

# POLICY COSTING REQUEST – DURING THE CARETAKER PERIOD FOR A GENERAL ELECTION

Name of policy:	Hearing Health
Person requesting costing:	Senator Milne
Date of request to cost the policy:	29 August 2013
Note: This policy costing request and	the response to this request will be made publicly available.
Has a costing of this policy been requested under Section 29 of the Charter of Budget Honesty (i.e. from the Treasury or the Department of Finance and Deregulation)?	No
Details of the public release of this policy (Date, by whom and a reference to that release)	26 August 2013, Senator Milne / Senator Siewert <a href="http://rachel-siewert.greensmps.org.au/hearing">http://rachel-siewert.greensmps.org.au/hearing</a>
Description of policy:	
Summary of policy (as applicable, please attach copies of relevant policy documents):	<ul> <li>A suite of policies to improve hearing health comprising:</li> <li>extending eligibility for the Australian Government Hearing Services programme to everyone subject to a means test, with those not meeting the means test having access on a fee-for-service basis;</li> <li>a national database to track children with a hearing impairment;</li> <li>early evidence-based language and communication intervention for all children with hearing impairment prior to them starting school;</li> <li>sound field systems for new classrooms, and in all existing classrooms where there is a significant population of Aboriginal or Torres Strait Islander children;</li> <li>an exemplar multidisciplinary project to address the incidence and impact of otitis media in Aboriginal and Torres Strait Islander communities;</li> <li>the Council of Australian Governments to prioritise hearing screenings and follow up for all Aboriginal and Torres Strait Islander children from remote communities prior to commencement of school; and</li> <li>a \$30 million fund (over three years) for induction programs for teachers posted to schools in Aboriginal and Torres Strait Islander communities.</li> </ul>
What is the purpose or intention of the policy?	To assist the one in six Australians whose hearing problems reduce their capacity to communicate and participate in social situations and can affect their education and employment opportunities.

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What are the key assumptions that h	ave been made in the policy, including:
Is the policy part of a package?  If yes, list and outline components and interactions with proposed or existing policies.	Yes, the Greens have released policies on other aspects of health.
Where relevant, is funding for the policy to be demand driven or a capped amount?	Some aspects are demand driven and some aspects capped.
Will third parties (for instance the States/Territories) have a role in funding or delivering the policy?  If yes, is the Australian Government contribution capped, with additional costs to be met by third parties, or is another funding formula envisaged?	State governments to have a role.
Are there associated savings, offsets or expenses?  If yes, please provide details.	Not that would probably be captured in the costing but over the longer term productivity would be higher if fewer children receive inadequate education due to hearing difficulties and tax receipts would be higher, and unemployment benefit payments lower, if there is a reduction in the estimated 160,000 people not working because they cannot hear well enough.
Does the policy relate to a previous budget measure?  If yes, which measure?	Yes, it extends existing programmes such as the Australian Government Hearing Services programme and screening of newborns.
If the proposal would change an existing measure, are savings expected from the departmental costs of implementing the program?	No
Will the funding/program cost require indexation?  If yes, list factors to be used.	No
<b>Expected impacts of the proposal</b>	

If applicable, what are the estimated costs each year? If available, please provide details in the table below. Are these provided on an underlying cash balance or fiscal balance basis?

#### **Estimated financial implications (outturn prices)** (a)

	2013-14	2014-15	2015-16	2016-17
Underlying cash balance (\$m)	0	-91	-92	-91
Fiscal balance (\$m)	0	-91	-92	-91

<sup>(</sup>a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A positive number in the underlying cash balance indicates an increase in revenue or a

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decrease in expenses or net capital investment	in cash terms.
What assumptions have been made in deriving the expected financial impact in the party costing (please provide information on the data sources used to develop the policy)?	
Has the policy been costed by a third party? If yes, can you provide a copy of this costing and its assumptions?	Yes, by the PBO on 7 August 2013.
What is the expected community impact of the policy?	Almost 4 million Australians suffer from some degree of hearing loss.
How many people will be affected by the policy?	
What is the likely take up?	
What is the basis for these impact assessments/assumptions?	
Administration of policy:	
Who will administer the policy (for example, Australian Government entity, the States, non-government organisation, etc.)?	Department of Health and Ageing
Should departmental expenses associated with this policy be included in this costing?	Yes.
If no, will the Department be expected to absorb expenses associated with this policy?	
If yes, please specify the key assumptions, including whether departmental costs are expected with respect to program management (by policy agencies) and additional transactions/processing (by service delivery agencies).	
Intended date of implementation.	1 July 2014
Intended duration of policy.	Ongoing
Are there transitional arrangements associated with policy implementation?	No
List major data sources utilised to develop policy (for example, ABS cat. no. 3201.0).	

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#### NOTE:

*Please note that:* 

- The costing will be on the basis of information provided in this costing request.
- The PBO is not bound to accept the assumptions provided by the requestor. If there is a material difference in the assumptions used by the PBO, the PBO will consult with the requestor in advance of the costing being completed.