

# Hearing for life - The value of hearing services for vulnerable Australians

## The Hearing Services Program

The Hearing Services Program (HSP) currently provides support to working age people with a hearing loss who are (a) aged under 26 years; (b) pension concession card holders; (c) health care card holders; or (d) veterans or their dependents.

As such there is currently a large accessibility gap for hearing impaired Australians of working age. These vulnerable Australians are often unable to save enough money to purchase hearing aids.

The Hearing Care Industry Association engaged Deloitte Access Economics to consider the social and economic impact of expanding eligibility for hearing services to these vulnerable Australians.

*"Why should we not be eligible? Why wait until I'm a pensioner? I want to be an active member of society and work."*

## Costs of HSP expansion

The cost to the Australian Government to provide a pair of hearing aids is approximately \$1,950, while a single aid costs around \$1,240.

The overall cost of expanding the HSP was expected to be \$25.3 million with no co-payment, less with small co-payments.

Table 1: Cost of providing hearing aids to vulnerable Australians

Scenario	Additional people receiving aids	Expected cost (\$m)
No co-pay	13,523	25.3
\$100 co-pay	12,830	22.7
\$200 co-pay	12,138	20.3

## Target population for expanded HSP

Of the more than 1 million working age Australians with hearing loss, close to 210,000 are vulnerable Australians who may be eligible to receive hearing services under an expanded HSP. Following expansion of the program:

- More than 13,500 additional vulnerable Australians may receive hearing aids, and
- 8,100 vulnerable Australians may gain employment.

Australians with hearing loss aged 26-64, and earning less than \$37,000 per year would be eligible under the proposed expansion to the HSP.

*"I spent close to 20 years without hearing aids as I was unable to afford the hearing aids I needed. It is like having a sore back; I just put up with it."*

## Benefits of HSP expansion

The overall financial benefit to cost ratio from the perspective of government is estimated to be 10.6 to 1 – over \$268 million gained in employment and transfer benefits, relative to the cost of \$25 million.

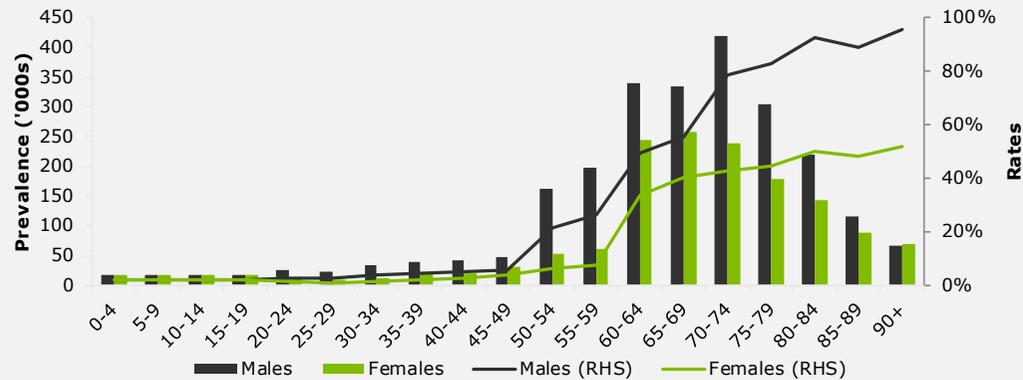
Table 2. Benefits of expanded HSP, by payer (\$ millions)

Cost component	Individual	Government	Society
Employment	278.8	32.9	311.7
Transfers	-235.2	235.2	0
Wellbeing	146.5		146.5
<b>Total</b>	<b>190.1</b>	<b>268.1</b>	<b>458.2</b>

## Prevalence of hearing loss is increasing

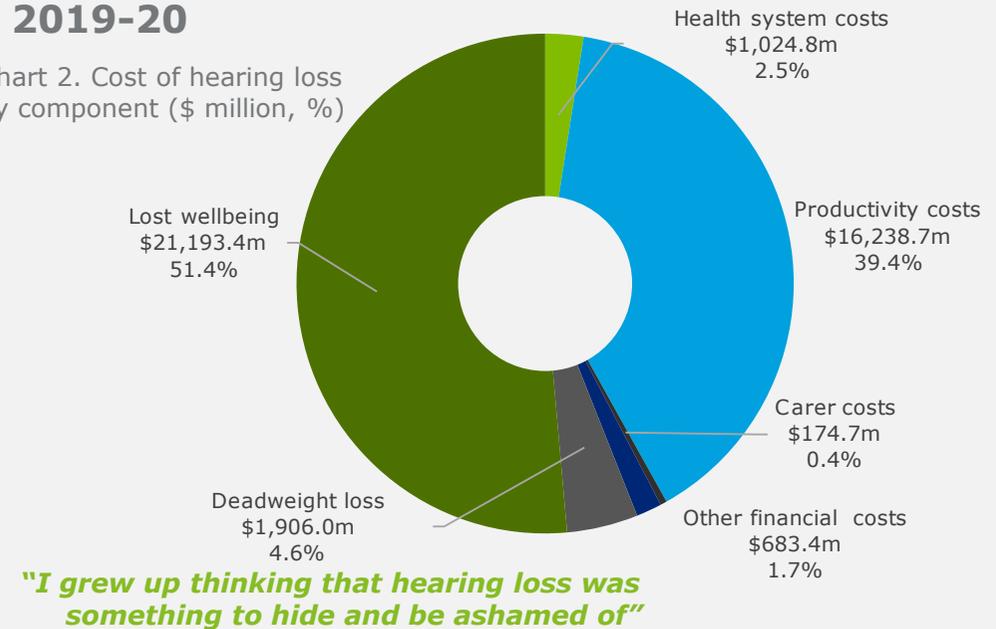
In 2019-20, there were 3.95 million Australians with hearing loss, 9.7% more than in 2017 (3.6 million cases). By severity, 2.6 million people (65.8%) had mild hearing loss, 1.2 million (31.3%) had moderate hearing loss and 112,500 (2.8%) had severe hearing loss.

Chart 1. Number of cases of hearing loss and prevalence rates (better ear), by age and gender, 2019-20



## The total cost of hearing loss was \$41.2 billion in 2019-20

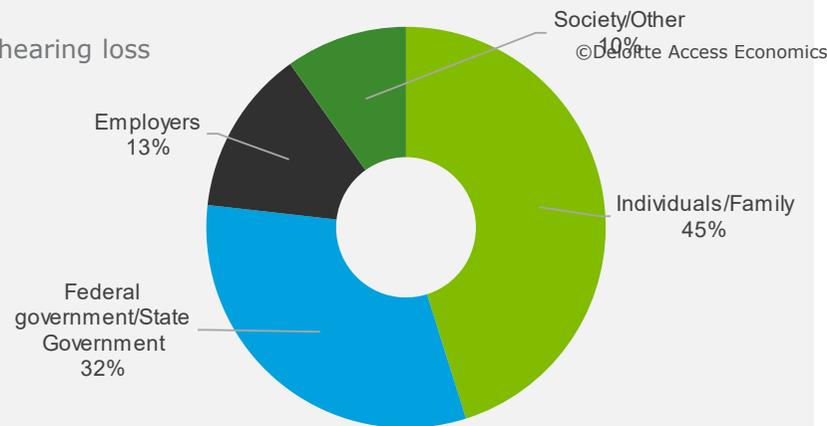
Chart 2. Cost of hearing loss by component (\$ million, %)



## Costs of hearing loss by payer

Almost half of the burden of hearing loss is upon the individual, while the majority of government costs are related to productivity losses (reduced taxation revenue) and providing funding for the HSP.

Chart 3. Cost of hearing loss by payer (%)



*"My co-workers began questioning if I could perform my job and I knew that if I was let go, I would struggle to find another job"*

## Changing costs of hearing loss

The estimated cost of hearing loss was \$7.9 billion or 23.7% higher in 2019-20 compared to 2017. The costs due to lost productivity (up 26.8%) and lost wellbeing (up 21.5%) increased most since 2017.

Table 3. Comparison of the cost of hearing loss, 2017 to 2019-20

Cost component	2017 cost (\$ m)	2019-20 cost (\$ m)	Cost per person (\$ 2017)	Cost per person (\$ 2019-20)	Change in cost per person (%)
Health system	882	1,025	245	259	5.7%
Productivity	12,807	16,239	3,566	4,109	15.2%
Other financial	2,201	2,761	613	690	12.5%
Wellbeing	17,441	21,193	4,856	5,363	10.4%
<b>Total</b>	<b>33,331</b>	<b>41,218</b>	<b>9,280</b>	<b>10,430</b>	<b>12.4%</b>

Note: Components may not sum to totals due to rounding