

Audit Reports Summaries

Audit Report No. 5 1995-96

Summary

Australian Hearing Services

PROVISION OF HEARING SERVICES

Performance Audit

Background

Australian Hearing Services (AHS) is a Commonwealth authority which was established under the *Hearing Services Act 1991*. AHS is the largest provider of hearing services and products to the Australian community. AHS commenced autonomous operations on 1 July 1992 and operates within the portfolio of Human Services and Health.

Client base

AHS provides audiological services to all pensioners, children (up to the age of 21 years) and eligible veterans in urban, rural and remote areas throughout Australia. Services are delivered by professional and technically qualified staff operating from a national network of 53 permanently staffed hearing centres and 80 visiting centres.

In April 1993, an additional 380 000 part pensioners became eligible for AHS services as a result of the Government's decision to extend pensioner fringe benefit limits. To accommodate this increase in its client base, AHS contracted select private sector hearing aid businesses across the country to provide hearing services to eligible adult clients. The 1993-94 Federal Budget announced that all people of pension age with income below the age pension cut-off limit would be entitled to some core Commonwealth concessions. This meant that the total number of pensioners, veterans and Commonwealth Senior Health Card holders eligible for AHS services increased by some 580 000 to approximately 3.1m.

Hearing aids

The number of hearing aids fitted by AHS during 1993-94 was 98 900, compared to 83 900 during 1992-93. The contracting of private sector hearing aid businesses to accommodate the significant increase in the client base resulted in a total of 40 900 hearing aids being fitted by contractors during 1993-94 compared to only 2 800 being fitted in the previous year. During the period 1 July 1994 to 31 May 1995 AHS fitted 91 678 hearing aids, while 32 187 hearing aids were fitted by contractors during this time.

Audit findings

Quality of services provided

- Overall, AHS has in place procedures to monitor the quality of services provided at both its own hearing centres and contractors' sites.
- There were indications that some clients referred to private providers may have been disadvantaged in the short term. This may have been as a result of difficulties experienced initially in raising the level of service provided by some contractors to the level required by AHS.

Comparative cost of services

- Evidence submitted by the Department of Community Services and Health and HACA to the 1990 Industry Commission inquiry into aids and appliances showed that the price of the National Acoustic Laboratories' (NALs') services was approximately one third cheaper than comparable private sector services. The results of a 1993 cost analysis commissioned by AHS indicated that the cost of AHS' services was approximately 35-40% less than the amount currently paid to private contractors for similar services.
- AHS should provide more information to the public about its performance. More information could be provided in either its annual report or in other publications.

Testing of hearing devices

- With the exception of the testing conducted by AHS, there was no evidence to indicate formal evaluation of the hearing aids supplied by private hearing aid businesses in Australia. Consequently, AHS needs to bring to the attention of the Department of Human Services and Health the need for consideration to be given to the establishment of an independent or industry body to monitor standards for all hearing devices in Australia.

Overall

- AHS has systems and procedures to enable it to efficiently and effectively meet the needs of hearing impaired people.

Recommendations

The ANAO made three recommendations to improve the activities of the AHS.