

Level 7
167 Macquarie Street
SYDNEY NSW 2000

Email: elizabeth@hcia.com.au
www.hcia.com.au

8th November 2021

The Hon Stephen Dawson MLC
Minister for Mental Health; Aboriginal Affairs; Industrial Relations

Dear Minister

The Hearing Care Industry Association (HCIA) appreciates the opportunity to provide input to the Western Australian government's consideration of the draft *Workers Compensation and Injury Management Bill 2021*. HCIA members are commercial providers of audiology services and hearing health care across Australia. Collectively, HCIA members will provide care to almost all adults with hearing loss and everyday help thousands of Hearing Services Program, NDIS, worker's compensation and private clients. We also directly employ most Audiologists and Audiometrists in Australia and work across the sector with consumer and aged groups, professional bodies, researchers, educators and governments, agencies and regulators to improve hearing loss rehabilitation outcomes.

HCIA supports the recommendations from WorkCover WA's 2014 *Review of the Workers' Compensation and Injury Management Act: Final Report*.¹ We also welcome the McGowan Government's 2021 election commitments to increase the cap on medical and health expenses and extend the point at which a worker's income compensation payments step down, from 13 to 26 weeks.

Overall, HCIA is supportive of the proposed changes in the draft *Workers Compensation & Injury Management Bill 2021* and is eager to be involved in future industry stakeholder consultation regarding the implementation of the Bill through new Regulations.

From our assessment, the proposed changes offer a clearer pathway to those requiring support to address their workplace hearing loss by reducing inefficiencies between the Act, Regulations and procedures.

Our feedback relates to implications that new Regulations may have on the health and well-being of injured workers. We have outlined in greater detail our feedback below, but at a high-level our two main points for consultation include:

- Providing a sustainable framework of service provision delivering accessibility, flexibility, equity, client choice, early intervention, and prioritising rehabilitative outcomes by mandating a portion of the compensation payment for Noise Induced Hearing Loss towards rehabilitation services including hearing devices.
- Regarding the assessment of hearing loss, we recommend that qualified Audiologists and Audiometrists be included in the qualified practitioners list, and thus able to support workers along their hearing healthcare journey.

¹ [Final Report Legislative-Review-2013.pdf \(workcover.wa.gov.au\)](#)

Lump sum compensation versus targeted rehabilitation outcomes

In Division 7 (*lump sum compensation for noise-induced hearing loss*)² we would encourage the government to consider amending the draft Bill in relation to compensation. The proposed changes to the Bill make valuable administrative simplifications that will flow through to injured workers' pathways to compensation but not necessarily to hearing loss rehabilitation.³ The consultation is an opportunity to refocus workers compensation for noise induced hearing loss away from a lump sum payment which may or may not be used to treat hearing loss, to a compensation geared towards helping to address, not just the injury financially, but also rehabilitation.

Due to the significant and ongoing impacts of hearing loss on an individual, their family and social life, their work, and so too on the broader economy, the HCIA would like to see, if not all, then a significant amount of the paid compensation conditional on the injured worker accessing rehabilitative hearing services because in this way health outcomes are improved and the compensation amount is not at risk of misuse. Below we summarise the current view of hearing loss in public policy.

Economic and health related impacts of hearing loss

Unaddressed or inadequately addressed hearing loss has been demonstrated to have negative impacts on individual workers, as outlined in a report by Deloitte Access Economics commissioned by HCIA:

*"Hearing loss can have a significant impact on an individual's ability to work. This may include a reduced chance of employment, premature retirement, a greater number of sick days than average, or a diminished capacity to be productive at work due to impaired ability or psychological stresses."*⁴

The 2020 Report of The Lancet Commission, Dementia Prevention, Intervention and Care, also notes that hearing loss might result in cognitive decline through reduced cognitive stimulation.⁵ Hearing loss also has a significant economic dimension with research undertaken by Deloitte Access Economics finding that:

*"Total productivity losses attributed to people with hearing loss were estimated to be \$12.8 billion, or \$3,566 per person with hearing loss in 2017. The majority of these costs were attributed to reduced employment (72%). Individuals bear the majority of these costs (47%), followed by the government through lost taxes (32%)."*⁶

When considering these negative consequences for both workers and the economy, it is vital that changes are thoroughly tested to ensure they do not inadvertently promote poorer outcomes for those with hearing loss.

People injured at work deserve the highest standard of care to support their recovery and ensure they can continue to maintain employment into the future. For hearing loss, this involves ensuring clients:

- comprehensively tested to properly understand the full spectrum of their impairment;

² [Workers-Compensation-and-Injury-Management-Bill-2021-Consultation-Draft-Bill.pdf \(workcover.wa.gov.au\)](#) page 105

³ [Consultation-Draft-Bill-2021-Comparison-by-Key-Provisions.pdf \(workcover.wa.gov.au\)](#) Page 6

⁴ [Final Report by Deloitte Access Economics.pdf \(hcia.com.au\)](#)

⁵ [https://www.thelancet.com/journals/lancet/article/PIIS0140-6736\(20\)30367-6/fulltext](https://www.thelancet.com/journals/lancet/article/PIIS0140-6736(20)30367-6/fulltext)

⁶ <https://www.hcia.com.au/hcia-wp/wp-content/uploads/2015/05/Social-and-Economic-Cost-of-Hearing-Health-in-Australia-June-2017.pdf>

- have access to a wide range of devices that suit their specific needs;
- are properly fitted with devices and clients get the help they need to adjust to living with the aid;
- take a whole of life approach to managing the impact of suffering a work-related hearing loss, recognising that hearing loss changes (often worsening) over time and requires monitoring and adjustments to devices to ensure long-term care and quality of life is maintained; and
- face no unreasonable out-of-pocket expenses for their devices and care including post fitting of devices maintenance and consumables such as hearing aid batteries.

Our experience in other states where we deliver care under work cover schemes (including New South Wales, Queensland, Victoria and South Australia) shows that workers with noise induced hearing loss are able to continue in the workforce, enjoy a return to a normal lifestyle in terms of interacting with other people in different listening situations.

Advocating for long-term hearing healthcare outcomes

From our experience operating in other jurisdictions where part of the legislation has provision in the settlement on rehabilitation in whatever form relevant to the specific injury - in the case of hearing loss it is directed to hearing aids and other related rehabilitation services. However, as highlighted above, currently there is no direction in the WorkCover WA regulations about how the compensation payment is used by the recipient which raises concerns that money intended to support long-term hearing healthcare objectives may be directed to other purposes. This is compounded in relation to hearing loss as we know from clinical research that people with early onset hearing loss and/or those with untreated hearing loss typically avoid acting on their hearing loss for seven years due to many stigmas attached to hearing loss in the community such as a sign of aging and a sign of declining mental capability.

Our concern remains that if the draft bill is not amended, the subsequent development of the supporting regulations will have no scope to direct a portion of the lump sum compensation to rehabilitation.

The Productivity Commission's report in the establishment of the NDIS made the same observation and devoted an entire chapter of the report to examine the benefits and risks of lump sum payments in relation to injury.⁷ The Productivity Commission's recommendations were to move away from lump sum payments due to beneficiary mismanagement of funds, exposure of vulnerable people to fraud, giving away money to relatives, gambling, and the problems of accurately setting the compensation amount.

In favour of structured payments, the Productivity Commission noted:

While structured settlements suffer many of the same problems associated with lump sums, they have the important benefit of reducing:

- *mismanagement of lump sum amounts and encouraging the spending of damages for the purposes intended in the settlement. This, in turn, reduces the risk that an injured person will have to later rely on taxpayer funded services.*
- *risks to the injured party from uncertainty over life expectancy (life insurance companies are better able to handle this risk).⁸*

⁷ [Productivity Commission 2011, Disability Care and Support, Report no. 54, Canberra. Chapter 17](#)

⁸ Ibid. P.809.

The Productivity Commission's findings echo earlier research on back pain injury where claimants who received lump sum payments reported more psychological disturbance and more unemployment than those who were paid intermittently.⁹ Additionally, in examining differences between the NSW and Victorian schemes, researchers concluded that structured payments allow the injured person to focus on recovery.¹⁰

While we are not opposed to lump sum payments for injured workers *per se*, we regard them as a barrier to accessing hearing health care. As noted above, hearing health care is typically a reluctant investment among consumers who delay treatment due to stigma. Structuring compensation for audiology beyond the initial (lump sum) purchase of hearing aids will encourage rehabilitation.

Our encouragement is for the government to reduce barriers to rehabilitation for hearing loss and not inadvertently increase barriers by placing the injured worker in a position where they receive an unexpected - and deserving - lump sum payment which may become attractive to other personal or familial priorities. By mandating an agreed portion of the compensation payment to hearing devices, recipients will receive the care they need and address the issue in a timely manner and reduce longer term impacts to their health and well-being.

Thank you again for the opportunity to work with you to improve outcomes for injured workers and improve the sustainability and efficiency of the workers compensation system. We look forward to continuing to work together with you.

Sincerely



Ashley Wilson AM
HCIA Chairman

⁹ Greenough C.G., & Fraser R.D. (1989) The effects of compensation on recovery from low back injury. *Spine* . (Philla PA) 1976, 14, 947-955.

¹⁰ Elbers, N. A., Collie, A., Hogg-Johnson, S., Lippel, K., Lockwood, K., & Cameron, I. D. (2016). Differences in perceived fairness and health outcomes in two injury compensation systems: A comparative study. *BMC Public Health*, 16(1), [658]. <https://doi.org/10.1186/s12889-016-3331-3>