committee.²⁷

3.29 Witnesses expressed confusion over the purposes of the information sessions and the planning workshops. There was also confusion about how these activities relate to the transition of the Hearing Services Program to the NDIS and the outcomes of the scoping study. For example, Ms Margaret Dewberry, Deafness Forum of Australia, told the committee:

We would like to see what the blueprint is [for transition of the Hearing Services Program to the NDIS]. I thought the Office of Hearing Services had made an offer for people to attend a transition planning workshop, which I had interpreted to mean that we would be part of developing that blueprint. But it seems that the blueprint is there. So I do not [know] whether that is just a consultation process now or quite what it represents. So yes, there is this feeling of always playing catch-up on what is happening.²⁸

3.30 Mr Mark Wyburn of the PODC told the committee that his organisation were similarly confused about the process:

...the overall umbrella framework we do not know. Someone talked about a blueprint. We do not know where this is all fitting in. Consultation has been changed on the run. There was a framework request for comment on service

24 Office of Hearing Services, Department of Health, website page, 'NDIS Interface Information Sessions', <http://hearingservices.gov.au/wps/portal/hso/site/about/national%20disability%20insurance%20scheme/ndis-information-sessions>, (accessed 9 September 2015).

25 Office of Hearing Services, Department of Health, website page, 'NDIS Transition Planning Workshop', http://hearingservices.gov.au/wps/portal/hso/site/about/national%20disability%20insurance%20scheme/ndis_transition_planning_workshop, (accessed 9 September 2015).

26 Office of Hearing Services, Department of Health, website page, 'NDIS Transition Planning Workshop', http://hearingservices.gov.au/wps/portal/hso/site/about/national%20disability%20insurance%20scheme/ndis_transition_planning_workshop, (accessed 9 September 2015).

27 Ms Gina Mavrias, Operations Director, Australian Hearing, *Committee Hansard*, 10 July 2015, p. 9.

28 Ms Margaret Dewberry, Adviser, Deafness Forum of Australia, *Committee Hansard*, 10 July 2015, p. 18.

delivery. That was then service delivery for voucher service. That now encompasses audiology, and now we have been asked to provide paediatric input into that from a parent. So, it has gone from voucher system delivery to CSO...²⁹

3.31 Mrs Porter of Aussie Deaf Kids also submitted that many groups were not informed of the effect of the NDIS transition, let alone the impact of the privatisation of Australian Hearing:

I guess we knew that with the NDIS clearly there was always going to be the issue of possible contestability if hearing services went under the NDIS. But we were not really aware that the hearing services were going under the NDIS. We did see that there was a COAG agreement a number of years ago that we were not really aware of. As parents we were not aware that that had occurred. We were under the impression that the NDIS and hearing services would remain separate. But the sale of Australian Hearing was where the alarm bells first started to ring for us. We have really been told only in the last few weeks that hearing services will go under the NDIS. We are just trying to catch up all the time.³⁰

3.32 Ms Catherine Rule, First Assistant Secretary of the Medical Benefits Division in the Department of Health, told the committee that she was 'not aware of a formal document that exists that is called a blueprint'.³¹ Ms Rule stated that the purpose of the information sessions was:

...talking to the stakeholders about not just the scoping study—that was probably actually the smaller part of the discussion—but the transition to the NDIS and trying to flesh out the issues and the things we need to think about and the processes and the policy issues. It may have been mentioned in that context, but I am not aware of the existence of a document called a 'blueprint'.³²

3.33 Ms Tracey Duffy, the National Manager of the Office of Hearing Services in the Department of Health expanded on the point made by Ms Rule. Ms Duffy told the committee that while the term 'blueprint' may have been used at the information sessions, nothing had been developed:

CHAIR: Okay. Is there anything that could be conceived to be anything like a blueprint, or a finger painting perhaps?

Ms Duffy: What was explained was that, over the coming months, we are required to develop up a transition plan. I would have used the language 'a

29 Mr Mark Wyburn, Ordinary Committee Member and Regional Representative, Parents of Deaf Children, *Committee Hansard*, 10 July 2015, p. 26.

30 Mrs Ann Porter, Chief Executive Officer, Aussie Deaf Kids, *Committee Hansard*, 10 July 2015, p. 14.

31 Ms Catherine Rule, First Assistant Secretary, Medical Benefits Division, Department of Health, *Committee Hansard*, 10 July 2015, p. 81.

32 Ms Catherine Rule, First Assistant Secretary, Medical Benefits Division, Department of Health, *Committee Hansard*, 10 July 2015, p. 81.

blueprint', which sets out the types of activities and the timing for things going between now and when we do full national rollout or transition. I have used that term 'blueprint', but it is a way of describing a transition plan of being able to segment and give people an idea of critical points in time for things to occur.

CHAIR: Is that transition plan under development or developed?

Ms Duffy: It is not developed. We are just starting to gather the information, and the information sessions were a starting point. We have also received a number of submissions that identified the important areas that we need to consider as part of the transition, which were all raised earlier today as well as being raised in the scoping study that will form a transition plan. So it is in the early stages.³³

Privatisation and transition to NDIS

3.34 Other concerns regarding the privatisation of Australian Hearing and the transition of the Hearing Services Program to the NDIS included the possible gap in timing resulting from both processes. Mr Kyle Miers, Chief Executive Officer of Deaf Australia told the committee that if Australian Hearing were to be privatised in the short term—that is in 2016—there would be a gap from that date to the full roll out of NDIS:

Just looking at the time line, from the establishment of the NDIS to the actual full rollout, we have a three-year gap from the sale. From the end of this financial year, 2015, to the full rollout of the NDIS, which will not be happening until 2018, there will be a three- or four-year gap. What will be happening in the interim? If the sale is made, then what happens? People are in a bit of a twilight zone, so to speak. Those people will be impacted, because they will not have access to services if Australian Hearing Services is sold or privatised and the NDIS has not been fully rolled out, where do people go? They are in limbo. That will affect people nationally. They are left in limbo until about 2018, so what are people to do? They are left without services in that time frame, so who will be supporting them? There will be no support. There will be nothing. It will make the situation far worse, and it is not allowing for a proper transition.³⁴

3.35 Information from the Department of Finance about what might happen should Australian Hearing be privatised with a gap of three to four years notes:

The Office of Hearing Services in the Department of Health is responsible for hearing services policy and managing the funding for the Hearing Services Program, including the CSOs. The consideration of future ownership options for Australian Hearing will not impact on the eligibility for, or the funding of, the Hearing Services Program. People with a hearing loss who currently receive (or are eligible to receive) CSO services will

33 Ms Tracey Duffy, National Manager, Office of Hearing Services, Department of Health, *Committee Hansard*, 10 July 2015, p. 81.

34 Mr Kyle Miers, Chief Executive Officer, Deaf Australia Inc, *Committee Hansard*, 10 July 2015, p. 41.

continue to receive those services, either as NDIS participants or clients of the Hearing Services Program.³⁵

3.36 Mr Stephen Williamson, the CEO of the Deafness Forum of Australia raised an issue related to privatisation—what would happen if Australian Hearing's private sector ownership changed its priorities for service delivery:

The introduction of contestability introduces significant risks in terms of access, expertise, quality and standards. Additionally, as you know, the government is still to make a decision regarding the sale of Australian Hearing. If the sale proceeds and the new owner decides to withdraw from providing services to these more costly and challenging client groups then the safety net of the government provider will be lost. Deafness Forum of Australia has developed a paper outlining the issues that need to be addressed in the transition plan and has made it available to the committee.³⁶

Committee view

3.37 Australian Hearing has provided services to deaf and hearing impaired Australians since 1947. In conjunction with its research arm, the NAL, Australian Hearing is a world-leading source of 'expertise, unbiased information and advice, and trust' for clients of the CSO Program.³⁷ For its submission to the PWC scoping study, Deafness Forum of Australia consulted with its members, other stakeholders, and interested parties across Australia. The main finding was that clients of the CSO Program, particularly families supporting hearing impaired children, valued Australian Hearing as a sole provider for the security it provided:

While consumer choice is often seen as an important issue, parents of hearing impaired children did not raise this as a concern with current arrangements. Many families indicated their relief at knowing there was a single organisation that was highly regarded for its expertise in working with children and their families and provided unbiased information and advice, so they were not required to undertake research into finding an appropriate Provider particularly at the time of diagnosis when the parents are feeling high levels of anxiety and stress. Families felt a high degree of trust in receiving services and advice from an agency that was not making a profit from these services.

Issues relating to expertise, unbiased information and advice, and trust were more valued by families than having a choice of provider.³⁸

35 Department of Finance, website, 'Australian Hearing further consultations – FAQs', www.finance.gov.au/procurement/scoping-studies/australian-hearing-faqs/, (accessed 9 September 2015).

36 Mr Stephen Williamson, Chief Executive, Deafness Forum of Australia, *Committee Hansard*, 10 July 2015, p. 16. The 'transition plan' referred to be the Deafness Forum of Australia is contained in *Submission 150*.

37 Deafness Forum of Australia, *Submission 150*, pp 9–10.

38 Deafness Forum of Australia, 'Submission in relation to the potential sale of Australian Hearing', August 2014, p. 34. Original emphasis reproduced.

3.38 If the Hearing Services Program, including the CSO Program serviced by Australian Hearing, is to transition to the NDIS, then a core element which must be maintained is access to 'expertise, unbiased information and advice, and trust' for vulnerable clients.³⁹

3.39 The committee believes that there has been a lack of structured consultation around the transition of the Hearing Services Program to the NDIS. This situation is of significant concern given that the CSO Program provides services to vulnerable clients, and to newborns and young children whose future lives depend on accessing quality assistance in a timely manner.

3.40 The evidence heard by the committee shows that clarity is desperately needed around the arrangements to transition the Hearing Services Program to the NDIS. Further, there needs to be transparency around the development of any 'blueprint' or arrangements for the transition to ensure that the concerns of all stakeholders have been considered and adequately addressed.

3.41 The transition of the Hearing Services Program to the NDIS is also being unnecessarily complicated by the uncertainty around the future of Australian Hearing. A government decision about the privatisation of Australian Hearing has been deferred. This is despite the overwhelming evidence that selling Australian Hearing would cause significant negative impacts to its clients, who are often amongst the vulnerable Australians. By delaying its decision on privatisation, the government has effectively forced the Departments of Health and Human Services to consult on the Hearing Services Program's transition to the NDIS under two scenarios: a privatised Australian Hearing and a status quo Australian Hearing. The committee considers that it is little wonder stakeholders have complained of confusion and uncertainty.

3.42 If the Hearing Services Program is to successfully transition to the NDIS in a way which ensures all stakeholder groups are considered, the government needs to immediately guarantee the retention of Australian Hearing in government hands.

Recommendation 2

3.43 The committee recommends that the government provide clarity around the work already done on the transition of the Hearing Services Program to the National Disability Insurance Scheme. Any 'blueprint' or implementation plan should be made public as soon as it is finalised, so as to reassure stakeholders that the quality services provided by Australian Hearing continue to be available in order to ensure that hearing impaired Australians can live the life they deserve.

39 Deafness Forum of Australia, *Submission 150*, pp 9–10.

Senator Deborah O'Neill

Chair

Government Senators' Dissenting Report

Introduction

1.1 Coalition Senators reject the two recommendations from the Health Select Committee's 3rd Interim Report (the Report).

1.2 From the outset, Coalition Senators once again reiterate the waste of taxpayer money and lack of direction of the Health Select Committee's work as it duplicates the role of the Senate Community Affairs Committee. The issues raised in the Report clearly fall under the responsibility of the portfolios relevant to the Community Affairs Committee and no compelling reason has been provided to date as to why this separate committee is necessary.

Recommendation 1

1.3 Coalition Senators note that further consultation is underway with the hearing community about the findings of the scoping study into Australian hearing before making any decisions on future ownership.

1.4 The report itself quotes the Department of Finance's summary of the findings of the scoping study:

The concerns raised by stakeholders during the scoping study process are closely related to issues being considered as part of the introduction of the NDIS [National Disability Insurance Scheme]. Regardless of the future ownership of Australian Hearing, these issues will need to be addressed as part of the NDIS transition planning.¹

1.5 Given the Government has not made a decision on the ownership of Australian Hearing and the consultation is ongoing, the Committee should not pre-empt the outcome. Therefore, Coalition Senators reject Recommendation 1.

Recommendation 2

1.6 Coalition Senators note that the Government has provided ample information and clarity about the work done on the transition of the Hearing Services Program.

1.7 As part of the introduction of the National Disability Insurance Scheme (NDIS), it was agreed to transition existing state and Commonwealth funded programs that provide support to people with disability to the NDIS. One of these programs is the Australian Government Hearing Services Program (the Program), which will be

1 Senate Select Committee on Health, Third Interim Report 'Australian Hearing: too important to privatise', 17 September 2015, p. 15, paragraph 2.58.

transitioned in part to the NDIS by 2019-20. Moving eligible clients to the NDIS will mean they have more choice and control over the services they need. Interim arrangements are in place to allow NDIS clients to access the Program, while existing program clients continue to receive services in the usual way.

1.8 To assist the transition, the Office of Hearing Services (the Office) in the Department of Health has:

- Provided information to existing service providers regarding the interim arrangements.
- Placed a number of fact sheets including Questions and Answers on the website www.hearingservices.gov.au.
- In partnership with the Department of Finance and Department of Social Services, held 3 information sessions in June 2015 that targeted those who had been involved in the Scoping Study process. A copy of the PowerPoint presentation and summary of the information sessions is available on the website.
- Conducted an open registration process for those interested or who may be impacted by the transition to attend a Transition Workshop. The Workshops were conducted in August and September 2015 in partnership with the National Disability Insurance Agency (NDIA) and Department of Social Services.
- Visited NDIS trial sites in ACT, SA and WA to hear feedback from planners and participants.
- Met with key advocacy groups to discuss in further detail specific concerns.
- Sent letters to those clients who may be eligible for the NDIS to inform them about the transition arrangements.
- Reviewed submissions and considered feedback from the information sessions from various groups and individuals detailing their concerns and/or views about the transition which has identified important packages of work to be undertaken to support the transition.

1.9 It was clear from the information sessions and workshops that stakeholders have various concerns about changes to the existing system and what these will mean for the experience and service provided to clients, particularly for infants and young children. Concerns and issues raised by stakeholders will be considered in transition planning and can be summarised in the following key themes:

- Maintaining current speed of access to paediatric services and the quality of those services, including appropriately trained and qualified clinical staff
- Monitoring the application of the NDIS access criteria and provision for any Hearing Services Program clients who are ineligible for the NDIS
- Ensuring that NDIA planners have appropriate information about reasonable and necessary supports for hearing loss

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- Maintaining a national clinical data collection for all clients receiving government funded hearing services
 - Ensuring that any new arrangements continue to provide for the monitoring of children at risk of permanent hearing loss
 - Maintaining access to expert advice on the appropriateness of hearing equipment in schools
 - Preserving access to services for clients in rural and remote areas
 - Ensuring that there is active engagement with key stakeholders

1.10 Stakeholders involved in the consultations to date include representatives from existing contracted service providers, hearing practitioners, parents of children with hearing loss, early intervention service providers, hearing loss and early intervention services advocacy groups for both adults and children, representatives from Aboriginal and Torres Strait Islander advocacy groups, representatives from rural and remote service delivery agencies, researchers, device manufacturers, and representatives from hearing resource centres.

1.11 The broad mix of stakeholders has enabled wide ranging discussion regarding service delivery considerations, including for rural and remote clients and the unique challenges faced in these areas, as well as to draw on the experience of those who have used the current hearing program and their perceptions of change with some services moving to the NDIS.

1.12 The Office will now develop a Transition Plan that details the activities and work that will be undertaken to address the key concerns raised by stakeholders. The NDIA will be a key partner in this Transition Plan. A Communications Strategy will also be developed to support the Transition Plan. These documents will be placed on the website, along with further updates and opportunities for stakeholders to be involved in the activities needed to support the transition.

Recommendation 3

1.13 Coalition Senators recommend the Government continue the methodical, transparent process of transitioning hearing services to the NDIS.

Senator Sean Edwards
Liberal Senator for South Australia

Senator Zed Seselja
Liberal Senator for Australian Capital Territory

Senator John Williams
Nationals Senator for New South Wales

Appendix 1

Witnesses who appeared before the committee on 10 July 2015¹

Friday, 10 July 2015 – Sydney

Australian Hearing and National Acoustic Laboratories

Mr Bill Davidson, Managing Director

Ms Gina Mavrias, Operations Director

Aussie Deaf Kids

Mrs Ann Porter AM, Chief Executive Officer

Deafness Forum of Australia

Mr Stephen Williamson, Chief Executive Officer

Ms Margaret Dewberry, Adviser

Parents of Deaf Children (PODC)

Ms Anna Messariti, President

Ms Kate Kennedy, Coordinator

Mr Mark Wyburn, Ordinary Committee Member and Regional Representative

Royal Institute for Deaf and Blind Children (RIDBC)

Mr Christopher Rehn, Chief Executive Officer

1 The hearings and witnesses listed in this appendix relate to the committee's hearing on 10 July 2015, which focussed on the proposed privatisation of Australian Hearing, and related issues. A full list of the committee's hearings and witnesses is at the committee's website:
www.aph.gov.au/Parliamentary_Business/Committees/Senate/Health/Health/Public_Hearings.

Deaf Australia Inc.

Mr Kyle Miers, Chief Executive Officer, through Vanessa Sweeney and Kerrie Lakeman, sign language interpreters

The HEARing Cooperative Research Centre Limited

Professor Robert Cowan, Chief Executive Officer

Independent Audiologists Australia

Dr Louise Collingridge, Executive Officer

Deaf Society of NSW

Ms Leonie Jackson, Chief Executive Officer, through Vanessa Sweeney and Kerrie Lakeman, sign language interpreters

The Shepherd Centre

Dr Jim Hungerford, Chief Executive Officer

Better Hearing Australia

Ms Sara Duncan, National President

Department of Health

Ms Catherine Rule, First Assistant Secretary, Medical Benefits Division

Ms Tracey Duffy, National Manager, Office of Hearing Services

Department of Finance

Mr Robin Renwick, Acting First Assistant Secretary, Commercial and Claims Division

Ms Sharon Ong, Assistant Secretary, Commercial and Claims Division

Department of Human Services

Mr Jonathan Hutson, Acting Deputy Secretary, Enabling Services

Ms Rosemary Deininger, General Manager, Whole of Government Coordination Division

Appendix 2

Submissions received by the committee in relation to the proposed privatisation of Australian Hearing¹

- 150 Deafness Forum of Australia
- 153 Independent Audiologists Australia Inc
- 154 The Shepherd Centre for deaf children
- 155 Department of Health - submission regarding Australian hearing
- 156 Parents of Deaf Children
- 157 The Deaf Society
- 158 Australian Hearing
- 159 Deaf Australia

1 The submissions listed in this appendix relate to the committee's inquiry into the proposed privatisation of Australian Hearing and related matters. A full list of submissions received by the committee is available on the committee's website:
www.aph.gov.au/Parliamentary_Business/Committees/Senate/Health/Health/Submissions.

Appendix 3

Additional information and answers to questions on notice, in relation to the proposed privatisation of Australian Hearing¹

Additional Documents

- No. 53 Tabled by Deafness Forum of Australia at a public hearing in Sydney on 10 July 2015 – NDIS Interface Information Sessions
- No. 54 Tabled by Deafness Forum of Australia at a public hearing in Sydney on 10 July 2015 – What the National Disability Insurance Scheme means for hearing services.
- No. 55 Tabled by Sara Duncan from Better Hearing Australia at a public hearing in Sydney on 10 July 2015 – A Fairer Hearing
- No. 56 Tabled by Ms Anna Messariti, President, Parents of Deaf Children, opening statement at public hearing in Sydney, 10 July 2015

Answers to Questions on Notice

- No. 31 Answer to question on notice – public hearing 10 July 2015, Sydney – Department of Health
- No. 32 Answer to question on notice – public hearing 10 July 2015, Sydney – Department of Health
- No. 33 Answers to questions on notice – public hearing 10 July 2015, Sydney – Australian Hearing, Department of Human Services
- No. 34 Documents supplied in answer to question on notice – public hearing 10 July 2015, Sydney – Parents of Deaf Children
- No. 35 Answers to questions on notice – public hearing 10 July 2015, Sydney – Independent Audiologists Australia

1 The documents listed in this appendix relate to the committee's inquiry into the proposed privatisation of Australian Hearing and related matters. A full list of documents is available at the committee's website:
www.aph.gov.au/Parliamentary_Business/Committees/Senate/Health/Health/Additional_Documents.

Additional Information

Questions on the future of hearing services for deaf and hard of hearing children supplied to the committee at a public hearing on 10 July 2015, Sydney by Mrs Ann Porter, Aussie Deaf Kids

Additional Information supplied to the committee at a public hearing on 10 July 2015, Sydney by Mrs Ann Porter, Aussie Deaf Kids

Opening statement from Mr Chris Rehn at a public hearing on 10 July 2015 Sydney, Royal Institute for Deaf and Blind Children

Clarification of evidence from a public hearing on 10 July 2015 by Mr Renwick, A/g First Assistant Secretary, Business, Procurement and Asset Management, Department of Finance

Appendix 4

Extract from answers to questions on notice provided by Parents of Deaf Children¹

1 The full answers to questions on notice from the 10 July 2015 hearing can be accessed at:
http://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Health/Health/Additional_Documents

Section F: AUSTRALIAN HEARING - SUPPORTING KIDS AND FAMILIES

CAYDEN

“Australian Hearing has been in my family’s lives since our youngest son was diagnosed deaf in 2008, just after he was born. The availability of Australian Hearing provided us with a sense that our child will be supported until he is grown up. The service and initial hearing aids, and later cochlear implants that he received has made it so much easier for us to help develop to his potential and increase the possibility for him to be independent in the future as an adult. This need is amplified as he was later diagnosed with severe autism and severe global development delays, requiring full time care. We hope that the privatisation of Australian Hearing does not increase an already heavy burden on us to provide for his future needs.” Alan - Cayden’s dad



ANNABEL

Fortunately, we were referred to Australian Hearing at the end of our diagnosis appointment...We felt enormous relief knowing that there was a proven system in place to manage Annabel’s audiologic care; we did not feel knowledgeable enough (or indeed, emotionally ready) to investigate other audiology services. Learning about Australian Hearing was our first bit of ‘good news’ in what had been a turbulent and emotional few weeks.

Annabel will turn 3 this September. She is a little chatterbox with age-appropriate speech and language. She demands her hearing aids before her feet hit the floor every morning and is proud to show them off. I am so grateful to Australian Hearing for giving her the chance to hear. Claire - Annabel’s mum





ISAAC

My name is Isaac. I am twelve years old and I am profoundly deaf. I wear a hearing aid and a Cochlear Implant to help me listen and speak.

Being profoundly deaf, I use Australian Hearing as a service. I was diagnosed Christmas Eve 2002 and in the following March, at ten months of age, I got my first hearing aids at the Croydon Australian Hearing centre here in Melbourne. My mum and dad were very excited to have this place to go for support and information about my hearing loss. My parents have leaned on Australian Hearing for all of my twelve years and have become friends with my audiologist too.

Please don't sell Australian Hearing because kids like me need it; parents like mine need the support to get their children the best equipment so they can live better lives.

Being able to hear brings freedom and confidence and the ability to reach our full potential. I can work when I'm older and help the country in the future. I want to be a zoologist and I think with my grades I can do that.

We need Australian Hearing, we are the best country in the world for helping hearing impaired people and if we lose Australian Hearing you will take away from my friends, family and myself the chance of being able to have a great life.

BRIAN

I am profoundly deaf and have worn hearing aids since my diagnosis at 2 years of age. My son is moderately to profoundly deaf and was diagnosed when he was 3 weeks old. Brian's dad is third generation deaf person and wears hearing aids. We wanted Brian to be bilingual and therefore wanted him to be aided as soon as possible.

The first audiologist that managed Brian's case was 'deaf aware' and always ensured that an Auslan interpreter was available for the appointments. When Brian was 18 months old, the audiologist went on maternity leave. We decided to transfer Brian to another centre that is close to our work and that is when we met an audiologist who signs and was always happy to help or provide more information.

Before Brian started school in 2013, the audiologist was great support to our family in terms of managing the FM system and providing information about how to maximise auditory environment in schools. In Brian's class, there was another student who was using an FM system and therefore there were some issues of setting up the right channel so that both students could use the FM. The audiologist arranged on her day off to visit the school and show the teacher and support staff how to troubleshoot.

Our family has always been impressed with the service provided by the audiologists and the fact that they will always try and book Auslan interpreters for the appointments. Diana - Brian's mum



LUCY

We have benefitted from the research that they [NAL] are doing into Auditory neuropathy as protocol for ANSD have changed even in our daughter's short life. The paediatric trained AH staff are great at putting together the puzzle that each little hearing impaired person throws at them. My daughter also has mild cerebral palsy which required regular physiotherapy on top of all the hearing impairment. My daughter is only 3 ½, so we are only at the beginning of the journey. The rawness and sense of grief and loss is gone but when that was there, we certainly needed to know that we were in safe hands. I

certainly didn't need the hard sell of hearing equipment on top of where we were. Scary thought as you are really very vulnerable. Natalie - Lucy's mum



BAILEY

I have a twin brother Jeremy and we are 13 years old. My brother and I are both hearing impaired with Jeremy recently getting a cochlear implant...We have been involved in AHS since we were first diagnosed at 4 years old ... I have a deteriorating hearing loss and that means we sometimes go to AHS up to twice a week. We go there to get our hearing tested and our hearing aids fine tuned and adjusted to depending on our loss. They also provide me with equipment to help me with my education they also provide batteries, all for free. When my

hearing aids need fixing, we take it there and they fix them.

I am really worried if AHS gets sold, then children like me would not have access to the brilliant services that they currently provide. I feel I am very lucky to have all the help through them. It makes me feel sad that we may not have the support in the future and other little children won't have been as lucky as I have been so far. I am also scared that I will just see any audiologist, not one that actually knows me and cares.

I have attached a photo of my brother and myself for you to see that we are REAL children. I am on the right. Bailey - 13 years old



CHARLIE

Charlie has been aided since she was 4 weeks old, She has a severe - profound bilateral loss. Australian Hearing have provided our family with so much support and assistance making a very difficult time in our lives so much easier.

We are concerned that if AH is sold the streamlining of access to professionals and technology may be affected, as well as the possible financial impact to our family and many others.

We feel blessed to have this facility and would be devastated if things change.

Mel - Charlie's mum

DAVID

David was diagnosed severely-profoundly deaf after his newborn hearing screen. We were referred straight to Australian Hearing. In those first busy months, they took care of everything - tested David's hearing periodically, fitted his aids, instructed us in how to use them, and even now, still see us frequently. They even sometimes come to our playgroup to conduct basic tests and fit new molds, so we didn't have to go to their office. At aged one, David was fitted with a cochlear implant, and ever since, Australian Hearing has maintained a thorough communication with the Royal Eye and Ear Hospital to keep everyone co-ordinated. They made our life so easy in that overwhelming time. For the sake of all families dealing with hearing loss, I urge you to give Australian Hearing priority to continue to deliver a high quality of care.

Therese - David's mum



BENTLEY

Our son Bentley was born with Microtia and Atresia. He has no right ear or ear canal and therefore has a unilateral hearing loss. Bentley has been under the care of Australian Hearing since he was a baby. The consistency of care, professionalism, knowledge and understanding provided by Australian Hearing have been invaluable. We feel supported and know that Bentley's hearing and development is their utmost priority. Children with a hearing loss deserve equal access to learning. Our main concern about the proposed privatisation of AH is that hearing services will become profit driven. How can a service provide unbiased support when they are under pressure to meet targets and work within strict budgets? We feel that all children who access this service, including Bentley, will greatly suffer.

Carmen - Bentley's mum



FELIX

We cannot begin to imagine how much more difficult our journey would have been without the services of Australian Hearing. Right when we were dealing with the devastating news of our newborn, Felix, being born deaf, they were there as a central body to assist us in determining the best future for our child. We didn't have to hunt for them. We didn't have to be concerned with their motives, their profitability requirements, or their bias. They were able to direct us to the ongoing services which would suit us best. They don't have to do the bulk of the work to assist Felix as they are not an early intervention service provider, but they guided and supported our family, and continue to do so, with definitive annual testing, supply of technology and spare parts, and unparalleled expertise. Jo - Felix's mum





OLLIE and LILY

Australian Hearing has been in our lives for nearly 17 years now. Ollie first got aided when he was 3 and he is nearly 20 years old now. His younger sister, Lily became a client not long after, when she was diagnosed at 2 years old. She is now 17. In those early years, some weeks we virtually lived at Australian Hearing..

When my son was 15, he did not want to wear his hearing aids – he was at a mainstream school and the only hearing impaired student at the school. He just did not want to be different. I remember that he and I had some difficult weeks – we fought every day about this and our relationship was severely tested.

A visit to his audiologist at Australian Hearing was the breakthrough. They had always got on well and she was able to find a way through it with him. She went through what the problems were and how they could fix them. We left that appointment with a 15 year old who was much happier and who, in my eyes, had started a new phase of life - independence. It was the beginning of him becoming the client. It was also a turning point for me in learning to step away and trust that he will be ok. Trust was the key – I trusted the service and always have, with the hearing health of my children. I have always felt that he would be ok with the safety net of Australian Hearing services in place. Kate – Ollie & Lily's mum



KAITLYN

My daughter is deaf and she can't hear without her hearing aids. She has progressive hearing loss and will one day get a cochlear implant. In America, where I'm from, this costs \$100,000.00. We can't afford that. Not many people can. If you privatise Australian Hearing, you're on your way to an unfair system like they have in the States. It won't happen overnight, but it will become more unequal over time. Australia has the best audiology services for children in the world. Don't change this.

BONNY

I cannot express enough how vital the services Australian Hearing provide have been for me. Because of them, I am fortunate enough to have grown up with access to the best Hearing Aids and FM Systems. Without these services I would not be able to do half the things my hearing friends do - I would have to stay at home and save for thousands of dollars for the inevitable stream of hearing batteries, moulds and hearing tests that is my life.



The services Australian Hearing provide help make what could be a challenging impairment to my life, a mere characteristic of who I am. I certainly would not have had the opportunity to appear on Masterchef The Professionals, nor would I have grown up to have the confidence I do to face the world and fight for who I want to be. I know I am not alone in this.

Bonny - aged 25.