



# 2016

ANNUAL REPORT

# Letter to the Minister

The Hon Alan Tudge 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 2016. 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 2015/16 and was made in accordance with a resolution of Directors on 1 September 2016.

Yours sincerely



Dr Peta Seaton  
Chair

29 September 2016

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# Report on Operations

Our financial results for the financial year 2015/16 were a significant improvement over both budget and previous year. Our revenue was in excess of \$240 million, and our Net Profit before Tax was in excess of \$29 million.

Excluding CSO funding, which is intended to be cost neutral, our EBITDA percentage was 20.9%, and our Return on Assets was a healthy 21.3%. By any standards this is a competitive result.

This financial year, we continued our progress to become a client-led organisation. This included the commencement of the brand and culture program to engage staff with a common sense of purpose and identity, which will in turn help us to better respond to the dynamic needs of our clients. This program was a direct result of Australian Hearing's market research findings to improve the client experience.

Further to this, Australian Hearing developed a new service offering called Hearing Help that offers a channel of communication for clients. Hearing Help is a new website, online chat and clinical helpline. It is set to launch in August 2016, following a period of consumer testing research in May and June.

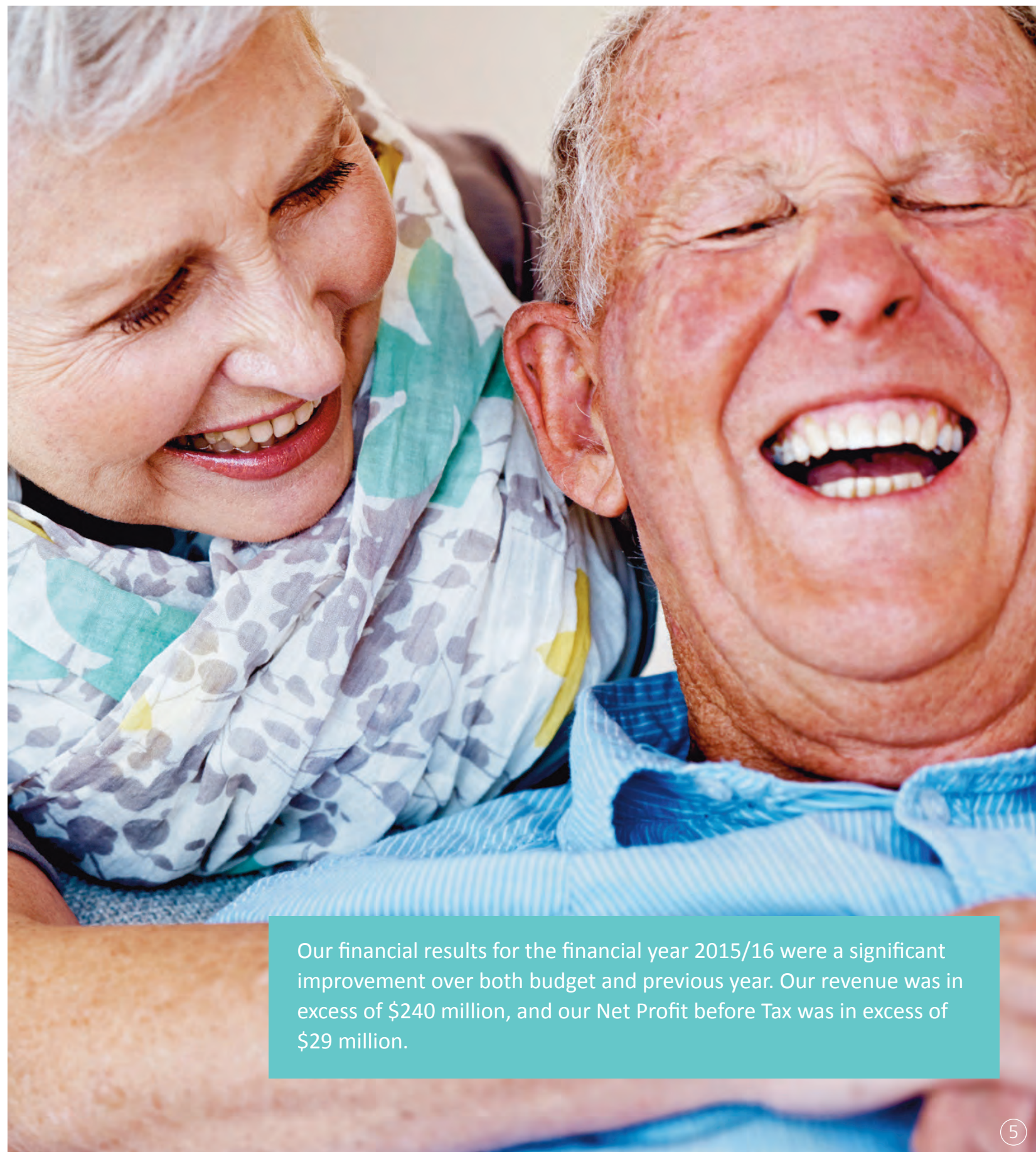
As part of our marketing strategy, Australian Hearing launched a Marketing Academy in November. The Academy aims to develop the skills of our Community Hearing Advisors with a focus on strengthening local relationships.

2015/16 marked the first year of Australian Hearing's new four-year Corporate Plan which was developed to support Australian Hearing's journey to becoming a client-focussed organisation. It responds to current and future market challenges and the need to develop collaborative partnerships with appropriate organisations and building stronger relationships with key stakeholders.

Our network of hearing centres was extended over the course of the year to provide more accessible services to clients. Our footprint of permanent hearing centres grew by 8 and Australian Hearing now has 145 permanent hearing centres and 426 visiting sites nationally.

The introduction of new hearing technology helped support superior client outcomes. The benefits of the new technology were enthusiastically taken up by our clinicians and clients alike, addressing the issue of stigma and perception of hearing aids.

The 2015/16 financial year also included an announcement by the Australian Government in February 2016 that it was approached by a consortium led by the Royal Institute for Deaf and Blind Children, alongside Cochlear Limited and Macquarie University, with a proposal for the transfer of Australian Hearing into non-government ownership. No decision has been made by Government on the future ownership of Australian Hearing. We remain focussed on the job at hand and continue to deliver world-class hearing services and research, and look forward to maintaining this momentum into next year.



Our financial results for the financial year 2015/16 were a significant improvement over both budget and previous year. Our revenue was in excess of \$240 million, and our Net Profit before Tax was in excess of \$29 million.



# Annual performance statement

I, Peta Seaton, as the Chair of the accountable authority which is the Board of Australian Hearing, present the FY2015-16 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 as stated in the FY2015-16 Corporate Plan (page 3) is outlined by the Parliament in our enabling legislation, *Australian Hearing Services Act 1991 (AHS Act)*, with specific Powers/Functions outlined in Part 2, Sections 8 and 9 of the Act. In summary, our purpose is to deliver a positive impact on the hearing impaired through effective and accessible hearing services, quality clinical care and excellence in client service.

## Results

Following is the performance criteria related to our purpose as detailed in our Corporate Plan for the financial year 2015/16.

Performance Criterion	Source – 2015/16 to 2018/19 Corporate Plan*	Results Achieved in FY2015/16
Board reporting – progress against: - Strategic initiatives - Financial statements/ scorecard metrics	- Strategic Initiatives - Scorecard and Financial Targets	Review of strategic projects and detailed financial summary (including targets) was provided for every Board meeting.
Monthly executive performance review of progress against key performance indicators (KPIs): - Business as usual - Strategic	- Monthly Board, Executive and Network reports; - Strategic Themes 2015/16	Executive management reviewed both business as usual financial results and strategic KPIs at their monthly meetings.
Quarterly reporting to the Department of Human Services (DHS) against: - KPIs - Corporate Plan - Risk Review	(Agenda and reports for) quarterly governance meetings between DHS and Australian Hearing	Quarterly review meetings were held with DHS covering the review of all key financial and non-financial metrics including risk.
Quarterly reporting to the Office of Hearing Services (OHS) and DHS against: - Memorandum of Agreement on Community Service Obligations (CSO) delivery KPIs (including financial)	Memorandum of Agreement for the delivery of Community Service Obligations under the Australian Government Hearing Services Program (MoA)	Reported quarterly to OHS against the KPIs listed in the MoA.  KPIs cover client groups, complaints and continuous improvement and are specific as to measurement. All KPIs were met.
Board reporting – Work, Health & Safety		Work, Health & Safety report showing progress against targets is reported against legislative and operational KPIs including improvement strategies.  Report was submitted and accepted for each of the 7 Board meetings held.
Australian National Audit Office (ANAO) financial statement audits - Annual audit - Interim audit	<i>PGPA Act</i> (Chapter 2, Part 2-3, Division 4, 43)	Interim and annual financial statement audits were completed by ANAO.

Performance Criterion	Source – 2015/16 to 2018/19 Corporate Plan*	Results Achieved in FY2015/16
Quarterly internal audits on: - Hearing Centres - Clinical Practices - Key processes & functions - Strategic risk assessments	- Hearing Centre Peer Review Program - Self-assessment audit provisions under the OHS MoA for Clinical Practices - Strategic Risk Register	Internal audits were conducted as planned.
Audit and Risk Management Committee - 5 meetings to be held in 2015/16		6 Audit and Risk Management meetings held during 2015/16.
Australian Hearing Research Committee - 3 meetings to be held in 2015/16		3 Research Committee meetings held during 2015/16.
Australian Hearing Research Ethics Committee - Annual meeting to be held in 2015/16		Annual Research Ethics Committee meeting held during 2015/16.
Australian Hearing Board meetings - 7 meetings to be held in 2015/16		7 Board meetings held during 2015/16.
Remuneration and Organisational Development Committee - Regular meeting to be held in 2015/16		Meetings of this Committee are held biennially.
Statutory annual reporting (including performance reporting) - To the Minister for Human Services - To the Australian Hearing Board	Reporting requirements for Corporate Commonwealth Entities (including financial statements) as required under the <i>PGPA Act</i>	Published in the FY2015/16 Annual Report for Australian Hearing.

\* Source of the performance criteria is on page 10 of the 2015/16- 2018/19 Corporate Plan

## Performance Analysis

The following factors contributed in FY2015/16 to Australian Hearing's performance in achieving its purpose as outlined in the *AHS Act*.

Australian Hearing has continued to demonstrate that is an efficient and effective organisation that delivers high quality hearing services throughout Australia through:

- The total number of sites (permanent and visiting) increased by 34 sites.
- Over 516,000 services were provided to the hearing impaired in FY2015-16.
- Introduction of a program for all staff aimed at better understanding and responding to our clients' needs.
- Client surveys showed that 89% of responses rated as satisfied or better with our service overall.
- The National Acoustic Laboratories (NAL) continued to work to improve hearing health outcomes through research and development. Total research funding increased 14.4% on FY2014-15. This was mainly the result of new grants that were obtained.
- Australian Hearing's strength and sustainability was again highlighted in the results achieved – higher revenue and well managed costs led to record revenue and profit levels.

The healthcare industry in Australia continued to transform due to technology advances, market forces and changing demographics.

There were no material changes to our purpose, activities or organisational capability during FY2015/16. Notwithstanding the announcement by the Government that it will examine an unsolicited proposal from a consortium for the transfer of Australian Hearing into non-Government ownership, Australian Hearing continued to operate as usual.

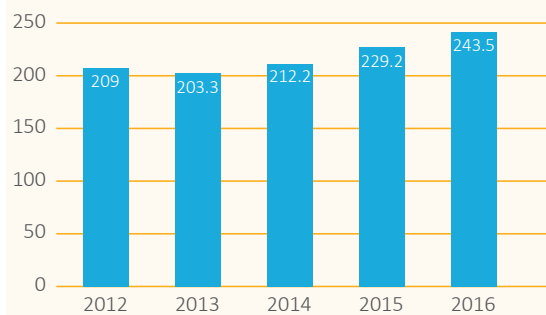
# Financial summary

Australian Hearing is accountable to the Minister for Human Services. Our organisation is managed by a Board of Directors appointed by the Minister for Human Services and is subject to the requirements of the *Public Governance, Performance Accountability Act 2013 (PGPA Act)* and *Australian Hearing Services Act 1991 (AHS Act)*. Annual financial statements for FY2015/16 are subject to audit by the Auditor-General and are provided to the Minister.

## Revenue performance

We achieved total revenue of \$243.5 million, which was 6.2% more than last year.

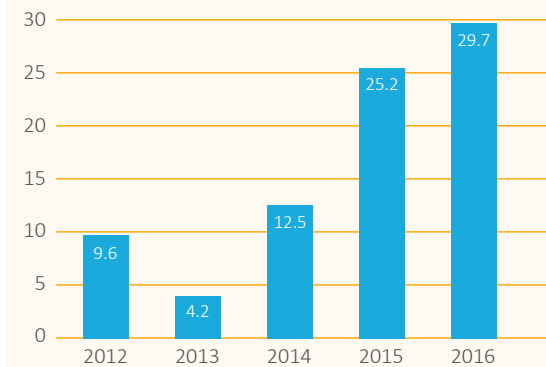
REVENUE 2012-2016 (\$ MILLIONS)



## Profit before Tax

We achieved a profit before tax of \$29.7 million, which was 17.9% more than last year.

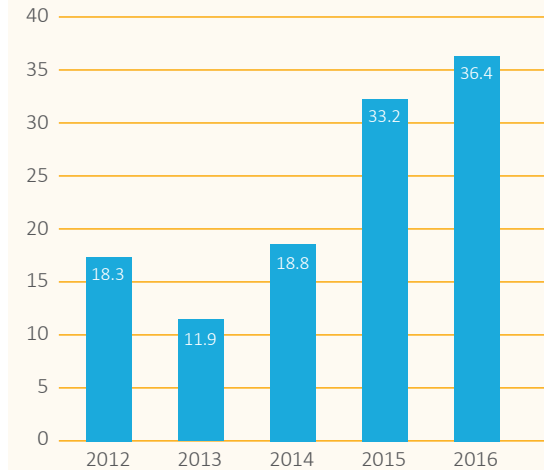
PROFIT BEFORE TAX 2012-2016 (\$ MILLIONS)



## Key business indicators

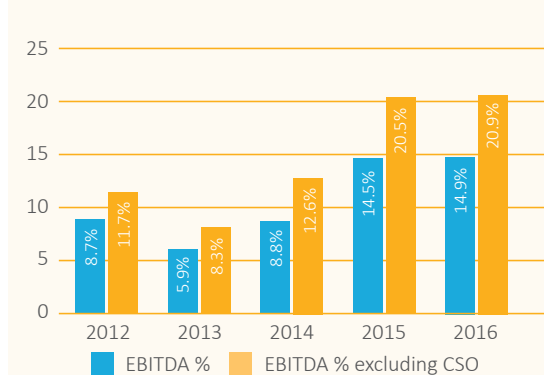
Our earnings before interest, tax, depreciation and amortisation (EBITDA) for the year were \$36.4 million. This was 9.6% more than the previous year.

EBITDA 2012-2016 (\$ MILLIONS)



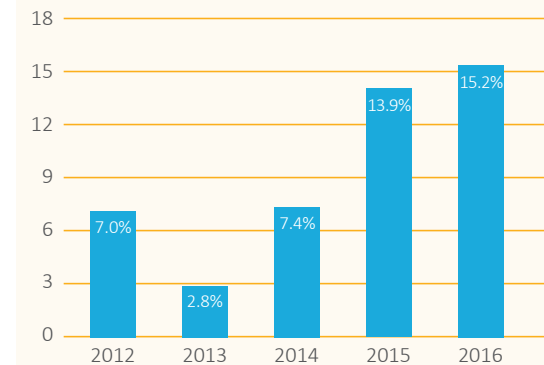
An EBITDA percentage of 20.9% excluding Community Service Obligations (CSO) was achieved this year.

EBITDA 2012-2016



We achieved a return on total assets of 15.2% this year (including CSO Funding).

RETURN ON TOTAL ASSETS 2012-2016



Capital expenditure for the year was \$10 million as we continued our investments in remote services, new hearing centres and technology to support efficiencies in the business. Return on total assets increased during the year. This was a result of our higher profit.

# 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 this included workshops attended by management. We also reviewed our strategic risk assessment to ensure that our risk profile aligns with our Corporate Plan Strategic Themes and the business environment in which we operate. Risk Assurance Maps and Risk Registers have been further developed and updated as a result.

A detailed audit program consisting of internal and external audits is undertaken each financial year. Internal audits of the Australian Hearing Information Security Framework are continuously executed together with external systems testing. A regular update on the status of Information Security Risk is provided at each Audit and Risk Management Committee meeting. A programme of Hearing Centre risk assessments and benchmarking has been established in consultation with Ernst & Young and has been rolled out across the Australian Hearing network.

As part of the Australian National Audit Office (ANAO) audit, and consistent with previous years, Crowe Horwath was subcontracted by ANAO to audit the 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.

We also provided the Office of Hearing Services with quarterly reports on our compliance with the Memorandum of Agreement to deliver the Community Service Obligations services.

# Message from the Chair

*“ This financial year, Australian Hearing continued to perform strongly. We helped more people in the Australian community than ever before, while growing revenue and profit, and increasing our network of hearing centres and visiting sites to 571 locations nationally.*



# Message from the Managing Director

*“ Australian Hearing: a great place for great people to do great things. I truly believe we are a part of something great here at Australian Hearing. And I'd like to personally thank each of our staff for making Australian Hearing what it is today.*



Core to our service is our clients' wellbeing. It is at the centre of all we do. Throughout the year I've been able to visit many of our centres from remote Australia to urban neighbourhoods, where I've been able to see our Australian Hearing teams consistently demonstrate strong links and trust in each unique community and with our clients. In 2015/16 alone, we delivered over 516,000 services.

## Our strategy

In 2015/16 we have remained focused on running Australian Hearing both productively and efficiently, while working on our key strategic themes and initiatives for the benefit of our clients.

We made significant progress in developing our culture to enable us to meet the expectations of even more Australians into the future - and to be industry leaders in this vital aspect of individual wellbeing - hearing and being connected to family and community.

We continued to execute on our strategy to grow our business by collaborating and seeking out new partnerships focused on improving our clients' outcomes. Our business also concentrated on streamlining services to make it easier for staff to focus on client priorities.

We continue to strengthen relationships with our stakeholders, including Government, which oversees Australian Hearing on behalf of taxpayers and citizens.

We thank the Minister for Human Services for the continued support and promotion of the importance of hearing health and encouragement in our quest to continuously improve hearing health outcomes.

We have been delighted to contribute expertise as invited by those with the responsibility to deliver the National Disability Insurance Scheme. Australian Hearing is also playing its part in contributing positively to important policy initiatives to enhance service effectiveness and find ways to help prevent avoidable hearing loss.

## Our performance

I am pleased to report that along with the positive hearing health outcomes for our clients, we delivered a strong financial return to Government and the taxpayers of Australia. This is a significant achievement and a credit to Managing Director Bill Davidson's leadership along with the support of the entire Board.

The staff of Australian Hearing and the National Acoustic Laboratories really do change people's lives and I thank them for the passion they bring to their roles in the diverse settings across the country.

On behalf of the Board, I congratulate Australian Hearing's management team and staff for our many achievements this year.

**Dr Peta Seaton**  
Chair  
Australian Hearing

We achieved many great things in 2015/16 - from breaking a world record, to achieving record revenue, to helping more people with their hearing health than ever before.

## Financial year in review

The 2015/16 year saw us achieve record revenue and profit. We hit a total revenue of \$243.5 million, a 6.2% increase on the previous year. In addition, our EBITDA increased 9.6% from the 2014/15 year to be \$36.4 million.

This is an excellent result and comes during a period where Australian Hearing continues to compete in a growing and evolving industry, where many key business drivers are undergoing change.

## Caring for our clients

Our clients remain at the centre of everything we do. Throughout the year we have continued to develop our client-centred client journey, which speaks to our clients' needs and motivations.

Key to this has been the commencement of our brand program which will help us better understand and respond to client needs. Part of this has seen us work with staff to implement capabilities and a supportive culture to best focus on our clients.

To help spread the importance of hearing health more broadly, we launched the inaugural Big Aussie Hearing Check during Hearing Awareness Week in August with the highlight being a world record breaking performance! We can now claim the Guinness World Record for most screening hearing checks conducted in a day.

## Our footprint

Our services are easily accessible for our clients across the country. In 2015/16 the number of permanent Australian Hearing centres increased to 145 locations. Three new hearing buses hit the road in Tasmania, WA and Northern NSW; taking our total number of buses to ten. Our audiologists also serviced more than 230 Aboriginal and Torres Strait Islander communities as part of our outreach program.

But it's not only our physical sites where we can help. Our teleaudiology service is now available to clients in Far North Queensland and NT. During 2015/16 we also developed a new service - Hearing Help - that gives free and direct access to our hearing specialists (either over the phone or web chat). Hearing Help will go a long way to giving all Australians an easier way to care for their hearing.

## Our people

In 2015/16 1,284 people were a part of the Australian Hearing family. I'm proud to be a part of an organisation that is leading the way in gender parity. Eighty one per cent of our staff and 50% of our executive leadership team are female.

During the financial year we were also awarded with White Ribbon Australia's Workplace Accreditation. The accreditation program is rigorous. Over an 18 month period, we showed examples of extensive staff consultation, staff engagement, staff training and improved HR policies and procedures.

We hit some other significant staff records during the year, including 2.4% of our people identifying as Aboriginal or Torres Strait Islander. Our graduate intake also took in a high of 52 great new audiologists.

We also made substantial contributions to the community. Nationally we took part in the September initiative where we made an incredible 64,000,000 steps and raised over \$25,000 for the Cerebral Palsy Alliance.

I'm proud to be a part of something so great. Thanks to all who make this possible.

**Bill Davidson**  
Managing Director  
Australian Hearing



# 2015/2016 Highlights: Part of something great

Our clients

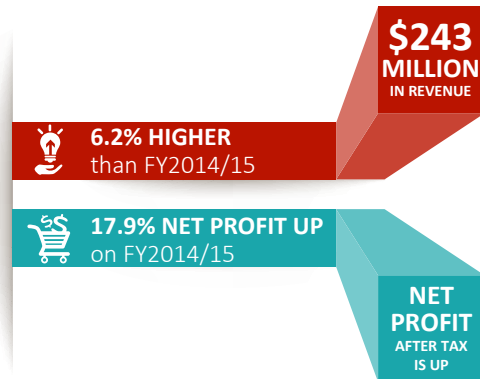
We provided over  
**516,771**  
services provided to clients

## AUGUST 2015

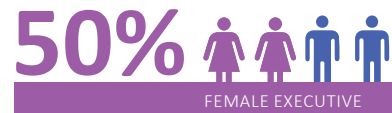
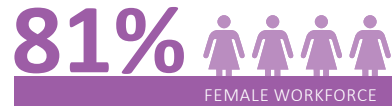
Launch of Big Aussie Hearing Check, including a world record breaking performance in Port Macquarie



Our financials



Our people



SEPTEMBER



## SEPTEMBER 2015

Australian Hearing steps out for Stepember making an incredible **64,000,000 STEPS** and raising over **\$25,000 FOR THE CEREBRAL PALSY ALLIANCE**

## NOVEMBER 2015

Mark International Women's Day by celebrating the leading role Australian Hearing is taking in gender parity



Our community



Ten hearing buses travelled over **195,000 kilometres** to more than **1,800 locations**



Our digital footprint

We launched the MyHearing App



Launch **Milestones** website for children and young Australians

## JANUARY 2016



Join the action at the **XVII Australian Deaf Games Adelaide 2016**  
*The Games we Love...*

**12.3% INCREASE** in traffic to the Australian Hearing website



## JUNE 2016

**White Ribbon Australia** awards Australian Hearing with its **Workplace Accreditation**





# National Acoustic Laboratories

The National Acoustic Laboratories (NAL) consists of five sections that perform research and development impacting on hearing in a variety of ways. A selection of the work performed by the sections during the year is detailed below:

## Hearing Loss Prevention

Work on the development of the Know Your Noise and on-line Noise Risk Calculator continued. These websites allow people to calculate the effect their lifestyle has on their hearing. The usage of the web sites is proving popular and the number of visits per month is growing. An iOS app called 'SoundLog' was also developed. This allows people to measure noise levels and estimate personal noise exposure. This was released through the iTunes® store late in 2015.

This year also saw the continued publication and presentation of results from the iHEAR study of adolescent hearing health in Australia, with results being incorporated into the forthcoming international standard on hearing thresholds. Our results show a strong correlation between cumulative life-time noise exposure arising from leisure activities and people's experience of tinnitus – an indicator of damage in the auditory system.

## Engineering Development

Engineering Development completed a number of products over the last 12 months. The second and third HEARLab® modules have been completed. These modules will dramatically increase the range of functions that HEARLab has – adding auditory brainstem response testing (providing information on the inner ear and brain pathways for hearing) and the ability to generate automatic audiograms from cortical responses. Work continued on making HEARLab suitable for testing people with cochlear implants.

The team also commenced development of the one-person VROA audiometer. VROA (Visual Reinforcement Orientation Audiometry) is the main behavioural audiometric test for infants and young children aged 7 months to 3 years. It usually requires two audiologists and a specialised test booth to perform the test. The aim of the project is to develop an equivalent VROA test that requires only one audiologist or an audiologist located at an external site to conduct VROA testing using modern, portable, low-cost, digital technologies and communication infrastructure (telehealth)

## Rehabilitation Procedures

The team conducts research into how best to provide rehabilitation to people with hearing loss. Efforts have been directed at (1) investigating the factors that influence outcomes of children with hearing loss; (2) devising intervention methods for optimizing outcomes of children with hearing loss; and (3) investigating how hearing devices that provide electrical and acoustic stimulation (hybrid devices) should be fitted.

Drawing on findings of the LOCHI (Longitudinal Outcomes for Children with Hearing Impairment) study on the effectiveness of early intervention for improving child outcomes, the team has worked with Australian Hearing in translating the findings to clinical practice. The protocols on paediatric amplification have been modified to integrate cortical auditory evoked potentials and functional performance questionnaires efficiently in early fitting of hearing aids, evaluation of amplification, and early referral for cochlear implant candidacy evaluation.

## Rehabilitation Devices

Projects in the Rehabilitation Devices section focus on ways to provide more effective hearing rehabilitation. In the past year an instrument for assessing and introducing self-management skills in audiology was successfully piloted in a small group of clients with very positive feedback. Self-management has, in other chronic health condition areas, been found to be the key to achieving better outcomes and greater self-efficacy for clients, and at the same time to lower health care costs and provide efficient allocation of clinical resources.

The earmuff is the most effective way of protecting hearing against noise induced hearing loss. By combining two novel NAL technologies; a super-directional microphone and a dynamic output limiter; an active earmuff was designed to provide the greatest noise reduction with the lowest speech degradation. Evaluation data showed that the new technology allowed participants to listen effortlessly to a conversation while being surrounded by machine noise up to 85 dB SPL.

## Assessment

In March 2016 the new version of the LiSN & Learn auditory training software to remediate spatial processing disorder was launched via iTunes®. Called Sound Storm, the training app uses a rich and compelling space fantasy and a multi-layered reward system to encourage daily use of the software.

We have also developed two new diagnostic tests – the Phoneme Identification Test and the Parsing Syllable Envelopes Test. These tests assess spectral and temporal processing ability, both aspects of auditory processing, that we hypothesise may underlie reading deficits in some children.

The section also produced and evaluated a new version of the Speech Referenced Limiting (SRL) scheme that enables potential licensees to evaluate the benefits of the scheme in their own technology context. This scheme is designed to maintain clear speech while protecting the user from unusually loud noises. There are applications in hearing aids, cochlear implants, headsets and active (or electronic) hearing protectors. A demonstration application is available from: <http://www.hearingcrc.org/xc/xc5-applications-of-speech-referenced-limiting/>





# Caring for our Clients



Australian Hearing is committed to delivering effective and accessible hearing services, quality clinical care and excellence in client service. Last financial year we provided 516,771 appointments to clients.

Australian Hearing is funded to service clients through two sources; the Community Service Obligations program and the Voucher program.

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 fixed funding annually to deliver services designated as CSO under a Memorandum of Agreement with the Office of Hearing Services (OHS). CSO funding represented 29% of our total revenue.

The Memorandum of Agreement with the OHS emphasises the importance of access and quality services for our CSO clients. A baseline assessment of Quality and Safety in delivering Community Service Obligations showed we had an impressive framework supporting high quality and safely delivered services.

## Services to Aboriginal and Torres Strait Islander adults

While many Aboriginal and Torres Strait Islander adults chose to receive hearing services at our hearing centres and visiting sites, a higher proportion accessed our services through our community Outreach program. We worked closely with Aboriginal and Torres Strait Islander communities to provide hearing services in urban, rural and some of the most remote locations in Australia. There are now 112 Australian Hearing audiologists who provide services to 235 sites involved in the Outreach program.

## Services to Aboriginal and Torres Strait Islander children

During the year we saw a total of 4,959 Aboriginal and Torres Strait Islander children and young adults aged under 26. This represents 15% of the total number of children and young adults who received services during the year.

## Adults with complex hearing rehabilitation needs

During the year, Australian Hearing provided 53,771 services to over 23,000 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 to participate in life. Others have hearing loss plus an additional disability which impacts on their communication. Over 77% of adults with complex needs who were seen for a review were provided with specialised communication assessment and individual training programs, to maximise their communication ability and assist them to continue to take part in activities they enjoy.

## Services for babies, children and young people up to age 26

In 2015/16 we provided 67,864 services to 29,850 young Australians under the age of 21. We also provided 7,736 services to 3,628 young adults aged between 21 and 26.

During the year over 5,000 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 578 speech processor upgrades through the cochlear implant speech processor upgrade program. Orders were approved for all children whose applications had fulfilled clinical candidacy criteria.

The Paediatric Program Advisory Committee met on three occasions in 2015/16 and continues to provide valuable input to our services. 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.

## NUMBER OF OUTREACH SITES VISITED 2011/12 TO 2015/16

Financial year	Number of sites visited
2011/12	215
2012/13	224
2013/14	217
2014/15	233
2015/16	235

## The Voucher program

During the year we provided 382,500 services to clients under the Voucher program. We work with our clients to find the right solution for their needs. Our clients have a range of devices to choose from and outcomes surveys have shown high usage and user benefit from the devices, as well as 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 2016, Australian Hearing had 145 permanent sites which was a growth of 6% compared to the previous year. In addition, clients can access services at visiting sites. At 30 June 2016, Australian Hearing had 426 visiting sites throughout Australia, an increase of 6.5% against the previous year.

“ There are now 112 Australian Hearing audiologists who provide services to 235 sites involved in the Outreach program.

# Caring for our People

Australian Hearing has maintained its strong focus on its people, recognising that they are the cornerstone of our success. Our people-focus continues to rest on three key pillars.

1

## Making our people processes 'simple & easy':

We have continued to focus on making our people processes as simple and easy as possible in order to ensure they assist our leaders in leading their teams. For example, we have removed ratings from our performance reviews to ensure that performance conversations focus on what is most important: our people understanding how they can maximise the contribution they make to Australian Hearing in a way that furthers their personal career goals. Our focus on making our processes as simple and easy as possible has been embraced by our leaders and their teams alike.

2

## Creating the best working environment for our people:

We are proud that our employees rated Australian Hearing in the top quarter of employers in Australia and New Zealand (as per our independent employee engagement survey conducted by Aon Hewitt in 2014). In order to maintain a work environment in which our people love coming to work and do their best work each and every day, we have introduced a number of new employee engagement initiatives.

For example, we now regularly share across Australian Hearing as a whole the positive client feedback we receive so that all of our employees know, whether in a client facing role or a supporting role, the positive impact we have on our clients' lives. Similarly, each of our employees now has direct access to our Managing Director via our 'Ask Bill' email address. Initiatives of this nature ensure that our people feel valued and listened to.

An important part of creating a special working environment for our people is ensuring each of them feels they can be successful at work irrespective of their background. Australian Hearing has achieved very strong diversity outcomes, for example, we pride ourselves on half of our executive team being female and over 90% of our Reconciliation Action Plan objectives being met. Similarly, the number of Aboriginal and Torres Strait Islander employees as a proportion of our total workforce has continued to grow, reaching a new high of 2.4%.

During 2015/16 Australian Hearing submitted its proposed Enterprise Agreement to the Australian Public Service Commission and received approval to proceed to an all staff vote in May 2016. At the announcement of the Federal Election the Caretaker provisions were activated and further actions regarding the Enterprise Agreement were suspended.

3

## Essence and Purpose:

Australian Hearing's purpose is to have a positive impact and our essence is to show that we care. We have been bringing our essence and purpose to life by acting on the findings of our client listening project. This project confirmed to us that many people in the community find accessing hearing services to be similar to exploring a maze.

Each of our centre teams has invested time to review how they interact with our clients. Whether it has been focussing on the language we use, the layout of our centres or building the capability of our people, we have worked hard across our entire Network to ensure that each of our client interactions is positive and that our clients leave our Centres feeling they have been cared for.

## Staffing profile and performance indicators

	2012/13	2013/14	2014/15	2015/16
Employees at 30 June (headcount)	1,141	1,176	1,198	1,284
Voluntary staff turnover	11.5%	9.6%	6.3%	10.8%
Ratio of clinical to non-clinical staff	1:1.6	1:1.6	1:1.6	1:1.6
Personal / carer's leave (paid)	5.9	5.1	6.4	6.9
Percentage of women	80.0%	81.6%	80.9%	81.4%
Percentage of women in senior management roles	66%	67%	70%	72%
Employees using the Employee Assistance Program	62	50	43	47
Number of Health and Safety Committee members who are employee representatives	20	15	14	13
Aboriginal and Torres Strait Islander employees as a percentage of total employees	1.5%	1.9%	2.2%	2.4%

## Our people's safety and wellbeing

Australian Hearing remains committed to providing a safe environment for our employees, clients and visitors. We are continuously improving our performance in workplace safety and striving to have no injuries to our people. Our Work Health and Safety (WHS) management system describes how we will fulfil this duty of care and the actions we take to create a healthy and safe working environment. This year we maintained certification for our management system against the Australia and New Zealand Standard AS/NZS 4801 for Occupational Health and Safety Systems.

Australian Hearing has a strong focus on improving the health and wellbeing of our employees. This year we participated in the Cerebral Palsy Alliance Steptember challenge. A third of our employees participated and took up the challenge of taking 10,000 steps a day during the month of September. We raised over \$25,000 which all went towards changing the lives of adults and children living with cerebral palsy.

Utilisation of our Employee Assistance Program (EAP) was similar to previous years. This year we continued to use our EAP provider to give additional on-site counselling support for sites requiring extra emotional support for our employees.

## Safety Reporting

Monthly reporting to the Board and Executive included the monitoring of key safety statistics and the WHS plan. Data reported includes injury frequency rates, incident analysis, open corrective actions and actions from audits, wellbeing initiatives and progress against the annual WHS Plan.

Our WHS Plan included participation in Steptember, rolling out health coaching to employees, implementing risk management strategies for remote driving, undertaking inspections of all our visiting sites and developing programs to support employee wellbeing and mental health. Australian Hearing also partnered with the White Ribbon Organisation and we were successful in becoming an accredited White Ribbon workplace. White Ribbon is our chosen charity and we donated over \$4,000 to them this year.

## Comcare

Australian Hearing's workers' compensation premiums continue to be lower than the average for similar Commonwealth agencies. We have improved case management capabilities in the organisation to assist us to manage an early return to work for our injured employees. We have also developed a closer working relationship with our insurer, Comcare, and this has led to improved support for injured workers.

Australian Hearing was not issued with any Prohibition, Non-Disturbance or Provisional Improvement notices during the year. No notifiable or dangerous incidents were reported to Comcare under Work Health and Safety legislation.

WHS Indicators	2012/13	2013/14	2014/15	2015/16
Comcare workers compensation premium rate for Australian Hearing (percentage of payroll as at June 2016)	1.22%	0.93%	1.72%	1.43%
Comcare premium rates for all agencies combined (percentage of payroll as at June 2016)	1.61%	1.65%	1.93%	1.85%



# Management

## Governance Arrangements

Australian Hearing reports to the Minister for Human Services.

### Minister

On 18 February 2016 the Hon Alan Tudge was appointed Minister for Human Services. The Hon Stuart Robert MP was Minister for Human Services from 21 September 2015 to 18 February 2016. Senator the Hon Marise Payne was Minister for Human Services from 18 September 2013 to 21 Sept 2015.

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.

### Department of Human Services

The Department of Human Services (DHS) provides advice on service delivery matters to government to ensure effective, innovative and efficient implementation of government service delivery.

It delivers a range of government and other payments and services to almost every Australian including Centrelink, Aged Care, Medicare and Child Support.

The Department is subject to the *Public Governance, Performance and Accountability Act 2013 (PGPA Act)*. The department works closely with Australian Hearing, providing advice to the Minister in connection with the Minister's responsibilities regarding Australian Hearing.

## Corporate Governance

The Australian Hearing Board is committed to good corporate governance as an essential component of good business practice and culture.

The Board is committed to implementing appropriate governance structures and processes to ensure discipline, integrity, transparency and accountability throughout Australian Hearing in all its obligations and functions.

As an Australian Government agency, Australian Hearing operates under the *AHS Act* and the *PGPA Act*. Under the *PGPA Act*, Australian Hearing is defined as a Corporate Commonwealth entity,

Australian Hearing is accountable to the Minister for Human Services. The Board is responsible for the development of corporate and financial plans (the Plans). The *PGPA Act* requires Corporate Commonwealth entities to prepare corporate and financial plans every year for the reporting period.

Both Plans are submitted to the Minister for Human Services and to the Minister for Finance. The annual financial statements are subject to audit by the Commonwealth Auditor-General.

The Board consists of the Chair, the Managing Director and up to four other members. Such other members, if any, are appointed for a special purpose.

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

Australian Hearing has established a corporate governance framework that meets existing legislative requirements. In doing so Australian Hearing continues to apply the principles of good corporate governance and to continuously improve its corporate governance practices. The Board meets on a regular basis. The following table lists the number of meetings attended by each Board member during the financial year.

### Corporate Structure

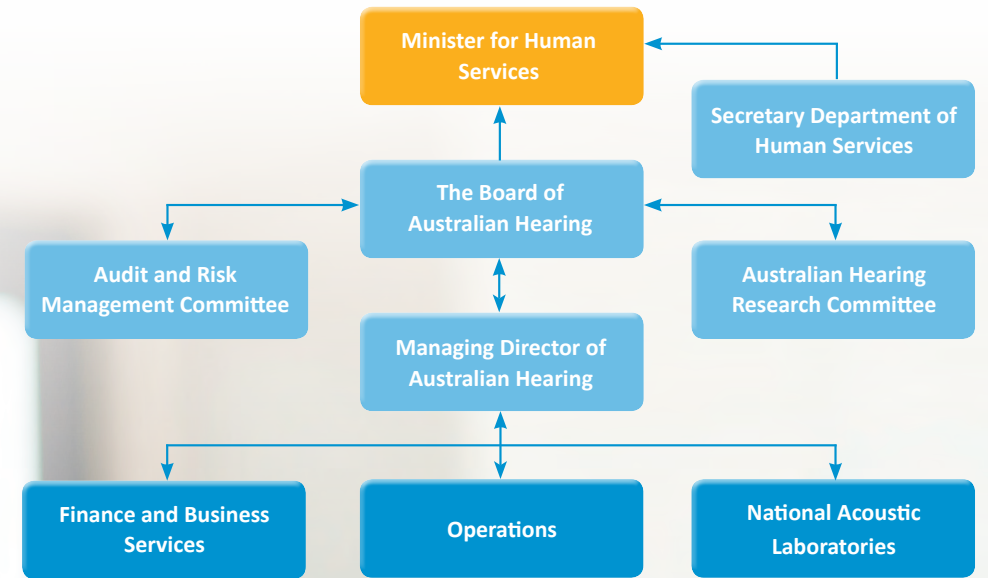
Australian Hearing operates through three business units each managed by a member of the Executive Committee.

Our business units are:

- Operations
- Finance and Business Services
- National Acoustic Laboratories.

Our Executive Committee is comprised of the Managing Director, the Chief Operating Officer, the Finance and Business Services Director and the Director of the National Acoustic Laboratories. This Committee is responsible for the efficient and effective operation of Australian Hearing and for formulating strategies and policies for Board consideration.

### Australian Hearing's Business and Governance Structure



## Corporate Governance - continued

### BOARD ATTENDANCE AT BOARD MEETINGS

Board of Directors		Meetings attended	Meetings eligible to be attended
Dr Peta Seaton	Chair	7	7
The Hon Michael Knight AO	Director	7	7
Mrs Swati Dave	Director Acting Chair 14 to 26 January 2016	7	7
Mrs Glenise Coulthard	Director	6	7
Mrs Sam Andersen	Director	7	7
Mr Bill Davidson	Managing Director	7	7

### CIRCULAR RESOLUTION DISTRIBUTION TO THE BOARD OF DIRECTORS

		Circulars Distributed	Circulars eligible to be received
Dr Peta Seaton	Chair	13	13
The Hon Michael Knight AO	Director	13	13
Mrs Swati Dave	Director Acting Chair 14 to 26 January 2016	13	13
Mrs Glenise Coulthard	Director	13	13
Mrs Sam Andersen	Director	13	13
Mr Bill Davidson	Managing Director	13	13

#### Directors' induction

New Directors are provided with a formal induction program to provide an understanding of their roles, responsibilities and key features of the business, including operations, policies and strategies. Ongoing Director education is provided by way of site visits and presentations on matters of current interest at Board meetings.

#### Directors' confidentiality agreements

Privacy and confidentiality are important to Australian Hearing. All Australian Hearing 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, we paid a premium of ex GST \$17,500 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 questionnaire

A Board performance appraisal is undertaken on an annual basis, focusing on Board and other Committee effectiveness. A formal board questionnaire based on the Australian Institute of Directors (AICD) is completed on a confidential basis by each Director. The most recent review was completed in August 2015.

#### Board performance assessment

Assessment of the Board performance is conducted against the statutory requirements, the functions and role of the Board.

#### The role of the Board

(A) THE FUNCTIONS OF THE BOARD ARE:

- 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.

(B) IN EXECUTING ITS FUNCTIONS, THE BOARD WILL:

- 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.

(C) THE BOARD WILL USE ITS BEST ENDEAVOURS TO:

- i. ensure that overall corporate strategies, significant policies and the financial plans are approved and reviewed.
- ii. ensure that appropriate risk management processes and internal controls exist and are being adhered to.
- iii. ensure legal and regulatory compliance.

#### Certification

The Managing Director and the Finance & Business Services Director 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.

#### Company Secretary

Mr Stephen Patterson BCom, FCPA, ACIS, GAICD was Company Secretary from March 2004 until his retirement as at 17 June 2016.

Julianne Lyall-Anderson B. Laws (Hons), Grad Dip Legal Practice was appointed Company Secretary on 1 March 2016.

#### 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 functions of the Audit and Risk Management Committee are outlined in its charter at 30 June 2016 and are detailed below:

- i. Financial reporting;
- ii. Systems of risk oversight and management; and
- iii. System of internal control.

#### Financial Reporting

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

- 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:
  - i. assess Australian Hearing's compliance with accounting standards, including an assessment of the appropriateness of accounting policies and disclosures.
  - ii. assess areas of significant judgment and financial statement balances that require estimation.
  - iii. assess any significant changes to accounting policies and practices (by May each financial year).
  - iv. review significant or unusual transactions, not covered by (ii) or (iii) above.
  - v. 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.

- 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;
- monitor the standard of financial information provided to the Board; and
- 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.



## Corporate Governance - continued

### Systems of risk oversight and management

- review whether management has in place a current and comprehensive risk management framework, and associated procedures for effective identification and management of Australian Hearing's material financial and business risks, including fraud and approve the Risk Management Framework;
  - determine whether a sound and effective approach has been followed in managing the entity's major risks, including those associated with individual projects, program implementation and activities;
  - satisfy itself that management has assessed the impact of Australian Hearing's enterprise risk management framework on Australian Hearing's control environment;
  - monitor the adequacy of insurance cover for Australian Hearing;
  - monitor reports on fraud from entity 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; and
  - at least annually, commission and approve an entity-wide assurance map that identifies the entity's key assurance arrangements.
- review whether management has in place appropriate policies and procedures, and that these are periodically reviewed and updated;
  - determine whether the appropriate processes are in place to assess, at least once a year, whether policies and procedures are complied with;
  - assess whether appropriate policies and supporting procedures are in place for the management and exercise of delegations;
  - 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;
  - 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; and

### System of internal control

- 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;

### ATTENDANCE OF DIRECTORS AND MEMBERS AT THE AUDIT AND RISK MANAGEMENT COMMITTEE (ARMC) MEETINGS

		Meetings attended	Meetings eligible to be attended
Mrs Swati Dave	Chair	6	6
The Hon Michael Knight AO	Director	6	6
Mrs Sam Andersen	Director	6	6
Ms Michelle Chiang*	Member	4	6
Ms Eliza Penny*	Special Purpose Member	2	2

\* Ms Michelle Chiang's 12 month term expired on 25 March 2016. Ms Eliza Penny was appointed as a replacement special purpose member for a 12 month term effective from 6 April 2016.

The Chair of the Australian Hearing Board, the Managing Director, the Finance & Business Services Director, the Chief Operating Officer and Company Secretary and 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 Horwarth, also attend each ARMC meeting by invitation of the Committee Chair.

### CIRCULAR RESOLUTION DISTRIBUTION TO AUDIT & RISK MANAGEMENT COMMITTEE MEMBERS.

		Circulars Distributed	Circulars eligible to be received
Mrs Swati Dave	Chair	3	3
The Hon Michael Knight AO	Director	3	3
Mrs Sam Andersen	Director	3	3
Ms Michelle Chiang*	Member	3	3
Ms Eliza Penny*	Special Purpose Member	0	0

\* Ms Michelle Chiang's 12 month term expired on 25 March 2016. Ms Eliza Penny was appointed as a replacement special purpose member for a 12 month term effective from 6 April 2016.

### Australian Hearing's Research Committee

The Research Committee is directly responsible and accountable to the Board for the exercise of its responsibilities. The Research Committee met three times during the financial year. Its role is to:

- Review the strategic plan of NAL research once each year;
- Determine that the projects 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;
- In relation to projects that receive funding from the Commonwealth Department of Health (the Department):
  - i. Endeavour to ensure that NAL's activities are consistent with the terms of the Agreement between the Office of Hearing Services and NAL.
  - ii. Endeavour to ensure alignment between the aim of each project undertaken by NAL and the objectives of the Hearing Services Program by confirming 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; and
    - Is delivered in accordance with the Commonwealth government standards of accountability, efficiency and transparency.

Ernst & Young was engaged on 1 July 2014 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.

- iii. 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.
  - iv. 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.
  - v. Consider whether to endorse any reports as requested by the Department prior to NAL formally submitting them to the Office of Hearing Services.
- 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);
  - Take a proactive, high level role in:
    - i. identifying and advising on risk at all levels (organisational and project) around research and development at NAL.
    - ii. providing oversight to ensure that all risks are effectively mitigated and managed by NAL.
  - Be interactive, and apply scrutiny and guidance at a strategic level including review of project progress reports at each meeting;
  - Assess significant changes to projects in line with strong governance, structure and reporting/evaluation mechanisms, including oversight of variations to individual project budgets/allocations;
  - Monitor the development, ownership, protection and commercialisation of intellectual property created by NAL.

## Corporate Governance - continued

### AUSTRALIAN HEARING RESEARCH COMMITTEE ATTENDANCE

		Meetings attended	Meetings eligible to be attended
Dr Peta Seaton	Chair (Australian Hearing Board of Directors)	3	3
Mrs Glenise Coulthard	Director (Director of Australian Hearing)	3	3
Mr Bill Davidson	Managing Director (Australian Hearing)	3	3
Ms Tracey Duffy ***	Member (OHS)	0	1
Ms Trisha Garrett ***	Member (OHS)	1	1
Dr Bob Frater	Member	2	3
Associate Professor Jim Patrick **	Member	1	1
Professor Louise Hickson	Member	2	3
Professor Harvey Dillon	Member (NAL Director)	3	3
Professor Sakkie Pretorius *	Member	1	1
Professor David McAlpine *	Invitee	1	-

\* Professor Sakkie Pretorius, a member of the Committee and Professor David McAlpine, Professor of Hearing, Language and The Brain Director of Hearing Research, an invitee to the Committee advised the Committee in a letter dated 10 March 2016 that, as representatives of Macquarie University, they will suspend their participation in the Research Committee meetings whilst the current proposal by a consortium which includes Macquarie University, to transfer Australian Hearing into non-Government ownership is under consideration by the Government.

\*\* Mr Jim Patrick, a member of the Committee and Chief Scientist at Cochlear Limited advised the Committee in a letter dated 17 March 2016 that as a representative of Cochlear Limited, he will not participate in the Research Committee meetings whilst the current proposal by a consortium, which includes Cochlear Limited, to transfer Australian Hearing into non-Government ownership is under consideration by the Government.

\*\*\* Tracey Duffy, National Manager of the OHS, resigned effective 17 March 2016 and has been replaced by Trisha Garrett as National Manager of the OHS, effective 17 March 2016.

### 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 of Research, NAL. Other members are invited and appointed by the Director of Research as vacancies occur.

The role of the Human Research Ethics Committee is to:

- protect the welfare and rights of participants in research undertaken by researchers employed by Australian Hearing;

- approve research by other institutions on Australian Hearing clients where:

- i. there is significant involvement by researchers employed by Australian Hearing, or;
- ii. 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.

- ensure that prior to the commencement of subject testing, all projects have received the appropriate ethics approval;

- 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; and

- 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

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

### 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.

### 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.

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

### FUNCTIONS

The Authority has the following 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; and
  - ii. hearing aids and procedures for fitting hearing aids; and

iii. hearing rehabilitation; and

iv. hearing loss prevention; and

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.





## Executive governance structures

### EXECUTIVE COMMITTEE

The Executive Committee provides strategic and business leadership, reviews and makes recommendations to the Board on strategic, capital management and business plans, and assesses quality and performance of services.

### BUSINESS ETHICS POLICY

Australian Hearing has implemented a Business Ethics Policy which includes the following:

- 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; and
- the consequences of breaching the requirements of this Policy.

### Our corporate plan

Australian Hearing's Board and Executives undertake an annual strategic planning session and present a Corporate Plan to the Minister for Human Services and the Minister of Finance. This Corporate Plan must meet the requirements of the *AHS Act* and the *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 for Human Services and the Minister of 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 Office of Hearing Services and the Department of Health in relation to the delivery of the Community Services Obligations service. These quarterly meetings report on performance against key performance indicators and progress on specific projects.

# 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 FY2015/16 are detailed below. Unless otherwise indicated, all held their position as a Director throughout the entire year.

### Dr Peta Seaton - CHAIR

Doctor of Philosophy (PhD),  
Archaeology (USyd), BA (Hons), GAICD



Dr Peta Seaton was appointed as Chair on 8 December 2014. She is the principal of Strategic Consulting, providing counsel to CEOs on health, finance, infrastructure, public sector services and change management. She has served as Deputy Chair of the Bradman Foundation and as a Director of CARE Australia. Since August 2015, Dr Seaton has served on the Near Eastern Archaeology Foundation Council and was appointed as a non-executive director of the Menzies Research Centre in November 2015. 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.

### The Hon Michael Knight AO NON-EXECUTIVE DIRECTOR



Michael Knight was the Minister for the Sydney Olympic and Paralympic Games. Michael has extensive experience in public sector commercial entities, including a board member of Delta Electricity and Chairman of the Sydney Olympic Park Authority. Michael is a strong advocate for disadvantaged groups and individuals, having spent most of his working life in Government and community service.

### Mrs Swati Dave NON-EXECUTIVE DIRECTOR B.Com (UON), GAICD



Swati Dave is an experienced Non-Executive Director and senior banking executive with an established track record of successfully leading and growing complex P&L businesses in Australia, UK, Hong Kong and Singapore.

Swati is a Non-Executive Director of SAS Trustee Corporation. She has served as a former director of Great Western Bancorp Inc. (USA) and the Chair of the inaugural Board Risk Committee leading up to the IPO on NYSE. Swati was also a former director of the NAB Wealth Responsible Entity Boards comprising, MLC Investments Limited, Navigator Australia Limited, Antares Capital Partners Limited and National Asset Management Limited.

Swati has over 30 years of banking and finance experience across a number of sectors including infrastructure, energy and utilities, renewable energy and property. She was most recently an Executive General Manager at National Australia Bank and has held senior positions at Deutsche Bank, AMP Henderson Global Investors, Bankers Trust and Westpac.

Swati holds a Bachelor of Commerce from University of Newcastle and is a Graduate Member of the Australian Institute of Company Directors.

# Executive Management

**Glenise Coulthard**  
NON-EXECUTIVE DIRECTOR



Non-Executive Director Glenise Coulthard is an Adnyamathanha woman from the Northern Flinders Ranges in South Australia, Churchill Fellow 1997. She has extensive experience in South Australia's Aboriginal and mainstream health services and was a part of the team that developed the first Aboriginal health unit at the Port Augusta Hospital. From 2004 to 2007, Glenise was the Project Manager for the Otitis Media Clinical Support Systems. During this time she 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 the first Aboriginal person appointed to the board of the Royal Flying Doctor Service Central Operations and has held this position for the past 20 years. In 2006 she joined the Board of Ninti One Cooperative Research Centre for Remote Economic Participation and is Executive Member/Deputy Chair, Ikara-Flinders Ranges National Park Co-Management Board, Executive Member/Deputy Chair, Member SA Arid Lands Natural Resource Management Board.

**Bill Davidson**  
MANAGING DIRECTOR



Bill Davidson was appointed Managing Director of Australian Hearing in October 2013. He is one of Australia's most experienced service industry professionals, and has been at the forefront of outsourced service contracts, managing significant service providers both within Australia and overseas. He has been the CEO of public companies, private companies and social enterprises and remains committed to working in a collaborative manner with all stakeholders as a key component of achieving successful outcomes.

Bill serves on the Board of the Hearing CRC Limited and is a Director of Hearworks Pty Ltd. He is also an active Board member of two social enterprises – Choice (Australian Consumers Association) and Streetwise Communications (Aboriginal and Torres Strait Islander Youth publication) Bill is a long serving Director of Pat and Sticks Homemade Pty Ltd where he serves as the Chair.

**Sam (Sandra) Andersen**  
NON-EXECUTIVE DIRECTOR  
LLB (QUT), CPA, FAICD, FFinsia



Sam (Sandra) Andersen is a Certified Practising Accountant with a Bachelor of Law 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 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, and Chair of the Audit & Risk Management Committee for Department of Premier & Cabinet, Victoria. Sam retired as a Director and Chair of Anteo Diagnostics Limited effective 24 August 2016.

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 initial public offering as Managing Director of Eyecare Partners Limited (ASX:EPL).

**Ms Gina Mavrias**  
CHIEF OPERATING OFFICER  
BSc, DipAud MAudSA (CCP)



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, property, clinical policies and procedures, and marketing.

**Ms Vivian Quinn - FINANCE AND BUSINESS SERVICES DIRECTOR**  
BEc, FCPA, GAICD, SA Fin, MAppFin



Ms Vivian Quinn has a wealth of experience across the pharmaceutical, IT, FMCG and consumer services industries. She has also held executive roles at First Data, O'Brien Glass Industries, Wyeth Australia and Johnson & Johnson.

Ms Quinn completed her Masters of Applied Finance in 2014, graduated from the Australian Institute of Company Directors' Course in 2006 and became a Fellow of CPA Australia in 2004. Her undergraduate degree was a Bachelor of Economics from Macquarie University in 1987.

Since 2003, Ms Quinn has served as an adjunct professor in the Faculty of Business at the University of Technology, Sydney.

**Adjunct Professor Harvey Dillon**  
DIRECTOR NATIONAL ACOUSTIC LABORATORIES  
BE, PhD



Dr Harvey Dillon joined Australian Hearing in 1979 and became Director of Research in 2000.

Dr Dillon has lectured extensively in the areas of acoustics, psychoacoustics and hearing aids in the audiology program at Macquarie University, where he is an adjunct professor. He is the author or co-author of more than 200 scientific articles, 12 book chapters and a text book on hearing aids widely used around the world, now in its second edition.

He 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. He is frequently invited to present keynote addresses at overseas conferences.

Dr Dillon has an undergraduate degree in Electrical Engineering and a PhD for research into psychoacoustics. His current research interests centre on processing of sounds by the brain and electrophysiological testing of hearing.

**Mr Stephen Patterson - CHIEF OPERATING OFFICER & COMPANY SECRETARY**  
B Com, FCPA, ACIS, GAICD



Mr Stephen Patterson retired from Australian Hearing on 17 June 2016. Prior to his retirement Mr Patterson was Chief Operating Officer and joint Company Secretary.

Mr Patterson has a Bachelor of Commerce Degree from the University of NSW, is a qualified Company Secretary and a Graduate of the Australian Institute of Company Directors. He has extensive commercial experience in financial and stock exchange reporting in Australia and overseas with senior roles at corporate head office level and on a divisional or regional basis with considerable involvement in acquisitions and restructuring.

Mr Patterson joined Australian Hearing in March 2004 as Chief Financial Officer. He held the Chief Financial Officer role from 2004 to 2009. In April 2009 Mr Patterson was promoted to the role of Chief Operating Officer and held this role until his retirement from Australian Hearing.



# Financial Statements



## INDEPENDENT AUDITOR'S REPORT

### To the Minister for Human Services

I have audited the accompanying annual financial statements of Australian Hearing for the year ended 30 June 2016, which comprise:

- Statement of Accountable Authority, Managing Director and Finance and Business Services Director;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Statement of Cash Flows; and
- Notes to the Financial Statements.

### Opinion

In my opinion, the financial statements of Australian Hearing:

- (a) comply with Australian Accounting Standards 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 2016 and its financial performance and cash flows for the year then ended.

### Accountable Authority's Responsibility for the Financial Statements

The Directors of Australian Hearing 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 and the rules made under that Act and 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.

### Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I have conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. These auditing standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Accountable Authority of the entity, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### Independence

In conducting my audit, I have followed the independence requirements of the Australian National Audit Office, which incorporate the requirements of the Australian accounting profession.

Australian National Audit Office

Peter Kerr  
Executive Director  
Delegate of the Auditor-General  
Canberra  
1 September 2016

# Statement of Accountable Authority, Managing Director and Finance and Business Services Director

30 JUNE 2016

In our opinion:

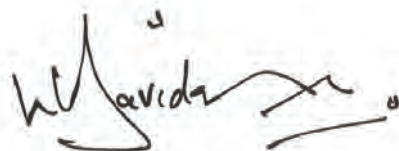
The attached financial statements for the year ended 30 June 2016 comply with section 42(2) of the *Public Governance, Performance and Accountability Act 2013 (PGPA Act)*, and are based on properly maintained financial records in accordance with section 41(2) of the PGPA Act;

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 become due and payable.

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



Dr Peta Seaton  
Chair



Bill Davidson  
Managing Director



Vivian Quinn  
Finance and Business  
Services Director

1 September 2016

# Statement of Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2016

	Notes	2016 \$'000	2015 \$'000
<b>SALE OF GOODS AND RENDERING OF SERVICES</b>	4	240,804	226,428
Interest on deposits		2,389	2,283
Royalties		316	174
Net (loss)/gain on assets sale		(13)	83
<b>Total Income</b>		<b>243,496</b>	<b>228,968</b>
<b>EXPENSES</b>			
Employee benefits expense	5	(110,607)	(101,041)
Goods and services supplied	6	(80,733)	(79,955)
Depreciation and amortisation expense	7	(9,045)	(10,218)
Operating lease rentals	7	(11,753)	(11,079)
Workers compensation premiums		(1,504)	(1,259)
Finance costs	7	(148)	(192)
<b>Total expenses</b>		<b>(213,790)</b>	<b>(203,744)</b>
<b>SURPLUS BEFORE INCOME TAX EQUIVALENT EXPENSE</b>		<b>29,706</b>	<b>25,224</b>
Income tax equivalent expense	8	(8,889)	(7,583)
<b>SURPLUS AFTER INCOME TAX EQUIVALENT EXPENSE</b>		<b>20,817</b>	<b>17,641</b>
Other comprehensive income for the year, net of tax		-	-
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO THE AUSTRALIAN GOVERNMENT</b>		<b>20,817</b>	<b>17,641</b>

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



# Statement of Financial Position

As at 30 June 2016

	Notes	2016 \$'000	2015 \$'000
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		4,285	6,181
Trade and other receivables	10	4,694	4,829
Inventories	11	3,251	3,140
Work in progress	12	4,397	3,736
Other current assets	13	2,875	2,749
Investments under section 59 of the PGPA Act	14	77,796	67,714
<b>Total current assets</b>		<b>97,298</b>	<b>88,349</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	15	20,955	19,327
Intangibles	16	5,058	5,743
Deferred tax	17	13,564	13,296
<b>Total non-current assets</b>		<b>39,577</b>	<b>38,366</b>
<b>Total assets</b>		<b>136,875</b>	<b>126,715</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	18	15,960	18,012
Lease incentives		734	798
Provisions	19	10,788	10,139
Deferred revenue	20	16,859	16,789
Tax liabilities		3,618	3,183
Dividend payable		6,742	3,964
<b>Total current liabilities</b>		<b>54,701</b>	<b>52,885</b>
<b>NON-CURRENT LIABILITIES</b>			
Lease incentives		7,367	7,989
Provisions	21	16,955	16,419
<b>Total non-current liabilities</b>		<b>24,322</b>	<b>24,408</b>
<b>Total liabilities</b>		<b>79,023</b>	<b>77,293</b>
<b>NET ASSETS</b>		<b>57,852</b>	<b>49,422</b>
<b>EQUITY</b>			
Retained surplus		57,852	49,422
<b>TOTAL EQUITY</b>		<b>57,852</b>	<b>49,422</b>

# Statement of Changes in Equity

For the year ended 30 June 2016

	Retained surplus \$'000	Total equity \$'000
Balance at 1 July 2014	42,344	42,344
Surplus after income tax equivalent expense for the year	17,641	17,641
Other comprehensive income for the year, net of tax	-	-
<b>Total comprehensive income for the year</b>	<b>17,641</b>	<b>17,641</b>
<b>Transactions with owners</b>		
Dividends paid and payable (note 22)	(10,563)	(10,563)
<b>Balance at 30 June 2015</b>	<b>49,422</b>	<b>49,422</b>
<b>Retained surplus \$'000</b>		
Balance at 1 July 2015	49,422	49,422
Surplus after income tax equivalent expense for the year	20,817	20,817
Other comprehensive income for the year, net of tax	-	-
<b>Total comprehensive income for the year</b>	<b>20,817</b>	<b>20,817</b>
<b>Transactions with owners</b>		
Dividends paid and payable (note 22)	(12,387)	(12,387)
<b>Balance at 30 June 2016</b>	<b>57,852</b>	<b>57,852</b>

Retained surplus of \$717,000 (2015: \$546,000) 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 2016

	Notes	2016 \$'000	2015 \$'000
<b>Cash flows from operating activities</b>			
Receipts from goods and services		242,556	231,233
Interest received		2,290	2,285
Other revenue		308	174
Net GST received		2,939	2,833
Payments to employees		(112,175)	(99,298)
Payments to suppliers		(99,149)	(96,662)
Income tax equivalent		(8,723)	(9,580)
<b>Net cash from operating activities</b>	<b>28</b>	<b>28,046</b>	<b>30,985</b>
<b>Cash flows from investing activities</b>			
Proceeds from disposal of property, plant and equipment		-	1,366
Proceeds from investments under section 59 of the PGPA Act		151,536	110,546
Payments for property, plant and equipment	15	(8,587)	(6,139)
Payments for intangibles	16	(1,665)	(3,453)
Payments for investments under section 59 of the PGPA Act		(161,618)	(122,760)
<b>Net cash used in investing activities</b>		<b>(20,334)</b>	<b>(20,440)</b>
<b>Cash flows from financing activities</b>			
Dividends paid		(9,608)	(11,145)
<b>Net cash used by financing activities</b>		<b>(9,608)</b>	<b>(11,145)</b>
Net decrease in cash and cash equivalents		(1,896)	(600)
Cash and cash equivalents at the beginning of the financial year		6,181	6,781
<b>Cash and cash equivalents at the end of the financial year</b>		<b>4,285</b>	<b>6,181</b>

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 2015

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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 Australian Government has announced that it is formally examining an unsolicited proposal from a consortium comprised of the Royal Institute of Deaf and Blind Children, Cochlear and Macquarie University to transfer Australian Hearing into non-government ownership. The Government has not yet made a decision regarding the consortium's proposal. As the Government is yet to announce a decision on Australian Hearing's future ownership, an estimate of the financial effects cannot be made.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 1 September 2016.

## Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out 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)* for reporting periods ending on or after 1 July 2015 and with Australian Accounting Standards 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. No allowance has been made for the effect of changing prices on the results or the financial position.

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

Unless an alternative treatment is specifically required by an accounting standard or the FRR, assets and liabilities are recognised in the statement of financial position when and only when it is probable that future economic benefit will flow to Australian Hearing or a future sacrifice of economic benefit will be required and the amounts of the assets or liabilities can be reliably measured. However, assets and liabilities arising under executory contracts are not recognised unless required by an accounting standard.

Unless alternative treatment is specifically required by an accounting standard, income and expenses are recognised in profit or loss when and only when the flow or consumption or loss of economic benefit has occurred and can be reliably measured.

### *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.

### **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 client has taken delivery of the goods, the risks and rewards are transferred to the client 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 most of its government revenues from two sources: (i) Federal budget funding via the Department of Health, Office of Hearing Services branch (OHS), for its community service and research work; 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. Fees for annual maintenance services are received in advance and revenue is recognised proportionately over the 12 months that services are provided.

### *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. Royalty income is recognised by Australian Hearing when the funds are received.

Commercialisation of HEARing CRC projects has led to a number of patents and licence agreements. Australian Hearing, through its research division, the National Acoustic Laboratories (NAL) receives a share of the royalties.

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 recognised.

### **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.

### **Taxation / Competitive neutrality**

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.

### *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 payments for FBT and GST.

### **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; and

- Australian Hearing's commercial operational requirements.

### **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 the 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.

### **Inventories and work in progress**

#### *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.

#### *Work in progress*

Under the current claims process with the OHS, Australian Hearing is remunerated on completion of a fitting which occurs when a client returns for their follow up appointment. Work in progress represents revenue activities that are partially completed, usually when a client has been fitted with a hearing device and has yet to return for the follow up appointment.

### **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 each 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 obligor; 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. The loss is recognised in profit or loss. 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.

### **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 in the financial year of acquisition. 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 lease term
Plant and equipment	3 - 20 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 lease 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.

### **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 derecognition 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*

Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite useful lives between three and seven years.

### **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.

### **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.

### **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.

### **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.

A provision is recognised for termination benefits when the costs for a restructuring involves the payment of termination benefits and the offer of these benefits can no longer be withdrawn.

### **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.

#### *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 using the projected unit credit method. 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 corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

#### *Superannuation benefits*

Staff 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 statement of financial position and is settled by the Australian Government in due course. This liability is reported in the Department of Finance administered schedules 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. The liability for superannuation recognised as at the reporting date represents outstanding contributions for the final fortnight of the financial year.

### **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 and the related level of disclosure hierarchy.

### **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.

### **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.

### **Comparatives**

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

### **New, revised or amending Accounting Standards**



## and Interpretations adopted

Australian Hearing has adopted all of the new, revised or amending 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 2016.

Any new, revised or amending 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 2016. Australian Hearing's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to Australian Hearing, are set out below.

### *AASB 9 Financial Instruments*

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard replaces all previous versions of AASB 9 and completes the project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. AASB 9 introduces new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost, if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, which arise on specified dates and solely principal and interest. All other financial instrument assets are to be classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income (OCI). For financial liabilities, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements will use an 'expected credit loss' (ECL) model to recognise an allowance. Impairment will be measured under a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. The standard introduces additional new disclosures. Australian Hearing will adopt this standard from 1 July 2018 but the impact of its adoption is yet to be assessed.

### *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 clients 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 client 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 clients. 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 clients 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 client's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with clients; 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 client. Australian Hearing will adopt this standard from 1 July 2018 but the impact of its adoption is yet to be assessed.

### *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 as 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 expenses associated with the lease under AASB 16 will be higher when compared to lease expenses 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 but the impact of its adoption is yet to be assessed.

### *Other amending accounting standards*

Other amending accounting standards issued are not considered to have a significant impact on the financial statements of Australian Hearing as their amendments provide either clarification of existing accounting treatment or editorial amendments.

## 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 the 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.

### *Employee benefits provision*

As discussed in note 2, 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 2016.

### *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 closure of the premises. The calculation of this provision requires assumptions such as application of closure dates 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 will be recognised in profit or loss. The provision recognised is periodically reviewed and updated based on the average cost to restore.

	2016 \$'000	2015 \$'000
<b>Note 4: Sale of goods and rendering of services</b>		
Sale of goods - related entities	89,564	81,066
Sale of goods - external entities	42,166	39,937
Rendering of services - related entities	98,078	95,259
Rendering of services - external entities	10,996	10,166
<b>Sale of goods and rendering of services</b>	<b>240,804</b>	<b>226,428</b>

#### Note 5. Employee benefits expense

Wages and salaries	80,280	73,890
Superannuation	13,849	12,449
Leave and other entitlements	10,320	9,917
Separation and redundancies	1,010	697
Payroll tax	5,148	4,088
<b>Employee benefits expense</b>	<b>110,607</b>	<b>101,041</b>

#### Note 6. Goods and services supplied

Aids and appliances	51,494	50,801
Consultants	1,048	1,269
Contractors	358	1,134
Information and communication technology	8,008	8,642
Marketing	3,596	2,911
Property	3,549	3,228
Travel	5,058	5,027
Others	7,622	6,943
<b>Goods and services supplied</b>	<b>80,733</b>	<b>79,955</b>

	2016 \$'000	2015 \$'000
<b>Note 7. Other expenses</b>		
Surplus before income tax includes the following specific expenses:		
<b>Depreciation</b>		
Leasehold improvements	2,285	2,239
Plant and equipment	4,476	5,911
<b>Total depreciation</b>	<b>6,761</b>	<b>8,150</b>
<b>Amortisation</b>		
Computer software internally developed	1,185	1,153
Computer software purchased	1,099	915
<b>Total amortisation</b>	<b>2,284</b>	<b>2,068</b>
<b>Total depreciation and amortisation</b>	<b>9,045</b>	<b>10,218</b>
<b>Finance costs</b>		
Unwinding of the discount	148	192
<b>Rental expense relating to operating leases</b>		
Minimum lease payments	11,753	11,079



	2016 \$'000	2015 \$'000
<b>Note 8. Income tax equivalent expense</b>		
Income tax equivalent expense		
Current tax	9,157	5,633
Deferred tax - origination and reversal of temporary differences	(268)	1,950
<b>Aggregate income tax equivalent expense</b>	<b>8,889</b>	<b>7,583</b>
Deferred tax included in income tax equivalent expense comprises:		
Decrease/(increase) in deferred tax assets (note 17)	(268)	1,950
<b>Numerical reconciliation of income tax equivalent expense and tax at the statutory rate</b>		
Surplus before income tax equivalent expense	29,706	25,224
<b>Tax at the statutory tax rate of 30%</b>	<b>8,912</b>	<b>7,567</b>
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Non-allowable expenses	28	25
National Acoustic Laboratories exempt from income tax equivalent	(51)	(9)
<b>Income tax equivalent expense</b>	<b>8,889</b>	<b>7,583</b>

As discussed in note 2, 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.

	2016 \$'000	2015 \$'000
<b>Note 9. Competitive neutrality</b>		
State tax equivalent expense	5,148	4,088
Commonwealth tax equivalent expense	8,889	7,583
Dividend declared	12,387	10,563
<b>Total taxes and dividend declared</b>	<b>26,424</b>	<b>22,234</b>

	2016 \$'000	2015 \$'000
<b>Note 10. Current assets - trade and other receivables</b>		
Trade receivables - related entities	3,552	3,463
Trade receivables - external entities	93	428
Less: Provision for impairment of receivables	(46)	(36)
	<b>3,599</b>	<b>3,855</b>
Interest receivable	705	606
GST receivable	390	368
	<b>4,694</b>	<b>4,829</b>
<b>Impairment of receivables</b>		
Australian Hearing has recognised a loss of \$10,000 (2015: \$nil) in respect of impairment of receivables for the year ended 30 June 2016.		
Movements in the provision for impairment of receivables are as follows:		
Opening balance	36	36
Additional provisions recognised	10	-
<b>Closing balance</b>	<b>46</b>	<b>36</b>

	2016 \$'000	2015 \$'000
<b>Note 11. Current assets - inventories</b>		
Inventories held for sale - at cost	2,666	2,632
Inventories held for distribution - at cost	1,237	1,175
Less: Provision for impairment	(652)	(667)
	<b>3,251</b>	<b>3,140</b>

Inventory held for sale that was recognised as an expense in profit or loss amounted to \$51,494,000 (2015: \$50,553,000) for the year ended 30 June 2016.

<b>Note 12. Current assets - work in progress</b>		
Services in progress	4,603	3,842
Provision for impairment	(206)	(106)
	<b>4,397</b>	<b>3,736</b>

<b>Note 13. Current assets - Other current assets</b>		
Other revenue receivable	83	369
Prepayments	2,792	2,380
	<b>2,875</b>	<b>2,749</b>

<b>Note 14. Current assets - investments under section 59 of the PGPA Act</b>		
Held-to-maturity fixed term cash deposits	77,796	67,714

	2016 \$'000	2015 \$'000
<b>Note 15. Non-current assets - property, plant and equipment</b>		
Buildings on freehold land improvements - at cost	-	(54)
Less: Accumulated depreciation	-	(54)
	-	-
Leasehold improvements - at cost	35,246	31,832
Less: Accumulated depreciation	(23,526)	(21,351)
	<b>11,720</b>	<b>10,481</b>
Plant and equipment - at cost	33,844	29,664
Less: Accumulated depreciation	(24,609)	(20,818)
	<b>9,235</b>	<b>8,846</b>
	<b>20,955</b>	<b>19,327</b>

#### Reconciliations

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

	Land and buildings \$'000	Leasehold improvements \$'000	Plant and equipment \$'000	Total \$'000
Balance at 1 July 2014	1,077	11,055	10,402	22,534
Additions	-	1,749	4,390	6,139
Disposals	(1,075)	-	(127)	(1,202)
Transfers in/(out)	(1)	(85)	92	6
Depreciation expense	(1)	(2,238)	(5,911)	(8,150)
<b>Balance at 30 June 2015</b>	<b>-</b>	<b>10,481</b>	<b>8,846</b>	<b>19,327</b>
Additions	-	3,426	5,161	8,587
Disposals	-	(27)	(171)	(198)
Transfers in/(out)	-	125	(125)	-
Depreciation expense	-	(2,285)	(4,476)	(6,761)
<b>Balance at 30 June 2016</b>	<b>-</b>	<b>11,720</b>	<b>9,235</b>	<b>20,955</b>

No indicators of impairment were found for leasehold improvements, plant and equipment.



	2016 \$'000	2015 \$'000
<b>Note 16. Non-current assets - intangibles</b>		
Computer software internally developed - at cost	8,441	7,737
Less: Accumulated amortisation	(4,278)	(3,149)
	<b>4,163</b>	<b>4,588</b>
Computer software purchased - at cost	5,282	4,473
Less: Accumulated amortisation	(4,387)	(3,318)
	<b>895</b>	<b>1,155</b>
	<b>5,058</b>	<b>5,743</b>

#### Reconciliations

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

	Computer software internally developed \$'000	Computer software purchased \$'000	Total \$'000
Balance at 1 July 2014	3,237	1,268	4,505
Additions	2,647	806	3,453
Disposals	(137)	(4)	(141)
Transfers in/(out)	(6)	-	(6)
Amortisation expense	(1,153)	(915)	(2,068)
<b>Balance at 30 June 2015</b>	<b>4,588</b>	<b>1,155</b>	<b>5,743</b>
Additions	826	839	1,665
Disposals	(66)	-	(66)
Amortisation expense	(1,185)	(1,099)	(2,284)
<b>Balance at 30 June 2016</b>	<b>4,163</b>	<b>895</b>	<b>5,058</b>

No indicators of impairment were found for intangibles.

	2016 \$'000	2015 \$'000
<b>Note 17. Non-current assets - deferred tax</b>		
<i>Deferred tax asset comprises temporary differences attributable to:</i>		
Amounts recognised in profit or loss:		
Balance carried forward	13,296	15,246
Impairment of receivables	16	(56)
Fixed assets	273	(2,521)
Employee benefits	329	344
Provision for lease make good	(10)	(14)
Accrued expenses	18	118
Revenue received in advance	80	37
Provision for inventory obsolescence	(4)	37
Lease renewal	(206)	161
Unearned revenue	(228)	(56)
<b>Deferred tax asset</b>	<b>13,564</b>	<b>13,296</b>

#### Movements:

Opening balance	13,296	15,246
Credited/(charged) to profit or loss (note 8)	268	(1,950)
<b>Closing balance</b>	<b>13,564</b>	<b>13,296</b>

#### Note 18. Current liabilities - trade and other payables

Trade creditors	3,788	2,863
Accrued expenses	8,103	8,626
Salaries and wages	4,069	6,523
	<b>15,960</b>	<b>18,012</b>

Refer to note 23 for further information on financial instruments.

	2016 \$'000	2015 \$'000
<b>Note 19. Current liabilities - provisions</b>		
Employee benefits	9,023	8,825
Restoration obligations	1,765	1,314
	<b>10,788</b>	<b>10,139</b>

*Restoration obligations*

Refer to note 21 for details on the restoration obligations.

**Note 20. Current liabilities - deferred revenue**

Maintenance and Hearing Services Card	16,393	16,068
Research revenue	466	721
	<b>16,859</b>	<b>16,789</b>

**Note 21. Non-current liabilities - provisions**

Employee benefits	11,897	11,209
Restoration obligations	5,058	5,210
	<b>16,955</b>	<b>16,419</b>

*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 145 (2015: 134) agreements for the leasing of premises which have provisions requiring Australian Hearing to 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:

2016	Restoration obligation \$'000
Carrying amount at the start of the year	6,524
Additional provisions recognised	243
Amounts used	(14)
Unwinding of discount	148
Unused amounts reversed	(78)
<b>Carrying amount at the end of the year</b>	<b>6,823</b>

	2016 \$'000	2015 \$'000
<b>Note 22. Equity - dividends</b>		
Dividends paid and payable during the financial year were as follows:		
Interim dividend to the Australian Government	5,645	6,599
Final dividend to the Australian Government payable at year end	6,742	3,964
	<b>12,387</b>	<b>10,563</b>

**Note 23. Financial instruments**

**Financial risk management objectives**

The Australian Hearing's activities expose it to a variety of potential financial risks: market risk, credit risk and liquidity risk as detailed below.

**Market risk**

*Foreign currency risk*

Australian Hearing undertakes its operations in Australia and is not exposed to any significant foreign currency risk.

*Price risk*

Australian Hearing is not exposed to any significant price risk.

*Interest rate risk*

Australian Hearing's main interest rate risk arises from its term deposits which are at variable and fixed rates. A change in the interest rate by 1% will have an effect of \$778,000 to comprehensive income.

**Credit risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to Australian Hearing. Australian Hearing's trade receivables are largely with Government agencies. Cash at bank and term deposits are with leading banks. As such credit risk is minimal.

The majority of goods and services provided by Australian Hearing are delivered on behalf of other government entities and there is therefore minimal exposure to credit risk. Australian Hearing's senior management has implemented policies and procedures for debt management (including the provision of credit terms) to reduce the incidence of credit risk.

**Liquidity risk**

Australian Hearing's financial liabilities comprise trade creditors which are payable usually within 30 days. The exposure to liquidity risk is based on the notion that Australian Hearing will encounter difficulty in meeting its obligations associated with its financial liabilities. This is considered unlikely as Australian Hearing maintains sufficient reserves of cash to meet its obligations as and when they fall due and prepares detailed business plans annually to ensure it has adequate funds to meet future payments as they fall due.

*Remaining contractual maturities*

The following tables detail Australian Hearing's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.



## Note 23. Financial instruments - continued

2016	1 year or less	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Remaining contractual maturities
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Non-derivatives</b>					
<i>Non-interest bearing</i>					
Trade payables	3,788	-	-	-	3,788
<b>Total non-derivatives</b>	<b>3,788</b>	-	-	-	<b>3,788</b>

2015	1 year or less	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Remaining contractual maturities
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Non-derivatives</b>					
<i>Non-interest bearing</i>					
Trade payables	2,863	-	-	-	2,863
<b>Total non-derivatives</b>	<b>2,863</b>	-	-	-	<b>2,863</b>

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

### Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

	2016 \$	2015 \$
<b>Note 24. Senior management personnel disclosures</b>		
<i>Compensation</i>		
The aggregate compensation made to senior executives and directors are set out below:		
Short-term employee benefits	5,565,054	5,899,993
Post-employment benefits	668,250	780,491
Long-term benefits	466,792	513,598
Termination benefits	569,152	100,196
	<b>7,269,248</b>	<b>7,294,278</b>
<b>Short-term employee benefits</b>		
Salary	4,405,039	4,697,432
Performance bonuses	856,371	866,223
Motor vehicle and other allowances	303,644	336,338
<b>Total short-term employee benefits</b>	<b>5,565,054</b>	<b>5,899,993</b>
<b>Post-employment benefits</b>		
Superannuation	668,250	780,491
<b>Long-term employee benefits</b>		
Annual leave accrued	321,138	354,206
Long-service leave	145,654	159,392
<b>Total long-term employee benefits</b>	<b>466,792</b>	<b>513,598</b>
<b>Termination benefits</b>		
Voluntary redundancy payments	569,152	100,196

The total number of senior executive and director personnel that are included in the above table are 32 (2015: 33).

	2016	2015
	\$	\$

## Note 25. Remuneration of auditors

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

### Audit services

Audit or review of the financial statements	126,000	132,000
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Audit services for Australian Hearing are provided by the Australian National Audit Office and are subcontracted to Crowe Horwath. Other services provided by Crowe Horwath relate to tax review for \$nil (2015: \$15,000).

## Note 26. Contingent liabilities

Australian Hearing had no contingent liabilities or assets at 30 June 2016.

	2016	2015
	\$'000	\$'000

## Note 27. Commitments

### Lease commitments - operating

Committed at the reporting date and recognised as liabilities, payable

Within one year	11,480	11,062
One to five years	26,719	21,779
More than five years	15,229	20,407
	<b>53,428</b>	<b>53,248</b>

### Supply contracts

Committed at the reporting date but not recognised as liabilities, payable:

Within one year	7,027	4,573
One to five years	6,158	692
	<b>13,185</b>	<b>5,265</b>

### Capital commitments

Committed at the reporting date but not recognised as liabilities, payable:

Within one year	1,090	439
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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 accommodation 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 exclusive.

	2016	2015
	\$'000	\$'000

## Note 28. Reconciliation of surplus after income tax to net cash from operating activities

Surplus after income tax equivalent expense for the year	20,817	17,641
Adjustments for:		
Depreciation and amortisation	9,045	10,218
Net loss/(gain) on disposal of property, plant and equipment	13	(83)
Finance costs	148	192
Make good costs	(391)	(314)
Change in operating assets and liabilities:		
Decrease in trade and other receivables	135	626
Increase in inventories	(111)	(330)
Decrease/(increase) in deferred tax assets	(268)	1,950
Increase in other operating assets	(787)	(156)
Increase in trade and other payables	535	1,589
Increase/(decrease) in provision for income tax	434	(3,943)
Increase/(decrease) in other provisions	(1,594)	2,059
Increase in deferred revenues	70	1,536
<b>Net cash from operating activities</b>	<b>28,046</b>	<b>30,985</b>

## Note 29. Events after the reporting period

No matter or circumstance has arisen since 30 June 2016 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 2016

### APPENDIX 1: 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/](http://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/category/about-us](http://www.hearing.com.au/category/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](mailto:FOI@hearing.com.au)

In the reporting year to 30 June 2016, Australian Hearing was not the subject of any report given by the Office of the Australian Information Commissioner.

### APPENDIX 2: NATIONAL DISABILITY INSURANCE AGENCY

Australian Hearing, in its capacity as service provider and employer, supports the National Disability Insurance Agency (NDIA) to improve the lives of people with disability, promote participation and create a more inclusive society.

### APPENDIX 3: 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*
- *The Environment Protection and Biodiversity Conservation Act 1999.*

During FY 2015/16 Australian Hearing received one Ministerial direction. On 6 May 2016 the Minister for Human Services wrote and directed pursuant to section 63A of the *Australian Hearing Services Act 1991* that Australian Hearing is to pay \$2.2 million to the Commonwealth in the 2016-17 financial year in full by 30 June 2017. No Government Policy Orders were applied to Australian Hearing.

### APPENDIX 4: ENVIRONMENT

Australian Hearing works to minimise its impact on the natural environment.

We support 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)

Australian Hearing's activities 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. These activities have no material ESD relevance.

### ENVIRONMENTAL PERFORMANCE

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

Activity	Measures taken to reduce effect	Measures to review and improve reducing the effect
Energy Efficiency	<p>Landlord and tenant obligations under a Green Lease Schedule improved energy efficiency in the premises and building at the Australian Hearing Hub by implementing an Energy Management Plan which supports the requirements and objectives of the Australian Government Operations Energy Efficiency Policy.</p> <p>Promoted the leasing of Australian-made, value for money, environmentally friendly vehicles for fleet use, particularly four cylinder vehicles or vehicles with a high Green Vehicle Guide rating.</p> <p>We also promoted the use of energy efficient fuels such as LPG and diesel and the use of ethanol blended fuels (E10).</p> <p>We promoted and supported 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 being put into sleep mode after 10 minutes of inactivity.</p> <p>Electronic case note technology introduced to reduce reliance on paper.</p>	<p>As a result of datacentre consolidation and relocation, energy efficiencies have been realised with further energy efficiencies expected when we replace our EMC disk storage unit with 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 that have been refreshed are all eco and power saving compliant.</p> <p>Rationalisation of printers and multifunction devices continues and is part of our BAU process.</p>
Waste	<p>50% recycled copier paper is used in printers, photocopiers and multifunction devices. The copy paper is certified to be chlorine free.</p> <p>Our cleaning contractors provide environmentally friendly tissue paper (toilet paper and towels) and cleaning products.</p>	<p>Paper reduction technology was introduced to our printers to further reduce consumption of paper.</p>
Water	<p>Australia Hearing is not a major water user and generally is not separately metered in our leased premises.</p>	

### ENVIRONMENT – Our Commitments

Environmental Management clauses continue to be included in contracts with suppliers to improve the environmental performance of products and suppliers. This may cover issues such as using 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

<b>AHS Act</b>	<i>Australia Hearing Services Act 1991.</i>
<b>ANAO</b>	Australian National Audit Office.
<b>Audiologist</b>	A university qualified professional who treats clients for hearing disorders.
<b>Audiometrist</b>	A clinician who has completed a certificate course in hearing assessment, hearing aid fitting and management.
<b>Big Aussie Hearing Check</b>	An Australian Hearing initiative where over one week, hundreds of events will be held nationally to promote hearing checks.
<b>Clinician</b>	An Audiologist or Audiometrist.
<b>Cerebral Palsy Alliance</b>	Non for profit organisation that provides family-centred therapies, life skills programs, equipment and support for people living with cerebral palsy and their families.
<b>Corporate plan</b>	A document detailing Australian Hearing's strategic direction that the agency is required to prepare for the Minister for Human Services.
<b>CSO</b>	Community Service Obligations.
<b>DHS</b>	Department of Human Services.
<b>ESD</b>	Ecologically Sustainable Development aims to meet the needs of today, while conserving our ecosystems for the benefit of future generations.
<b>EBITDA</b>	Earnings before interest, tax, depreciation and amortisation.
<b>FTE</b>	Full-time equivalent.
<b>Hearing Awareness Week</b>	Occurs each year in the last full week in August.
<b>Hearing Bus</b>	Purpose built vehicles intended primarily to advertise Australian Hearing services and provide free hearing screening nationally (except at this time in the NT).
<b>Hearing centres</b>	Australian Hearing's service outlets and point of contact for clients.
<b>Hearing Help</b>	Australian Hearing advisory service where customers can get advice via a website, online chat and phone call with a clinician.
<b>LiSN &amp; Learn</b>	See Sound Storm.

<b>Marketing Academy</b>	Training for Australian Hearing Community Hearing Advisors on developing local area relationships.
<b>MyHearing</b>	Australian Hearing mobile App.
<b>NAL</b>	National Acoustic Laboratories.
<b>NDIS</b>	National Disability Insurance Scheme.
<b>Network</b>	Australian Hearing centres across Australia.
<b>OHS</b>	Office of Hearing Services. A unit within the Department of Health that administers and regulates the Australian Government's Hearing Services Program.
<b>Permanent site</b>	A permanently staffed hearing centre.
<b>PGPA Act</b>	<i>Public Governance, Performance Accountability Act 2013.</i>
<b>Remote Site</b>	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.
<b>Sound Storm</b>	An App developed by NAL to help children with spatial processing disorder.
<b>Tele-audiology</b>	Provision of audiological services remotely from the patient.
<b>Telehealth</b>	Use of telecommunication techniques for the purpose of providing telemedicine, medical education, and health education over a distance.
<b>Visiting Site</b>	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.
<b>White Ribbon</b>	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.
<b>Voucher</b>	Certificate issued by OHS to eligible adults that entitles clients to government funding hearing services.
<b>WHS</b>	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	2
Clause 17BC	Parliamentary Standards of Presentations	YES
Clauses 17BD	Plain English and clear design	YES
<b>Contents of annual report:</b>		
Clause 17BE(a)	Details of the legislation enabling the body	27
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 the Australian Hearing as included in the Corporate Plan for the period	27 6
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	20
Clause 17BE(d)	Any directions given to the entity by a Minister under an Act or instrument during the period	60
Clause 17BE(e)	Any government policy orders that applied in relation to the entity during the period under section 22 of the Act	60
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	6
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	20-30
Clause 17BE(k)	An outline of the organisational structure of the entity	20-21
Clause 17BE(l)	An outline of the location (whether or not in Australia) of major activities or facilities of the entity	67
Clause 17BE(m)	Information in relation to the main corporate governance practices used by the entity during the period	20-30
Clause 17BE(n)	the decision-making process undertaken by the accountable authority for making a decision if: (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): (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: (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)	22
Clause 17BE(u)	an index identifying where the requirements of this section and section 17BF (if applicable) are to be found	63-64

## Definitions

**Annual report** means the yearly report prepared by the accountable authority of a Commonwealth entity 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*. The annual report must be presented to Parliament by the responsible minister. It provides a broad statement of an entity or company's capability and performance, including results against targets published previously for the corresponding year in the portfolio budget statements. It allows accountable authorities and directors to report to their Minister on the efficiency and effectiveness of the public administration for which the minister is ultimately responsible.

**PGPA Act** means the *Public Governance, Performance and Accountability Act 2013*.

Due no later than 15 October includes any later date resulting from an extension granted by a Minister under section 34C of the *Acts Interpretation Act 1901*.

**Finance statements requirement.** The annual report must include financial statements prepared by the Directors (Section 41 and 42 of *PGPA Act*) and the Auditor-General's report on those financial statements.

**Financial year** means the period of a year being reported upon (commencing on 1 July and ending on 30 June).

**Responsible Minister** means the Minister with portfolio responsibility for the Commonwealth entity.



## Client access

### MORE LOCATIONS, BETTER HEARING CENTRES

As at 30 June 2016, Australian Hearing operated in 145 permanent hearing centres, 426 visiting centres, 10 hearing buses and 235 Aboriginal and Torres Strait Islander outreach sites.

# Australian Hearing centres

## 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  
DEE WHY  
DUBBO  
EAST MAITLAND  
ERINA  
FORSTER  
GOSFORD  
GRAFTON  
HORNSBY  
HURSTVILLE  
LAKE HAVEN  
LAURIETON  
LISMORE  
LIVERPOOL  
MACQUARIE UNIVERSITY  
MAITLAND  
MAROUBRA JUNCTION  
MIRANDA  
NEWCASTLE  
NOWRA  
ORANGE  
PARRAMATTA  
PENRITH  
PORT MACQUARIE  
SALAMANDER BAY  
SHELLHARBOUR

SPRINGWOOD  
SYDNEY  
TAMWORTH  
TAREE  
TORONTO  
TOUKLEY  
TWEED HEADS  
WAGGA WAGGA  
WALLSEND  
WOLLONGONG  
WOY WOI

### NORTHERN TERRITORY

ALICE SPRINGS  
DARWIN

### QUEENSLAND

ASPLEY  
ATHERTON  
BEENLEIGH  
BRISBANE  
BUNDABERG  
CABOOLTURE  
CAIRNS  
CALOUNDRA  
CLEVELAND  
GLADSTONE  
HERVEY BAY  
IPSWICH  
LOGAN  
MACKAY  
MAROOCHYDORE  
MARYBOROUGH  
MT GRAVATT  
NOOSAVILLE  
PALM BEACH  
REDCLIFFE  
ROBINA  
ROCKHAMPTON  
SHERWOOD  
SOUTHPORT  
TOOWOOMBA  
TOWNSVILLE  
WYNNUM  
YEPPON

### SOUTH AUSTRALIA

ADELAIDE  
CHRISTIES BEACH  
ELIZABETH  
MARION  
MODBURY  
MOUNT GAMBIER  
VICTOR HARBOR  
WOODVILLE

### TASMANIA

BELLERIVE  
BURNIE  
DEVONPORT  
GLENORCHY  
HOBART  
KINGSTON  
LAUNCESTON

### 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  
HORSHAM  
KNOX  
LILYDALE  
MELBOURNE

MELTON  
MILDURA  
MOONEE PONDS  
MORWELL  
OCEAN GROVE  
PAKENHAM  
RESERVOIR  
ROSEBUD  
SALE  
SHEPPARTON  
SUNBURY  
SUNSHINE  
WANGARATTA  
WARRAGUL  
WARRNAMBOOL  
WERRIBEE  
WONTHAGGI

### WESTERN AUSTRALIA

BUNBURY  
CANNINGTON  
FREMANTLE  
GERALDTON  
KARRINYUP  
MANDURAH  
MORLEY  
PERTH

“ For further details of Australian Hearing centres, visiting sites and remote sites go to: [hearing.com.au](http://hearing.com.au) ”





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