

2017-18 Annual Report

Providing world leading research and hearing services
for the wellbeing of all Australians

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Letter to the Minister

The Hon. Michael Keenan MP
Minister for Human Services
Parliament House
Canberra ACT 2600

Dear Minister

I have the pleasure of presenting Australian Hearing's Annual Report for the year ended 30 June 2018. The report has been prepared in accordance with the requirements of the *Public Governance, Performance and Accountability Act 2013* and relevant regulatory guidelines.

The Directors of Australian Hearing, as the accountable authority, are responsible for the preparation and content of the Annual Report in accordance with the requirements of section 46 of the *Public Governance, Performance and Accountability Act 2013* and the *Public Governance, Performance and Accountability Rule 2014*.

The report outlines the achievements and milestones for Australian Hearing during 2017-18 and was made in accordance with a resolution of Directors on 2 October 2018.

Yours sincerely



Dr Peta Seaton AM
Chair

6 October 2018

Message from the Chair

An unwavering focus on our clients has seen Australian Hearing deliver another year of high quality services to Australians across our nation. Wherever I visit Australian Hearing staff, whether it be in a remote NT community, regional WA or our National Support Office, I see a team of people united by a determination to make a real difference.

It gives me great pleasure to provide this message as the Chair of the Board of Directors of Australian Hearing.

Over the past 70 years Australian Hearing has developed a rich legacy of helping Australians.

The 2017-18 year was another one of achievement. During the year Australian Hearing provided services to over 259,000 clients, more than in any other year of Australian Hearing's operations.

A particular focus for the Board has been the challenge of providing services to all Australians that need help with their hearing loss. I am pleased that the combination of service delivery innovation and quality research from the National Acoustics Laboratories (NAL) which has led to improvements in teleaudiology infrastructure and our many innovative health partners in local communities, has improved the delivery of services and the lives of many Australians living in regional and remote Australia.

During the year we implemented several important initiatives to improve client services and show us where we need to provide our various service and support programs. This included gathering much better information on the satisfaction of clients with our services and the piloting of new tele-audiology services to help children and adults living in remote communities. Pleasingly, over 80 percent of our clients indicated that they were highly satisfied with our services. We will continue listening to our clients and encourage their feedback to further improve this ranking.

The Board also established a new strategic focus for the organisation during 2017-18. This is to provide world leading research and hearing services for the wellbeing of all Australians. This will see Australian Hearing increase its commitment to delivering excellent client outcomes, to providing great value to government and our partners, and being a high performing organisation.

As part of this, we want to contribute to the prevention of hearing loss, particularly in Indigenous communities, and to work across the hearing sector and with government to improve hearing health outcomes for all Australians. We have the knowledge, the expertise and the commitment to make a real impact in these areas.

We are also working closely with relevant government departments and agencies in order to share our knowledge and experience and improve hearing loss prevention.

Our thanks

On behalf of the Board, I wish to express my appreciation to the Hon. Michael Keenan MP for his strong support for Australian Hearing as Minister for Human Services. I want to acknowledge the former Minister for Human Services, the Hon. Alan Tudge MP, for his strong support during his period as the Minister responsible for Australian Hearing.

I also want to thank the Board of Australian Hearing for their services over the past year. This includes new Board members Jody Currie, Sarah Vaughan and Chris Crawford PSM, and Kim Terrell who was appointed as the Acting Managing Director on 1 March 2018.

I further wish to thank outgoing Managing Director Bill Davidson and Directors Glenise Coulthard, the Hon Michael Knight AO and Swati Dave.

Lastly, I'd like to thank the dedicated and talented staff of Australian Hearing. On behalf of the Board, I thank you for your commitment to Australian Hearing and the communities we serve.



Dr Peta Seaton AM
Chair
Australian Hearing

Message From The Managing Director

We are proud of the work we do across Australia and are committed to providing world leading research and hearing services for the wellbeing of all Australians.

As the newly appointed Managing Director of Australian Hearing I'm pleased to highlight some of our achievements of 2017-18 and to reinforce our commitment to delivering real value to our clients, to our partners, to government and to the communities we serve.

Our unwavering focus on our clients is central to everything we do.

In 2017-18 Australian Hearing helped more than 259,000 Australians through our hearing centres across Australia and through our Aboriginal and Torres Strait Islander Outreach program. This includes helping children, families, pensioners and communities prevent and deal with hearing loss.

Our work was delivered through over 600 sites, through our buses which visited over 2,300 locations, through our online services and our call centre, and through our clinicians making some 30,000 home visits to clients. During 2017-18 we also continued to lift the quality of our services to clients while improving service accessibility. This included opening eight new Australian Hearing centres.

Among our many achievements, I'm particularly pleased that we have once again seen another decrease in the age that Aboriginal and Torres Strait Islander children who need a hearing aid get the help they need. Ten years ago, one in ten Aboriginal children were fitted with their first hearing device before they turned five. Now the proportion has improved to one in four. While we have much more work to do to improve hearing health in Aboriginal and Torres Strait Islander communities, these figures mark a significant improvement.

The National Acoustics Laboratories (NAL) also received international recognition for its ground breaking work through its LOCHI study.* This ongoing study has contributed significantly to the treatment of children with hearing loss in Australian and overseas. The work is a credit to NAL.

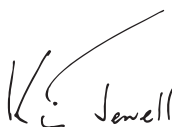
* Longitudinal Outcomes of Children with Hearing Impairment
- see also page 15

The 2017-18 financial year saw us achieve a solid financial result with total revenue of \$249.7 million and a Profit before Tax of \$26.7 million. Australian Hearing must continue to maintain a rigorous focus on its financial performance while delivering high quality services given we operate in a highly competitive and rapidly changing market. We also need to stay focused on meeting our corporate governance and compliance requirements.

As we move into 2018-19, I look forward to another year of success underpinned by our commitment to provide world leading research and hearing services for the wellbeing of all Australians. I am excited that this provides Australian Hearing with the direction to be even more successful.

I want to take this opportunity to thank the Board of Australian Hearing, our partners in government and the hearing sector, and anyone working to improve hearing health outcomes in Australia and across the world.

Most importantly, I also want to thank my management team and the highly talented and committed staff of Australian Hearing. It is a privilege to lead such a highly committed team dedicated to making a real difference to the people and communities we serve.



Kim Terrell
Managing Director
Australian Hearing

“ *Our unwavering focus on our clients is central to everything we do.*”



Highlights

2017 - 18:

To provide world leading research and hearing services for the wellbeing of all Australians.

Revenue
was
\$249.7 m



\$26.7 m
in profit before tax

We saw

259,194
clients

up from 243,812
in FY2016-17





1,283
people work as one



82%
female workforce



5%
with a hearing
impairment



2.7%
identify as Aboriginal or
Torres Strait Islander



Completion of the
Digital Document Management Project



Tele-Audiology follow up appointments
implemented for the remote Outreach program

Windows 10
laptop/
desktop
refresh

Major
Data Warehouse
development



164

hearing centres



457

visiting sites
nationally



1,072 visits to 243

Aboriginal & Torres Strait
Islander communities



12 buses

travelled **192,460 kms**
visiting **2,396 locations**



Septemember 2017

Cerebral Palsy Association challenged

people to take **10,000 steps a day**

Australian Hearing staff raised over **\$15,000**



OUR DIGITAL FOOTPRINT



Launched a new **website**

484,000
visits to our website



69,800
fans on Facebook



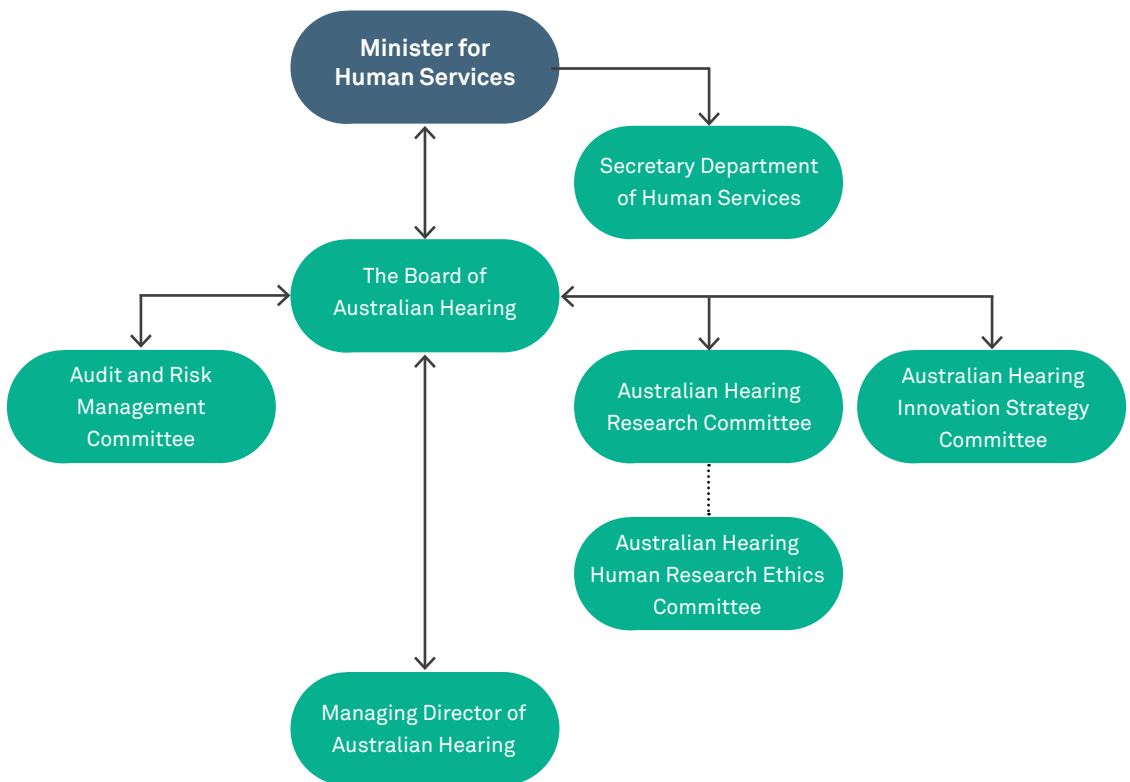
OUR CULTURE



- Launched a new **stretch Reconciliation Action Plan**
- Encouraged **Professional Development**
- Provided a **Positive Working Environment**

Governance Overview

Australian Hearing reports to the Minister for Human Services. An overview of our governance arrangements is below and further details are available from page 22.

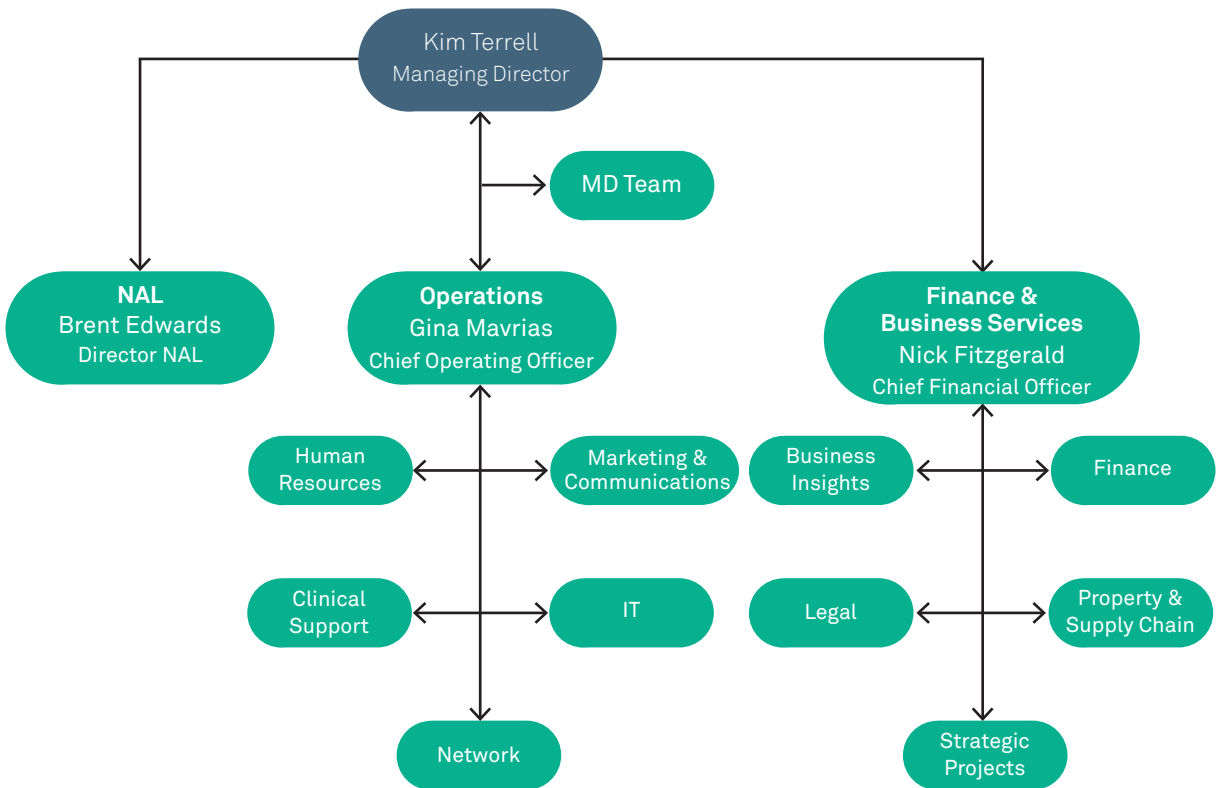


Executive Governance Structure

During 2017-18 Australian Hearing had three main business units each managed by a member of the Executive Committee.

Our Executive Committee is comprised of the Managing Director, the Chief Operating Officer, the Chief Financial Officer and the Director, NAL. This Committee is responsible for the efficient and effective operation of Australian Hearing and for formulating strategies and policies for Board consideration.

An overview of the functional structure of the organisation during 2017-18 is below.



Caring For Our Clients

Australian Hearing is committed to delivering effective and accessible hearing services, quality clinical care and excellence in client service. In 2017-18 we provided 545,445 services to clients.

Australian Hearing is funded to service clients through the Government's Hearing Services Program and through its fee for service work.

Our clients include pension concession card holders, recipients of Centrelink sickness allowance, holders of a Department of Veterans' Affairs Gold and White card (specifying hearing loss), children and young adults under the age of 26 years, adults with complex hearing needs and Aboriginal and Torres Strait Islander adults aged over 50 years or who are participating in Community Development Programs.

The Community Service Obligations (CSO) Program

We receive funding annually to deliver CSO services under a Memorandum of Agreement with the Department of Health (Health). This emphasises the importance of access and quality services for our CSO clients. During 2017-18 we provided services to more than 54,000 CSO clients and delivered 1,072 visits to 243 Outreach sites.

Aboriginal and Torres Strait Islander Adults

In 2017-18 there was a 9.6 per cent increase in the number of Aboriginal and Torres Strait Islander adults aged over 50 years seen by Australian Hearing. Over the last four years this group has grown by an average of 13.6 per cent per annum. We also worked closely with Aboriginal and Torres Strait Islander communities to provide hearing services in urban, regional and remote locations throughout Australia.

Aboriginal and Torres Strait Islander Children and Young Adults

In 2017-18 we saw 5,072 Aboriginal and Torres Strait Islander children and young adults aged under 26, which was 2.6 per cent more than the previous financial year. This represents 14.9 per cent of the total number of children and young adults who received our services during the year.

“*In 2017-18 we saw 5,072 Aboriginal and Torres Strait Islander children and young adults aged under 26, which was 2.6 per cent more than the previous financial year.*”

Analysis of data over the period 2008 to 2017 revealed a statistically significant reduction in the average age of first hearing aid fitting for Aboriginal and Torres Strait Islander children. The average age of first hearing aid fitting has reduced from 8 years of age in 2008 to 6 years of age in 2017, and the proportion of Aboriginal children receiving their first hearing aids before the age of 5 years has improved from one in ten in 2008 to one in four in 2017.

At a jurisdictional level, significant improvements were seen for the Northern Territory, Western Australia and Queensland. Improvements are a result of a variety of factors, including Outreach Audiologists establishing relationships with early education services and child health nurses, and raising awareness of hearing health across the sector.

Adults with Complex Hearing Rehabilitation Needs

In 2017-18 Australian Hearing provided 61,396 services to 26,001 adults with complex hearing needs. The majority of these adults have a severe or profound hearing loss or poor understanding of speech and require much more than just a well fitted hearing aid. Others have hearing loss and an additional disability which impacts on their communication. Some 77 per cent of adults with complex needs were provided with specialised communication assessment and individual training programs. As this client cohort includes some of our most frail clients, 9,535 services were delivered to CSO adults either in their own home or a residential care facility.

Services for Babies, Children and Young People up to Age 26

In 2017-18 we provided 69,990 services to 30,087 young Australians under the age of 21. We also provided 8,776 services to 4,027 young adults aged between 21 and 26.

During the year over 7,400 remote microphone systems were fitted to children and young adults. Remote microphone systems are used in addition to hearing aids and cochlear implants to overcome the adverse effects of distance, background noise and reverberation. They can be particularly useful in a classroom environment. We also funded 607 speech processors through the cochlear implant speech processor upgrade and replacement program.

The Paediatric Program Advisory Committee met on three occasions in 2017-18. Members provided advice about ways to improve access to services and continued to provide feedback about information resources that are provided to families and young clients.

The Voucher Program

During the year, we provided almost 400,000 services to clients under the Voucher program. We work with our clients to find the right solution for their needs and communication goals. Our clients have a range of devices to choose from and we work with them to find the right solution for their hearing needs. Client feedback obtained through our "Voice of the Client" program shows a very high satisfaction rating for the services provided.

Australian Hearing continues to grow its sites to service all clients at convenient, easy to access locations. At 30 June 2018 we had 164 permanent sites, an increase of 5.1 per cent over the past year. In addition, as at 30 June 2018 Australian Hearing had 457 visiting sites throughout Australia, an increase of 3.2 per cent over the previous year.

The National Acoustic Laboratories

The National Acoustic Laboratories (NAL) performs world leading research and technology innovation and is the research arm of Australian Hearing.

During 2017-18 NAL's Director of 17 years, Dr Harvey Dillion, retired. Dr Dillon is internationally renowned and was made an Officer of the Order of Australia in June 2018 for his "distinguished service to science, and to engineering, as a researcher in the field of hearing loss assessment, electrophysiology, and rehabilitation, and to improved auditory technologies." Australian Hearing acknowledges Dr Dillon's sustained contribution over many years to improving hearing health outcomes for people in Australia and across the world.

Following an extensive recruitment process, Dr Brent Edwards was appointed to lead NAL in October 2017. Dr Edwards has a distinguished career as a hearing technology entrepreneur and innovator, having headed hearing research and technology divisions at both international hearing aid companies and Silicon Valley hearing technology startups. Dr Edwards also founded the Starkey Hearing Research Centre in Berkeley.

During 2017-18 NAL continued to produce world leading research consistent with its new mission statement to "Lead the world in hearing research and evidence-based innovation to improve hearing health and transform the lives of people with hearing difficulties."

NAL's new strategic objectives are to conduct research into the following areas.

1. Precision Hearing Healthcare

Traditional clinical diagnostics provide insufficient information to determine the appropriate hearing treatment for an individual. The goal of this objective is to create a framework that identifies specific client characteristics that allow for the prescription of targeted treatment, resulting in improved patient outcomes.

2. Alternative Delivery Models

Telehealth and self-diagnosis/self-treatment are emerging as alternatives to traditional hearing healthcare delivery. The goal of this objective is to determine the factors of success for the alternative delivery models of tele-audiology and self-direction for audiological assessment and treatment.

3. Unilateral Hearing Loss

There is currently no agreed management pathway for the treatment of unilateral hearing loss. The goal of this objective is to understand the unique needs of people with unilateral hearing loss and provide treatment guidance with evidence of improved outcomes.

4. Mild and Normal Hearing Thresholds with Abnormal Difficulty in Noise

There are large populations with normal and mild hearing thresholds who have significant hearing difficulty but are not receiving hearing help. The goal of this objective is to identify the factors that predict when treatment is effective for this population and deliver a solution.

5. Hearing Safety at Indoor Live Venues

Indoor live music venues often amplify music at levels that pose a risk to hearing. Hearing health is rarely considered when venues consider how best to manage their sound levels, leaving patrons, staff and musicians at risk of long-term hearing damage. There is a great need to start addressing this problem in a systematic way that recognises the unique challenges faced by music venues. Success with this objective will result in a change in the hearing difficulty and/or reduced risk to hearing health in these environments.

ACCOMPLISHMENTS

During 2017-18 the International Journal of Audiology published the outcome of the Year 5 phase of the Longitudinal Outcomes of Children with Hearing Impairment (the LOCHI project). Key results from data collected on 5-year old children born with hearing impairment include:

- those children who received early intervention have better language abilities, compared to those who received later intervention
- many children had marked deficits in pre-reading skills (phonological awareness), suggesting the need for targeted intervention.

The importance of these findings for policy makers is evident: the earlier hearing aids or cochlear implants are provided, the better the outcomes.

In addition, during 2017-18 NAL:

- developed 350 hearing assessment systems for a nation-wide health study of Aboriginal and Torres Strait Islander people conducted by the Australian Bureau of Statistics (ABS). These assessments enable hearing screening by non-audiologically trained staff in all situations including remote locations and noisy conditions
- commenced three Aboriginal and Torres Strait Islander projects. These involve (i) studying the hearing of Aboriginal and Torres Strait Islander adolescents in NSW Juvenile Justice Centres, (ii) detecting children with hearing loss through schools or primary Aboriginal health care services using NAL-developed technology, and (iii) detecting young children with hearing and communication problems using parental-assessed questionnaires developed by NAL
- developed diagnostic equipment that allows a single audiologist to measure the hearing ability of babies using iOS technology and portable computers. This has the potential to significantly improve a clinic's capability to conduct pediatric audiology with limited clinical resources and without expensive laboratory construction. This has the potential to facilitate pediatric hearing healthcare in rural and remote regions where resources are limited

- completed research into the self-management of hearing loss which found that:
 - i) people with hearing loss being treated clinically had unmet psychosocial needs, suggesting that current models of hearing healthcare delivery do not adequately address these aspects of living with a hearing loss
 - ii) people being treated for their hearing loss who had better self-management skills reported greater perceived benefit from their hearing aids. These findings suggest that introducing the self-management concept into hearing health care has the potential to foster personalised care and lead to improved outcomes
- conducted a systematic assessment of more than 20 one-size-fits-all earplugs targeted for music consumers in terms of noise-reducing ability, fit, comfort, appearance and sound quality. The results of the review have been made available to the public on the HEARsmart website, and also through Choice Australia.

A key element of NAL's operations is to form partnerships with commercial and academic entities. During 2017-18:

- Nuheara, an Australian hearable startup listed on the ASX, introduced a product that incorporates NAL's fitting prescription
- NAL participated in several research and innovation collaborations with Macquarie University. These include the consideration of the impact of hearing loss on cognitive function, machine learning applied to hearing insights, and neural measures of the impact of hearing loss on speech comprehension
- research projects were initiated through the sponsorship of several hearing aid manufacturers into the benefit of novel hearing aid technology. Through this work, clinicians will have evidence guiding the treatment that they recommend to their patients.

In addition, during 2017-18 NAL established initiatives to build its strengths in several key areas: big data and machine learning, cognition and neural measures, behavioural insights, telemedicine and human-technology interaction. Activities focused on applying these areas to hearing needs have begun and sponsored research leveraging these capabilities have been initiated with hearing service providers and hearing technology manufacturers.

Our People

Australian Hearing recognises that its people are the cornerstone of the organisation's success.

Our goal is to provide a working environment in which our employees enjoy coming to work and do their best work each and every day. We know that a productive and engaging environment is key to our employees providing the best possible service to our clients. We care for our employees and want to ensure they feel their professional careers with Australian Hearing are rewarding and fulfilling.

Providing our people with a positive working environment

During 2017-18 we introduced "pulse" employee engagement surveys to provide employees with regular opportunities to provide us with feedback on our workplace. Employees have let us know the areas they felt we were doing well in and provided us with valuable feedback on the things we could do better.

We have acted on this feedback by:

- focusing on the way in which we communicate our vision and strategic priorities to employees
- reducing the number of business improvement initiatives we implement to ensure each initiative is properly embedded
- improving the way in which we consult employees so they have increased input on workplace change
- increasing the recognition our leaders provide to their team members.

A key component of providing a productive and engaging work environment is ensuring it is diverse and inclusive for all of our employees. During 2017-18 we launched a new Reconciliation Action Plan to assist us to meet this goal.

Our Aboriginal and Torres Strait Islander employment rate has continued to grow and we have set ourselves the target of increasing our Aboriginal and Torres Strait Islander employment rate to 3.5 per cent by July 2020. We are also proud of our achievements from a gender diversity perspective. The majority of our leaders across the organisation are females. As an organisation focused on supporting clients with hearing difficulties, we also want to support our hearing impaired staff. This has included ensuring all videos used internally are subtitled and being more aware of our staff's hearing needs in meetings and training workshops.

Business Ethics Policy

Australian Hearing has a Business Ethics Policy which ensures that our people understand:

- the values that underpin the way we do business
- the commitments and expectations that govern our interaction with others
- the standards of workplace behaviour that are expected
- behaviours that are unacceptable and require action
- the consequences of breaching the requirements of this Policy.

Professional development

During 2017-18 we continued to provide our people with a variety of training and professional development opportunities. The focus of this training is to ensure that our people possess the necessary skills to perform their role effectively and to ensure that they are being developed.

A key achievement was building the capability of our people to support clients who are facing some of the most challenging moments in their lives. This includes parents impacted by the hearing loss of their newborn child or elderly clients bearing the loss of loved ones. As a result, we delivered training for all our clinicians so they better understood how to provide this support to clients and the appropriate limits in doing so. In addition to improving client outcomes, it was an important employee wellbeing initiative.

“ Our goal is to provide a working environment in which our employees enjoy coming to work and do their best work each and every day.

A summary of Australian Hearing's key staffing statistics for 2017-18:

STAFFING PROFILE AND PERFORMANCE INDICATORS

	2013-14	2014-15	2015-16	2016-17	2017-18
Employees at 30 June (headcount)	1,176	1,198	1,284	1,333	1,283
Voluntary staff turnover	9.6%	6.3%	10.8%	9.5%	11.1%
Ratio of clinical to non-clinical staff	1:1.6	1:1.6	1:1.6	1:1.6	1:1.6
Personal / carer's leave (paid in days)	5.1	6.4	6.9	6.4	7.1
Percentage of women	81.6%	80.9%	81.4%	81.7%	81.9%
Percentage of women in senior management roles (manager level staff and above)	67%	70%	72%	72%	70%
Aboriginal and Torres Strait Islander employees as a percentage of total employees	1.9%	2.2%	2.4%	2.3%	2.7%

Safety and Wellbeing

Australian Hearing is committed to providing a safe environment for our employees, clients and visitors. We are continuously improving our performance in workplace safety and striving to make our workplace injury free. During 2017-18 our Work Health and Safety (WHS) management system was recertified against the Australia and New Zealand Standard AS/NZS 4801 for Occupational Health and Safety Systems. The external audit identified zero non-conformances.

In addition, utilisation of our Employee Assistance Program (EAP) was in line with previous years. We continued to liaise closely with our EAP provider so that our leaders and team members received additional on-site counselling and other support on site where appropriate.

Safety Reporting

During 2017-18 we provided regular reporting to the Board on our key safety statistics, made improvements in our controls for infectious illnesses, reduced the risks from manual handling, and ensured we manage the risks associated with our Outreach/remote work effectively. Australian Hearing also maintained our partnership with White Ribbon and we are an accredited White Ribbon workplace.

Comcare

Our focus on continually improving our WHS performance and on the support we provide to employees who are injured has resulted in lower workers' compensation claims costs. While Australian Hearing will continue to focus on doing even better, it is pleasing to note that our accepted workers' compensation claims rate (per 1,000 FTE) has decreased over the past three years.

Our Rehabilitation Management System was externally audited during 2017-18, with this audit also identifying zero non-conformances. Australian Hearing was not issued any Prohibition, Non-Disturbance or Provisional Improvement notices during the year. No notifiable or dangerous incidents were reported to Comcare.

WHS Indicators

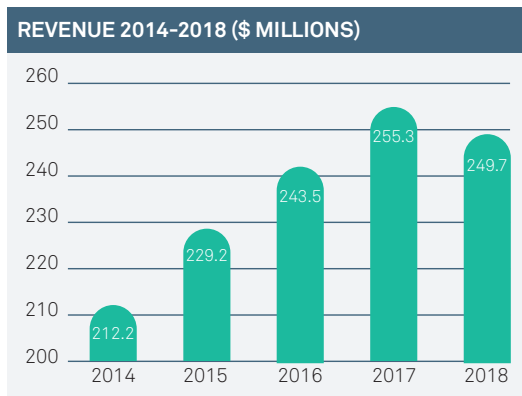
	2013-14	2014-15	2015-16	2016-17	2017-18
Comcare workers' compensation premium rate for Australian Hearing	0.93%	1.72%	1.43%	1.83%	1.23%
Comcare premium rates for all agencies combined	1.65%	1.93%	1.85%	1.72%	1.23%

Financial Performance and Compliance

Australian Hearing had a solid financial performance in 2017-18. Profit before tax for the year was \$26.7m and further details are below. For more information please refer to the Financial Statements section.

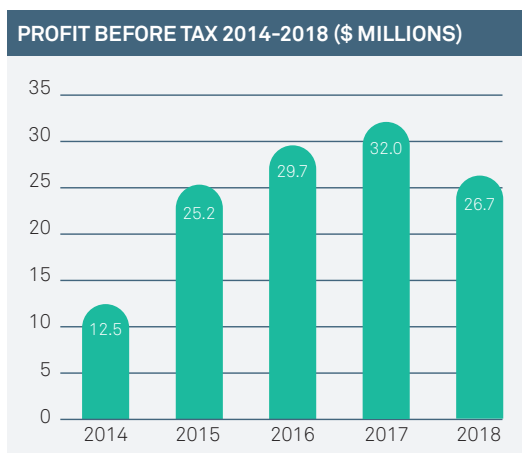
Revenue Performance

Australian Hearing achieved total revenue of \$249.7 million in 2017-18.

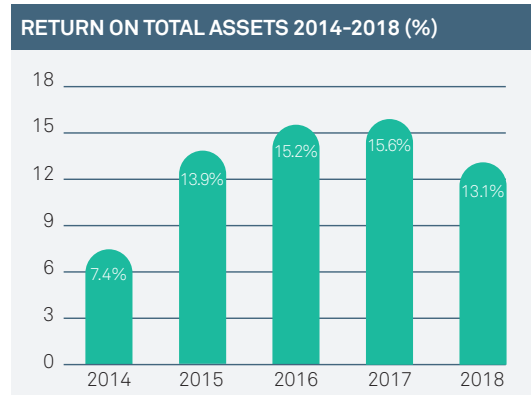


Profit Before Tax

We achieved a profit before tax of \$26.7 million in 2017-18.



We achieved a return on total assets of 13.1 per cent this year (including CSO Funding).



Capital expenditure for the year was \$14.2 million as we continued to invest in remote services, new hearing centres and technology to support efficiencies in the business.

Our Corporate Plan

Australian Hearing's Board and Executives undertake an annual strategic planning session(s) and present a Corporate Plan to the Minister for Human Services and the Minister for Finance. This Corporate Plan must meet the requirements of the *Australian Hearing Services Act 2013* (AHS Act) and the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). In accordance with the AHS Act, the Board must review and revise the Corporate Plan as soon as practicable before the beginning of each financial year and give the Corporate

Plan to the Minister of Human Services and the Minister for Finance at least 60 days before the start of the first reporting period to which the plan relates.

Australian Hearing's Managing Director and Executives attend quarterly meetings with the Department of Human Services to review actual performance against the Corporate Plan. Quarterly meetings are also held with the Department of Health in relation to the delivery of the Community Service Obligations program. These quarterly meetings report on performance against key performance indicators and progress on specific projects.

Risk Management and Audit

During the financial year we worked with our internal auditors, Ernst & Young, to continue to improve our risk management framework and we continue to review our Risk Register and Risk Assurance maps to ensure alignment with the Corporate Plan Strategic themes. Operational and Strategic risks were updated to reflect the competitive environment in which we operate, ensuring the safeguarding of client information and demonstrating clinical expertise that delivers value to our stakeholders.

A detailed audit program consisting of internal and external audits is undertaken each financial year. External systems testing of the Australian Hearing Information Security Framework is completed on a daily basis. Enhancing Lines of Defence through both peer review and control self-assessment programs has aimed at improving control assurance throughout the Australian Hearing network. Specific audit programs on privacy, procurement and contract management, and Accounts Payable functions were undertaken in the period and regular updates were provided at each Audit and Risk Management Committee meeting. Recommendations for improving internal controls, processes and efficiencies are implemented on a regular basis.

As part of the Australian National Audit Office (ANAO) audit, Crowe Horwath was subcontracted by ANAO to audit Australian Hearing's financial statements.

Reporting and Analysis

In addition to reports to our Board of Directors, we provided quarterly reporting

against our Corporate Plan to the Minister for Human Services. The reports contained key performance and financial indicators, as well as performance against strategic objectives.

Compliance - Competitive Neutrality

Australian Hearing operates in accordance with the Australian Government's competitive neutrality policy, a policy first established in 1996 to ensure that government businesses do not enjoy market advantage due to the fact that they are owned by Government.

The Productivity Commission reviewed Australian Hearing's compliance with this policy during 2017-18. The review found that Australian Hearing, with one very minor exception, acted in line with its competitive neutrality obligations.

In particular, the review found that Australian Hearing's:

- commercial operations are not cross-subsidised with funding from the Government to deliver services to children, Indigenous Australians and adults with complex needs
- status as a government agency does not provide it with an advantage in the procurement of goods and services
- world leading research arm, the National Acoustic Laboratories (NAL), does not uniquely support Australian Hearing's commercial operations.

The review also found that Australian Hearing is able to legally charge fees for its services to clients.

Australian Hearing accepted all of the findings and recommendations of the review, including the recommendation by the Productivity Commission that it make an annual neutrality payment of some \$100,000 to government to offset what the Commission considers Australian Hearing's advantage in relation to its access to a national workers' compensation scheme. This payment will be in addition to the over \$108 million that Australian Hearing has paid to government over the past five years as competitive neutrality and dividend payments.

A copy of the relevant Productivity Commission's report is available at www.pc.gov.au/about/core-functions/competitive-neutrality

Governance Arrangements

Australian Hearing reports and is accountable to the Minister for Human Services.

On 20 December 2017 the Hon. Michael Keenan MP was appointed Minister for Human Services. The Hon. Alan Tudge MP was Minister for Human Services from 18 February 2016 to 20 December 2017.

The Minister for Human Services is responsible for administering specific legislation including the *Australian Hearing Services Act 1991* (AHS Act), except to the extent that it is administered by the Minister for Health.

The Department of Human Services (the department) works closely with Australian Hearing, providing advice to the Minister in connection with the Minister's responsibilities regarding Australian Hearing. The department also liaises with relevant stakeholder departments such as the Department of Health, the Department of Finance, and the Department of Social Services in relation to Australian Hearing.

Board Governance

Australian Hearing operates under the AHS Act and the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). Under the PGPA Act, Australian Hearing is defined as a corporate Commonwealth entity.

The Board of Australian Hearing as the accountable authority is responsible for determining the objectives, strategies and policies to be followed and to ensure that Australian Hearing performs its functions in a proper, efficient and economical manner.

Directors are appointed by the Minister in line with the AHS Act and have qualifications relevant to, or special experience or interest in, a field related to Australian Hearing's functions. The duties of the Managing Director are as provided for under section 42 of the AHS Act to manage the authority.

The Board is also responsible for providing the Minister and the Finance Minister annually with the Corporate Plan and Financial Plan for the operation of Australian Hearing. The Financial Plan will include financial targets and performance information.

Additionally the PGPA Act requires the Board to maintain financial stability, measure and assess the performance and prepare annual performance statements and an annual report. Other general duties include:

- assurance of proper use and management of public resources

- establishment and maintenance of risk and control systems
- keeping the Minister informed.

The Board meets on a regular basis and has a number of committees. The following table lists the number of formal meetings attended by each Board member during financial year 2017-18.

Board Attendance at Formal Board Meetings*

Board of Directors		Meetings attended	Meetings eligible to be attended
Dr Peta Seaton AM	Chair	6	6
Mrs Sandra Andersen	Non-Executive Director Chair of the Audit & Risk Management Committee	5	6
Mr Christopher Crawford PSM	Non-Executive Director appointed 30 August 2017	5	5
Ms Jody Currie	Non-Executive Director appointed 30 August 2017	5	5
Ms Sarah Vaughan	Non-Executive Director appointed 30 August 2017	5	5
Mr Kim Terrell	Acting Managing Director appointed 1 March 2018	2	2
Mrs Glenise Coulthard	Completed term as Non-Executive Director on 29 August 2017	1	1
Mrs Swati Dave	Completed term as Non-Executive Director and Chair of the Audit & Risk Management Committee on 29 August 2017	1	1
The Hon Michael Knight AO	Completed term as Non-Executive Director on 29 August 2017	1	1
Mr Bill Davidson	Completed term as Managing Director on 20 April 2018	3	4

* In addition to the meetings in the table above, there were a number of Board teleconferences that occurred during 2017-18.

The Role of the Board

The functions and powers of the authority are set out in section 8 and 9 of the AHS Act and are summarised as follows:

- i. to decide the objectives, strategies and policies to be followed by Australian Hearing in accordance with section 14(1)(a) of the AHS Act
- ii. to ensure that Australian Hearing performs its functions in a proper, efficient and economical manner in accordance with section 14(1)(b) of the AHS Act
- iii. to act in accordance with the duties of officials required by the PGPA Act which include the obligations provided for in Division 3 (Subdivision A sections 25 – 29) dealing with the general duties of officials.

In executing its functions, the Board seeks to:

- i. ensure that Australian Hearing complies with Commonwealth reporting requirements
- ii. provide guidance to senior management
- iii. ensure the long-term viability and financial position of Australian Hearing
- iv. agree on key performance indicators (KPIs) for the measurement of Australian Hearing's performance
- v. ensure an appropriate corporate governance structure is in place
- vi. assess the performance of Australian Hearing, our management and the Board itself
- vii. monitor developments within Australian Hearing's operating environment
- viii. approve annual accounts, the Annual Report and other public documents.

Directors' Induction

New Directors are provided with a briefing and information to ensure they understand their roles, responsibilities and key features of Australia Hearing, including its operations, policies and strategies. Ongoing Director education is provided by way of site visits and presentations.

Directors' Confidentiality Agreements

All Directors are required to sign a confidentiality agreement on commencement with Australian Hearing. These agreements set out the obligation of Directors to not disclose confidential information obtained during the course of their duty as Directors.

Indemnity and Insurance of Officers

During the year, Australian Hearing paid a premium of ex GST \$44,612.50 to insure the Directors and Officers of Australian Hearing. The liabilities insured were legal costs and other expenses that may be incurred in defending any civil or criminal proceedings brought against them in their capacity as Directors and Officers of Australian Hearing.

Board Performance Assessment

A Board performance appraisal is undertaken on an annual basis, focusing on the effectiveness of the Board and other Committee effectiveness. A formal Board questionnaire based on the Australian Institute of Company Directors (AICD) is completed on a confidential basis by each Director. The review was completed in August 2017 and the Board undertook a further review of its operations in June 2018.

Conflict of Interest

Directors who have a material personal interest in a matter to be considered by the Board or a Board Committee are required to make the nature of that interest known and must not be present while the matter is being considered. Details of such disclosures are recorded in the minutes of each Board meeting.

Certification

The Managing Director and the Chief Financial Officer provide written certification regarding the integrity of the controls and activities of the organisation, including assurances as to its financial condition. This assurance supports the Audit and Risk Management Committee in one of its key responsibilities: reviewing the annual financial statements, which culminates in the acceptance of the annual financial statements by the Board.

Independent Professional Advice

Directors have the right, with the prior agreement of the Chair, to obtain relevant independent professional advice at the expense of the organisation on any matter connected with the discharge of their responsibilities as a Director.

Audit and Risk Management Committee

The responsibilities of the Audit and Risk Management Committee include the following:

Financial Reporting:

- i. review the financial statements and provide advice to the Board (including whether appropriate action has been taken in response to audit recommendations and adjustments), and recommend their signing by the Chair of the Board. In particular the Committee will:
 - (a) assess Australian Hearing's compliance with accounting standards, including an assessment of the appropriateness of accounting policies and disclosures
 - (b) review the financial statements against the requirements in the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*
 - (c) assess areas of significant judgment and financial statement balances that require estimation
 - (d) assess any significant changes to accounting policies and practices (by May each financial year)
 - (e) review significant or unusual transactions, not covered by (c) or (d) above.

- ii. assess whether appropriate management action has been taken in response to any issues raised by the Australian National Audit Office (ANAO), including financial statement adjustments or revised disclosures
- iii. review the processes in place designed to ensure that financial information included in Australian Hearing's Annual Report is consistent with the signed financial statements
- iv. monitor the standard of financial information provided to the Board
- v. discuss with the ANAO the auditor's judgments about the adequacy of Australian Hearing's accounting policies and the quality of processes for the preparation of the financial statements
- vi. review whether Australian Hearing has appropriate mechanisms in place to review and implement, where appropriate, relevant Parliamentary Committee reports and recommendations.

Performance Reporting

- i. review how Australian Hearing measures and reports on its performance
- ii. satisfy itself and provide assurance to the Board that Australian Hearing has a performance management framework that is linked to organisational objectives and outcomes, to ensure that Australian Hearing can measure and assess its performance in achieving its purposes as required under section 38 of the PGPA Act
- iii. advise the Board on the preparation, and review of, Australian Hearing's annual performance statement for inclusion in the Annual Report
- iv. provide other advice at the request of the Board.

Systems of Risk Oversight and Management

- i. review whether Australian Hearing's management has in place a current and comprehensive risk management framework, and associated procedures for effective identification and management of Australian Hearing's financial and business risks, including fraud, and to approve Australian Hearing's Risk Management Framework
- ii. determine whether a sound and effective approach has been followed by Australian Hearing in managing its major risks, including those associated with individual projects, program implementation and activities
- iii. satisfy itself that Australian Hearing's management has assessed the impact of Australian Hearing's enterprise risk management framework on Australian Hearing's control environment
- iv. monitor the adequacy of insurance cover for Australian Hearing
- v. monitor reports on fraud from Australian Hearing's management that outline any significant or systemic allegations of fraud, the status of any ongoing investigations and any changes to identified fraud risk in Australian Hearing
- vi. at least annually, commission and approve an entity-wide assurance map that identifies Australian Hearing's key assurance arrangements.

System of Internal Control

- i. assess whether management has in place comprehensive and relevant policies and procedures designed to maintain an effective internal control framework, including controls over external parties such as contractors and advisors and information technology security and arrangements
- ii. review whether management has in place appropriate policies and procedures, and that these are periodically reviewed and updated
- iii. determine whether the appropriate processes are in place to assess, at least once a year, whether policies and procedures are complied with
- iv. assess whether appropriate policies and supporting procedures are in place for the management and exercise of delegations
- v. assess whether management has taken steps to embed a culture that promotes the proper use of Commonwealth resources and which is committed to ethical and lawful behaviour
- vi. determine whether a sound and effective approach has been followed in establishing Australian Hearing's business continuity planning arrangements, including whether business continuity and disaster recovery plans are periodically updated and tested
- vii. determine whether management has appropriately considered legal and compliance risks as part of Australian Hearing's enterprise risk management plan
- viii. assess the effectiveness of the system for monitoring Australian Hearing's compliance with relevant laws, regulations and associated government policies.

Attendance of Directors and Members at the Audit and Risk Management Committee (ARMC) Meetings

Committee Member		Meetings attended	Meetings eligible to be attended
Mrs Sam Andersen*	Chair Non-Executive Director	6	6
Mr Christopher Crawford PSM	Non-Executive Director appointed 30 August 2017	4	4
Ms Sarah Vaughan	Non-Executive Director appointed 30 August 2017	4	4
Ms Eliza Penny**	Special Purpose Committee Member	6	6
Mrs Swati Dave	Completed term as Chair on 29 August 2017	2	2
The Hon Michael Knight AO	Completed term as Non-Executive Director on 29 August 2017	2	2

* Mrs Andersen was appointed Chair on 30/8/2017 and attended 4 meetings as Chair.

** Ms Eliza Penny was reappointed as a Special Purpose Committee Member for a 12 month term effective from 27 March 2017 and was reappointed on 27 March 2018 for a further 24 month term.

The Chair of the Australian Hearing Board, the Managing Director, the Chief Financial Officer, the Chief Operating Officer and other representatives from Australian Hearing Management, who are not members of the Committee, may attend all or part of the ARMC meeting as observers, by invitation of the Committee Chair.

Representatives from ANAO and their contracted service provider, Crowe Horwath, also attend each ARMC meeting by invitation of the Committee Chair.

Ernst & Young was reappointed on 1 July 2017 to manage the internal audit function. Their representatives attend each ARMC meeting by invitation of the Committee Chair.

Regular reports are received from Management, Internal and External Auditors and recommendations for improved internal controls, processes and efficiencies are implemented on a regular basis.

Innovation Strategy Committee

The functions of the Innovation Strategy Committee are outlined in its charter and are detailed below:

- i. identify threats to Australian Hearing's current business model and how such threats may be mitigated
- ii. identify opportunities for Australian Hearing associated with innovation and technology and how such opportunities can be maximised through innovation in services or service delivery
- iii. consider the extent to which Australian Hearing's Corporate Plan addresses the threats and opportunities identified.

Attendance of Directors and Members at Innovation Strategy Committee (ISC) Meetings

Committee Member		Meetings attended	Meetings eligible to be attended
Dr Peta Seaton AM	Chair	5	5
Mrs Sandra Andersen	Non-Executive Director	5	5
Mr Christopher Crawford PSM	Non-Executive Director appointed 20 August 2017	4	4
Ms Jody Currie	Non-Executive Director appointed 20 August 2017	4	4
Ms Sarah Vaughan*	Non-Executive Director	5	5
Mr Kim Terrell	Acting Managing Director appointed 1 March 2018	2	2
Mrs Glenise Coulthard	Completed term as Non-Executive Director on 29 August 2017	1	1
Mrs Swati Dave	Completed term as Non-Executive Director on 29 August 2017	1	1
The Hon Michael Knight AO	Completed term as Non-Executive Director on 29 August 2017	1	1
Mr Bill Davidson	Completed term as Managing Director on 20 April 2018	2	3

*Ms Sarah Vaughan was appointed as a Special Purpose Member for a 12 month term effective from 30 January 2017. Ms Vaughan was subsequently appointed to the Board on 30/8/2017.

Australian Hearing Research Committee

The role of the Research Committee is to:

- i. review the strategic plan of NAL research once each year and report to the Board
- ii. determine that the projects to be undertaken and undertaken are in line with the role of Australian Hearing as described in the AHS Act, and any broad strategic directions for NAL that are in place at any time
- iii. in relation to NAL projects that receive funding from the Department of Health (Health) undertake tasks set out at clause 5.3 of the Memorandum of Agreement in relation to the funding of Research and Development into Hearing Health, Rehabilitation and Prevention between Health and Australian Hearing represented by NAL (Agreement):

- (a) endeavour to ensure that NAL's activities are consistent with the terms of the Agreement
- (b) endeavour to ensure alignment between the aim of each project undertaken by NAL and the objectives of the Australian Government's Hearing Services Program by endeavouring to confirm that each project:
 - has the potential for national application
 - provides practical and sustainable benefits
 - has methodological merit, and where appropriate, be peer reviewed
 - is cost effective
 - can be directly translatable into practice and/or provide knowledge that has the potential to guide future research and development impacting on practice.

- (c) monitor and review the performance, progress and expenditure of projects against the above listed criteria and ensure that any changes to the direction and/or scope of a project do not compromise synergy with the objectives of the Hearing Services Program
- (d) manage the quality of the research through a review process which may be conducted by members of the Committee and/or involve audiological or other scientific peer review external to the Committee
- (e) consider whether to endorse any reports as requested by Health prior to NAL formally submitting them.
- iv. take a proactive, high level role in project selection, evaluation, resource allocation and balance of type of outcomes to be achieved (i.e. basic research versus applied research versus development and community benefit versus commercial return) and the intellectual property rights strategy
- v. take a proactive, high level role in:
 - (a) identifying and advising on risk at all levels (organisational and project) around research and development at NAL
 - (b) providing oversight to ensure that all risks are effectively mitigated and managed by NAL.
- vi. be interactive, and apply scrutiny and guidance at a strategic level including review of project progress reports at each meeting
- vii. assess significant changes to projects in line with strong governance, structure and reporting/evaluation mechanisms, including oversight of variations to individual project budgets/allocations
- viii. monitor the development, ownership, protection and commercialisation of intellectual property created by NAL.



Australian Hearing Research Committee Attendance

Committee Member		Meetings attended	Meetings eligible to be attended
Dr Peta Seaton AM	Chair	3	3
Ms Jody Currie ¹	Non-Executive Director	1	2
Ms Sarah Vaughan ¹	Non-Executive Director	2	2
Mrs Glenise Coulthard ²	Non-Executive Director	1	1
Mr Bill Davidson ³	Managing Director	1	2
Mr Kim Terrell ³	Acting Managing Director	1	1
Mrs Sam Andersen ⁴	Member	1	1
Professor Harvey Dillon ⁵	Member (NAL Director)	1	1
Dr Brent Edwards ⁵	Member (NAL Director)	2	2
Associate Professor Jim Patrick ^{6,8}	Member	1	1
Professor Sakkie Pretorius ^{7,8}	Member	1	1
Professor David McAlpine ^{7,8}	Invitee	1	1
Dr Bob Frater ⁸	Member	1	1
Professor Louise Hickson ⁸	Member	1	1
Department of Health Authorised Representative ⁹	Member	3	3

1. Completed term as Non-Executive Directors on 30/8/2017

2. Ceased as an Non-Executive Director on 29/8/2017

3. Ms Gina Mavrias, Chief Operating Officer attended the 8 February 2018 meeting as an alternate for Mr Davidson. Mr Davidson completed his term as as Managing Director on 20/4/2018. Mr Terrell commenced as Acting Managing Director on 1/3/2018.

4. Appointed as a member of the Research Committee by resolution of the Board on 1 September 2016 and completed the term on 30 August 2017.

5. Professor Dillon retired as NAL Director on 25 August 2017. Dr Edwards commenced on 2 October 2017.

6. Professor Patrick, a member of the Committee and Chief Scientist at Cochlear Limited returned to the Committee following the May 2017 budget announcement that the Government had decided to retain full ownership and control of Australian Hearing.

7. Professor Pretorius, a member of the Committee, and Professor McAlpine, Professor of Hearing, Language and the Brain and Director of Hearing Research as an invitee to the Committee, returned to the Committee following the May 2017 budget announcement that the Government had decided to retain full ownership and control of Australian Hearing.

8. Appointment to the Committee ceased at the end of 2017.

9. At the 8 February 2018 meeting, the Committee resolved to grant voting rights to an authorised representative of the Department of Health on matters related to projects funded by the Department of Health under the Memorandum of Agreement. Previously, the Assistant Secretary attended in an Ex-officio capacity.

Attendees from the Department of Health (meetings attended) :

Ms Yvonne Noordhuis, Director Policy Planning & Performance – Hearing & Diagnostic Imaging Services Branch (1)

Mr Tony Lloyd, Assistant Director Policy Planning & Performance – Home Support & Hearing Branch (1)

Ms Pearl Bamford, Departmental Officer for Policy Planning & Performance – Home Support & Hearing Branch (2)

Mr Rajan Martin, Director Policy Planning & Performance – Home Support & Hearing Branch (1)

Human Research Ethics Committee

The Australian Hearing Board approves the appointment of the Chair of the Ethics Committee based on the recommendation of the Director, NAL. Other members are invited and appointed by the Director as vacancies occur.

The role of the Human Research Ethics Committee is to:

- i. protect the welfare and rights of participants in research undertaken by researchers employed by Australian Hearing
- ii. approve research by other institutions on Australian Hearing clients where:
 - (a) there is significant involvement by researchers employed by Australian Hearing, or

(b) issues of privacy of client records kept by Australian Hearing are raised by the research, in which case, the Committee needs to review the research to ensure that any breaches of the Australian Privacy Principles are justified or steps are required of the researchers to obtain client permission to access the records.

- iii. ensure that prior to the commencement of subject testing, all projects have received the appropriate ethics approval
- iv. monitor the progress of research projects to which it has given ethics approval. This will be performed on an annual basis by examining the progress reports submitted by the researchers
- v. approve procedures to deal with complaints from participants of research projects, researchers or other interested parties about the conduct of the research or the consideration of research projects by the Committee.

Australian Hearing Human Research Ethics Committee Attendance

Committee Member		Meetings attended	Meetings eligible to be attended
Dr John Quilter	Chair	1	1
Rev Philip Bradford		1	1
Mr Richard Brading		1	1
Dr Theresa Ching		0	1
Dr Gitte Keidser		1	1
Ms Alison King		1	1
Dr John Mack		0	1
Associate Professor Catherine McMahon		1	1
Professor Di Yerbury		1	1

Enabling Legislation

Australian Hearing is established under the *Australian Hearing Services Act 1991* (AHS Act), the purpose of which is to establish the authority and provide for its functions.

Functions

- (a) to provide hearing services to voucher holders in accordance with an agreement entered into by the authority under Part 3 of the *Hearing Services Administration Act 1997*:
 - i. to provide declared hearing services to young Australians
 - ii. to provide declared hearing services to referred Comcare clients
 - iii. to provide declared hearing services to referred Commonwealth employees
 - iv. to provide declared hearing services to designated persons.
- (b) to carry out research and development (including co-operative research with other institutions) into:
 - i. assessment of hearing
 - ii. hearing aids and procedures for fitting hearing aids
 - iii. hearing rehabilitation
 - iv. hearing loss prevention
 - v. the effects of noise on the community.
- (c) to enter into arrangements for research, design and development of hearing services
- (d) to enter into arrangements for supply of hearing services
- (e) to provide, as appropriate, for the training and education of persons or bodies (including overseas bodies) providing hearing services
- (f) to provide advice on, and to conduct public education programs in relation to, hearing services provided by the authority
- (g) to develop standards in relation to noise levels in the community that are acceptable in connection with the prevention of hearing loss
- (h) to provide consultancy services relating to any of the matters referred to in this subsection
- (i) to promote the establishment of export markets for Australian hearing services
- (j) to operate special acoustic facilities for acoustic measurement and research
- (k) such other functions as are conferred on the authority by this Act
- (l) any functions incidental to any of the foregoing functions.



Annual Performance Statement

I, Peta Seaton, as the Chair of the accountable authority which is the Board of Australian Hearing, present the 2017-18 Annual Performance Statement of Australian Hearing, as required under paragraph 39(1)(a) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). It is the opinion of the Board that this annual performance statement is based on properly maintained records and accurately reflects the performance of the entity during the period, and complies with subsection 39(2) of the PGPA Act.



Purpose

Australian Hearing's purpose is outlined by the Parliament in our enabling legislation, *Australian Hearing Services Act 1991* (Act), with specific Powers/Functions outlined in Part 2, Sections 8 and 9 of the Act.

Our mission is to provide world leading research and hearing services for the wellbeing of all Australians.

Performance Analysis

Australian Hearing adopted a new strategic mission during the financial year to deliver better value to clients, government and the communities we serve. There were no other material changes to our purpose, activities or organisational capability during 2017-18.

The following table outlines the results achieved by Australian Hearing against the specific activities outlined in our 2017-18 Corporate Plan.

Activity	Target*	Results Achieved in Financial Year 2017-18
Services provided to Voucher holders – clause 8(1)(a) of the Act.	Provide 400,000 services to voucher holders.	Provided 394,220 services to voucher holders. Substantially Met.
Services provided to children and young adults up to age 26 – clause 8(1)(aa) of the Act.	Provide 77,900 services to children and young adults.	Provided 78,766 services to children and young adults. Met.
Visits to Aboriginal and Torres Strait Islander Communities – clause 8(1)(ad) of the Act.	Visit 230 Aboriginal and Torres Strait Islander communities.	Visited 243 Aboriginal and Torres Strait Islander communities. Met.
Screening to detect, advise and educate on hearing issues – clause 8(1)(f) of the Act.	Undertake 70,000 hearing screenings.	Undertook 71,223 hearing screenings. Met.
Accessibility of services – clause 8(1)(l) of the Act. (Provide all eligible clients with advice and convenient access to hearing services.)	Grow the number of permanent hearing centres by 8 nationally.	Grew the number of permanent hearing centres by 8 nationally. Met.
	Improve access using our Hearing Buses to visit 1,850 locations.	Used our 12 Hearing Buses to visit 2,396 locations. Met.
Total injury frequency rate (TIFR – injuries per million hours worked).	Achieve a maximum TIFR of 9.8	TIFR 7.5 Met.

* Source of the activities is on page 7 (publicly available version) of the 2017-18 to 2020-21 Corporate Plan

Performance Criterion**	Method	Results Achieved in Financial Year 2017-18
Board reporting – progress against: <ul style="list-style-type: none"> • Strategic initiatives • Financial statements/ scorecard metrics 	<ul style="list-style-type: none"> • Strategic Initiatives • Scorecard and Financial Targets 	Review of strategic projects and financial summary (including targets) was provided for every Board meeting. Met.
Monthly executive performance review of progress against key performance indicators (KPIs): <ul style="list-style-type: none"> • Business as usual • Strategic 	<ul style="list-style-type: none"> • Monthly Board, Executive and Network reports; • Strategic Themes 2017-18 	Executive management reviewed both business as usual financial results and strategic KPIs at their monthly meetings. Met.
Quarterly reporting to the Minister for Human Services against: <ul style="list-style-type: none"> • KPIs • Corporate Plan • Risk Review 	Face to face meetings between the Minister and Chair. Reports and related papers for quarterly governance meetings between Department of Human Services (DHS) and Australian Hearing	Chair met with and updated the Minister. Quarterly governance meetings were held with DHS covering the review of all key financial and non-financial metrics including risk. Met.
Quarterly reporting to the Department of Health (DoH) and DHS against: <ul style="list-style-type: none"> • Memorandum of Agreement on Community Service Obligations (CSO) delivery KPIs (including financial) 	Memorandum of Agreement for the delivery of CSO under the Australian Government Hearing Services Program (MoA)	Reported quarterly to DoH against the KPIs listed in the MoA. KPIs cover client groups, complaints and continuous improvement and are specific as to measurement. Met.
Board reporting – Work, Health & Safety		Report showing progress against targets was submitted and accepted at each of the six (6) Board meetings held. Met.
Australian National Audit Office (ANAO) financial statement audits <ul style="list-style-type: none"> • Annual Audits • Interim Audits 	PGPA Act (Chapter 2, Part 2-3, Division 4,43)	Interim and annual financial statement audits were completed by ANAO. Met.

Performance Criterion**	Method	Results Achieved in Financial Year 2017-18
Quarterly internal audits on: <ul style="list-style-type: none"> Hearing Centres Clinical Practices Key processes & functions 	<ul style="list-style-type: none"> Hearing Centre Peer Review Program Self-assessment audit provisions under the DoH MoA for Clinical Practices Strategic Risk Register 	Internal audits were conducted as planned. Met.
Audit and Risk Management Committee <ul style="list-style-type: none"> Minimum four (4) meetings to be held in 2017-18 		Six (6) Audit and Risk Management meetings held during 2017-18. Met.
Australian Hearing Research Committee <ul style="list-style-type: none"> Three (3) meetings to be held in 2017-18 		Three (3) Research Committee meetings held during 2017-18. Met.
Australian Hearing Research Ethics Committee <ul style="list-style-type: none"> Annual meeting to be held in 2017-18 		One (1) Research Ethics Committee meeting held during 2017-18. Met.
Australian Hearing Board meetings <ul style="list-style-type: none"> Seven (7) meetings to be held in 2017-18 		Six (6) Board meetings held during 2017-18. The Board also held two (2) Strategy Days. Met.
Statutory annual reporting (including performance reporting) <ul style="list-style-type: none"> To the Minister for Human Services To the Australian Hearing Board 	Reporting requirements for Corporate Commonwealth Entities (including financial statements) as required under the PGPA Act	Published in the FY2017-18 Annual Report for Australian Hearing. Met.

** Source of the performance criterion is on page 11 (publicly available version) of the 2017-18 to 2020-21 Corporate Plan

Board of Directors

Board Composition

Directors are appointed to the Board of Australian Hearing on fixed terms by the Australian Government. All are Non-Executive Directors, except for the Managing Director. The names and details of the Directors in office during FY2017-18 are detailed below. Unless otherwise indicated, all held their position as a Director throughout the entire year.

Dr. Peta Seaton AM, Chair, Doctor of Philosophy (PhD), Archaeology (USyd), BA (Hons), GAICD

Dr Peta Seaton AM was appointed as Chair on 8 December 2014. She is the principal of Strategic Consulting, an (Associate) Director of the BDCU Alliance Bank (since December 2016), Non-Executive Director of the Menzies Research Centre (since November 2015), and a councillor of the Near Eastern Archaeology Foundation Council at the University of Sydney. She is formerly a Non-Executive Director of the Bradman Foundation and CARE Australia. A former NSW Parliamentarian and frontbencher, Dr Seaton served as Director of Transition and Director of Strategic Priorities in the NSW Premier's Office from 2011-2014.

Sam Andersen, Non-Executive Director, LLB (QUT), CPA, FAICD, F Fin

Mrs Andersen is a Certified Practising Accountant with a Bachelor of Laws degree. She is a Fellow of Finsia (the Financial Services Institute of Australasia) and the Australian Institute of Company Directors. Sam was appointed as a Non-Executive Director of Australian Hearing in August 2013. She is a member of the Board of Trustees and Chair of the Finance and Audit Committee for Melbourne Convention and Exhibition Trust, a Director and the Chair of the Audit and Risk Management Committee for Chisholm Institute, a Director and Chair of Board Risk Committee for Beyond Bank Australia, Director and Chair of Audit & Risk Management Committee for Agriculture Victoria Services Pty Ltd, Chair of the Australian Packaging Covenant Organisation Limited and Chair of the Audit & Risk Management Committee for Department of Premier & Cabinet, Victoria. Sam has held senior executive positions with ANZ, Commonwealth Bank and NAB. Following a career change from banking and finance into industry, she was CFO at Lumacom Ltd and Chief Operating and Financial Officer at Multi-Emedia.com Ltd, and led the IPO as Managing Director of Eyecare Partners Limited (ASX:EPL).

Sarah Vaughan, Non-Executive Director, M IT, GradDip Comm, Mgt

Ms Vaughan was appointed as a special purpose member of Australian Hearing's Innovation Strategy Committee in February of 2017 and then appointed as a Non-Executive Director in August 2017. Sarah has held a number of positions in the public and private sector. She is a graduate of the Australian Army's Royal Military College and spent eight years in the Army in a variety of Communications and Information Systems management roles. She holds a Master's Degree in Information Technology and is graduate of Stanford's executive education programme in Design Thinking. Sarah was most recently a Senior Director at Microsoft Australia, and has a strong background in stakeholder engagement, product commercialisation, as well as the application of emerging technology. Sarah is now the founder of The Arché, a bespoke accelerator and seed fund helping Australian SMEs market test new products and scale-up. She is a member of Melbourne University's Industry Advisory Group and works with a wide range of Australian Universities on curriculum and student programs on innovation and entrepreneurship. Sarah is also a Director in an agricultural business in Western NSW, producing beef for the premium Australian and Asian export markets.

Jody Currie, Non-Executive Director

Ms Currie was appointed as a Non-Executive Director 30 August 2017. Jody is the CEO of the Aboriginal and Torres Strait Islander Community Health Service (ATSICHS) Brisbane. She is a Member of the Australian Institute of Company Directors. She currently serves on the Board of the Brisbane Indigenous Media Association and was a member of the Board of the Queensland Poetry Festival. Prior to her position as CEO, Jody was a member of the ATSICHS board over a six year period, two of these as Chair. Jody has a lengthy history in Aboriginal and Torres Strait Islander human service delivery and is a strong advocate for improving the service accessibility to Aboriginal and Torres Strait Islander people. She has a passion and focus on child protection and health, after her experience in a variety of roles in both the community and government sectors. Before joining ATSICHS Jody held senior positions at the Queensland Aboriginal and Islander Health Council, Apunipima Cape York Health Council, Queensland Aboriginal and Torres Strait Islander Human Services Coalition and her most recent position before joining ATSICHS was the Director of Human Services at the Institute for Urban Indigenous Health (IUIH).

Chris Crawford PSM, Non-Executive Director

Mr Crawford was appointed as a Non-Executive Director on 30 August 2017. He is the Principal of Crawford Consulting, a Graduate Member of the Australian Institute of Company Directors and a Member of the Industry Advisory Committee of the Macquarie University Centre for the Health Economy. Previously he was consecutively Chief Executive of the Northern NSW Local Health District, North Coast Area Health Service and Northern Rivers Area Health Service for over fifteen years. Prior to that he was Executive Director of St George Hospital and Community Health Service and earlier he served as Chief of Staff to the NSW Minister for Health. He has Master of Business Administration and Master of Laws degrees and is currently undertaking a PhD in Government. He has a passion for excellent governance, strong support for frontline staff and proactive customer service. For his services to Health he received the Public Service Medal.

Kim Terrell, Acting Managing Director, B Arts, Master's Degree in Public Policy*

Mr. Terrell was appointed Acting Managing Director of Australian Hearing on 1 March 2018. Kim's extensive career includes working with and advising various Ministers, Prime Ministers and their offices, to initiate significant improvements across various government programs. He played a key role in establishing three agencies, the Digital Transformation Office (DTO), the Australian Sports Anti-doping Authority (ASADA) and the CrimTrac Agency, and is highly experienced in building innovative, high performing teams. Kim was instrumental in creating myGov and driving digital transformation across the Department of Human Services and the government. He has a Bachelor of Arts degree, a Master's Degree in Public Policy and has also received three Australia Day awards. In addition to his professional achievements, Kim was an Australian Swim Team member from 1981-86 and attended the 1982 Commonwealth Games and 1984 Olympics.

* Mr Terrell was appointed Managing Director from 1 September 2018

**Mrs Swati Dave, Non-Executive Director,
B.Com (UON), GAICD**

Ms Dave served as a Director until 29 August 2017 having been appointed in August 2010. Swati was the Managing Director and CEO of Export Finance and Insurance Corporation and served on the boards of Asia Society Australia and State Super. Ms Dave was an Executive General Manager at National Australia Bank and held senior positions at Deutsche Bank, AMP Henderson Global Investors, Bankers Trust and Westpac. Ms Dave also served as the Chair of the Board's Audit and Risk Management Committee.

The Hon Michael Knight AO, Non-Executive Director

Mr Knight served as a Director until 29 August 2017 having been appointed in August 2010. Michael was the Minister for the Sydney Olympic and Paralympic Games and had extensive experience in public sector commercial entities, including as a Board member of Delta Electricity and Chairman of the Sydney Olympic Park Authority.

Mrs Glenise Coulthard, Non-Executive Director

Mrs Coulthard served as a Director until 29 August 2017 having been appointed in August 2013. Glenise is an Adnyamathanha woman from the Northern Flinders Ranges in South Australia, and received a Churchill Fellowship in 1997. Glenise has extensive experience in South Australia's Aboriginal and mainstream health services and worked in partnership with several stakeholders to reduce middle ear disease in Aboriginal children in the north and far-west regions of South Australia. Glenise was Executive Member/Deputy Chair, Ikara-Flinders Ranges National Park Co-Management Board, Executive Member/Deputy Chair, Member SA Arid Lands Natural Resource Management Board.

Mr Bill Davidson, Managing Director

Mr Davidson served as Managing Director until 20 April 2018 having been appointed in October 2013. He has been the CEO of public companies, private companies and social enterprises and during his term served on the Board of the Hearing CRC Limited. Mr Davidson was also a Director of Hearworks Pty Ltd, Choice (Australian Consumers Association), Streetwise Communications (Aboriginal and Torres Strait Islander Youth publication) and Chair of Pat and Sticks Homemade Ice Cream Pty Ltd.

Executive Management

Gina Mavrias, Chief Operating Officer

Ms Mavrias has a Bachelor of Science Degree and a Diploma of Audiology from the University of Melbourne and completed the General Management Program at the Australian Graduate School of Management in 2007. Ms Mavrias has been a member of the Australian Hearing Executive team since 2004. Ms Mavrias has extensive knowledge of the business and the hearing industry and currently holds the role of Chief Operating Officer. She is responsible for the management of operations and service delivery across a national network of sites. This includes responsibility for human resource management, information technology, clinical policies and procedures, and marketing.

Brent Edwards, Director (NAL)

Brent Edwards, Ph.D., is Director of the National Acoustic Laboratories in Sydney, Australia. He has spent his career leading research and technology departments at major hearing aid companies GN ReSound and Starkey Hearing Technologies and at Silicon Valley startups SoundID and Earlens. His work has led to the development of innovative hearing technology, clinical tools, novel diagnostics and outcome measures that have benefitted hearing aid wearers and audiologists worldwide. Dr. Edwards founded and developed the Starkey Hearing Research Center that is a leading site for research in hearing impairment and cognition. Dr. Edwards is a Fellow of the Acoustical Society of America, a Fellow of the International Collegium of Rehabilitative Audiology, and Honorary Associate Professor at the University of Nottingham's School of Medicine. Dr. Edwards received his Ph.D. in electrical engineering and computer science from the University of Michigan and was a Postdoctoral Fellow in psychology at the University of Minnesota.

Nick Fitzgerald, Chief Financial Officer

Mr Fitzgerald joined the Australian Hearing executive team in February 2018 as the Chief Financial Officer and lead for Business Services. He has worked in the healthcare industry for the last 15 years, predominantly at Johnson & Johnson, in both Finance and Customer roles. He has served as CFO of the Consumer Products division across Australia and New Zealand and led the establishment of the Customer Excellence Division at Janssen Pharmaceuticals. Nick has a Bachelor of Commerce, is a member of Chartered Accountants Australia & New Zealand and is a graduate member of the Australian Institute of Company Directors. Nick is responsible for the leadership of Finance, Legal, Business Insights, Property, Procurement and Logistics and for key strategic projects within the business.

Adjunct Professor Harvey Dillon, Director of the National Acoustic Laboratories

Dr Dillon retired as Director of the National Acoustic Laboratories on 21 August 2017 having joined Australian Hearing in 1979 and appointed Director of Research in 2000. Dr Dillon has lectured extensively at Macquarie University and is the author or co-author of more than 200 scientific articles, 12 book chapters and a textbook on hearing aids widely used around the world, now in its second edition. Dr Dillon has been the recipient of several awards including the Callier Prize from the University of Texas and the NSW public sector scientist/engineer of the year, both in 2013, and the 2015 International Award from the American Academy of Audiology.

Ms Vivian Quinn, Finance and Business Services Director

Ms Quinn served as Director of the Finance and Business Services unit from 13 July 2015 to 30 October 2017. Vivian had a wealth of experience across the pharmaceutical, IT, FMCG and consumer services industries and held executive roles at First Data, O'Brien Glass Industries, Wyeth Australia and Johnson & Johnson. Since 2003, Ms Quinn has served as an adjunct professor in the Faculty of Business at the University of Technology, Sydney.

Financial Statements



INDEPENDENT AUDITOR'S REPORT

To the Minister for Human Services

Opinion

In my opinion, the financial statements of Australian Hearing for the year ended 30 June 2018:

- (a) comply with Australian Accounting Standards – Reduced Disclosure Requirements and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of Australian Hearing as at 30 June 2018 and its financial performance and cash flows for the year then ended.

The financial statements of Australian Hearing, which I have audited, comprise the following statements as at 30 June 2018 and for the year then ended:

- Statement by the Accountable Authority, Acting Managing Director and Chief Finance Officer;
- Statement of Profit or Loss and Other Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Statement of Cash Flows; and
- Notes to the financial statements, comprising a Summary of Significant Accounting Policies and other explanatory information.

Basis for Opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of Australian Hearing in accordance with the relevant ethical requirements for financial statement audits conducted by the Auditor-General and his delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (the Code)* to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Accountable Authority's Responsibility for the Financial Statements

As the Accountable Authority of Australian Hearing, the Directors are responsible under the *Public Governance, Performance and Accountability Act 2013* for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards – Reduced Disclosure Requirements and the rule made under that Act. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing Australian Hearing's ability to continue as a going concern, taking into account whether the entity's operations will cease as a result of an administrative restructure or for any other reason. The Directors are also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

Auditor's Responsibilities for the Audit of the Financial Statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from

material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;
- conclude on the appropriateness of the Accountable Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Australian National Audit Office



Bola Oyetunji
Senior Executive Director
Delegate of the Auditor-General
Canberra
14 August 2018

Statement by the Accountable Authority, Acting Managing Director and Chief Financial Officer

30 June 2018

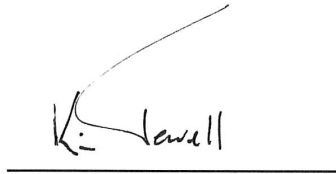
In our opinion:

- the attached financial statements for the year ended 30 June 2018 comply with section 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and are based on properly maintained financial records in accordance with section 41(2) of the PGPA Act;
- at the date of this statement, there are reasonable grounds to believe that the corporate Commonwealth entity will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the directors.



Dr Peta Seaton
Chair



Kim Terrell
Acting Managing Director



Nick Fitzgerald
Chief Financial Officer

14 August 2018

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2018

	Note	2018 \$'000	2017 \$'000
Sale of goods and rendering of services	4	247,433	252,549
Interest on deposits		2,143	2,453
Royalties		155	261
Total income		249,731	255,263
Expenses			
Employee benefits expense		(115,543)	(114,582)
Goods and services received	5	(82,804)	(85,296)
Depreciation and amortisation expense		(9,663)	(9,098)
Operating lease rentals	6	(13,225)	(12,754)
Workers compensation premiums		(1,659)	(1,417)
Finance costs	6	(142)	(117)
Total expenses		(223,036)	(223,264)
Surplus before income tax equivalent expense		26,695	31,999
Income tax equivalent expense	7	(7,590)	(9,619)
Surplus after income tax equivalent expense		19,105	22,380
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the Australian Government		19,105	22,380

The above statement of profit and loss and other comprehensive income should be read in conjunction with the accompanying notes.

Statement of Financial Position

As at 30 June 2018

	Note	2018 \$'000	2017 \$'000
ASSETS			
Current assets			
Cash and cash equivalents		5,704	5,350
Trade and other receivables	9	3,287	4,327
Inventories	10	3,665	3,369
Work in progress	11	4,048	4,153
Other current assets	12	2,424	2,771
Investments under section 59 of the PGPA Act	13	78,279	79,202
Total current assets		97,407	99,172
Non-current assets			
Property, plant and equipment	14	28,003	24,973
Intangibles	15	6,954	5,608
Deferred tax	16	13,746	13,832
Total non-current assets		48,703	44,413
Total assets		146,110	143,585
LIABILITIES			
Current liabilities			
Trade and other payables	17	14,600	15,810
Lease incentives		920	843
Provisions	18	10,218	11,583
Deferred revenue	19	16,911	18,211
Tax liabilities		1,290	2,149
Dividend payable		5,213	6,306
Total current liabilities		49,152	54,902
Non-current liabilities			
Lease incentives		6,089	6,815
Provisions	20	18,653	17,162
Total non-current liabilities		24,742	23,977
Total liabilities		73,894	78,879
Net assets		72,216	64,706
EQUITY			
Retained surplus		72,216	64,706
Total equity		72,216	64,706

The above statement of financial position should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

For the year ended 30 June 2018

	Retained surplus \$'000	Total equity \$'000
Balance at 1 July 2016	57,852	57,852
Surplus after income tax equivalent expense for the year	22,380	22,380
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	22,380	22,380
<i>Transactions with owners</i>		
Dividends paid and payable (note 21)	(15,526)	(15,526)
Balance at 30 June 2017	64,706	64,706

	Retained surplus \$'000	Total equity \$'000
Balance at 1 July 2017	64,706	64,706
Surplus after income tax equivalent expense for the year	19,105	19,105
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	19,105	19,105
<i>Transactions with owners</i>		
Dividends paid and payable (note 21)	(11,595)	(11,595)
Balance at 30 June 2018	72,216	72,216

Retained surplus of \$752,000 (2017: \$888,000) is apportioned to National Acoustic Laboratories with the balance to Australian Hearing.

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows

For the year ended 30 June 2018

	Note	2018 \$'000	2017 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from goods and services		249,344	256,560
Interest received		2,313	2,576
Royalty received		155	261
Net GST received		3,385	4,686
Payments to employees		(115,875)	(113,484)
Payments to suppliers		(105,852)	(107,105)
Income tax equivalent		(8,364)	(11,356)
Net cash from operating activities		25,106	32,138
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment	14	(9,469)	(11,337)
Payments for intangibles	15	(3,518)	(2,368)
Net payments for investments under section 59 of the PGPA Act		923	(1,406)
Net cash used in investing activities		(12,064)	(15,111)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(12,688)	(15,962)
Net cash used in financing activities		(12,688)	(15,962)
Net increase in cash and cash equivalents		354	1,065
Cash and cash equivalents at the beginning of the financial year		5,350	4,285
Cash and cash equivalents at the end of the financial year		5,704	5,350

The above statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

For the year ended 30 June 2018 - Contents

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Note 1. General information

The financial statements cover Australian Hearing as an individual entity. The financial statements are presented in Australian dollars, which is Australian Hearing's functional and presentation currency.

Australian Hearing is a corporate Commonwealth entity and operates on a for-profit basis.

The objectives of Australian Hearing are to provide hearing services and to carry out research and development in hearing related matters.

The continued existence of Australian Hearing in its present form and with its present programmes is dependent on Government policy in relation to the provision of hearing services.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 14 August 2018.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out either in the respective notes or below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

These general purpose financial statements are required by section 42 of the *Public Governance, Performance and Accountability Act 2013* ('PGPA Act').

The financial statements have been prepared in accordance with *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015* ('FRR'), and with Australian Accounting Standards - Reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board ('AASB'), as appropriate for for-profit oriented entities.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, certain assets and liabilities at fair value.

Amounts in the financial statements have been rounded off to the nearest thousand dollars, unless otherwise specified.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying Australian Hearing's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in Australian Hearing's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in Australian Hearing's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash is recognised at its nominal amount.

In accordance with the financial targets and performance considerations contained in the *Australian Hearing Services Act 1991*, the level of cash resources held by Australian Hearing is, in the opinion of the board of directors, sufficient to maintain:

- a reasonable level of reserves, having regard to estimated future infrastructure requirements
- the extent of the Commonwealth equity in the entity
- Australian Hearing's commercial operational requirements.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Comparatives

Comparatives have been realigned, where necessary, to be consistent with current year presentation. There is no effect on the surplus or net assets of Australian Hearing.

New or amended Accounting Standards and Interpretations adopted

Australian Hearing has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting year. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of Australian Hearing during the financial year ended 30 June 2018.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by Australian Hearing for the annual reporting period ended 30 June 2018. Australian Hearing's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to it, are set out below.

AASB 15 Revenue from Contracts with Customers

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue. For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should

be recognised as the performance obligation is satisfied. Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgements made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer.

Australian Hearing will adopt this standard from 1 July 2018. An assessment has been performed on all significant revenue streams. For these streams, management analysed the underlying agreements and performed a contract analysis to determine how each would be accounted for under the new standard. As a result of this assessment, management does not expect the new standard to have a material impact on Australian Hearing's revenue and profit or loss. Management have also concluded that they will adopt the 'full retrospective' transition method.

AASB 16 Leases

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs.

Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expense associated with the lease under AASB 16 will be higher when compared to lease expense under AASB 117. However EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results will be improved as the operating expense is replaced by interest expense and depreciation in profit or loss under AASB 16. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

Australian Hearing will adopt this standard from 1 July 2019 and is currently assessing the financial impact of its adoption. Australian Hearing will follow the implementation instructions and guidelines as presented in the Finance Position Paper - Implementation Options for AASB 16 Leases 2017-18 No 01 June 2018, as issued by the Department of Finance. Australian Hearing will be required to apply the modified model on initial application of AASB 16.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Provision for impairment of inventories

The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of the provision is assessed by taking into account recent sales experience, the ageing of inventories, damaged, obsolete, slow moving inventories and other factors that affect inventory obsolescence.

Estimation of useful lives of assets

Australian Hearing determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

During the financial year Australian Hearing has reviewed the useful life of the leasehold improvements, in particular including the option period in determining the useful life. This has resulted in a reduction in depreciation expense in profit or loss of \$1,050,000 compared to prior year useful life estimates.

Employee benefits provision

The liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account, based on actuarial assessments. The last actuarial valuation was in June 2018.

Restoration obligations

A provision has been made for the present value of anticipated costs for future restoration of leased premises. The provision includes future cost estimates associated with vacating of premises. The calculation of this provision requires assumptions such as the exit date and cost estimates. The provision recognised is periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs are recognised in the statement of financial position by adjusting the asset and the provision. Reductions in the provision that exceed the carrying amount of the asset are recognised in profit or loss.

During the financial year Australian Hearing reviewed all leases with special emphasis on the make good clauses in each agreement resulting in a write back of surplus provisions to profit or loss of \$1,501,000.

Note 4. Sale of goods and rendering of services

	2018 \$'000	2017 \$'000
Sale of goods - related entities	89,382	94,102
Sale of goods - external entities	39,040	43,966
Rendering of services - related entities	106,388	103,463
Rendering of services - external entities	12,623	11,018
Sale of goods and rendering of services	247,433	252,549

Accounting policy for revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to Australian Hearing and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Sale of goods

Sale of goods revenue is recognised at the point of sale, which is where the customer has taken delivery of the goods, the risks and rewards are transferred to the customer and there is a valid sales transaction. Amounts disclosed as revenue are net of sales returns and discounts.

Rendering of services

Rendering of services revenue is recognised by reference to the stage of completion of the contracts at the reporting date.

The stage of completion of contracts at the reporting date is determined by reference to the proportion that time spent to date bears to the estimated total time of completing the contract.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Revenues from Government

Australian Hearing receives a significant amount of its sales revenue (as disclosed above) from the Federal Government. This consists of an allocation of Federal budget funding which is received in the form of sales consideration, received from the Department of Health - Office of Hearing Services branch ('OHS'), for (i) the provision of goods and services to the community as well as compensation for research work conducted; and (ii) revenue received through a competitive voucher scheme administered by the OHS.

Funding from the OHS is recognised when the service or goods have been provided. Funding that is carried forward to be recognised as revenue in future years is specifically authorised by the OHS.

Revenue for services provided under the competitive voucher scheme is recognised when the services are provided. Where fees for maintenance services are received in advance, the amount is initially recognised as a liability and revenue is recognised proportionately over the service period.

Research funding - Grants and royalties

Australian Hearing is a member of the HEARing Cooperative Research Centre ('CRC'). Through the CRC, the Australian Government provides funding for a variety of projects that advance the field of hearing and hearing healthcare. Australian Hearing, through its research division, the National Acoustic Laboratories ('NAL') also receives grants from a variety of other organisations to conduct research into hearing, hearing habilitation, rehabilitation and the effects of noise on people. Grant revenue is only recognised to the extent that the services required have been performed. Where grant monies are received in advance, a liability is initially recognised and subsequently recognised as income when the services have been performed.

Commercialisation of HEARing CRC projects has led to a number of patents and licence agreements. Australian Hearing, through NAL receives a share of the royalties. Royalty income is recognised by Australian Hearing when the funds are received.

Note 5. Goods and services received

	2018 \$'000	2017 \$'000
Aids and appliances	54,534	55,336
Consultants	1,133	1,276
Contractors	876	582
Information and communication technology	7,532	7,238
Marketing	4,075	4,352
Property	2,443	3,816
Travel	4,637	5,048
Others	7,574	7,648
Goods and services received	82,804	85,296

Note 6. Other expenses

	2018 \$'000	2017 \$'000
Surplus before income tax includes the following specific expenses:		
<i>Finance costs</i>		
Unwinding of discount on restoration provision liability	142	117
<i>Rental expense relating to operating leases</i>		
Total rental expense relating to operating leases	13,225	12,754
<i>Superannuation expense</i>		
Defined contribution superannuation expense	14,651	14,550

Accounting policy for finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Accounting policy for leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

Australian Hearing does not have finance leases.

Operating lease payments, net of any incentives received from the lessor, are charged to profit or loss on a straight-line basis over the term of the lease.

Note 7. Income tax equivalent expense

	2018 \$'000	2017 \$'000
Income tax equivalent expense		
Current tax	7,504	9,887
Deferred tax - origination and reversal of temporary differences	86	(268)
Aggregate income tax equivalent expense	7,590	9,619
Deferred tax included in income tax equivalent expense comprises:		
Decrease/(increase) in deferred tax assets (note 16)	86	(268)
Numerical reconciliation of income tax equivalent expense and tax at the statutory rate		
Surplus before income tax equivalent expense	26,695	31,999
Tax at the statutory tax rate of 30%	8,009	9,600
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Non-taxable income	(460)	71
National Acoustic Laboratories exempt from income tax equivalent	41	(52)
Income tax equivalent expense	7,590	9,619

Australian Hearing provides services on a for-profit basis and is subject to the Australian Government's competitive neutrality policy. The above amounts have been calculated as being payable to the Australian Government in the form of company income tax under the Income Tax Assessment Acts had they applied. These amounts have been paid or are payable to the Official Public Account.

Accounting policy for taxation

Australian Hearing is exempt from all forms of taxation except fringe benefits tax ('FBT') and goods and services tax ('GST').

Revenues, expenses and assets are recognised net of GST except for: (i) where the amount of GST incurred is not recoverable from the Australian Taxation Office ('ATO'); and (ii) receivables and payables.

Note 8. Competitive neutrality

	2018 \$'000	2017 \$'000
State tax equivalent expense	5,336	5,277
Commonwealth tax equivalent expense	7,504	9,887
Annual neutrality offset payment to the national workers compensation regulatory scheme	100	-
Total	12,940	15,164

Accounting policy for competitive neutrality

Australian Hearing provides services on a for-profit basis. Under competitive neutrality arrangements Australian Hearing is required to make payroll tax and income tax equivalent payments to the Commonwealth Government in addition to statutory payments for FBT and GST.

From 2018 onwards, Australian Hearing will pay an annual regulatory neutrality payment to the Official Public Account to offset the cost advantages relative to its competitors as a result of operating under one national workers compensation regulatory scheme.

Note 9. Current assets - trade and other receivables

	2018 \$'000	2017 \$'000
Trade receivables - related entities	2,270	3,369
Trade receivables - external entities	244	31
Less: Provision for impairment of receivables	(12)	(129)
	2,502	3,271
Interest receivable	412	582
GST receivable	373	474
	3,287	4,327

Impairment of receivables

Australian Hearing has recognised a reversal of impairment to profit or loss of \$117,000 (2017: a loss of \$83,000) in respect of impairment of receivables for the year ended 30 June 2018.

Movements in the provision for impairment of receivables are as follows:

	2018 \$'000	2017 \$'000
Opening balance	129	46
Additional provisions recognised	-	83
Amounts recovered and reversed	(117)	-
Closing balance	12	129

Accounting policy for trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables for goods and services are generally due for settlement within 30 days from date of invoice and 3 days for OHS claims for payment.

Collectability of trade receivables is reviewed at the end of each reporting period. Allowances are made when collectability of the debt is no longer probable.

Other receivables are recognised at amortised cost, less any provision for impairment.

Note 10. Current assets - inventories

	2018 \$'000	2017 \$'000
Inventories held for sale - at cost	2,743	2,719
Inventories held for distribution - at cost	1,782	1,433
Less: Provision for impairment	(860)	(783)
	3,665	3,369

Inventory held for sale and distribution that was recognised as an expense in profit or loss amounted to \$54,534,000 (2017: \$55,336,000) for the year ended 30 June 2018.

Accounting policy for inventories

Inventories held for sale are stated at the lower of cost and net realisable value on an 'average cost' basis. Cost comprises of purchase and delivery costs (where applicable), net of rebates and discounts received or receivable.

Inventories held for distribution are stated at cost and are adjusted for any loss in service potential.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Note 11. Current assets - work in progress

	2018 \$'000	2017 \$'000
Services and sales of goods - in progress	4,258	4,388
Provision for impairment	(210)	(235)
	4,048	4,153

Accounting policy for work in progress

Under the current claims process with the OHS, Australian Hearing is remunerated on completion of a fitting which occurs when a customer returns for their follow up appointment.

Work in progress represents revenue activities that are partially completed, usually when a customer has been fitted with a hearing device and has yet to return for the follow up appointment.

Note 12. Current assets - other current assets

	2018 \$'000	2017 \$'000
Other revenue receivable	94	17
Prepayments	1,771	2,409
Accrued research revenue	559	345
	2,424	2,771

Note 13. Current assets - investments under section 59 of the PGPA Act

	2018 \$'000	2017 \$'000
Held-to-maturity fixed term cash deposits	78,279	79,202

Accounting policy for investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. They are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on the purpose of the acquisition and subsequent reclassification to other categories is restricted.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and Australian Hearing has transferred substantially all the risks and rewards of ownership.

Held-to-maturity investments

Held-to-maturity investments includes non-derivative financial assets with fixed or determinable payments and fixed maturities where Australian Hearing has the positive intention and ability to hold the financial asset to maturity. This category excludes financial assets that are held for an undefined period. Held-to-maturity investments are carried at amortised cost using the effective interest rate method adjusted for any principal repayments. Gains and losses are recognised in profit or loss when the asset is derecognised or impaired.

In accordance with section 59 of the PGPA Act, the funds are invested on deposit with a bank, including a deposit evidenced by a certificate of deposit, all maturing within 12 months.

Impairment of financial assets

Australian Hearing assesses at the end of the reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes significant financial difficulty of the issuer or obliger; a breach of contract such as default or delinquency in payments; the disappearance of an active market for the financial asset; or observable data indicating that there is a measurable decrease in estimated future cash flows.

The amount of the impairment allowance for receivables and held-to-maturity investments carried at amortised cost is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. If there is a reversal of impairment, the reversal cannot exceed the amortised cost that would have been recognised had the impairment not been made and is reversed to profit or loss.

Note 14. Non-current assets - property, plant and equipment

	2018 \$'000	2017 \$'000
Leasehold improvements - at cost	43,790	39,185
Less: Accumulated depreciation	(28,262)	(26,167)
	15,528	13,018
Plant and equipment - at cost	41,342	38,639
Less: Accumulated depreciation	(28,867)	(26,684)
	12,475	11,955
	28,003	24,973

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Leasehold improvements \$'000	Plant and equipment \$'000	Total \$'000
Balance at 1 July 2017	13,018	11,955	24,973
Additions	3,996	5,473	9,469
Disposals	(7)	(60)	(67)
Additions in respect of restoration obligations (note 20)	1,167	-	1,167
Depreciation expense	(2,646)	(4,893)	(7,539)
Balance at 30 June 2018	15,528	12,475	28,003

Accounting policy for property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment, except for items costing less than \$1,000, which are expensed as incurred. Historical cost includes expenditure that is directly attributable to the acquisition of the items. The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

This is particularly relevant to restoration obligations in property leases taken up by Australian Hearing where an obligation to restore the property to its original condition exists. Plant and equipment acquired at no cost, or for nominal consideration are initially recognised as assets and income at their fair value at the date of acquisition.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment over their expected useful lives as follows:

Leasehold improvements	over the expected lease term
Plant and equipment	3 - 7 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the expected lease term or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to Australian Hearing. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Note 15. Non-current assets - intangibles

	2018 \$'000	2017 \$'000
Computer software internally developed - at cost	8,450	8,684
Less: Accumulated amortisation	(3,138)	(5,251)
	5,312	3,433
Computer software purchased - at cost	3,908	7,407
Less: Accumulated amortisation	(2,266)	(5,232)
	1,642	2,175
	6,954	5,608

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Computer software internally developed \$'000	Computer software purchased \$'000	Total \$'000
Balance at 1 July 2017	3,433	2,175	5,608
Additions	2,778	740	3,518
Disposals	(49)	-	(49)
Transfers in/(out)	426	(426)	-
Amortisation expense	(1,276)	(847)	(2,123)
Balance at 30 June 2018	5,312	1,642	6,954

Accounting policy for intangible assets

Intangible assets acquired are initially recognised at cost. Intangible assets acquired at no cost, or for nominal consideration are initially recognised as assets and income at their fair value at the date of acquisition. The gains or losses recognised in profit or loss arising from the de-recognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Computer software purchase and internally developed

Costs relating to computer software internally developed are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; Australian Hearing is able to use or sell the asset; Australian Hearing has sufficient resources; and intent to complete the development and its costs can be measured reliably. Following the initial capitalisation of purchased software or software internally developed, the cost model is applied requiring the assets to be carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation is on a straight-line basis over the period of their expected benefit, being their finite useful lives between three and seven years.

Note 16. Non-current assets - deferred tax

	2018 \$'000	2017 \$'000
Deferred tax asset comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Balance carried forward	13,832	13,564
Impairment of receivables	(59)	37
Fixed assets	135	80
Employee benefits	(59)	202
Provision for lease make good	165	(38)
Accrued expenses	(157)	(10)
Revenue received in advance	39	27
Provision for inventory obsolescence	23	39
Lease renewal	(195)	(133)
Unearned revenue	22	64
Deferred tax asset	13,746	13,832
Movements:		
Opening balance	13,832	13,564
Credited/(charged) to profit or loss (note 7)	(86)	268
Closing balance	13,746	13,832

Note 17. Current liabilities - trade and other payables

	2018 \$'000	2017 \$'000
Trade creditors	3,120	3,609
Accrued expenses	8,032	7,885
Salaries and wages	3,448	4,316
	14,600	15,810

Accounting policy for trade and other payables

These amounts represent liabilities for goods and services provided to Australian Hearing prior to the end of the financial year and which

are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Note 18. Current liabilities - provisions

	2018 \$'000	2017 \$'000
Employee benefits	9,320	9,566
Restoration obligations	898	2,017
	10,218	11,583

Restoration obligations

Refer to note 20 for details on the restoration obligations.

Accounting policy for provisions

Provisions are recognised when Australian Hearing has a present (legal or constructive) obligation as a result of a past event, it is probable Australian Hearing will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Accounting policy for employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, termination benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

No provision is made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees of Australian Hearing is estimated to be less than the annual entitlement for sick leave.

Superannuation benefits

Employees of Australian Hearing are members of the Commonwealth Superannuation Scheme ('CSS'), the Public Sector Superannuation Scheme ('PSSdb'), the PSS Accumulation Plan ('PSSap') or other superannuation funds held outside the Commonwealth. Directors of Australian Hearing are members of the CSS, PSSdb or other superannuation funds held outside the Commonwealth, but not the PSSap.

The CSS and PSSdb are defined benefit schemes for the Australian Government. The PSSap is a defined contribution scheme. The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported in the Department of Finance's administered schedule and notes.

Australian Hearing makes employer contributions to the Commonwealth employee superannuation schemes at rates determined by an actuary to be sufficient to meet the current cost to the Government, and accounts for the contributions as if they were contributions to defined contribution plans.

Note 19. Current liabilities - deferred revenue

	2018 \$'000	2017 \$'000
Maintenance and Hearing Services Card	16,651	16,578
Research revenue	260	1,633
	16,911	18,211

Note 20. Non-current liabilities - provisions

	2018 \$'000	2017 \$'000
Employee benefits	12,989	12,200
Restoration obligation	5,664	4,962
	18,653	17,162

Restoration obligations

The provision represents the present value of the estimated costs to make good the premises leased by Australian Hearing at the end of the respective lease terms. Australian Hearing currently has 171 (2017: 168) agreements for the leasing of premises which have provisions requiring Australian Hearing to fully or partly restore the premises to their original condition at the conclusion of the lease.

Movements in provisions

Movements in each class of provision (current and non-current) during the current financial year, other than employee benefits, are set out below:

2018	Restoration obligation \$'000
Carrying amount at the start of the year	6,979
Unwinding of discount	142
Amounts used	(225)
Additional provisions recognised (note 14)	1,167
Write back surplus provisions to profit or loss	(1,501)
Carrying amount at the end of the year	6,562

Accounting policy for other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting

date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Note 21. Equity – dividends

	2018 \$'000	2017 \$'000
Interim dividend declared and paid to the Australian Government	6,382	7,020
Special dividend paid in accordance with a directive received from the Minister for Human Services	-	2,200
Final dividend to the Australian Government payable at the reporting date	5,213	6,306
	11,595	15,526

Accounting policy for dividends

Australian Hearing's dividend payment is paid according to a directive from the Minister for Human Services under section 63A of the *Australian Hearing Services Act 1991*. Dividend payments are typically made to the Official Public Account via the Department of Human Services in two instalments; an interim dividend paid by 30 April and a final dividend paid by 31 October each year. From time to time there may be a requirement to pay an additional dividend.

Note 22. Fair value measurement

Accounting policy for fair value measurement

Australian Hearing operates on a for-profit basis. As per approved exemption 17.7 under the FRR, Australian Hearing is exempted from the requirement of fair value measurement for valuation of non-financial assets.

Note 23. Key management personnel disclosures

Key management personnel

Australian Hearing has determined that Key Management Personnel ('KMP') is comprised of all members of the Board and its Committees and the Executive Team as they have the authority and responsibility for planning, directing and controlling the activities of Australian Hearing.

Compensation

The aggregate remuneration made to directors and other members of KMP is set out below:

	2018 \$	2017 \$
Short-term employee benefits	1,663,948	1,686,292
Post-employment benefits	188,212	205,675
Long-term benefits	128,880	127,883
Total key management personnel remuneration expenses	1,981,040	2,019,850

There were no material related party transactions with key management personnel.

The total number of key management personnel that are included in the above table are 16 (2017: 11). The variance of five (5) is explained by some positions becoming vacant during the year and then filled by a new person.

The above key management personnel remuneration excludes the remuneration and other benefits of the Portfolio Minister. The Portfolio Minister's remuneration and other benefits are set out by the Remuneration Tribunal and are not paid by Australian Hearing.

Note 24. Remuneration of Auditors

During the financial year the following fees were paid for services provided by Australian National Audit Office, the auditor of Australia Hearing:

	2018 \$	2017 \$
Audit services:		
Audit of financial statements	128,500	128,500

Note 25. Contingent liabilities

Australian Hearing had no contingent liabilities or assets as at 30 June 2018 and 30 June 2017.

Accounting policy for contingent liabilities and contingent assets

Contingent liabilities and assets are not recognised in the statement of financial position but disclosed in these financial statements. They may arise from uncertainty as to the existence of a liability or asset, or represent a liability or asset in respect of which the amount cannot be reliably measured.

Contingent assets are disclosed when settlement is probable but not virtually certain, and contingent liabilities are recognised when settlement is greater than remote.

Note 26. Commitments

	2018 \$'000	2017 \$'000
Lease commitments - operating		
Committed at the reporting date and recognised as liabilities, payable:		
Within one year	13,785	13,341
One to five years	28,600	30,894
More than five years	10,909	13,960
	53,294	58,195
Capital commitments		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	79	1,782

General description of operating leasing arrangements:

Leases for office accommodation

Most lease payments are subject to annual increases based on either movement in the consumer price index, an agreed amount or prevailing market rentals at the time of review. The initial periods of some leases are still current and in some cases the lease may be renewed for periods of up to five years at Australian Hearing's option.

Agreements for the provision of motor vehicles

No contingent rentals exist and there are no renewals or purchase options available to Australian Hearing for these leases.

Commitments are GST inclusive.

Note 27. Events after the reporting period

No matter or circumstance has arisen since 30 June 2018 and at the date of this report that has significantly affected, or may significantly affect Australian Hearing's operations, the results of those operations, or its state of affairs in future financial years.

Appendices

FOR THE YEAR ENDED 30 JUNE 2018

Appendix 1: Ministerial Directions and Other Statutory Requirements

Australian Hearing is required to make annual disclosures under the following legislation:

- *Australian Hearing Services Act 1991*
- *Public Governance, Performance and Accountability Act 2013*
- *Work Health and Safety Act 2011*
- *Freedom of Information Act 1982*
- *The Environment Protection and Biodiversity Conservation Act 1999*

No Ministerial directions were issued during the year 2017-18. No Government Policy Orders were applied to Australian Hearing.

Appendix 2: Freedom of Information

Australian Hearing is subject to the *Freedom of Information Act 1982* (FOI Act). The FOI Act provides the public with a general right of access to documents held by Australian Government agencies, by requiring agencies, such as Australian Hearing, to publish the information and provide a right of access to the documents.

This general right is limited by exception to protect essential public interests, including the privacy of individuals and the business affairs of those who give information to the agency.

Australian Hearing is required to publish information to the public as part of the Information Publication Scheme (IPS). The IPS is designed to promote open and transparent communications of government information. Australian Hearing's plan showing what information it publishes in accordance with the IPS is located at www.humanservices.gov.au/corporate/freedom-of-information/

As part of the IPS, Australian Hearing is required to publish on its website information about its structure, functions and statutory appointments. Australian Hearing must also publish its Annual Reports and other types of information including information that guides decisions or recommendations affecting members of the public as well as information about how the public can comment on policy proposals. This information is available at www.hearing.com.au/About-us

Enquiries on freedom of information matters, including requests for access to documents, may be directed to:

The FOI Officer Australian Hearing
Level 5, 16 University Avenue
Macquarie University NSW 2109
Telephone: (02) 9412 6800
TTY: (02) 9412 6802
Email: FOI@hearing.com.au

In the reporting year to 30 June 2018, Australian Hearing was not the subject of any report given by the Office of the Australian Information Commissioner.

Appendix 3: National Disability Insurance Agency

National Disability Insurance Agency (NDIA) is an independent statutory agency responsible for implementing the National Disability Insurance Scheme (NDIS). NDIA's role is to manage the scheme that provides individualised support to eligible people with disabilities, their families and carers.

The NDIS started in 2013 and due to the complexities required to change then existing disability support systems, it is being introduced in stages to ensure a smooth transition for people with disabilities and support providers. Australian Hearing is an approved provider under the NDIS and is committed to continue providing the same level of service as the rollout proceeds and some of our clients register with NDIS.

Appendix 4: Environment

Under Section 516A of the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act) Commonwealth organisations have a statutory requirement to report on their environmental performance and how they accord with and advance the principles of ecologically sustainable development (ESD).

Australian Hearing's functions include assessing hearing, fitting/supply of hearing and assistive listening devices and providing counselling and rehabilitative programs to enable eligible clients to manage their hearing impairment and related research. In this regard, we support and adhere to the sustainable procurement strategies set by the Australian Government for procurement processes, which are intended to drive performance, resource efficiency and innovation in supply chains and across industry.

Ecologically Sustainable Development (ESD)

Activities related to the ESD goal –

“ Development that improves the total quality of life, both now and in the future, in a way that maintains the ecological processes on which life depends”

Activity	Relationship to ESD principles	Enhancement of ESD principles
Transition to mercury free batteries	Following the move to a new battery supply contract in October 2017, and a short implementation phase, Australian Hearing battery supplies are now completely mercury free. Relative to several ESD principles most notably as a responsible economic, environmental and social decision.	This change means Australian Hearing has phased out the supply and use of ALL mercury containing batteries well ahead of the national phase-down proposed for batteries (2020). We are currently looking to pilot a recycling program for hearing aid batteries.

Environmental Performance

The following measures were taken to minimise the effect of activities on the environment:

Activity	Measures taken to reduce effect	Enhancement of ESD principles
Energy efficiency	<p>Landlord and tenant obligations under a Green Lease Schedule resulting in improved energy efficiency in the premises and building at the Australian Hearing Hub by implementing an Energy Management Plan in support of the requirements and objectives of the Australian Government Operations Energy Efficiency Policy.</p> <p>Our motor vehicle fleet is largely 4 cylinder fuel-efficient, value for money, environmentally friendly vehicles for fleet use and high Green Vehicle Guide rating.</p> <p>We also promoted the use of energy efficient fuels such as diesel (for our twelve hearing buses) and the use of ethanol blended fuels (E10) where reasonably available.</p> <p>We promote and support the use of video and phone conferencing instead of staff using air travel.</p> <p>Most personal computers are manually shutdown and all monitors are put into sleep mode after 10 minutes of inactivity.</p> <p>Following introduction of a Solid State storage unit, we have virtualised around 97.5% of Wintel Server workload and 95% of Unix Server workload.</p> <p>Personal computer and monitors are all eco and power saving compliant.</p>	<p>All new centre builds (small retail sites) incorporate energy efficient lighting. Air conditioning units are replaced with ones with the most appropriate refrigerant and all toilets, where included, are converted to or installed with dual flush systems.</p> <p>All our fleet and hearing bus vehicles are regularly serviced/ maintained to ensure optimum fuel efficiency.</p> <p>Following a strategic review of our fleet policy in October 2017, it was determined that our standard vehicles of choice going forward will be the Toyota Corolla and Camry Hybrid. This will translate to reductions in fuel consumption of more than 30% per vehicle, resulting in considerably lower vehicle emissions.</p> <p>Australian Hearing has migrated to a largely paper free environment. An e-Form framework has been established.</p>

Activity	Measures taken to reduce effect	Enhancement of ESD principles
Waste	<p>20% recycled copier paper is used in printers, photocopiers and multifunction devices. The non-recycled component is from sustainably managed plantations and forestry operations. The copy paper is certified carbon neutral.</p> <p>Our cleaning contractors provide environmentally friendly tissue paper (toilet paper and towels) and cleaning products.</p>	Paper reduction technology was introduced to our printers to further reduce consumption of paper.
Water	Australia Hearing is not a major water user and generally is not separately metered in our leased premises.	

ENVIRONMENT – Our Commitment

Environmental Management clauses are included in supplier contracts to improve environmental performance, specifically compliance with the National Waste Policy, the National Environment Protection Measures, Energy Efficiency in Government Operations Policy and the Green Marketing and Australian Consumer Law guideline. This may cover use of energy efficient products, products from recycled materials or other environmentally preferable products, reduction/elimination of environmentally sensitive materials, material selection, design for end of life, product longevity/ life cycle extension, energy conservation, end of life management, and corporate management and packaging.

Glossary

AHS Act	<i>Australia Hearing Services Act 1991.</i>
ANAO	Australian National Audit Office.
Annual Report	The yearly report prepared by Australian Hearing in accordance with section 46 of the PGPA Act or the Directors of a Commonwealth company in accordance with section 97 of the PGPA Act. It provides a broad statement of capability and performance, including results against targets published previously for the corresponding year in the corporate plan. It allows the Board and senior management to report to the Minister on the efficiency and effectiveness for which the Minister is ultimately responsible.
ARMC	Audit and Risk Management Committee of the Board of Australian Hearing.
Audiologist	A university qualified professional who treats clients for hearing disorders.
Audiometrist	A clinician who has completed a certificate course in hearing assessment, hearing aid fitting and management.
Clinician	An Audiologist or Audiometrist.
Cerebral Palsy Alliance	Not for profit organisation that provides family-centred therapies, life skills programs, equipment and support for people living with cerebral palsy and their families.
Client Pathway	A follow up system for clients who use hearing aids
Corporate Plan	A document detailing Australian Hearing's strategic direction that is required to be prepared for the Minister for Human Services and the Minister for Finance.
CSO	Community Service Obligation.
DHS	Department of Human Services delivers a range of government payments and services to almost every Australian including Centrelink, Aged Care, Medicare and Child Support.
Digital	The application of technology to provide services for the benefit of our clients, stakeholders and employees.
Digital Document Management	A project that scanned client paper records into an electronic format.
ESD	Ecologically Sustainable Development that aims to meet the needs of today, while conserving our ecosystems for the benefit of future generations.
EBITDA	Earnings before interest, tax, depreciation and amortisation.
Financial Year (FY)	Period of a year being reported upon (commencing on 1 July and ending on 30 June).
Health	Department of Health – administers the Australian Government's Hearing Services Program.

Hearing Awareness Week	Occurs each year in March (annually in August prior to 2018).
Hearing Bus	Purpose built vehicles intended primarily to advertise Australian Hearing and provide free hearing screening nationally (except at this time in the NT).
Hearing Centres	Australian Hearing's service outlets and point of contact for clients.
Hearing Help	Australian Hearing advisory service where clients can get advice via a website, online chat and phone call with a clinician.
ISC	Innovation Strategy Committee of the Board of Australian Hearing.
NAL	National Acoustic Laboratories.
NDIS	National Disability Insurance Scheme.
Network	Australian Hearing centres across Australia.
OHS	Office of Hearing Services. A unit within the Department of Health that administered and regulated the Australian Government's Hearing Services Program. (The name was dropped by the Department of Health in November 2017 but may still appear in some sections of this report.)
Outreach	Specialist services provided for Aboriginal and Torres Strait Islanders.
Permanent site	A permanently staffed hearing centre.
PGPA Act	<i>Public Governance, Performance and Accountability Act 2013.</i>
Remote Site	A location providing for assessment, device fitting and rehabilitation, situated in a locality determined by OHS as being disadvantaged by restricted accessibility of goods and services.
Responsible Minister	Minister with portfolio responsibility for the Commonwealth entity.
Tele-audiology	Provision of audiological services remotely from the patient.
Tele-Audiology Follow Up (Tele-FUP)	Support provided remotely in the critical 2-3 weeks after first hearing aid fitting.
Tele-health	Use of telecommunication techniques for the purpose of providing telemedicine, medical education, and health education over a distance.
Visiting Site	A site that is visited on regular basis by a clinician to deliver hearing services; there are no Australian Hearing staff permanently based at this site.
Voice of the Client	Australian Hearing initiative to measure the level of its client satisfaction.
White Ribbon	A "not for profit" movement of men and boys working to end men's violence against women and girls, promote gender equality, healthy relationships and a new vision of masculinity.
Voucher	Certificate issued by OHS to eligible adults that entitles clients to government funded hearing services.
WHS	Work health and safety.

Compliance Index

The index below shows compliance with information requirements contained in the *Public Governance, Performance and Accountability Rule 2014*.

	Requirements	Page
Clause 17BB	Approval of annual report	1
Clause 17BC	Parliamentary Standards of Presentations	YES
Clauses 17BD	Plain English and clear design	YES
Contents of annual report:		
Clause 17BE(a)	Details of the legislation enabling the body	32
Clause 17BE(b) (i), (ii)	A summary of the objects and functions of the entity as set out in the legislation; and The purposes of Australian Hearing as included in the Corporate Plan for the period	32 35
Clause 17BE(c)	The names of the persons holding the position of responsible Minister or responsible Minister(s) during the period, and the titles of those responsible Ministers	22
Clause 17BE(d)	Any directions given to the entity by a Minister under an Act or instrument during the period	70
Clause 17BE(e)	Any government policy orders that applied in relation to the entity during the period under section 22 of the Act	Nil
Clause 17BE(f)	If, during the period, the entity has not complied with a direction or order referred to in paragraph (d) or (e) particulars of the non-compliance	Nil
Clause 17BE(g)	The annual performance statements for the entity for the period in accordance with paragraph 39(1)(b) of the Act and section 16F of this rule	34-37
Clause 17BE(h)	A statement of any significant issue reported to the responsible Minister under paragraph 19(1)(e) of the Act that relates to non-compliance with the finance law in relation to the entity	Nil
Clause 17BE(i)	If a statement is included under paragraph (h) of this section – an outline of the action that has been taken to remedy the non-compliance	Nil
Clause 17BE(j)	Information on the accountable authority, or each member of the accountable authority, of the entity during the period, including: (i) The name of the accountable authority or member; and (ii) The qualifications of the accountable authority or member; and (iii) The experience of the accountable authority or member; and (iv) For a member – the number of meetings of the accountable authority attended by the member during the period; and (v) For a member – whether the member is an executive member or non-executive member	22-28 38-41

Clause 17BE(k)	An outline of the organisational structure of the entity	10-11
Clause 17BE(l)	An outline of the location (whether or not in Australia) of major activities or facilities of the entity	78-79
Clause 17BE(m)	Information in relation to the main corporate governance practices used by the entity during the period	22-27
Clause 17BE(n)	The decision-making process undertaken by the accountable authority for making a decision if: <ul style="list-style-type: none"> (i) the decision is to approve the entity paying for a good or service from another Commonwealth entity or a company, or providing a grant to another Commonwealth entity or a company; and (ii) the entity, and the other Commonwealth entity or the company, are related entities; and (iii) the value of the transaction, or if there is more than one transaction, the aggregate value of those transactions, is more than \$10 000 (inclusive of GST); 	Nil
Clause 17BE(o)	If the annual report includes information under paragraph (n): <ul style="list-style-type: none"> (i) if there is only one transaction—the value of the transaction; and (ii) if there is more than one transaction—the number of transactions and the aggregate of value of the transactions 	Nil
Clause 17BE(p)	Any significant activities and changes that affected the operations or structure of the entity during the period	Nil
Clause 17BE(q)	Particulars of judicial decisions or decisions of administrative tribunals made during the period that have had, or may have, a significant effect on the operations of the entity	Nil
Clause 17BE(r)	Particulars of any report on the entity given during the period by: <ul style="list-style-type: none"> (i) the Auditor General, other than a report under Section 43 of the Act (which deals with the Auditor General's audit of the annual financial statements for Commonwealth entities), or (ii) a Committee of either House, or of both Houses, of the Parliament; or (iii) the Commonwealth Ombudsman; or (iv) the Office of the Australian Information Commissioner 	Nil
Clause 17BE(s)	If the accountable authority has been unable to obtain information from a subsidiary of the entity that is required to be included in the annual report—an explanation of the information that was not obtained and the effect of not having the information on the annual report	Nil
Clause 17BE(t)	Details of any indemnity that applied during the period to the accountable authority, any member of the accountable authority or officer of the entity against a liability (including premiums paid, or agreed to be paid, for insurance against the authority, member or officer's liability for legal costs)	24
Clause 17BE(u)	An index identifying where the requirements of this section and section 17BF (if applicable) are to be found	76-77

Australian Hearing Centres

As at 30 June 2018, Australian Hearing operated in 164 permanent hearing centres, 457 visiting centres, 12 hearing buses and 243 Aboriginal and Torres Strait Islander outreach sites.

PERMANENT HEARING CENTRES

AUSTRALIAN

CAPITAL TERRITORY

Canberra
Tuggeranong

NEW SOUTH WALES

Albury
Ballina
Bankstown
Batemans Bay
Belmont
Blacktown
Bowral
Broken Hill
Campbelltown
Campsie
Cessnock
Chatswood
Coffs Harbour
Corrimal
Cowra
Dee Why
Dubbo
East Maitland
Erina
Forster
Gosford
Grafton

Griffith
Hornsby
Hurstville
Kempsey
Lake Haven
Laurieton
Lismore
Liverpool
Macquarie
University
Maitland
Maroubra Junction
Merrylands
Miranda
Mount Druitt
Newcastle
Nowra
Orange
Parramatta
Penrith
Port Macquarie
Salamander Bay
Shellharbour
Springwood
Sydney
Tamworth
Taree
Toronto

Toukley
Tweed Heads
Tweed Heads South
Wagga Wagga
Wallsend
Wollongong
Woy Woy

NORTHERN TERRITORY

Alice Springs
Darwin

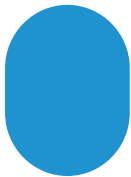
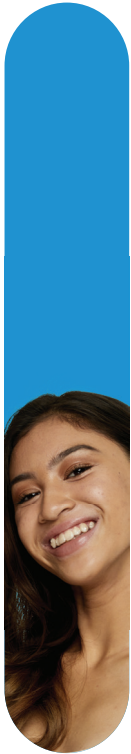
QUEENSLAND

Aspley
Atherton
Bargara
Beenleigh
Brisbane
Bundaberg
Caboolture
Cairns
Caloundra
Cleveland
Gladstone
Hervey Bay
Ipswich
Kirwan

Logan
Mackay
Maroochydore
Maryborough
Mitchelton
Mt Gravatt
Noosaville
Palm Beach
Redcliffe
Robina
Rockhampton
Sherwood
Southport
Toowoomba
Townsville
Wynnum
Yeppoon

SOUTH AUSTRALIA

Adelaide
Elizabeth
Marion
Modbury
Mount Barker
Mount Gambier
Noarlunga
Victor Harbor
Woodville



TASMANIA

- Bellerive
- Burnie
- Devonport
- Glenorchy
- Kings Meadows
- Hobart
- Kingston
- Launceston
- Sorell

VICTORIA

- Ballarat
- Bell Post Hill
- Belmont
- Bendigo
- Box Hill
- Broadmeadows
- Castlemaine
- Caulfield
- Cheltenham
- Colac
- Cranbourne

- Croydon
- Dandenong
- Drysdale
- Epping
- Forest Hill
- Frankston
- Geelong
- Greensborough
- Hamilton
- Hastings
- Horsham
- Knox
- Lilydale
- Melbourne
- Melton
- Mildura
- Moonee Ponds
- Morwell
- Northcote
- Ocean Grove
- Pakenham
- Portland
- Reservoir

- Rosebud
- Sale
- Shepparton
- Sunbury
- Sunshine
- Swan Hill
- Wangaratta
- Warragul
- Warrnambool
- Werribee
- Wonthaggi

WESTERN AUSTRALIA

- Albany
- Bunbury
- Cannington
- Fremantle
- Geraldton
- Karrinyup
- Mandurah
- Morley
- Perth
- Rockingham

For further details of Australian Hearing Centres, visiting sites and remote sites go to: Hearing.com.au

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www.hearing.com.au

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