



**Australian Government**

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**Department of Health**

**Department of Health  
Office of Hearing Services**

**Regulator Performance Framework  
Self-Assessment Report  
2015-16**

Executive Summary .....	4
1 Introduction .....	5
1.1 The Agency/Office .....	5
1.2 The Report .....	5
1.3 Methodology .....	6
2 Performance Assessment .....	7
2.1 KPI 1 – Regulators do not unnecessarily impede the efficient operation of regulated entities .....	7
2.1.1 Measures .....	7
2.1.2 Approved evidence metrics for KPI 1 .....	7
2.1.3 Case Study 1: Development of a proposed Service Delivery Framework for hearing services .....	9
2.1.4 Analysis of evidence presented .....	10
2.1.5 Self-assessed rating of performance against KPI 1 – 2015-16 .....	11
2.1.6 Actions for improving performance against KPI 1 .....	11
2.2 KPI 2 – Communication with regulated entities is clear, targeted, and effective. ....	12
2.2.1 Measures .....	12
2.2.2 Approved evidence metrics for KPI 2 .....	12
2.2.3 Other evidence to indicate compliance with KPI 2 .....	13
2.2.4 Participant responses to survey questions about their experiences in the HSO Portal sessions .....	14
2.2.5 Participant ratings of their experiences in the HSO Portal sessions .....	15
2.2.6 Self-assessed rating of performance against KPI 2 – 2015-16 .....	16
2.2.7 Actions for improving performance against KPI 2 .....	16
2.3 KPI 3 – Actions undertaken by regulators are proportionate to the regulatory risk being managed .....	18
2.3.1 Measures .....	18
2.3.2 Approved evidence metrics for KPI 3 .....	18
2.3.3 Other evidence to indicate compliance with KPI 3 .....	19
2.3.4 Case Study 3: The Risk-Based Audit Program .....	20
2.3.5 Self-assessed rating of performance against KPI 3 – 2015-16 .....	20
2.3.6 Actions for improving performance against KPI 3 .....	21
2.4 KPI 4 – Compliance and monitoring approaches are streamlined and co-ordinated .....	22
2.4.1 Measures .....	22
2.4.2 Approved evidence metrics for KPI 4 .....	22
2.4.3 Case Study 4 – Stakeholder Engagement Plan .....	23
2.4.4 Analysis of evidence presented .....	24
2.4.5 Self-assessed rating of performance against KPI 4 – 2015-16 .....	25
2.4.6 Actions for improving performance against KPI 4 .....	25

2.5	KPI 5 – Regulators are open and transparent in their dealings with regulated entities .....	26
2.5.1	Measures .....	26
2.5.2	Approved evidence metrics for KPI 5 .....	26
2.5.3	Case Study 5: Online Listing of Devices – Background .....	27
2.5.4	Self-assessed rating of performance against KPI 5 – 2015-16.....	28
2.5.5	Actions for improving performance against KPI 5 .....	28
2.6	KPI 6 – Regulators actively contribute to the continuous improvement of regulatory frameworks .....	29
2.6.1	Measures .....	29
2.6.2	Approved evidence metrics for KPI 6 .....	29
2.6.3	Case Study 6: Development of the NDIS Transition Plan .....	30
2.6.4	Analysis of evidence presented .....	31
2.6.5	Self-assessed rating of performance against KPI 6 – 2015-16.....	31
2.6.6	Actions for improving performance against KPI 6 .....	32
3	Overall Assessment.....	33
3.1	Overall analysis of evidence .....	33
3.2	Overall self-assessed rating of performance against all KPIs – 2015-16 .....	33
3.3	Overall performance improvement actions identified .....	34

## Executive Summary

The Australian Government released the [Regulator Performance Framework](#) (the Framework) as part of the [2014 Spring Repeal Day](#). The Framework reflects the commitment of Government to reduce the cost of unnecessary or inefficient regulation imposed on individuals, business, and community organisations by at least \$1 billion a year.

The Framework was developed following consultation with a range of stakeholders and consists of six outcomes-based key performance indicators (KPI) covering reducing regulatory burden, communications, risk-based and proportionate approaches, efficient and coordinated monitoring, transparency, and continuous improvement.

The Office of Hearing Services (OHS), as a Commonwealth regulator that administers, monitors, and enforces regulation related to the Australian Government Hearing Services Program (the program), is required to implement the Framework.

Application of the Framework commenced from 1 July 2015, and the first assessment period is 2015-16. During this period, OHS has continued to actively seek and implement activities that reduce regulatory burden on hearing service providers (service providers) and, to a lesser extent, manufacturers. Important work in this space has included the release of further Hearing Services Online (HSO) packages, whereby most paper-based manual claim functions have been automated, and qualified practitioner details can be maintained online, creating significant efficiencies for service providers.

In addition, OHS has undertaken a range of activities to involve and support the hearing sector to begin to prepare for changes associated with introduction of the National Disability Insurance Scheme (NDIS). Hearing sector stakeholders have had a critical role informing 11 work packages that will support the transition of eligible program clients to the NDIS, for its full role out in 2019-20.

# 1 Introduction

## 1.1 The Agency/Office

OHS is part of the Australian Government Department of Health, and is responsible for regulating and contracting service providers and for achieving Outcome 4.2 in the Health Portfolio Budget Statements (PBS):

*Reducing the incidence and consequence of avoidable hearing loss in the Australian community through research and providing access to high quality hearing services and devices.*

OHS administers the *Hearing Services Administration Act 1997* (the Act), five other pieces of legislation, and numerous quasi legislative instruments, to ensure hearing services provided and hearing devices fitted under the program meet acceptable standards of quality, safety, and efficacy.

The program supports pensioners, veterans and serving personnel, children and young people, Aboriginal and Torres Strait Islander clients, and those with complex hearing problems to access hearing assessments, rehabilitation, and hearing devices, via a network of private and public service providers.

OHS uses risk based auditing to ensure program clients are receiving appropriate services and that service providers are complying with program requirements. OHS investigates complaints it receives to determine any necessary regulatory action.

## 1.2 The Report

The Australian Government has developed the Framework to measure the performance of regulators. The Framework comprises six outcomes-based KPIs to articulate the Government's expectations of regulator performance:

1. Regulators do not unnecessarily impede the efficient operation of regulated entities;
2. Communication with regulated entities is clear, targeted, and effective;
3. Actions undertaken by regulators are proportionate to the regulatory risk being managed;
4. Compliance and monitoring approaches are streamlined and coordinated;
5. Regulators are open and transparent in their dealings with regulated entities; and
6. Regulators actively contribute to the continuous improvement of regulatory frameworks.

These KPIs are supported by measures of good regulatory performance to assist regulators in assessing their achievement of the KPIs.

Under each KPI, there are a series of measures of good regulatory performance, and against these, OHS has developed tailored measures against which it has reported and provided evidence in this self-assessment. The KPIs, measures of good performance, and OHS tailored measures are referred to as the '[metrics](#)'. The metrics were approved by Senator the Hon Minister Fiona Nash, the then Assistant Minister for Health in July 2015.

The Service Provider Consultative Group (SPCG) and the Hearing Care Industry Association (HCIA) will review and validate results of the 2015-16 OHS self-assessment against the metrics. The SPCG represents service providers under the program, while the HCIA represents six large hearing healthcare providers in Australia, three of which are also manufacturers of hearing devices.

### **1.3 Methodology**

The evidence presented and referred to in this report has been collected from interviews and consultations with OHS staff, from the OHS website, and engagement activities with external stakeholders. In undertaking our analysis of this evidence, OHS has endeavored to reflect in this self-assessment a variety of approaches and activities that have supported implementation of the metrics throughout 2015-16.

## 2 Performance Assessment

### 2.1 KPI 1 – Regulators do not unnecessarily impede the efficient operation of regulated entities

#### 2.1.1 Measures

1. Regulators demonstrate an understanding of the operating environment of the industry or organisation, or the circumstances of individuals, and the current and emerging issues that affect the sector.
2. Regulators take actions to minimise the potential for unintended negative impacts of regulatory activities on regulated entities or affected supplier industries and supply chains.
3. Regulators implement continuous improvement strategies to reduce the cost of compliance for those they regulate.

#### 2.1.2 Approved evidence metrics for KPI 1

Indicator	Evidence
<ul style="list-style-type: none"><li>• OHS initiates and participates in stakeholder meetings, events, industry conferences, and working groups.</li><li>• OHS employs audiologists who maintain industry involvement, to inform understanding of the operating environment, the circumstances of individuals, and current and emerging sector issues.</li><li>• OHS undertakes environmental scanning, including reviews of relevant literature reports.</li></ul>	<ul style="list-style-type: none"><li>• OHS consulted with stakeholders on a range of matters including <a href="#">National Disability Insurance Scheme (NDIS) transition planning</a>; development of the <a href="#">Hearing Services NDIS Transition Plan</a>; development of a potential <a href="#">Service Delivery Framework for hearing services</a>; and on updates to and supporting user materials for the <a href="#">Hearing Services Online</a> (HSO) portal.</li><li>• OHS <a href="#">ceased the requirement</a> that service providers must list all provisional practitioners with OHS.</li><li>• OHS has employed up to four audiologists in 2015-16 who have maintained their qualifications by participating in continuing professional education development activities.</li></ul>

Indicator	Evidence
	<ul style="list-style-type: none"> <li>• OHS audiologists and other staff attended and participated in the 2016 Audiology Australia National Conference – <a href="#">Hearing for Life</a>.</li> <li>• OHS consults with the hearing sector and reviews and utilises research and other literature to provide input to policy development and program improvements, including contributing to professional magazines and other sources of information for the public on current issues such as NDIS transition, button batteries, and the differences and utilisation benefits of partially funded devices in comparison with fully funded devices.</li> </ul>
<ul style="list-style-type: none"> <li>• Feedback mechanisms provide opportunities for stakeholders to comment on proposed program changes, to minimise potential for unintended impacts.</li> </ul>	<ul style="list-style-type: none"> <li>• OHS consults on proposed program changes through regular meetings with the SPCG, professional associations, the <a href="#">consultations page</a> on the <a href="#">hearingservices.gov.au</a> website, meetings and communications with targeted stakeholders on specific issues, and provides a <a href="#">Feedback</a> link on the website, and an online enquiry and feedback <a href="#">Form</a>.</li> <li>• Service providers, manufacturers and related organisations such as the HCIA are encouraged to express their concerns or comment on relevant program changes to ensure OHS fully understands the implications.</li> <li>• Feedback is collected from service providers through the annual audit self-assessment process and after closure of audits.</li> </ul>

Indicator	Evidence
<ul style="list-style-type: none"> <li>• Within legislative constraints, OHS implements continuous business improvements to reduce compliance costs for industry.</li> <li>• The Office is implementing the Australian Government Digital Transition Policy.</li> </ul>	<ul style="list-style-type: none"> <li>• Most paper-based <a href="#">manual claim</a> functions have been automated through the HSO portal, creating efficiencies for service providers.</li> <li>• OHS introduced an <a href="#">Electronic Signatures Policy</a> enabling contracts and other documents with signatures to be accepted electronically, providing time and paper/postage costs efficiencies for service providers and manufacturers.</li> <li>• HSO Phase three (3) has been implemented in accordance with the <a href="#">Australian Government Digital Transition Policy</a>.</li> </ul>

### 2.1.3 Case Study 1: Development of a proposed Service Delivery Framework for hearing services

Full roll out of the NDIS will occur on 1 July 2019. In order to support community assurance of the ongoing delivery of hearing services and client outcomes under these new arrangements, and to support the hearing sector as a whole under a self-regulatory model, OHS has worked with the sector to develop a Service Delivery Framework (the Framework).

This work was progressed through the development of the Hearing Care Expert Reference Group (HCERG), consisting of representatives from the Professional Associations: Audiology Australia, the Australian College of Audiology, the Hearing Aid Audiometrists Society of Australia, and other stakeholder and consumer groups. The HCERG met four (4) times from October 2015 to April 2016. The aim of the HCERG was to develop standards and principles for service delivery to support both clinicians and businesses to provide high quality accessible services for all clients, regardless of funding arrangements. The documents were to align with the NDIS Quality and Safeguards principles.

The Framework consists of two key documents, the National Practice Standards and the Quality Principles, which sit alongside clinical guidelines and other documents developed and governed by Professional Associations representing audiologists and audiometrists. They are underpinned by the training and skills obtained through education and practice in the field of audiology.

Australian Healthcare Associates was engaged to provide services to support the work of this group, and to manage the public consultation process. Development of the two key documents of the Framework was completed in early 2016. The National Practice Standards and the Quality Principles were released for public consultation in May 2016. Feedback received from initial consultation in mid-2015 on the Framework and the Quality Principles was also considered as part of this process.

Planning for a regulation model, governance and implementation of the Framework is currently underway through an Implementation Planning Steering Group. Consultation with the sector and the broader community on the entire Framework package is expected to occur in early 2017.

#### **2.1.4 Analysis of evidence presented**

As detailed in the evidence provided above, the OHS has demonstrated that it has:

- initiated and participated in a number of stakeholder meetings, events, industry conferences, and working groups, including regular meetings with stakeholders such as: the SPCG; Australian Hearing; Professional Associations; the NDIS Governance Group; and other Australian Government agencies.
- employed audiologist staff for the entirety of 2015-16.
- undertaken environmental scanning, including reviews of relevant literature reports, and provided feedback mechanisms for stakeholders to comment on proposed program changes such as the Service Delivery Framework consultation in May 2016 (Case Study 1).
- implemented business improvement changes within legislative constraints to reduce compliance costs for industry, such as the automation of manual claims, and the move to accepting electronic signatures in accordance with the Australian Government Digital Transition Policy.

### 2.1.5 Self-assessed rating of performance against KPI 1 – 2015-16

Information provided above provides evidence of very good performance against all agreed metrics under KPI 1, and hence, overall performance against KPI 1 is assessed as “Very Good”.

<b>Excellent</b>	<b>Very Good</b>	<b>Good</b>	<b>Fair</b>	<b>Poor</b>
Strong performance against all the measures under the KPI	Strong performance against majority of the measures under the KPI and no evidence of negative/poor performance against any measure	Average performance against the measures under the KPI	Poor performance against some measures under the KPI	Poor performance against most of the measures under the KPI

### 2.1.6 Actions for improving performance against KPI 1

Comments on improvements provided during consultation May 2016, on the proposed Service Delivery Framework:

- Opinion was divided regarding the content and structure of the Service Delivery Framework documents. It was suggested that content and structure should be simplified and presented more clearly as part of the consultation process.
- Some stakeholders commented that the public consultation process on these documents was not adequate and required more time, including broader promotion of the documents. A longer consultation process, with particular consideration given to ensuring broader representation of all stakeholders, was suggested to support a more robust consultation.

## 2.2 KPI 2 – Communication with regulated entities is clear, targeted, and effective

### 2.2.1 Measures

1. Regulators provide guidance and information that is up to date, clear, accessible, and concise through media appropriate to the target audience.
2. Regulators consider the impact on regulated entities and engage with industry groups and representatives of affected stakeholders before changing policies, practices, or service standards.
3. Regulators decisions and advice are provided in a timely manner, clearly articulating expectations, and the underlying reasons for decisions.
4. Regulators advice is consistent and supports predictable outcomes.

### 2.2.2 Approved evidence metrics for KPI 2

Indicator	Evidence
<ul style="list-style-type: none"> <li>• Guidance and information is available on the OHS website.</li> <li>• Policies and frameworks are available on the OHS website.</li> </ul>	<ul style="list-style-type: none"> <li>• The OHS website has been structured to include three homepage tabs with information tailored to specific users: ‘professionals’, ‘everyone’, and ‘about the program’, which improves navigation and access to information for these user groups.</li> <li>• The OHS website hosts policies, frameworks, and <a href="#">legislation</a>, including the <a href="#">Audit and Compliance Framework</a>; <a href="#">Regulator Performance Framework</a>; <a href="#">Service Delivery Framework</a>; <a href="#">Service Provider Contract</a>; <a href="#">Deed of Standing Offer</a>; and legislative instruments.</li> </ul>
<ul style="list-style-type: none"> <li>• Consultation with affected stakeholders is undertaken before processes are changed.</li> </ul>	<ul style="list-style-type: none"> <li>• <a href="#">Information sessions</a> and workshops were held in Sydney, Brisbane, Melbourne, Perth, and Adelaide on implications of the NDIS on hearing services, including possible potential impacts on Australian Hearing.</li> <li>• Stakeholder registration to attend NDIS workshops occurred online and included the opportunity for registrants to contribute ideas and raise concerns for consideration at the workshops.</li> </ul>

Indicator	Evidence
	<ul style="list-style-type: none"> <li>To support the NDIS information sessions and workshops, fact sheets, power point presentations, and summary write ups of outcomes were published on the <a href="#">OHS website</a>.</li> <li>OHS consulted with the SPCG on the priorities of service providers in relation to updates/new functions for the HSO portal; user testing; and updates to user guides and other documentation.</li> </ul>
<ul style="list-style-type: none"> <li>Audit reports are processed in accordance with the Audit and Compliance Framework.</li> </ul>	<ul style="list-style-type: none"> <li>Audit reports are processed in accordance with current standard operating procedures (SOPs) that support consistent implementation of the <a href="#">Audit and Compliance Framework</a>.</li> </ul>
<ul style="list-style-type: none"> <li>Standard Operating Procedures are documented for internal OHS processes.</li> </ul>	<ul style="list-style-type: none"> <li>In 2015-16 SOPs were reviewed twice, updated as required, and subsequently communicated to staff to maintain internal processes.</li> </ul>

### 2.2.3 Other evidence to indicate compliance with KPI 2

The HSO Portal is a multi-year and multi-million dollar project within the Department of Health to support the program. The primary aim was the design and building of a new electronic web-based system which automates previously manual processes, for internal (staff) and external stakeholders (practitioners, business, clients) alike. In moving to an electronic system, OHS undertook consultation and engagement at each step of the process. This case study focusses on the most recent stakeholder engagement, which took the format of a travelling demonstration of functionality associated with the final portal release.

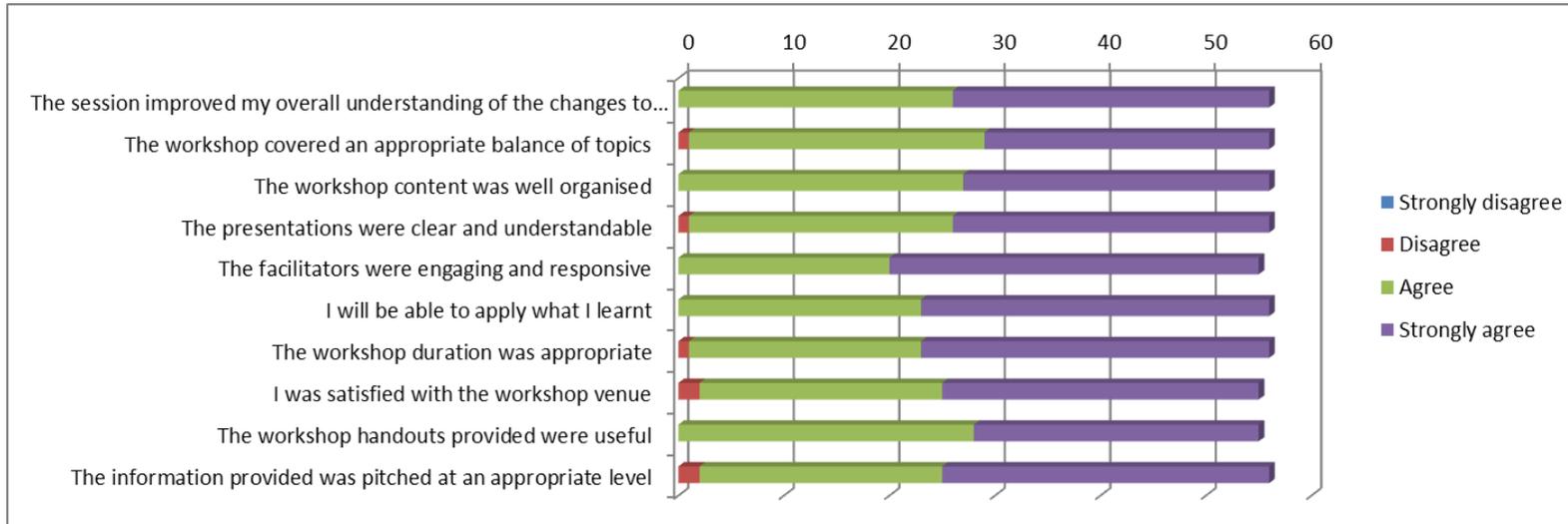
Communication Activities: User Engagement on HSO Project

- Invitation sent to service providers to participate in travelling/roadshow demonstration of new portal functionality.
- OHS staff collated a list of interested parties, to facilitate preparation of itinerary.
- Staff travelled to facilitate roadshow sessions with nominated representatives.
- Comment and feedback collected throughout the session.

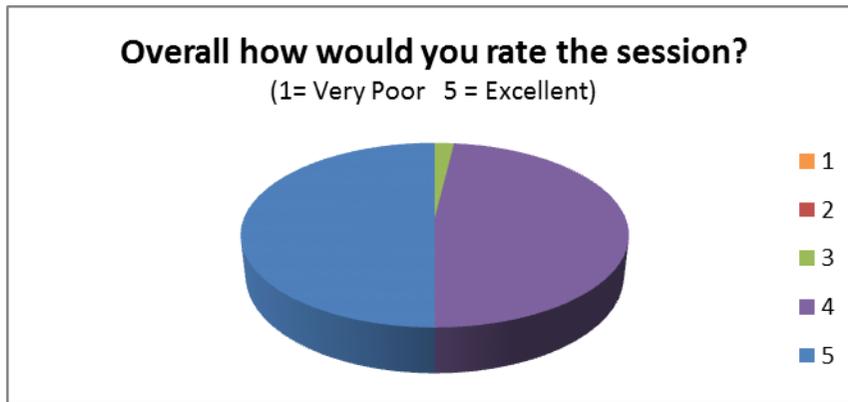
- Official feedback collected at the end of the sessions.
- Review of feedback – fixes and amendments implemented where adjustment possible.

Positive feedback was circulated through OHS, and communicated to all providers, assisting confident portal release.

#### 2.2.4 Participant responses to survey questions about their experiences in the HSO Portal sessions



### 2.2.5 Participant ratings of their experiences in the HSO Portal sessions



Feedback from service provider representatives participating in the consultative sessions was collected and collated with the following positive comments provided:

- Great improvements to the portal.
- As I have used the system since inception, I found this easy to follow and understand. Was good to be able to give ideas, complaints, and issues which we felt needed attending. Was ideal as not many attendees. With use of screen to watch the changes was ideal. Good rapport with the presenters. As I understand the system, the new parts will be ok to understand.
- We appreciate the time spent with us to explain the portal, thanks.
- Fantastic.
- Thank you for organising an interactive session.
- Great practical training.
- Thank you very much for coming to Perth.
- The session helped clarify the updated version of the portal, thank you.

In addition, the [Australian National Audit Office \(ANAO\) Report No.29 2015-16](#) Appendix 5, page 57, stated that “*HCIA members considered that the portal itself has had a ‘huge impact’ for service providers and customers and that the ‘anticipated benefits have been pretty well achieved’. Specifically, they noted that processes were quicker and easier and that the capacity to verify client eligibility instantaneously had reduced confusion for customers and reduced the administrative burden on service providers. HCIA members advised the ANAO that ‘what is less easy to quantify are the human benefits – how many lives we’ve changed by speeding up the process’.*”

*HCIA members stated that there was still room for improvement. For example, members advised the ANAO that some ‘tweaking’ needs to occur to allow for more seamless service delivery during infrequent periods where either the portal or Centrelink ICT systems are down. There is also a need to better manage relocations of clients from one service provider to another. This said, the HCIA noted that OHS has remained open to seeking improvements in the operation of the portal in light of experience.”*

### 2.2.6 Self-assessed rating of performance against KPI 2 – 2015-16

Information provided above provides evidence of strong performance against all agreed metrics under KPI 2, and hence, overall performance against KPI 2 is assessed as “Excellent”.

<p style="text-align: center;"><b>Excellent</b></p> <p style="text-align: center;">Strong performance against all the measures under the KPI</p>	<p style="text-align: center;"><b>Very Good</b></p> <p style="text-align: center;">Strong performance against majority of the measures under the KPI and no evidence of negative/poor performance against any measure</p>	<p style="text-align: center;"><b>Good</b></p> <p style="text-align: center;">Average performance against the measures under the KPI</p>	<p style="text-align: center;"><b>Fair</b></p> <p style="text-align: center;">Poor performance against some measures under the KPI</p>	<p style="text-align: center;"><b>Poor</b></p> <p style="text-align: center;">Poor performance against most of the measures under the KPI</p>
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### 2.2.7 Actions for improving performance against KPI 2

Participants were provided with the opportunity to note critical feedback and suggestions for forward planning the final phases of implementation and preparing for business-as-usual afterward.

Suggestions included:

1. Noting the success of the portal implementation and update, providers suggested that the format be kept for future communications – including portal refreshment and other business purposes. Proposed that this occur on a monthly basis, focussing on a particular aspect of the portal procedures.
2. The only criticisms levelled at testing and demonstration sessions were that not all interested parties were able to attend. This was due to both geographic and capacity factors. To that end, it was suggested that the monthly session could occur in a webinar format. In hosting an online tutorial, OHS staff are not limited by travel time and costs, and a session can be archived and uploaded on the program website, as an ongoing resource for any interested parties.
3. Noting that industry attention will now be directed towards full implementation of the NDIS, it was specifically suggested that OHS assist smooth transition of services to the NDIS by facilitating stakeholder sessions in the same manner as the HSO Project testing and demonstration sessions.

## 2.3 KPI 3 – Actions undertaken by regulators are proportionate to the regulatory risk being managed

### 2.3.1 Measures

1. Regulators apply a risk-based, proportionate approach to compliance obligations, engagement, and regulatory enforcement actions.
2. Regulators preferred approach to regulatory risk is regularly reassessed. Strategies, activities, and enforcement actions are amended to reflect changing priorities that result from new and evolving regulatory threats, without diminishing regulatory certainty or impact.
3. Regulators recognise the compliance record of regulated entities, including using earned autonomy where this is appropriate. All available and relevant data on compliance, including evidence of relevant external verification is considered.

### 2.3.2 Approved evidence metrics for KPI 3

Indicator	Evidence
<ul style="list-style-type: none"> <li>• The Audit and Compliance Framework provides a proportionate approach to regulation compliance.</li> </ul>	<ul style="list-style-type: none"> <li>• Audits are completed in compliance with the <a href="#">Audit and Compliance Framework</a>, which describes the OHS risk based approach to audit and compliance, including proportionate approaches to regulation compliance.</li> </ul>
<ul style="list-style-type: none"> <li>• Risk and compliance procedures support governance of the program and are reviewed regularly.</li> <li>• Mechanisms and opportunities are available for stakeholders to provide feedback about regulatory compliance activities.</li> </ul>	<ul style="list-style-type: none"> <li>• The risk based audit and compliance processes, documented in the <a href="#">Audit and Compliance Framework</a>, align with program requirements.</li> <li>• The risk register and audit processes were reviewed in 2015-16.</li> <li>• Stakeholders are able to use a range of mechanisms to provide OHS with feedback on regulatory compliance including:               <ul style="list-style-type: none"> <li>○ <a href="#">SPCG</a> meetings;</li> <li>○ <a href="#">consultations</a> page on the <a href="#">OHS website</a>;</li> <li>○ via the <a href="mailto:hearing@health.gov.au">hearing@health.gov.au</a> mail box;</li> <li>○ meetings and communications with targeted stakeholders on specific issues, including via <a href="#">contracted service provider notices</a>, which invite comment and feedback; and</li> <li>○ the <a href="#">Feedback</a> link on the OHS website.</li> </ul> </li> </ul>

Indicator	Evidence
<ul style="list-style-type: none"> <li>A risk register is maintained and considered in the scheduling of audits.</li> </ul>	<ul style="list-style-type: none"> <li>A risk register, reviewed in 2015-16, is maintained by OHS, which examines risk indicators to identify service providers that present the greatest risk of non-compliance with program requirements.</li> <li>Through the register, risks are analysed to prioritise those service providers that will be scheduled for audit.</li> </ul>

### 2.3.3 Other evidence to indicate compliance with KPI 3

Contracted service providers are required to comply with a range of [legislative and contractual requirements](#) that govern the program. The integrity of the program is managed through a number of stages; accreditation, complaints management, self-assessment, risk based audits, and compliance activities.

The program’s auditing activities are focused on two key elements: annual self-assessments and risk-based audits. The annual Self-Assessment Tool (SAT) serves as both an educator/reminder of the program requirements and an alert process to identify areas of concern for support and early intervention.

A risk-based approach to audit and a compliance response proportionate to the seriousness of the non-compliance are important as they ensure that those providers which consistently do the right thing are rewarded with less intervention from OHS. This in turn frees up the OHS’s resources to focus on areas of greater concern. This is the basis of responsive regulation.

The shift from cyclical audits, requiring all service providers to be audited within a five year audit cycle, to annual self-assessments and risk based audits works to ensure those with the higher risk are targeted for audit.

Risk based auditing draws on a combination of inputs including system and claims data, complaints, and other signals to develop overall service provider risk profiles that facilitate targeting of audits to providers with the highest overall risk of non-compliance.

### 2.3.4 Case Study 3: The Risk-Based Audit Program

“Provider A” was identified for inclusion in the risk-based audit schedule as a result of irregular claiming patterns.

The off-site audit of Provider A’s client files identified several areas of concern and non-compliance including:

- lack of evidence to justify several claims for services;
- lack of evidence that some services were completed in accordance with the program requirements;
- lack of evidence to demonstrate that the conditions for claiming of some service items were met;
- forms were not compliant with the requirements of the program; and
- incorrect claim items were submitted.

Provider A was given an opportunity to respond to the identified issues and to outline a plan to address them. The provider committed to updating forms, reviewing and updating internal processes, and implementing staff training. Based on the response provided, the audit was closed and recoveries of \$2,553.15 for incorrect claiming were completed. Follow-up will be undertaken to confirm the commitments made by the provider to rectify these areas of non-compliance have been delivered.

Each provider audited is also afforded an opportunity to complete an anonymous online survey about their audit experience, to support continuous improvement of the audit processes.

### 2.3.5 Self-assessed rating of performance against KPI 3 – 2015-16

Information provided above provides evidence of very good performance against all agreed metrics under KPI 3, and hence, overall performance against KPI 3 is assessed as “Very Good”.

<b>Excellent</b>	<b>Very Good</b>	<b>Good</b>	<b>Fair</b>	<b>Poor</b>
Strong performance against all the measures under the KPI	Strong performance against majority of the measures under the KPI and no evidence of negative/poor performance against any measure	Average performance against the measures under the KPI	Poor performance against some measures under the KPI	Poor performance against most of the measures under the KPI

### **2.3.6 Actions for improving performance against KPI 3**

Improvement actions to be implemented include:

- Updated Audit and Compliance Handbook to improve understanding of the requirements of the program.
- Expanded risk based analysis and use of data to guide risk profiling.
- Benchmarking timeframes and deliverables to ensure efficient and transparent processes.
- Recognising service providers which have internal audit and compliance processes and training.
- Improved sharing of lessons learnt from audits to support all service providers to improve compliance.
- Updating standard operating procedures, templates, and correspondence with standard words for consistency.
- Systematising audit processes and analysis.

Expand program audit human resource and technical capacity.

## 2.4 KPI 4 – Compliance and monitoring approaches are streamlined and co-ordinated

### 2.4.1 Measures

1. Regulators information requests are tailored and only made when necessary to secure regulatory objectives, and only then in a way that minimises impact.
2. Regulators frequency of information collection is minimised and coordinated with similar processes including those of other regulators so that, as far as possible, information is only requested once.
3. Regulators utilise existing information to limit the reliance on requests from regulated entities and share the information among other regulators, where possible.
4. Regulators base monitoring and inspection approaches on risk and, where possible, take into account the circumstance and operational needs of the regulated entity.

### 2.4.2 Approved evidence metrics for KPI 4

Indicator	Evidence
<ul style="list-style-type: none"><li>• A Stakeholder Engagement Plan, reviewed annually, advises stakeholders when consultation will occur.</li></ul>	<ul style="list-style-type: none"><li>• The OHS <a href="#">2015-16 Stakeholder Engagement Plan</a> was published on the OHS website in January 2016. It advises stakeholders on planned consultations and the opportunity to provide OHS with input.</li><li>• The 2015-16 Stakeholder Engagement Plan was informed by stakeholder feedback collected from October 2014 to May 2015, as well as comments provided by the SPCG and HCIA via a targeted survey.</li><li>• The OHS 2015-16 Stakeholder Engagement Plan advises on planned consultation activities, including their timing, to ensure a coordinated approach to contacting stakeholders for the collection of input and information.</li></ul>

Indicator	Evidence
<ul style="list-style-type: none"> <li>Existing information sources will be considered prior to any requests of stakeholders.</li> </ul>	<ul style="list-style-type: none"> <li>OHS uses information and data from existing information technology sources including the <a href="#">HSO portal</a> and the Department of Human Services (<a href="#">e-claiming</a>).</li> <li>Information and advice is obtained through targeted committees, groups, and organisations with an agreed relationship with OHS to provide this input, including: <ul style="list-style-type: none"> <li><a href="#">Australian Hearing</a>;</li> <li>the <a href="#">SPCG</a> and <a href="#">HCIA</a>;</li> <li>practitioner professional bodies;</li> <li>Ex-Service Organisations Round Table (ESORT);</li> <li>HCERG;</li> <li>community based organisations representing people affected by hearing loss;</li> <li>the <a href="#">National Disability Insurance Agency (NDIA)</a>; and</li> <li>other relevant Australian Government agencies.</li> </ul> </li> </ul>
<ul style="list-style-type: none"> <li>A risk based approach, taking into account the circumstances and operational needs of stakeholders, is used when scheduling and prioritising audits.</li> </ul>	<ul style="list-style-type: none"> <li>A risk register, reviewed in 2015-16, is maintained by OHS, which examines risk indicators to identify service providers that present the greatest risk of non-compliance with program requirements.</li> <li>Through the register, risks are analysed to prioritise those service providers to be scheduled for audit.</li> <li>Auditors work with service providers to complete audits with minimal disruption to their operational requirements and OHS optional timeframes.</li> </ul>

### 2.4.3 Case Study 4 – Stakeholder Engagement Plan

Commencing from 2013-14, OHS has continued to develop and make available on the program website an annual Stakeholder Engagement Plan. The purpose of this plans has been to provide transparency in relation to planned stakeholder engagement activities for the year, and to make clear the commitment of OHS and the opportunities for stakeholders, including regulated entities, to be involved in the planning, designing, participation, and evaluation of these activities.

In 2015-16, the Stakeholder Engagement Plan was developed, incorporating feedback from the 2014-15 Stakeholder Engagement Plan, from both the SPCG and the HCIA. To provide this feedback, OHS conducted a targeted survey instrument, incorporating evidence of activities undertaken throughout 2014-15. This enabled the SPCG and HCIA to provide advice on communication channels that would support organisational efficiencies for regulated entities. In addition, the 2014-15 Stakeholder Engagement Plan was listed on the 'consultations' page of the OHS website, whereby any interested individuals, groups or organisations were invited to provide feedback. This feedback was also incorporated into the 2015-16 Stakeholder Engagement Plan.

Upon its completion, the 2015-16 Stakeholder Engagement Plan was again listed on the 'consultations' page of the OHS website, and feedback was once again invited. All stakeholder engagement activities have since been completed in accordance with the 2015-16 Stakeholder Engagement Plan.

#### **2.4.4 Analysis of evidence presented**

As detailed in the evidence provided above, OHS has demonstrated that it has:

- a Stakeholder Engagement Plan was in place in 2015-16, which is reviewed annually;
- existing information sources such as committees, groups, and organisations which have an agreed relationship with OHS have been considered for providing input and information; and
- a risk based approach to prioritising audits, through a risk register, which examines risk indicators to identify service providers that present the greatest risk.

#### 2.4.5 Self-assessed rating of performance against KPI 4 – 2015-16

Information provided above provides evidence of very good performance against all agreed metrics under KPI 4, and hence, overall performance against KPI 4 is assessed as “Very Good”.

<b>Excellent</b>	<b>Very Good</b>	<b>Good</b>	<b>Fair</b>	<b>Poor</b>
Strong performance against all the measures under the KPI	Strong performance against majority of the measures under the KPI and no evidence of negative/poor performance against any measure	Average performance against the measures under the KPI	Poor performance against some measures under the KPI	Poor performance against most of the measures under the KPI

#### 2.4.6 Actions for improving performance against KPI 4

In order for the OHS Stakeholder Engagement Plan to meet the requirements of Health’s Stakeholder Engagement Framework, a review of OHS’s plan was completed. This included a review of current consultation and meeting arrangements with a view to streamline for greater efficiency.

Management of Health resources will be an ongoing focus of the plan, with use of tele/video-conferencing rather than face to face meetings as a priority. A trial of this during the recent Professional Association meeting with OHS was successful, with both time and resource savings identified for all parties.

Further work on the Stakeholder Engagement Plan will continue until the end of 2016.

## 2.5 KPI 5 – Regulators are open and transparent in their dealings with regulated entities

### 2.5.1 Measures

1. Regulators risk-based frameworks are publicly available in a format which is clear, understandable, and accessible.
2. Regulators are open and responsible to requests from regulated entities regarding the operation of the regulatory framework, and approaches implemented by regulators.
3. Regulators performance measurement results are published in a timely manner to ensure accountability to the public.

### 2.5.2 Approved evidence metrics for KPI 5

Indicator	Evidence
<ul style="list-style-type: none"> <li>• OHS risk based Audit and Compliance Framework is published on the OHS website, and updated as necessary.</li> </ul>	<ul style="list-style-type: none"> <li>• The <a href="#">Audit and Compliance Framework</a> is available on the OHS website for easy access and reference and has been reviewed twice in 2015-16.</li> </ul>
<ul style="list-style-type: none"> <li>• Responses to requests from regulated entities are made within benchmark timeframes.</li> </ul>	<ul style="list-style-type: none"> <li>• OHS has set a benchmark measure to respond to service provider and manufacturer enquiries within 28 days, which was achieved in 2015-16.</li> </ul>
<ul style="list-style-type: none"> <li>• Performance information is published on the OHS website.</li> </ul>	<ul style="list-style-type: none"> <li>• The OHS website publishes annual performance information related to <a href="#">program utilisation</a>, <a href="#">complaints</a>, <a href="#">research outcomes</a>, and <a href="#">audit and compliance</a>.</li> <li>• The OHS website links to the Department of Health <a href="#">Annual Report</a>, which provides a detailed description of the activities and reporting against planned outcomes and performance targets identified in the <a href="#">Health Portfolio Budget Statements</a> and <a href="#">Additional Estimates Statements</a>.</li> </ul>

### **2.5.3 Case Study 5: Online Listing of Devices – Background**

From 20 June 2016, OHS enabled device manufacturers to list their own hearing devices on the HSO Portal (portal) as part of a streamlining measure. A precursor to this initiative was the work completed by OHS in consultation with device manufacturers in 2015-16 to identify further streamlining and administrative efficiencies in the way OHS administers the listing of hearing devices for supply under the program. Previously, manufacturers were required to submit a Letter of Conformity (application) to OHS stating:

- the name of the device as branded by the manufacturer;
- the type of device;
- the proposed tier of hearing devices on the Hearing Devices Schedule;
- that each function of the device listed by the manufacturer met the specifications set out in the Deed of Standing Offer; and
- whether the item was to be fully or partially subsidised by Government.

At the end of each month, OHS reviewed all applications, approved all devices that met the specifications, and registered them in the HSO database. Confirmation emails were then sent to the manufacturers, advising of the device approval and the assigned claiming codes. This process meant that manufacturers could wait for a month or longer for the approval and listing of their device, with flow-on delays in accessing the new technology by service providers and program clients.

Prior to the roll-out of the portal listing feature, manufacturers were involved, informed, and trained in the change to portal self-listing. They were also involved in user testing. Manufacturers were sent links to relevant materials including a new Device Manufacturer User Guide and AUSkey Fact Sheet. All manufacturers were encouraged to become familiar with the portal by first reviewing currently listed devices, updating key details on the currently listed devices, and removing redundant ones.

Ongoing technical support was offered during the transition from the manual to the portal self-listing process and updates were provided as required. Manufacturers were invited to refer any queries to the generic program inbox and were also asked to provide feedback regarding the new process.

To ensure that devices provided by service providers to voucher clients continue to meet the minimum device specifications, OHS has implemented a post-listing audit process in lieu of the former pre-listing application process.

The benefits to device manufacturers from this initiative include significant reductions in paperwork, same day device approval, and reduced wait times in bringing goods to market. Similarly, service providers are able to offer new devices more quickly and program clients are able to benefit sooner from access to new technology.

This enhancement to the portal has streamlined processes for manufacturers, so they can, in real time:

- register new devices, edit existing device details, withdraw devices from listing, and migrate devices from the partially subsidised to the fully subsidised Device Schedule;
- access contemporary schedules online rather than a monthly wait for updates; and
- view and update their own business information (e.g. contact details, business & postal address, trading names).

The feedback received from manufacturers has been universally positive.

#### **2.5.4 Self-assessed rating of performance against KPI 5 – 2015-16**

Information provided above provides evidence of very good performance against all agreed metrics under KPI 5, and hence, overall performance against KPI 5 is assessed as “Very Good”.

<b>Excellent</b>	<b>Very Good</b>	<b>Good</b>	<b>Fair</b>	<b>Poor</b>
Strong performance against all the measures under the KPI	Strong performance against majority of the measures under the KPI and no evidence of negative/poor performance against any measure	Average performance against the measures under the KPI	Poor performance against some measures under the KPI	Poor performance against most of the measures under the KPI

#### **2.5.5 Actions for improving performance against KPI 5**

Updated Audit and Compliance Handbook, to improve service provider understanding of the requirements of the program, will be published in 2016-17.

## 2.6 KPI 6 – Regulators actively contribute to the continuous improvement of regulatory frameworks

### 2.6.1 Measures

1. Regulators establish cooperative and collaborative relationships with stakeholders to promote trust and improve the efficiency and effectiveness of the regulatory framework.
2. Regulators engage stakeholders in the development of options to reduce compliance costs. This could include industry self-regulation, changes to the overarching regulatory framework, or other strategies to streamline monitoring and compliance approaches.
3. Regulators regularly share feedback from stakeholders and performance information (including from inspections) with policy departments to improve the operation of the regulatory framework and administrative processes.

### 2.6.2 Approved evidence metrics for KPI 6

Indicator	Evidence
<ul style="list-style-type: none"><li>• OHS collaborates with stakeholders to improve program efficiency and effectiveness.</li></ul>	<ul style="list-style-type: none"><li>• <a href="#">Information sessions and workshops</a> were held in Sydney, Brisbane, Melbourne, Perth, and Adelaide on the implications of the NDIS on hearing services, including any potential impacts on Australian Hearing.</li><li>• Stakeholder registration to attend NDIS workshops occurred online and included the opportunity for registrants to contribute ideas and raise concerns for consideration at the workshops. Through the workshops, participants were able to identify and discuss those <a href="#">issues</a> that may affect the transition of program clients to the NDIS.</li><li>• OHS consulted with the <a href="#">SPCG</a> on the priorities of service providers in relation to updates/new functions for the HSO portal, user testing and updates to user guides, and other documentation.</li></ul>

Indicator	Evidence
<ul style="list-style-type: none"> <li>Stakeholders are given opportunities to contribute to the reduction of compliance costs.</li> </ul>	<ul style="list-style-type: none"> <li>OHS consulted with the <a href="#">SPCG</a> on the priorities for updates/new functions for the <a href="#">HSO portal</a>, including those that would increase service provider efficiency and reduce the costs of participating in the program.</li> <li>Service providers were consulted as part of costing the <a href="#">Electronic Signatures Policy</a> and device approval deregulation activities.</li> <li>OHS funded the facilitation of meetings to develop a set of <a href="#">National Practice Standards</a> and Quality Principles which upon implementation will provide quality assurance and greater capacity for self-regulation for the hearing industry.</li> </ul>
<ul style="list-style-type: none"> <li>Stakeholder feedback is disseminated throughout OHS, the Department and Government as necessary.</li> </ul>	<ul style="list-style-type: none"> <li>Fact sheets, power point presentations, and summary write ups of outcomes from <a href="#">NDIS information sessions and workshops</a> were published on the OHS website.</li> <li>To support dissemination of information, NDIS information sessions and workshops included participation by representatives of the National Disability Insurance Agency and the Departments of Finance, Veterans' Affairs, and Social Services.</li> </ul>

### 2.6.3 Case Study 6: Development of the NDIS Transition Plan

Full roll out of the NDIS will occur on 1 July 2019. At this time, contestability for the delivery of services under the Community Service Obligations (CSO) portion of the program will also occur. These changes require a review of current program arrangements, including its legislative framework.

In mid-2015, OHS undertook to deliver information sessions to support the sector and relevant stakeholders to understand the implications for services providers in a CSO contestable market. This led to further consultation with industry representatives across Australia in September and October 2015 regarding program changes, including the impacts of the NDIS on Government funded hearing services delivery.

As a result of these consultations, a high-level NDIS Transition Plan was developed for the program. The plan includes 11 work packages which outline each area of work to be completed to support a successful transition for program clients to the NDIS, while also supporting changes and reform within the program. The Transition Plan was published on the program website in February 2016. Review of and updates to the Transition Plan will occur through 2016-17.

#### 2.6.4 Analysis of evidence presented

As detailed in the evidence provided above, OHS has demonstrated that it has:

- collaborated with stakeholders to improve program efficiency and effectiveness through such forums as the NDIS workshops on the transition of program clients and the HSO Portal release; and
- given stakeholders opportunities to contribute to the reduction of compliance costs, such as the reduced burden as a result of the HSO Portal and the implementation of the Electronic Signatures Policy.

Stakeholder feedback, such as the NDIS workshops feedback, was made publicly available on the OHS website.

#### 2.6.5 Self-assessed rating of performance against KPI 6 – 2015-16

Information provided above provides evidence of very good performance against all agreed metrics under KPI 6, and hence, overall performance against KPI 6 is assessed as “Very Good”.

<b>Excellent</b>	<b>Very Good</b>	<b>Good</b>	<b>Fair</b>	<b>Poor</b>
Strong performance against all the measures under the KPI	Strong performance against majority of the measures under the KPI and no evidence of negative/poor performance against any measure	Average performance against the measures under the KPI	Poor performance against some measures under the KPI	Poor performance against most of the measures under the KPI

### **2.6.6 Actions for improving performance against KPI 6**

It was clear from the NDIS workshop information sessions that stakeholders had various concerns about changes to the existing system and what these will mean for the experience and services provided to program clients, particularly for infants and young children. Concerns and issues raised by stakeholders to be considered in transition planning 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 program clients who may be ineligible for the NDIS;
- ensuring that NDIA planners have appropriate information about reasonable and necessary supports for hearing loss;
- 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; and
- ensuring that there is active engagement with key stakeholders.

The issues and questions raised in the information sessions need to be worked through in detail. All issues raised by stakeholders have been captured in the NDIS Transition Plan and will continue to be worked through until mid-2019.

OHS will continue to update the website and provide opportunities to receive input regarding NDIS transition.

### 3 Overall Assessment

#### 3.1 Overall analysis of evidence

In summary, OHS’s major achievements for in 2015-16 were:

- KPI 1 – Service Delivery Framework development in partnership with the hearing sector.
- KPI 2 – HSO Portal stakeholder participation in user acceptance testing.
- KPI 3 – Audit and Compliance Framework risk based approach.
- KPI 4 – Development of a Stakeholder Engagement Plan, informed by stakeholder feedback.
- KPI 5 – Online listing of devices by manufacturers on the HSO Portal.
- KPI 6 – Development of the NDIS Transition Plan, informed by stakeholder feedback.

#### 3.2 Overall self-assessed rating of performance against all KPIs – 2015-16

Overall, evidence provided against each of the KPIs has been self-assessed as “Very Good”, with some areas for ongoing performance improvement identified.

<b>Excellent</b> Strong performance against all the KPIs	<b>Very Good</b> Strong performance against majority of the KPIs and no evidence of negative/poor performance against any KPI	<b>Good</b> Average performance against the KPIs	<b>Fair</b> Poor performance against some KPIs	<b>Poor</b> Poor performance against most of the KPIs
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### **3.3 Overall performance improvement actions identified**

In summary, major areas for improvement identified are:

- Clear and concise consultation documents made available for review for a sufficient amount of time and enabling a broad range of stakeholders to consider and contribute feedback.
- Further updates and streamlining of the Audit and Compliance processes such as risk profiling, timeframes, sharing of information procedures, and resource capacity.
- Improve understanding for stakeholders of the Audit and Compliance Framework with the publication of an updated handbook on the OHS website.

Ensuring stakeholder concerns are captured in the NDIS Transition Plan and will continue to be worked through until mid-2019.