



Australian Hearing Annual Report 2012/13

Our people, their stories



Contents

PART 1:

OVERVIEW	3
Australian Hearing highlights	3
Corporate profile	4
Message from the Chair	6
Managing Director's report	7
Year in review	8

Our people, their stories:

Brendan Hall	9
Financial summary	10
<i>Our people, their stories:</i>	
Teliha Clarke	11
Riley Kelly	12

PART 2:

OUR CUSTOMERS	13
Caring for customers	14
Customer access	16
Corporate social responsibility	18

Our people, their stories:

Anthony Allen	20
Fiona Berryman	20

PART 3:

NATIONAL ACOUSTIC LABORATORIES	21
Overview	22

PART 4:

OUR PEOPLE	23
Our people	24
Recognising our people	28
<i>Our people, their stories:</i>	
Helen Glyde	29
John Lindley	30

PART 5:

AUSTRALIAN HEARING'S MANAGEMENT	31
Human Services portfolio	32
Our corporate governance	33
Board of Directors	39
Executive Management	41

PART 6:

FINANCIAL STATEMENTS	45
Appendices	75
Glossary	80
Compliance index	81
Definitions	81
Index of figures, graphs and tables	81
List of Australian Hearing centres	82
Outreach sites	83



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Letter to the Minister

Senator the Hon Marise Payne
Minister for Human Services
Parliament House
Canberra ACT 2600

Dear Minister

I have pleasure in presenting Australian Hearing's Annual Report for the year ended 30 June 2013. The report has been prepared in accordance with the requirements of the Commonwealth Authorities and Companies Act 1997 (CAC Act) and relevant Finance Minister's orders.

This Annual Report complies with the planning and reporting requirements prescribed by the CAC Act. Australian Hearing's Directors are responsible under section 9 of the CAC Act for the preparation and content of the report in accordance with the Commonwealth Authorities (Annual Reporting) Orders 2011 (Finance Minister's Orders).

The report outlines the achievements and milestones for Australian Hearing during 2012/13 and was made in accordance with a resolution of Directors on 26 September 2013.

Yours sincerely

A handwritten signature in black ink, appearing to be "Rae Cooper".

Associate Professor Rae Cooper
Chair

26 September 2013

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Australian Hearing is a quality certified organisation (AS/NZS ISO 9001:2008)



PART ONE

Overview

Australian Hearing highlights

Caring for our customers

New Voucher customers increased by 7.2 per cent. A focus on local marketing, in addition to strategic partnerships with health providers supported this growth.

A total of 463,497 hearing services were provided during the year.

68,296 services were provided to children and young Australians up to the age of 26.

We provided services to 4,178 Aboriginal and Torres Strait Islanders under the age of 26 and 1,796 adults through our outreach program.

Access and equity

The number of culturally and linguistically diverse (CALD) customers increased by 7.8 per cent.

A second Hearing Bus was launched during the year, providing improved access to hearing services in regional areas.

World leading research

The National Acoustic Laboratories (NAL) continued its world leading research programs. This included further development of NAL's self-fitting hearing aids and the super directional hearing aid microphone.

NAL's participation in the ABC Citizen Science program highlighted the importance of hearing loss prevention and gained significant media and social media attention.

Improving efficiency

We continued our investment in systems and infrastructure to support the business and increase efficiency. This year we installed a predictive dialler in the Customer Service Centre, rolled out a new budgeting and forecasting model and

further developed the capacity of the Customer Relationship Management system to allow remote customer servicing.

The 'paper-lite' project, an electronic case note system, was launched during the year. It was successful in reducing paper, filing and storage costs.

Creating a safe work environment

Our continued commitment to creating a safe work environment focussed on staff and customer safety initiatives within our network of hearing centres. This included programs for staff travelling to remote communities and working in off-site locations.

An online system to register and induct contractors working at our sites was deployed during the year.

Financial results

In a challenging year, operating revenue was \$203 million and we achieved a profit before tax of \$4.2 million.

Our strategy to provide a range of hearing solutions resulted in the growth of sales in frequency modulation (FM) systems, assistive listening devices and other accessories by 33 per cent.

Great staff

A new leadership program was launched during the year to target future leaders and provide structured training and opportunities for development.

This year we recruited a Manager, Aboriginal and Torres Strait Islander Employment to meet our goal to increase the number of Aboriginal and Torres Strait Islander employees.

A new Enterprise Agreement was successfully negotiated.

Corporate profile

Who are we?

Australian Hearing is the nation's leading hearing specialist and largest provider of Government funded hearing services. We were established by the Australian Government in 1947 to provide hearing services to children whose hearing was affected by a series of rubella epidemics and to assist veterans who suffered hearing damage during World War II.

Australian Hearing is a statutory authority constituted under the *Australian Hearing Services Act 1991*, reporting to the Minister for Human Services.

We focus on two key areas:

- providing hearing health services through a national network of hearing centres.
- undertaking research through the NAL.

Our programs

We provide hearing services under the Australian Government Hearing Services Program, which is administered by the Department of Health and Ageing through the Office of Hearing Services (OHS).

The Hearing Services Program has two streams – the Community Service Obligations program and the Voucher program. We are the sole provider of services for Community Service Obligations funding which can be accessed by children, young adults under the age of 26, Aboriginal and Torres Strait Islanders over 50 and adults with complex hearing needs.

There are 220 service providers registered with the OHS to provide Voucher services. These providers also compete for private customers, a market segment currently denied to Australian Hearing.

Our services

Our services include assessing hearing, fitting hearing devices and providing counselling and rehabilitation programs to enable eligible customers to manage their hearing impairment. Many of our Audiologists specialise in particular fields of service delivery. This includes paediatric, adults with complex rehabilitation needs and outreach services under the Australian Hearing Specialist Program for Aboriginal and Torres Strait Islanders (AHSP/IA).

Community Service Obligations funding also supports NAL. NAL performs research in hearing habilitation and rehabilitation and the prevention of hearing loss. NAL is also a core party in the HEARING Cooperative Research Centre (CRC) which commenced in July 2007.

The following table shows the number of audiological services, including hearing assessments, device fittings and rehabilitation services provided over a four year period from 2009/10 to 2012/13.

TABLE ONE: AUDIOLOGICAL SERVICES PROVIDED 2009/10 TO 2012/13

	2009/10	2010/11	2011/12	2012/13
Children	55,152	55,934	61,048	68,296
Adults	372,312	389,304	403,519	395,201
Total	427,464	445,238	464,567	463,497

Our customers

Our customers include children and young adults under the age of 26, veterans, Aboriginal and Torres Strait Islanders over 50 and pensioners. To be able to receive hearing health services under the Community Service Obligations or Voucher programs, customers must meet specific eligibility criteria outlined by the OHS. Aged pensioners and veterans are our largest customer group and access services through the Voucher program.

Our reach across Australia

As at 30 June 2013, our network consisted of 117 hearing centres, including one specialised paediatric hearing centre, and 353 visiting sites (which provide services on a regular scheduled basis). We also delivered hearing services at 224 outreach sites in urban, rural and remote areas of Australia.

Our workforce

As at 30 June 2013, we employed 1,141 people in our network of hearing centres and at our National Support Office located in Sydney.

GRAPH ONE: AGE DISTRIBUTION OF ACTIVE CUSTOMERS

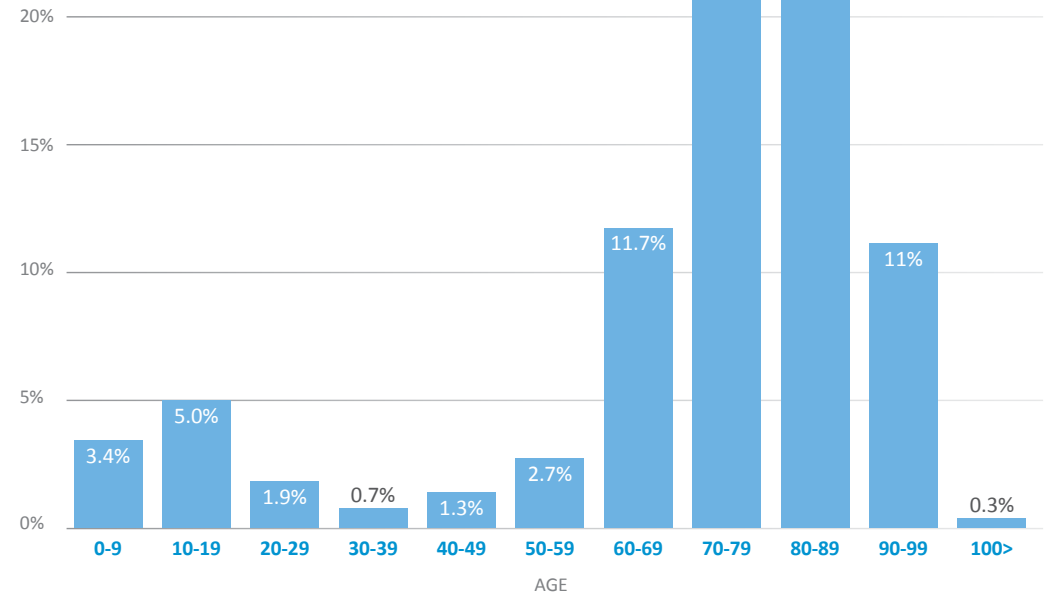
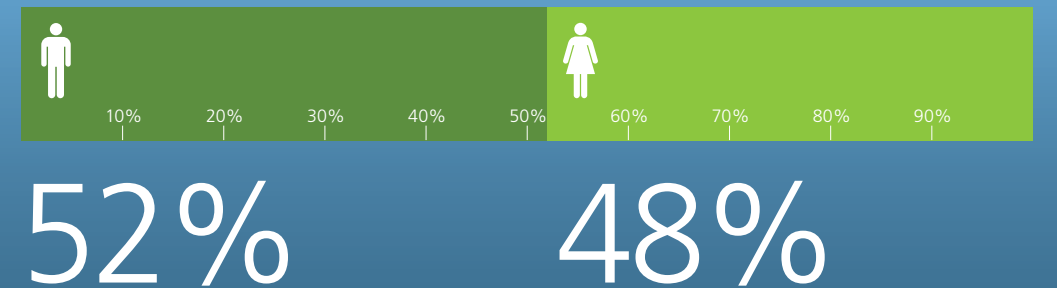


FIGURE ONE: GENDER DISTRIBUTION OF ACTIVE CUSTOMERS



Message from the Chair

Eighteen months into my journey as the Chair of Australian Hearing and I am delighted to see the progress we have made in improving services to our customers.

Since becoming the Chair of Australian Hearing in November 2011, I have seen the passion of staff as they provide world-class hearing services. Their contributions range across the delivery of Community Service Obligations, the Voucher program and undertaking innovative and internationally-recognised research through NAL. I would like to pay tribute to their passion and dedication.

I would also like to thank our Board of Directors – Mr Kim Keogh, Mrs Swati Dave, The Hon Michael Knight AO, Associate Professor Kelvin Kong, Ms Kathryn Campbell and Mr Steven Grundy for their ongoing commitment to the Australian Hearing vision, their considerable contributions to the organisation and their leadership.

The 2012/13 financial year has held some pleasing highlights for Australian Hearing which I am proud to share.

Our staff worked with 4,178 children and young adults and 1,796 adults to improve hearing health in 224 communities

Continuing on from the great work last year, our AHSPiA program remains an esteemed program within Australian Hearing with 97 trained Audiologists providing services to help reduce the impact of ongoing hearing loss to Aboriginal and Torres Strait Islanders in urban, rural and remote parts of Australia. In the past year, our staff worked with 4,178 children and young adults and 1,796 adults to improve hearing health in 224 communities. I have had the opportunity throughout the year, to observe the work of our AHSPiA staff onsite.

I have been impressed by the professionalism of this group of people and am honoured and somewhat humbled to have the opportunity to work with them.

The progress of our Aboriginal and Torres Strait Islander Employment Strategy, starting with the



appointment of Paul Brant, our Manager for Aboriginal and Torres Strait Islander Employment, is very exciting. Paul, along with all of Australian Hearing's managers, has been tasked with enhancing employment outcomes. I am looking forward to seeing strong results in this area in the coming year.

I'm also pleased to announce that Australian Hearing will continue to offer services for Central Auditory Processing Disorder (CAPD). This is a major milestone in Australian Hearing's 66 year history. It is the first time that we have introduced a completely new service and I am delighted that it is in such a ground-breaking field.

Looking forward, Australian Hearing will continue to position the organisation for the future through driving efficiencies in systems and processes and building mutually beneficial relationships with our stakeholders. We will continue to build a skilled and engaged workforce and improve the way in which our customers access and experience care, whilst also broadening our collaboration and influence within the communities we serve.

The dedication and commitment of the Australian Hearing Board, Executive team and Australian Hearing employees, is demonstrated in the highlights I've outlined here. As a team we are working on many more exciting initiatives toward our vision of leading the world in providing customers with the best hearing solutions.

It is with real gratitude that I thank you all and I look forward to another very successful year.

Best wishes to staff, our customers and Directors.

Associate Professor Rae Cooper - Chair

Managing Director's report

Together we will lead the world in providing customers with the best hearing solutions.

The 2012/13 year sees us well on-track to fulfilling our vision as we continue our goal to transform the business.

This year we provided 463,497 hearing services to customers around Australia. Our customers are the reason we exist and making their journey with us positive and rewarding is our mission.

We can be proud of our many successes this year where we have ensured that customers remained at the centre of every business decision. This year we developed a new customer value proposition, simple and personal. The value proposition has become the guiding principle for how we interact with customers.

The ongoing development of our CRM system also ensures that our interactions with customers are simple and personal. The key objective of the system is to provide an excellent customer experience. It does this by managing relationships with our stakeholders and tracking every customer's journey with Australian Hearing. In developing the system, we reviewed our key customer business process and looked to simplify them.

Like any business, we faced a number of challenges during the year. Despite this, we ended the financial year with profit before tax of \$4.2 million and revenue of \$203 million. This was a fantastic result.

Our customers are the reason we exist and making their journey with us positive and rewarding is our mission

Our National Support Office, NAL and our paediatric centre were relocated to the new Australian Hearing Hub based at Macquarie University in January this year. The Australian Hearing Hub brings our hearing partners into the same building, enabling greater research collaboration and stronger relationships.

NAL also continued their ground-breaking work on the experiential hearing aid simulator. The simulator enables customers to experience the difference that hearing devices make in every-day situations.

I am looking forward to seeing this tool made available to all customers.

Our staff are integral to our continued success. This year we worked closely with union and staff representatives to negotiate a new Enterprise Agreement.

We ended the financial year with profit before tax of \$4.2 million and revenue of \$203 million

Our commitment to delivering world class services to children, young adults and Aboriginal and Torres Strait Islanders also continued during the year. We are proud to partner with peak hearing bodies and local health services to ensure that these groups have access to quality hearing health services.

What a journey we have had during the year! I am grateful to our dedicated staff, our unwavering Executive team and our committed Board of Directors for their combined efforts in securing this year's result.

Steven Grundy - Managing Director



Year in review

This year we continued to invest in infrastructure and staff training to improve services to our customers.

The table below summarises our performance in 2012/13 against the strategic objectives contained in the Corporate Plan.

Business imperative	Overview of objectives	Achievements
Deliver effective services under the Community Service Obligations program.	Provide quality and culturally appropriate services to eligible customers.	We continued our ongoing commitment to quality service delivery to Community Service Obligations customers during the year. All key performance indicators for Community Service Obligations funding were achieved.
Improve the customer experience.	Improve performance across all customer contact points and centralise tasks that do not directly impact on customers.	A customer value proposition 'simple and personal' was launched. This acts as a decision making framework to underpin behaviours and interactions with customers. We centralised appointment planning and booking to create efficiencies within the business.
Grow market share.	Develop a sales program to attract new customers and build infrastructure to support the customer lifecycle.	Market share for new customers grew during the year as a result of new national sales channels and the recruitment of Hearing Health Promotion Officers to support growth at a local level.
Optimise our people and culture to deliver services.	Develop talent and leadership skills. Create a performance driven culture.	A talent management review identified three high potential pools of employees. These three groups received training and mentoring programs throughout the year.
Ensure financial viability.	Increase sales of hearing related products and negotiate favourable terms for the supply of hearing devices.	Sales of hearing related products increased by 33 per cent during the year. The Hearing Aid Tender was finalised. The tender achieved a positive outcome for both the range and price of hearing devices.
Initiate new revenue streams.	Implement a range of business initiatives to grow the business.	Central Auditory Processing Disorder is now a permanent service offering following the results of a pilot program. In addition, Australian Hearing was selected as a service provider to Department of Human Services staff following a competitive tender.
Maintain a leading research and development program.	Investigate improved methods for assessing and preventing hearing loss and produce tools or devices that assist with hearing assessment and rehabilitation.	NAL was selected to participate in the ABC Citizen Science program. Research and testing for self-fitting hearing aids and evaluation of super-directional hearing aids continued. These developments are significant for the industry.

Our people, their stories

Brenden Hall, Australian Hearing Redcliffe

For Paralympian Brenden Hall, the crowd inside the London Aquatics Centre at the 2012 Games was unlike anything he had ever experienced.

"The atmosphere was unbelievable in London," he said. "To be able to experience that level of noise and cheering, it really gets the adrenalin and the heart pumping. It made me want to get out there and do more than what I was capable of."

But what made this experience even more astonishing for Brenden is the fact that he has no

hearing in his right ear and around 30 per cent in his left.

His hearing loss was caused by an extreme reaction to the chickenpox virus when he was just six and also led to the amputation of his lower right leg. Despite contracting the near-fatal dose of the common virus, the resilient 20-year-old has never looked back on his path to the top. At the London Games he marked a major milestone in his journey by winning gold in the 400 metres freestyle S9 class in a world record time.

"The feeling, all the emotions just come out in one. It feels like you're on top of the world, to complete my dream and my goal was the best feeling ever."

Brendan Hall with his Olympic Gold Medal



Financial summary

Australian Hearing is accountable to the Minister for Human Services.

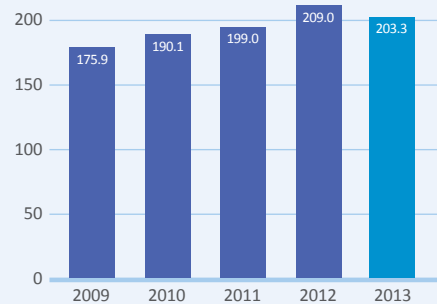
Our organisation is managed by a Board of Directors appointed by the Minister for Human Services and is subject to the requirements of the *Commonwealth Authorities and Companies Act 1997*. Annual financial statements are subject to audit by the Auditor-General and are provided to the Minister.

Revenue performance

We achieved total revenue of \$203 million which was three per cent less than the previous year.

Budget efficiencies introduced by the OHS which increased the return Voucher cycle and tightened rules for refitting, impacted all hearing service providers. This year our Voucher revenue decreased by 19 per cent.

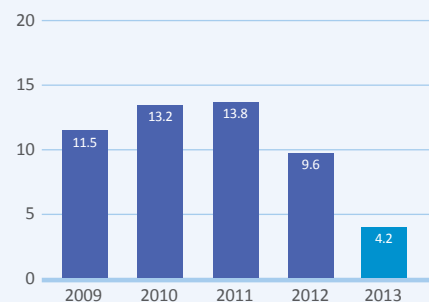
GRAPH TWO: REVENUE 2009-2013 (\$ MILLIONS)



Profit before tax

We achieved a profit before tax of \$4.2million. Profit before tax decreased due to the decline in Voucher revenue.

GRAPH THREE: PROFIT BEFORE TAX 2009-2013 (\$ MILLIONS)



Key business indicators

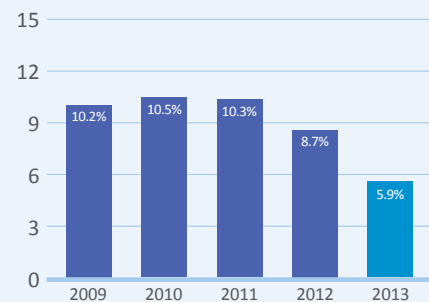
Our earnings before interest, tax, depreciation and amortisation (EBITDA) for the year were \$11.9 million. This was 35 per cent less than the previous year.

GRAPH FOUR: EBITDA 2009-2013 (\$ MILLIONS)



An EBITDA percentage of six per cent was achieved this year. Capital expenditure for the year was \$12 million as we continued our investment in information technology to support efficiencies in the business.

GRAPH FIVE: EBITDA 2009-2013 (PERCENTAGE)



Return on total assets continued to decline during the year. This was a result of our lower profit and our continued investment in new assets.

GRAPH SIX: RETURN ON TOTAL ASSETS (PERCENTAGE)



Risk management and audit

During the year we worked with our internal auditors to improve our risk management framework. We also reviewed our strategic risk assessment to ensure that our risk profile was aligned with our strategy and the changing business environment.

A rigorous audit program consisting of internal and external audits was undertaken. Internal audits were conducted at eight hearing centres. A number of operational audits were also undertaken, including accounts payable, property and asset management. The audits confirmed that our controls were operating effectively.

The Australian National Audit Office (ANAO) also undertook the following audit:

- Audits of the Financial Statements of Australian Government Entities for the Period Ended 30 June 2012. Report Number 16.

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 goals.

We also provided OHS with quarterly reports on our compliance with the Memorandum of Agreement to deliver the Community Service Obligations.

Our people, their stories

Teliha Clarke, Australian Hearing Dubbo

Teliha hasn't let a hearing loss stop her from achieving her dream.

Teliha Clarke grew up hearing traditional stories. Being able to continue the tradition of sharing stories about her culture is something she has always felt passionate about.

That's why she penned 'The Devil up in the Tree' as part of her subject in Aboriginal Studies. Teliha devoted countless hours over five months to its production. She researched Aboriginal storytelling, edited, conducted interviews, gained audience feedback and sourced illustrators, printers and publishers.

Teliha, a customer at Australian Hearing Dubbo, hopes the book inspires others to follow their dreams and that her story reaches many people.

She is also using the book as a way of giving back, with the proceeds of book sales to go to two charities close to her: the Dubbo and District Support Group for the Deaf and Hearing Impaired and Hear Our Heart - Ear Bus Project.



Teliha Clarke, centre.

Our people, their stories

Riley Kelly, Australian Hearing Coffs Harbour

Kristy Kelly remembers enjoying her moment as a first-time mother to newborn son, Riley. But all that changed after a routine screening test detected hearing loss.

Despite working with children for years in the childcare industry, Kristy had no prior experience with hearing impaired children. Facing it for the first time with her newborn baby was overwhelming.

“It was certainly a shock at the start – especially as we were never given a reason why Riley was hearing impaired,” said Kristy.

Riley was referred to Australian Hearing and received his first hearing aids at three months of age. Monthly appointments followed to assess his progress.

“At 18 months of age I noticed that Riley’s speech was not developing like other children of his age,” said Kristy. “After another assessment we were referred to the Cochlear Implant Centre in Sydney.”

Riley received a cochlear implant for his left ear, while continuing with a hearing aid in his right ear. The cochlear surgery was a success, although Kristy warns that the result wasn’t instant.

“After cochlear switch-on day, we expected he could hear, but he looked up at the Audiologist as if to say ‘why are you putting these weird noises in my ear?’”

“However, after four to six weeks we certainly noticed the improvement in his speech.”

“Now we visit a speech therapist fortnightly in Lismore to help Riley develop his sounds. It was rough at the start with all the travelling to appointments. It took a while to determine what exact level of hearing loss he had and regular checks to see what level to set the hearing aids. But once we were transferred to the Audiologist closer to home things got easier.”

Riley, now three years old, visits Australian Hearing Coffs Harbour where he is under the care of Specialist Audiologist, Jeannette Wilson.

As his mum explains, Riley really hasn’t looked back since receiving the gift of hearing.

“Although it has been a difficult journey at times for our family, Riley’s hearing loss hasn’t stopped him at all. Even after the surgery he was straight outside playing. Like most boys anything with wheels is his favourite!” said Kristy.

“He is really enjoying life and his social skills are great. He has been visiting family daycare since 12 months old and will soon start pre-school which is exciting for us all.”



PART TWO

Our customers

Caring for customers	14
Customer access	16
Corporate social responsibility	18

Caring for customers

Australian Hearing is committed to access and equity, quality clinical care and excellence in customer service. Last year we provided 463,497 hearing health services to customers.

Australian Hearing customers are funded through two sources; the Community Service Obligations program and the Voucher program.

Our customers include pension concession card holders, recipients of sickness allowance from Centrelink, 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 Islanders aged over 50 years.

The Community Service Obligations program

We receive fixed funding annually to deliver services designated as Community Service Obligations under a Memorandum of Agreement with the OHS. Community Service Obligations funding represented 30 per cent of our total revenue.

The Memorandum of Agreement with the OHS emphasises the importance of access and quality services for our Community Service Obligations customers.

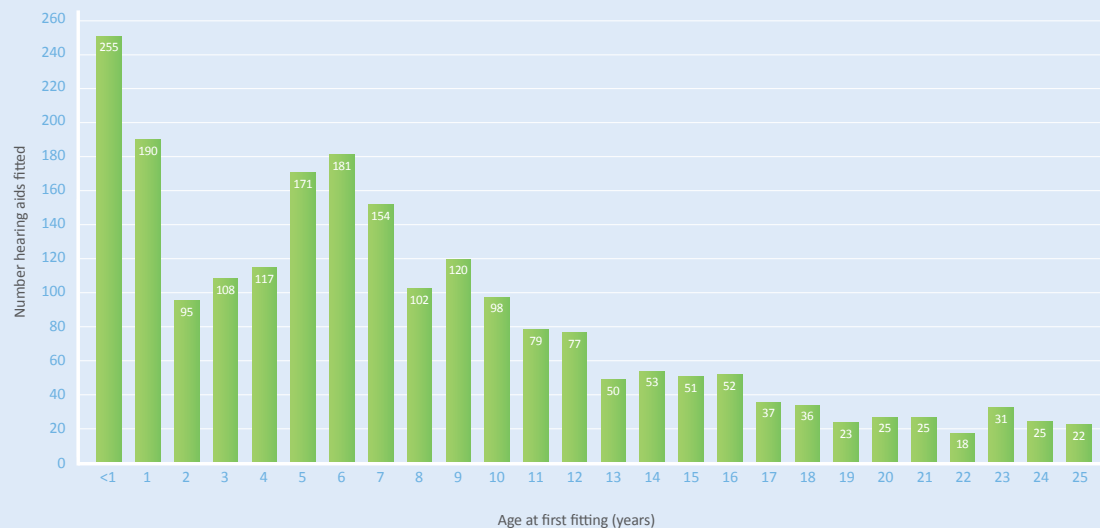
Services to Aboriginal and Torres Strait Islanders

While many Aboriginal and Torres Strait Islanders chose to receive hearing services at our hearing centres and visiting sites, a far higher proportion accessed our services through their local health service. We worked closely with these local services to deliver our outreach program which provided hearing services to some of the most

TABLE TWO: NUMBER OF OUTREACH SITES VISITED 2008/09 TO 2012/13

FINANCIAL YEAR	NUMBER OF SITES VISITED
2008/09	238
2009/10	231
2010/11	229
2011/12	215
2012/13	224

GRAPH SEVEN: NUMBER OF CHILDREN FIRST FITTED WITH HEARING AIDS IN THE 2012 CALENDAR YEAR BY AGE GROUP



remote communities in Australia. There are now 97 Australian Hearing Audiologists covering 224 sites involved in the outreach program.

Services to Aboriginal and Torres Strait Islander children

During the year we saw a total of 4,356 Aboriginal and Torres Strait Islander children and young adults aged under 26. This represents six per cent of the total number of children and young adults who received services during the year.

TABLE THREE: NUMBER OF ABORIGINAL AND TORRES STRAIT ISLANDER CHILDREN FITTED WITH HEARING AIDS BY STATE AND TERRITORY FOR THE 2012 CALENDAR YEAR

NSW	VIC	QLD	WA	SA	TAS	ACT	NT	TOTAL
197	53	463	346	98	4	2	559	1,722

Adults with complex hearing rehabilitation needs

During the year we provided 47,695 services to 20,342 adults with complex hearing needs. This represents an increase of nine per cent from 2011/12.

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

Demand for our services for children grew by 10 per cent during the year. This financial year we provided 62,505 services to 30,446 young Australians under the age of 21. We also provided services to 2,617 young adults aged between 21 and 26.

During the year we assisted 17,863 children and young adults who use hearing aids or cochlear implants. This represents a five per cent increase on the previous year.

In the 2012 calendar year, 2,195 children and young adults aged from birth to 21 years were fitted with their first hearing aids. Early referral of infants with hearing loss resulted in fittings for 255 children under the age of six months.

During the year we also provided 4,441 FM systems to children and young adults. FM systems are used in addition to hearing aids and cochlear implants to overcome the adverse effects of distance, background noise and reverberation.

We also fitted 606 speech processors through our cochlear implant upgrade program. Demand for speech processor upgrades is expected to continue to grow with an increase in the number of children receiving bilateral cochlear implants.

The Voucher program

During the year we provided 319,001 services to customers under the Voucher program.

This year we focused on growing new customers. A combination of national and local marketing activities resulted in a 7.2 per cent increase in new customers.

The number of return customers seen for re-assessment decreased during the year following the extension of the Voucher renewal period from two to three years. Changes to the rules for refitting a hearing device also resulted in a decrease in the total number of customers who were refitted with new hearing aids.

During the year we provided 319,001 services to customers under the Voucher program

To ensure that existing customers continue to benefit from their hearing devices, we offered device reviews and rehabilitation services. These programs were successful in attracting existing customers to hearing centres to learn more about effective communication with hearing loss.

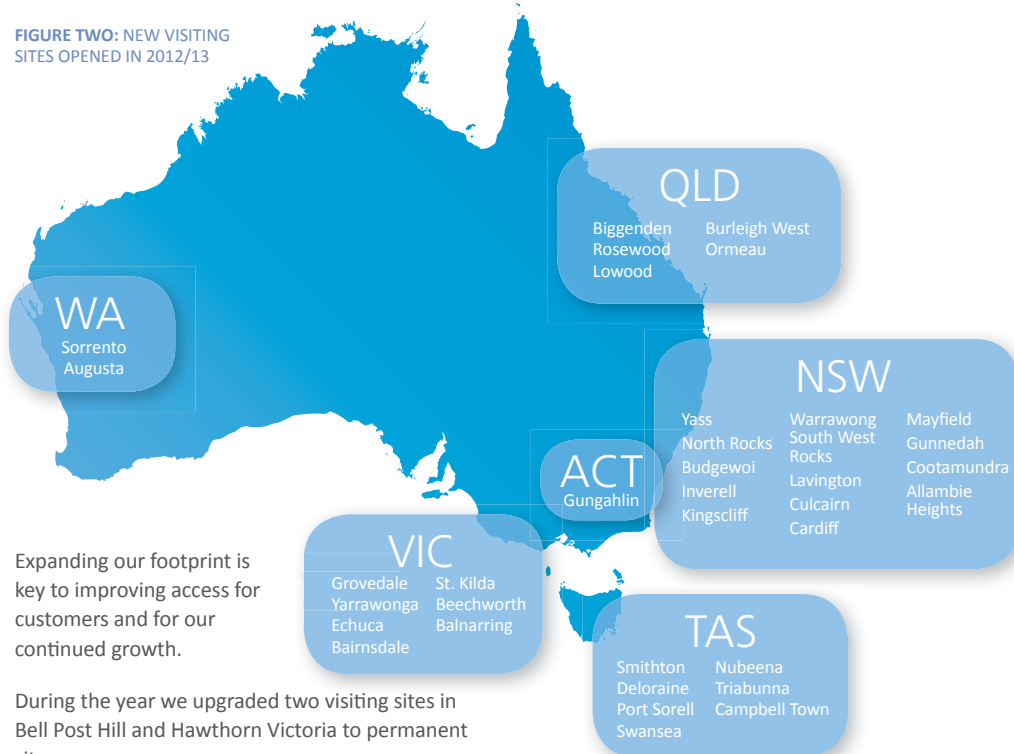
The number of customers choosing an assistive listening device also increased during the year by 33 per cent. Alerting devices such as smoke alarms, door bells and alarm clocks, wireless television head sets and specialised telephones remained popular for customers with a mild to moderate hearing loss.

Customer access

More locations, better hearing centres

As at 30 June 2013, Australian Hearing operated in 116 permanent hearing centres, plus one paediatric hearing centre, 353 visiting sites, 224 Aboriginal and Torres Strait Islander outreach sites and two hearing buses.

FIGURE TWO: NEW VISITING SITES OPENED IN 2012/13



Expanding our footprint is key to improving access for customers and for our continued growth.

During the year we upgraded two visiting sites in Bell Post Hill and Hawthorn Victoria to permanent sites.

We also relocated three sites in Maryborough (QLD), Miranda (NSW) and our paediatric centre moved into the new Australian Hearing Hub at Macquarie University.

In addition, we added 36 new visiting sites.

We continued our refurbishment program for existing sites to improve the experience for our customers.

This year we were pleased to launch our second Australian Hearing Bus to meet the growing demand for services. The buses have provided services to customers at agricultural shows, shopping centres, expos and regional areas where we don't currently have a presence. Since our first bus began operating in 2009, our mobile screening service has provided over 28,000 free hearing screenings in the community.



The Australian Hearing Bus at Marion (SA).



Senator the Hon Jan McLucas officially opens the Macquarie Hearing Centre.

This year our Directors went into the field to gain first-hand experience of the operations of the business.

The Chair, Associate Professor Rae Cooper, visited the Tiwi Islands to talk to local community and health workers about service delivery.

Director Michael Knight visited the Alice Springs Hearing Centre, the Santa Teresa and Titjikala communities to witness first-hand how safety initiatives for remote travel were being implemented.

As part of the trip Director Knight attended mandatory training for four-wheel driving. The course teaches staff who travel to remote sites practical skills in driving and vehicle maintenance.



Australian Hearing Chair, Associate Professor Rae Cooper chats with local Vera Tipiloura during an AHSPA visit to the Tiwi Islands, NT



Finke landing strip

Corporate social responsibility

Australian Hearing is dedicated to working ethically to support the environmental and social needs of the communities we work and live in. We measure our performance against results that are economically viable, environmentally sound and socially responsible.

Our corporate social responsibilities include:

- Promoting hearing health.
- Valuing diversity.
- Supporting organisations that provide employment opportunities for people with a disability.
- Providing quality services.
- Adopting environmentally friendly practices.

Promoting hearing health

In the past year we received extensive media coverage for stories promoting hearing health and hearing loss prevention. This included ongoing promotion of exposure to loud noise by young people. To highlight the issue, we worked with NAL to conduct a study of the noise levels experienced at music festivals and what impact they could have on hearing. The report included tests at five music festivals in January, with the noise levels ranging from 91 up to 98 decibels.

As a part of National Science Week 2012, our research division NAL worked with ABC Science to undertake Sound Check Australia, an Australia-wide online survey that looked at hearing and noise. The aim of the project is to find out about the hearing health of the nation, including the amount of time we spend in noisy environments, how often we use headphones to listen to audio and attitudes to noisy environments. Over 8,000 Australians completed the survey, which was promoted across ABC radio, TV and online.

“There are big groups of young adults, and clubbers in particular, who are exposing themselves to loud music and they may not be aware they are damaging themselves.”

Elizabeth Beach, Research Psychologist at NAL, Sun Herald, 10 March 2013.

Our Ambassador Dr John D’Arcy was also actively involved in supporting our social marketing campaigns to promote hearing health. He appeared on our behalf at a number of community functions and media outlets including Men’s Shed, Seniors Expos and appeared in New Idea magazine to discuss his own experience with hearing loss.

Valuing diversity

We are committed to building a respectful and inclusive workplace promoting equal opportunity. This includes eliminating all forms of workplace discrimination, engaging with local communities, collaborating with a range of community organisations and ensuring that customers from different cultural backgrounds are able to access our services.

During the year we provided access to hearing services for people from CALD backgrounds. We provided services to customers from over 100 language groups, including sign language, and 13 different Aboriginal and Torres Strait Island language groups.

CALD customers receiving a service from us increased by 7.8 per cent. We achieved this by actively engaging with local community organisations to conduct hearing screenings, providing in-language publications and interpreters.

The AHSPiA program is also core to promoting diversity in the organisation. We worked closely with community organisations in many Aboriginal and Torres Strait Islander communities to ensure that our services meet community needs. This year, we partnered with 224 communities to provide outreach programs.

Supporting employment for people with a disability

The Flagstaff Group, an Australian Disability Enterprise, provides meaningful employment opportunities for people with a disability. The Group provided printing, mailing and distribution services during the year.



The Australian Hearing Hub was awarded a **5 Star Green Star - Office Design v3 Certified Rating**, for excellence in environmentally sustainable design.

Quality management

We remain the only organisation within the Australian hearing health care industry to have its quality system accredited by an external organisation.

As part of the maintenance of our AS/NZS 9001:2008 Quality Management certification, external audits were conducted at our Moonee Ponds, Frankston, Blacktown, Parramatta, Canberra and Darwin hearing centres, as well as at our National Support Office.

In addition we conducted a comprehensive internal program of clinical audits to ensure that we continued to deliver clinically appropriate services to customers.

Paper lite project

Paper case notes stretch back over 20 years for many of our long term customers. These files are bulky and expensive to store.

Electronic case notes were introduced during the year as part of a business improvement initiative to reduce waste and improve productivity. Staff embraced the new system, entering 10,000 customer records within the first two weeks. Seventy per cent of customers we see now have their case notes stored electronically.

The new system saves time, reduces paper and consumables and storage costs, as well as providing a more secure way to store personal information.



We also undertook customer research to ensure that our services are aligned with their needs and expectations. Throughout the year, we conducted a number of focus groups and surveys to test service expectations and experiences. These were in addition to our Hearing Aid User Questionnaire (HAUQ) which is distributed to over 12,000 customers fitted with a hearing aid during the year.

Customer satisfaction results from the HAUQ confirmed that we retained our high standard of customer service.

Environment

We believe that we have a social responsibility to respond to climate change and reduce our environmental footprint. This year we continued to pursue our goal of ecologically sustainable development. This included:

- Using the Energy Efficiency in Government Operations policy (EEGO) to guide us on improving energy efficiency and reduce carbon emissions.
- Continued to participate in the Australian Government’s Energy Efficiencies Opportunities (EEO) program and measured our carbon emissions by using the national Greenhouse and Energy Reporting System.
- Continued our association with Greenfleet.
- Continued our initiatives to ensure that a greater amount of our office waste is diverted for recycling. We complied with all legislative and reporting requirements including general office waste management initiatives and introduced electronic case notes.

Our people, their stories

Anthony Allen, Australian Hearing Aspley/Grafton

Good hearing might be crucial to the role of a jockey, but that hasn't stopped Anthony Allen.

With the support of Australian Hearing, the 20-year-old wears two hearing aids that have allowed him to pursue his dreams and ambitions, including a successful career as an apprentice jockey.

After choosing to enter the world of racing following school, Anthony (a self-described adrenaline junkie), began his riding career in his hometown of Grafton. After 18 months, his success continued with a move to Brisbane and a short stint in Sydney. He is now based in Brisbane full-time and races regularly

at Eagle Farm and Doomben.

Anthony says his hearing loss has never been an obstacle when it comes to working with horses, even though having good hearing is crucial to a jockey's role.

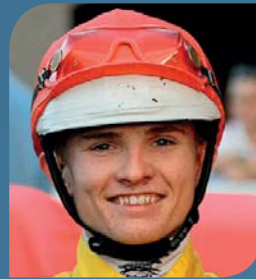


Photo courtesy of Dan Costello of www.justracing.com.au

"I have to be able to hear the other riders as they get close so I can steer the horse accurately." Not to mention hearing the alarm for the 4.30am starts six days a week!

Our people, their stories

Fiona Berryman, employee of Flagstaff Group

Fiona has been a proud employee of the Flagstaff Group for 23 years. Throughout her tenure, Fiona has worked across a variety of business divisions including manufacturing, paper recycling, coffee and dry goods

Most recently Fiona worked on the preparation of presentation folders and mail outs for Australian Hearing doing the important job of inserting the letters and flyers and envelope sealing.

One of the fastest sealers in the workshop due to her years of experience, Fiona says she likes to "get in and get the job done. Our customers are paying us to do a good job and that's why it's important to take care with the products and check the quality of everything we do."

Fiona enjoys working at Flagstaff and believes it's a good environment where she has made a lot of great friendships. Fiona likes to lend a hand with her



Fiona Berryman working at the Flagstaff Group

fellow workers whenever she can. "Everybody has different challenges but with our team at Flagstaff we help each other out."

In her spare time, Fiona is a keen bowler and participates in the Illawarra Ten Pin Bowling League for people with a disability. She is currently coming third in the competition but she's trying hard for first place! Fiona also enjoys taking trips to go shopping and spending time with her friends and family.

PART THREE

National Acoustic Laboratories

Overview

22

Overview

NAL continued its world-renowned work to discover new ways in which people with hearing loss can be helped.

The move to the new Australian Hearing Hub building year boosted NAL's ability to collaborate and share knowledge and resources with other hearing related organisations including Cochlear Ltd, The Shepherd Centre, Royal Institute for Deaf and Blind Children, the Macquarie University Centre for Cognitive Disorders (CCD), the Macquarie University Audiology department and the Sydney Cochlear Implant Centre.

Sound Check Australia

NAL was selected by ABC Science for its annual Citizen Science survey and in August 2012 launched Sound Check Australia, a national online survey of noise exposure. 8,015 people completed the survey, with 6,181 also completing an online speech in noise test.

In coming years, NAL will make use of this data to gain further insight into Australia's hearing health, noise exposure patterns and attitudes towards noisy activities. The results of this research will be used to inform hearing health campaigns, design workplace safety standards and support government policy.

Central Auditory Processing Disorder

NAL has led research into CAPD, including the development of software to diagnose and remediate a particular type of CAPD called Spatial Processing Disorder (SPD). SPD makes it hard for people to understand speech when there is competing background noise, such as the teacher's voice in a classroom.

We also continued with our research into SPD, with NAL audiologists spending several weeks in Kempsey testing 144 Aboriginal and Torres Strait Islander children from local state schools. Seven per cent were diagnosed with SPD. This result is higher than that in the general population, where one to two per cent of children are estimated to have SPD, and is consistent with our hypothesis that children who have ongoing otitis media when young, are pre-disposed to acquiring SPD.

HEARLab

In April 2013, the HEARLab device designed by NAL as part of the CRC, gained approval from the Federal Drug Administration of the USA to be sold as a

therapeutic device. HEARLab is a software-based device used to test the effectiveness of hearing aids or cochlear implants fitted to infants and young children unable or unwilling to respond to a conventional hearing test. It can also be used on adults in particular, stroke or dementia patients.

This year, HEARLab was awarded an Innovation Award from the CRC Association, and was a finalist in the Medical Research Translation category at the prestigious Australian Museum Eureka Prizes.

Child Outcomes Study

The Longitudinal Outcomes of Children with Hearing Impairment (LOCHI) study, led by NAL in collaboration with the CRC, is currently in its eighth year. There are 450 children enrolled in the study. Data collected on the outcomes of participants has been collected since age five. It suggests that children who receive hearing aids or cochlear implants earlier in life have better language ability. The results also indicate that the children in the study exhibit many deficits in phonological awareness and that overall language abilities are lower than normal.

NAL commenced investigations into the effectiveness of targeted early intervention to improve phonological awareness skills of young children with hearing loss. We will continue to evaluate the language, literacy, psychosocial development and educational attainment of LOCHI children when they reach nine years of age, determine the predictors of their outcomes and devise intervention methods.

Experiential Fitting System

Australian Hearing contracted NAL to develop a system to help its customers who are uncertain whether they would benefit from hearing aids. This system allows a customer to trial hearing aids in a range of common listening situations without having to leave the hearing centre. NAL has produced software that simulates an individually-prescribed hearing aid. With the use of videos, it allows a customer to hear and see a range of real-world listening situations both with and without a hearing aid.

PART FOUR

Our people

Our people	24
Work health and safety	26
Recognising our people	28

Our people

Our commitment to maximising the potential of our people is based on six core principles: leadership and talent development, attraction and retention of commercial staff, fostering a performance driven culture, initiatives to optimise engagement, effective work structures and creating a safe work environment for all staff.

At the end of 2012/13 we employed 1,141 staff, comprising of 918 female and 223 male staff members. Full-time staff comprised 60.6 per cent of our workforce, with 35.6 per cent part-time and 3.8 per cent casual staff. Seventeen (1.5 per cent) staff identify as Aboriginal and Torres Strait Islanders, while 63 (5.5 per cent) of employees have a hearing impairment and 118 (10.3 per cent) have a disability. Table Four below illustrates our staffing profile and people performance indicators over the past four years.

This year unplanned leave decreased to 6.5 days per full time equivalent staff member (FTE), compared to 6.72 days per FTE in 2011/12. This reduction is closely aligned with our higher employee engagement score and other initiatives undertaken to build a positive culture.

Developing our people

Australian Hearing is committed to fostering a learning environment throughout the organisation to ensure staff develop the capabilities necessary to support our business strategy. This year we delivered 18,000 hours of learning to 2,000 participants.

Learning and development

Training was delivered using face-to-face, online, and self-paced modules offered across a wide range of programs. My Learning, our online learning management system, allowed us to meet the training needs of a geographically dispersed organisation.

TABLE FOUR: STAFFING PROFILE AND PERFORMANCE INDICATORS

	2009/10	2010/11	2011/12	2012/13
Employees at 30 June (headcount)	1,120	1,168	1,193	1,141
Voluntary staff turnover	12.5%	13.3%	11.6%	11.5%
Ratio of clinical to non-clinical staff	1:1.6	1:1.6	1:1.4	1:1.6
Unplanned leave (days/FTE)	4.3	7.2	6.7	6.5
Percentage of women	79.7%	79.8%	81%	80%
Percentage of women in senior management roles	56%	62.1%	65%	66%
Employees using the Employee Assistance Program	49	44	43	62
Learning and development expenditure as a percentage of total salary expenditure	0.7%	2.1%	2.6%	2.5%
Number of Health and Safety Committee members who are employee representatives	13	14	23	20
Aboriginal and Torres Strait Islander employees as a percentage of total employees	1.6%	2.5%	1.8%	*1.5%

*Number excludes Aboriginal and Torres Strait Islander trainee sponsorships.

This year a major 'Sales and Service' training program was rolled out to 666 employees over 54 full day sessions. It provided staff with the tools and skills to better identify customer needs and present appropriate product offerings. As a result, we saw a 2.5 per cent increase in higher level technology devices ordered.

Clinical learning and development

The Clinical Learning and Development team delivered 5,000 hours of training to over 500 staff during the year.

Programs included specialised training for Audiologists in paediatric audiology, outreach services for Aboriginal and Torres Strait Islanders and working with adults who have complex needs. In addition we provided customised return-to-work programs for clinicians to refresh their skills after an extended absence.

To ensure that clinical staff kept up-to-date with the new technologies, we also provided Masterclasses and product training.

A new program, Coach Approach, was also introduced to equip senior clinicians with mentoring skills to support graduate Audiologists and colleagues in hearing centres.

Talent development

Developing future leaders is important to ensure succession. During the year we identified staff with 'high potential' talent and developed a three tiered leadership program to support their career progression. We offered programs for future Executive Leaders and future Senior Managers,

as well as a Talent Booster program for high potential staff new to management. Each program incorporated manager and peer assessment, one-on-one coaching and feedback, as well as face-to-face training and webinars.

During the year, seven of the 12 participants on the Talent Booster program were promoted into management roles.

Engaging our people

To further our strategy to increase the engagement of our staff, we focused on developing team action plans across the business to address engagement drivers identified during the 2012 staff survey.

Employment opportunities for Aboriginal and Torres Strait Islanders

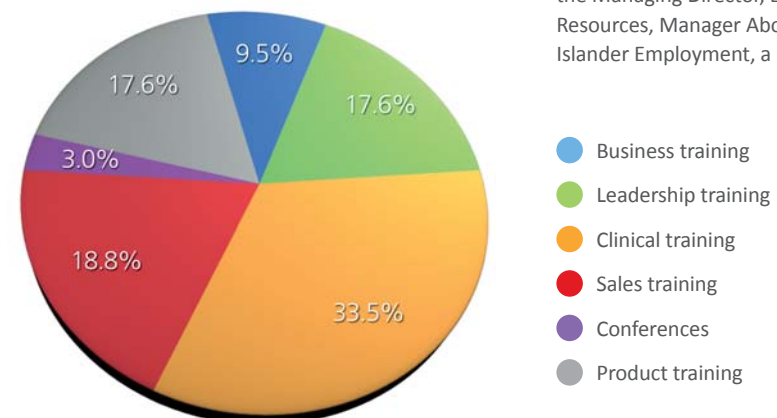
To ensure we focus on creating employment opportunities for Aboriginal and Torres Strait Islanders, we employed an Aboriginal and Torres Strait Islander Employment Manager.

Our strategy focuses on 32 locations within the Australian Hearing network and in the National Support Office to meet our targets for creating employment opportunities.

An Equal Employment Opportunity survey was also conducted during the year which assisted us to identify our existing Aboriginal and Torres Strait Islander staff members and was used to illustrate our progress towards embracing greater diversity in the organisation.

A new two-year Reconciliation Action Plan (RAP) was also developed. Progress on the RAP will be tracked by a newly formed committee, which consists of an Australian Hearing Board member, the Managing Director, Executive Manager Human Resources, Manager Aboriginal and Torres Strait Islander Employment, a General Manager, as well as

TABLE FIVE: TRAINING PROGRAMS BY CATEGORY



external representation from Aboriginal and Torres Strait Island service organisations.

Work also commenced on reviewing and developing cultural competencies and policies for staff working with Aboriginal and Torres Strait Islanders.

Our people systems

An online performance management system was rolled out. The system measures and tracks individual performance goals, values and company performance. It ensures that individual goals are aligned with our corporate objectives.

The Performance Manager system provides a strong foundation to support our high performance culture and provides visibility across the organisation for goal setting, tracking performance and competency development.

Our people's safety

Creating a safe work environment for both staff and customers is an important platform for building a sustainable business and an engaged workforce.

Our Work Health and Safety strategy documents outline how we fulfil our duty of care to staff and customers, and the actions we take to create a healthy and safe working environment. This year we began work to meet the requirements for certification under the Australian and New Zealand Standard AS/NZS 4801 and 4804 for Occupational Health and Safety Systems.

'Take care be aware'

We worked closely with staff in hearing centres to promote and build a safety culture and use safe work methods. By creating greater awareness of safety we improved our staff's ability to identify risks and hazards, as well as encourage them to contribute ideas to improve work health and safety.

During the year we reviewed our policies and delivered training in areas such as managing challenging situations with customers, long distance travel, working in remote locations and conducting home visits for customers.

Ergonomic work station assessments were also conducted throughout the year to minimise physical risk to staff and we also offered flu vaccinations.

Work health and safety inductions

All new staff now complete a mandatory Work Health and Safety Induction program.

A Contractor Management System was developed to pre-qualify and induct contractors working at any of our locations. The system ensures that risk assessments and safe work procedures are in place prior to any work being undertaken. In addition to the induction, all contractors are required to complete an on-site induction before commencing work.

Injury management

We recruited a specialist staff member to improve our capacity to provide case management for injured staff and advise on early intervention for injury prevention.

Consultation

A work health and safety dashboard was launched for the Board and management to track key safety performance indicators including hazard identification, incident management performance, trends in risks, and legal and legislative compliance.

In addition, health and safety representatives from a cross section of staff met regularly throughout the year to consider specific health and safety issues relevant to their work group and share experiences. This group was also involved in conducting workplace inspections, investigating incidents and were responsible for promoting and monitoring risk control measures.

Recording

The online Safety Management system allows staff to record hazards, near misses and incidents. The system has been invaluable in identifying trends and implementing controls to address hazards and prevent injury.

Comcare

Australian Hearing's worker's compensation premiums continued to be lower than other Commonwealth agencies. Improved case management capabilities in the organisation will assist us to reduce our current worker's compensation premium costs.

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 the Work Health and Safety legislation.

Comcare investigations and notices

There have been no notices given to Australian Hearing under section 29, 46 or 47 of the *Work Health and Safety Act 2011*. There have been no investigations undertaken at Australian Hearing by Comcare this year.

TABLE SEVEN: SECTION 68 NOTIFIABLE INCIDENTS AND DANGEROUS OCCURRENCES

Description	Number
Notifiable deaths	0
Notifiable serious injury or illness	0
Notifiable dangerous incidents	0

TABLE SIX: WORK HEALTH AND SAFETY INDICATORS 2009/10 TO 2012/13

Indicator	2009/10	2010/11	2011/12	2012/13
Comcare workers compensation premium rate for Australian Hearing (percentage of payroll as at April 2013)	0.83%	0.87%	1.34%	1.24%
Comcare premium rates for all agencies combined (percentage of payroll as at April 2013)	1.20%	1.41%	1.77%	1.82%
Total weeks lost from work related injury illness	92.68	36.09	15.25	30.17
Average weeks for return to work activity to commence following work related injury/illness	2.57	3.07	11.57	8.29



Wayne Glover, Technician, at Hervey Bay Hearing Centre.

Recognising our people

This year we continued to celebrate the success of our employees by recognising exceptional contributions by individuals and teams.

Nominated by their colleagues, employees were recognised for their hard work and achievements at our Australia Day Awards.

Award	Recipient
Individual Achievement Award 2012	Michelle Freame Audiologist, Shellharbour and Wollongong Hearing Centres.
Excellence in Diversity Award 2012	Adrian Sutton Manager, Darwin and Alice Springs Hearing Centres.
Graduate of the Year Award 2012	Tammy Campbell Audiologist, Miranda Hearing Centre.
Team Achievement 2012	Nowra Hearing Centre
Achievement of the Year 2012	Helen Glyde Senior Research Audiologist, NAL.

Tammy Campbell accepts the Graduate of the Year Award from Managing Director Steven Grundy



Adrian Sutton accepts the Excellence in Diversity Award from Managing Director Steven Grundy



Michelle Freame accepts the Individual Achievement Award from Managing Director Steven Grundy



Annual Leadership Awards

Each year we recognise outstanding managers and their teams for their contributions to the business. This year's award recipients were recognised at the Annual Leadership Conference held in Melbourne.

Category	Winner
Best performance in new Voucher capture	Broadmeadows Hearing Centre
Best performance in Voucher fittings	Cannington Hearing Centre
Best performance in product sales	Coffs Harbour Hearing Centre
Most profitable centre	Wagga Wagga Hearing Centre
Best performance in paediatric services	Dandenong Hearing Centre
Best customer service	Maitland Hearing Centre
Most improved business	Wynnum Hearing Centre
Best contribution in work health and safety	Canberra Hearing Centre
Best supporting department	Marketing and Sales Team
Hearing centre of the year	Parramatta Hearing Centre
Manager of the year	Linda Busbridge - Rockhampton Hearing Centre

Our people, their stories

Helen Glyde, winner of the 2012 Australia Day Award for Achievement of the Year

In 2012 Australian Hearing introduced a world-first program for the diagnosis and remediation of certain types of CAPD, which has the potential to improve hearing outcomes for thousands of Australian children.

Helen Glyde, Research Audiologist at NAL, was a member of the project team responsible for implementing and reviewing the CAPD program.

In her role, Helen played a pivotal role in developing and delivering training, as well as providing ongoing support and advice to Audiologists delivering the program.

Helen is valued for her positive attitude and support to her colleagues. She also earned respect for her scientific knowledge and pragmatic approach.



Helen Glyde accepts the Achievement of the Year Award from Managing Director Steven Grundy

Our people, their stories

John Lindley, Australian Hearing Chatswood

Helping Mr Lindley maintain good relationships.

John Lindley has worn several types of hearing aids over the past 10 years. But late last year he was fitted the latest technology aids which have made a big difference in his life.

“The latest hearing aids have improved my hearing, especially listening to TV and listening to my children and wife,” Mr Lindley said.

“(Hearing) gives you a better standard of living,

especially from a communication point of view with a family,” he said.

Mr Lindley also uses a miniTek remote control, which means he can link his hearing aids directly to the TV via Bluetooth.

“The hearing I get using this device is 100 per cent. I can hear everything that’s said.”

“The staff at Australian Hearing understand my problems and are always trying to improve my hearing so I can get a better quality of life,” he added.



PART FIVE

Australian Hearing's management

Human Services portfolio	32
Our corporate governance	33
Board of Directors	39
Executive management	41

Human Services portfolio

OVERVIEW

The Human Services portfolio consists of the Department of Human Services (the department) and Australian Hearing. The department and Australian Hearing both report to the Minister for Human Services. The Human Services portfolio is part of the Social Services portfolio.

The department is responsible for the development of service delivery policy and provides access to social, health and other payments and services including through three main programs—Medicare, Centrelink and Child Support.

Minister

Senator the Hon Kim Carr was appointed as the Minister for Human Services on 5 March 2012, and served until 25 March 2013. Senator the Hon Jan McLucas was appointed as the Minister for Human Services on 25 March 2013.

The Minister for Human Services is responsible for administering the following legislation:

- *Australian Hearing Services Act 1991*, except to the extent that it is administered by the Minister for Health.
- *Child Support (Assessment) Act 1989*, insofar as it relates to the exercise of the powers and functions conferred on the Registrar under the Act.

- *Child Support Legislation Amendment (Reform of the Child Support Scheme - Initial Measures) Act 2006*, insofar as it relates to the exercise of the powers and functions conferred on the Registrar under the Act.
- *Child Support Legislation Amendment (Reform of the Child Support Scheme—New Formula and Other Measures) Act 2006*, insofar as it relates to the exercise of the powers and functions conferred on the Registrar under the Act.
- *Child Support (Registration and Collection) Act 1988*, insofar as it relates to the appointment of the Registrar and the exercise of the powers and functions conferred on the Registrar under the Act.
- *Human Services (Centrelink) Act 1997*.
- *Human Services (Medicare) Act 1973*.

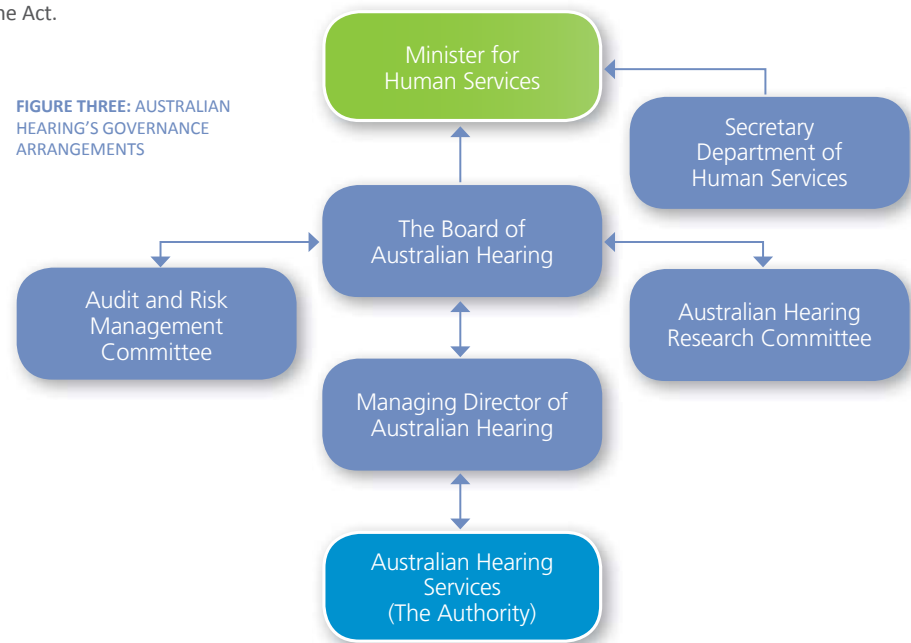


FIGURE THREE: AUSTRALIAN HEARING'S GOVERNANCE ARRANGEMENTS

Our corporate governance

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

The Board is committed to implementing appropriate governance structures and mechanisms to ensure discipline, integrity, transparency, fairness and accountability in all its operations and actions.

As an Australian Government agency we operate under the *Australian Hearing Services Act 1991* (AHS Act) and the *Commonwealth Authorities and Companies Act 1997* (CAC Act). The duties of the Managing Director are, as provided for under section 42 of the AHS Act, under the Board, to manage the authority.

We are accountable to the Minister for Human Services. The Board is responsible for the development of rolling three-year corporate and financial plans. Both plans are submitted to the Minister for Human Services. Annual financial statements are subject to audit by the Auditor General.

The Board generally comprises up to five Non-Executive Directors (including the Chair) and the Managing Director. Directors, having qualifications relevant to or special experience or interest in a

field relevant to Australian Hearing, are appointed by the Minister. This year, the Minister also appointed a special purpose Director.

The Board meets on a regular basis. Tables eight to 10 list the meetings attended by Board members during the financial year.

The Board remains committed to the highest standards of corporate governance and is guided by the Principles of Good Corporate Governance and Best Practice Recommendations issued by the ASX Group Corporate Governance Council.

TABLE EIGHT: BOARD ATTENDANCE AT BOARD MEETINGS

BOARD OF DIRECTORS		MEETINGS ATTENDED	MEETINGS ELIGIBLE TO BE ATTENDED
Associate Professor Rae Cooper	Chair	7	7
The Hon Michael Knight AO	Director	7	7
Mr Kim Keogh	Director	7	7
Associate Professor Kelvin Kong	Director	6	7
Mrs Swati Dave	Director	7	7
Ms Kathryn Campbell	Special purpose Director appointed 29/11/12 to 28/11/13	3	4
Mr Steven Grundy	Managing Director	7	7

TABLE NINE: CIRCULAR RESOLUTION DISTRIBUTION TO THE BOARD OF DIRECTORS

		CIRCULARS DISTRIBUTED	CIRCULARS ELIGIBLE TO BE RECEIVED
Associate Professor Rae Cooper	Chair	8	8
The Hon Michael Knight AO	Director	8	8
Mr Kim Keogh	Director	8	8
Associate Professor Kelvin Kong	Director	8	8
Mrs Swati Dave	Director	8	8
Ms Kathryn Campbell	Special purpose Director appointed 29/11/12 to 28/11/13	5	5
Mr Steven Grundy	Managing Director	8	8

TABLE TEN: SPECIAL BOARD MEETINGS

		MEETINGS ATTENDED	MEETINGS ELIGIBLE TO BE ATTENDED
Associate Professor Rae Cooper	Chair	2	2
The Hon Michael Knight AO	Director	1	2
Mr Kim Keogh	Director	2	2
Associate Professor Kelvin Kong	Director	2	2
Mrs Swati Dave	Director	2	2
Ms Kathryn Campbell	Special purpose Director appointed 29/11/12 to 28/11/13	2	2

Directors' induction

New Directors are provided with a formal induction program before taking up their appointment. This normally includes a presentation from the Executive team. This provides newly appointed Directors with an understanding of their roles and responsibilities and exposes them to key features of the business, including operations, policies and strategies. Additional supplements are tailored to meet particular needs or interests. 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 employees, including Directors, are required to sign a confidentiality agreement on commencement with Australian Hearing. These agreements state the obligation of employees on non-disclosure and use of confidential information.

Indemnity and insurance of Officers

During the year, we paid a premium of ex GST \$17,266 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. This is conducted through a formal Board performance questionnaire which is completed on a confidential basis by each Director. The most recent review was in August 2013.

Board performance assessment

Assessment of Board performance is conducted against the agreed elements of the role of the Board. These are detailed below.

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 effective manner in accordance with section 14(1)(b) of the AHS Act.

- (iii) to act in accordance with any duties imposed by the CAC Act on Officers, including the obligations provided for in Division 4 of the CAC Act dealing with the conduct of Officers.

(B) SPECIFICALLY, 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 and sensitive reports.

(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 adequate risk management processes and internal controls exist and are being adhered to.
- (iii) ensure legal and regulatory compliance is achieved.

Certification by the Managing Director and Chief Financial Officer

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

Company Secretary

The Company Secretary is Mr Stephen Patterson BComm, FCPA, ACIS. Mr Patterson was appointed Company Secretary in March 2004.

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 and are detailed below.

(A) RISK MANAGEMENT

- (i) review whether Australian Hearing's management has in place a current and comprehensive risk management framework and associated procedures for effective identification and management of Australian Hearing's financial and business risks, including fraud.
- (ii) review whether a sound and effective approach has been followed by Australian Hearing in developing strategic risk management plans for major projects or undertakings.
- (iii) review the impact of Australian Hearing's risk management framework on our control environment and insurance arrangements.
- (iv) review whether a sound and effective approach has been followed in establishing Australian Hearing's business continuity planning arrangements, including whether disaster recovery plans have been tested periodically.
- (v) review Australian Hearing's fraud control plan and satisfy itself that we have appropriate processes and systems in place to capture and effectively investigate fraud related information.

(B) CONTROL FRAMEWORK

- (i) review whether Australian Hearing's management's approach to maintaining an effective internal control framework, including over external parties such as contractors and advisors, is sound and effective.
- (ii) review whether Australian Hearing's management has in place relevant policies and procedures, and that these are periodically reviewed and updated.
- (iii) determine whether the appropriate processes are in place to assess, at least once a year, whether policies and procedures are complied with.
- (iv) review whether appropriate policies and procedures are in place for the management and exercise of delegations.
- (v) consider how Australian Hearing's management identifies any required changes to the design or implementation of internal controls.
- (vi) review whether Australian Hearing's management has taken steps to promote a culture which is committed to ethical and lawful behaviour.

(C) EXTERNAL ACCOUNTABILITY

- (i) review the financial statements and provide advice to the Board (including whether appropriate action has been taken in response to audit recommendations and adjustments) and recommend the signing of the financial statements by the Chair of the Board.
- (ii) satisfy itself that the financial statements are supported by appropriate management sign-off on the statements and on the adequacy of the systems of internal controls.

TABLE ELEVEN: ATTENDANCE OF DIRECTORS AND MEMBERS AT THE AUDIT AND RISK MANAGEMENT COMMITTEE MEETINGS

		MEETINGS ATTENDED	MEETINGS ELIGIBLE TO BE ATTENDED
Mrs Swati Dave	Chair	5	5
Associate Professor Rae Cooper	Director	5	5
The Hon Michael Knight AO	Director	5	5
Ms Michelle Chiang	Member appointed 27/03/13 to 26/03/14	2	2

- (iii) review the processes in place designed to ensure that financial information included in Australian Hearing's annual report is consistent with the signed financial statements.
- (iv) satisfy itself that Australian Hearing has appropriate mechanisms in place to review and implement, where appropriate, relevant Parliamentary Committee reports and recommendations.
- (v) satisfy itself that Australian Hearing has a performance management framework that is linked to organisational objectives and outcomes.

(D) LEGISLATIVE COMPLIANCE

- (i) determine whether Australian Hearing's management has appropriately considered legal and compliance risks as part of Australian Hearing's risk assessment and management arrangements.
- (ii) review the effectiveness of the system for monitoring Australian Hearing's compliance with relevant laws, regulations and associated government policies.

(E) INTERNAL AUDITING

- (i) act as a forum for communication between the Board, senior management and the internal audit team.
- (ii) review the internal audit coverage and annual work plan, ensure the plan is based on Australian Hearing's risk management plan and recommend approval of the plan by the Board.
- (iii) advise the Board on the adequacy of internal audit resources to carry out its responsibilities, including completion of the approved internal audit plan.
- (iv) monitor the coordination of audit programs conducted by internal and external audit and other review functions.
- (v) review all audit reports and provide advice to the Board on significant issues identified in audit reports and action taken on issues raised, including identification and dissemination of good practice.
- (vi) monitor Australian Hearing management's implementation of internal audit recommendations.
- (vii) review the Audit and Risk Management Committee charter to ensure appropriate organisational structures, authority, access and reporting arrangements are in place.
- (viii) periodically review the performance of internal audit.
- (ix) provide advice to the Board on the appointment, or recommend to the Board the appointment of the internal auditor.

(F) EXTERNAL AUDITING

- (i) act as a forum for communication between the Board, senior management and the external audit team.
- (ii) provide input and feedback on the financial statement and performance audit coverage proposed by external audit and provide feedback on the audit services provided.
- (iii) review all external plans and reports in respect of planned or completed audits and monitor management's implementation of audit recommendations.
- (iv) provide advice to the Board on action taken on significant issues raised in relevant external audit reports. Internal auditing has been outsourced to O'Connor Marsden and Associates. Regular reports are received from management and internal and external auditors, and recommendations for improved internal controls, processes and efficiencies are implemented on a regular basis. The Committee meets at least once a year with the auditors, independent of management.

Remuneration and Organisation Development Committee

This Committee is a formal sub-committee of the Board established on 26 October 2012 with membership comprised of Mrs Swati Dave, Chair and Associate Professor Rae Cooper.

The role of the Committee is to assist and advise the Board of Directors in fulfilling its responsibilities on matters relating to the compensation, bonuses, incentives and remuneration issues of the Managing Director and staff. The Committee is not a policy making body, but assists the Board by implementing board policy.

The objectives of the Committee include:

- (a) review and recommend to the Board annually, remuneration for the Managing Director within the terms of the employment contract and Remuneration Tribunal guidelines.
- (b) review the Managing Director's recommendation regarding remuneration for staff.
- (c) ensure staff remuneration is aligned with market trends.
- (d) monitor and review the Managing Director's performance and key performance indicators for the determination of the annual bonus components.

TABLE TWELVE: ATTENDANCE OF DIRECTORS AND MEMBERS AT REMUNERATION AND ORGANISATION DEVELOPMENT COMMITTEE MEETINGS

		MEETINGS ATTENDED	MEETINGS ELIGIBLE TO BE ATTENDED
Mrs Swati Dave	Chair	9	9
Associate Professor Rae Cooper	Director	9	9

- (e) review and recommend incentive plans for Executives and staff.
- (f) ensure that remuneration is aligned with strategy.
- (g) ensure that the key performance indicators and performance of senior Executive staff is aligned with strategy.
- (h) assist the Board in driving talent management at a strategic level.
- (i) assist the Board in the recruitment and development of senior Executive staff

Australian Hearing's Research Committee

The Research Committee meets three times each year. Its role is to:

- (a) review the strategic plan of NAL research once a year.
- (b) determine that the projects undertaken are in line with NAL Research and Australian Hearing's strategic objectives.
- (c) approve the annual research plan and progress reports for activities funded by the Department of Health and Ageing prior to them being formally submitted to the Department of Health and Ageing.
- (d) take a proactive, high level role in project selection, evaluation, resource allocation and balance of type of outcomes to be achieved (i.e. commercial, sponsored or community good).
- (e) be interactive, and apply scrutiny and guidance at a strategic level, including review of project progress reports at each meeting.
- (f) assess significant changes to projects in line with strong governance, structure and reporting/evaluation mechanisms.

- (g) monitor the development, ownership, protection and commercialisation of intellectual property created by NAL.

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:

- (a) protect the welfare and rights of participants in research undertaken by researchers employed by Australian Hearing.
- (b) approve research by other institutions on Australian Hearing customers where:
 - (i) there is significant involvement by researchers employed by Australian Hearing, or;
 - (ii) issues of privacy of customer 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 information privacy principles (IPPs) are justified or steps are required of the researchers to obtain customer permission to access the records.
- (c) ensure that prior to the commencement of subject testing, all projects have received the appropriate ethics approval.
- (d) 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.

TABLE THIRTEEN: AUSTRALIAN HEARING RESEARCH COMMITTEE ATTENDANCE

		MEETINGS ATTENDED	MEETINGS ELIGIBLE TO BE ATTENDED
Associate Professor Rae Cooper	Chair	3	3
Mr Steven Grundy	Managing Director	3	3
Ms Tracey Duffy	OHS Representative	3	3
The Hon Michael Knight AO	Director	3	3
Dr Bob Frater		3	3
Associate Professor Jim Patrick		3	3
Professor Louise Hickson		3	3
Dr Harvey Dillon	Director of Research, NAL	3	3

- (e) 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.

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*. The purpose of the Act is to establish the authority and provide for its functions.

The functions of the authority are defined in Section 8 of the Act as follows:

- (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*.
- (b) to provide declared hearing services to young Australians, referred Comcare clients, referred Commonwealth employees, and designated persons.
- (c) to carry out research and development (including cooperative research with other institutions) into:
- the assessment of hearing.
 - hearing aids and procedures for fitting hearing aids.
 - hearing rehabilitation.
 - hearing loss prevention.
 - the effects of noise on the community.
- (d) to enter into arrangements for research, design and development of hearing services.
- e) to enter into arrangements for supply of hearing services.

TABLE FOURTEEN: AUSTRALIAN HEARING HUMAN RESEARCH ETHICS COMMITTEE ATTENDANCE

	MEETINGS ATTENDED	MEETINGS ELIGIBLE TO BE ATTENDED
Dr John Quilter Chairman	2	2
Ms Alison King	2	2
Rev Philip Bradford	2	2
Mr Richard Brading	2	2
Dr John Mack	2	2
Professor Di Yerbury	2	2
Associate Professor Catherine McMahan	2	2
Dr Gitte Keidser	2	2
Dr Teresa Ching	2	2

- f) to provide, as appropriate, for the training and education of persons or bodies (including overseas bodies) providing hearing services.
- g) to provide advice on, and to conduct public education programs in relation to, hearing services provided by the authority.
- h) to develop standards in relation to noise levels in the community that are acceptable in connection with the prevention of hearing loss.
- i) to provide consultancy services relating to any of the matters referred to in this subsection.
- j) to promote the establishment of export markets for Australian Hearing Service.
- k) to operate special acoustic facilities for acoustic measurement and research.
- l) such other functions as are conferred on the authority by the Act.
- m) 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 and business plans, and assesses quality and performance of services.

BUSINESS ETHICS GUIDE

Australian Hearing has implemented a Business Ethics Guide 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.
- the consequences of breaching the requirements of this guide.

Our corporate plan

We undertake a yearly strategic planning session and present a Corporate Plan to the Minister for Human Services. This plan must meet the requirements of the AHS Act and must cover three years. In accordance with the AHS Act, the Board must review and revise the plan as soon as practicable before the beginning of each financial year.

The Managing Director and Australian Hearing Executives attend quarterly meetings with the Department of Human Services. Quarterly meetings are also held with the Office of Hearing Services in relation to the delivery of Community Service Obligations services. These quarterly meetings report on performance against key performance indicators and progress on specific projects.

Board of Directors

The Board of Directors of Australian hearing has pleasure in submitting its report for the financial year ended 30 June 2013.

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 2012/13 are detailed below. Unless otherwise indicated, all held their position as a Director throughout the entire year.

Associate Professor Rae Cooper

BA (Hons) UNSW, PhD (USyd)

CHAIR AND NON-EXECUTIVE DIRECTOR

Associate Professor Rachel (Rae) Cooper was appointed Chair of Australian Hearing in 22 October 2011.

She is an Associate Professor at the University of Sydney Business School and has been a full-time academic since 2000. In this time she has published over 40 articles and chapters on industrial relations and gender and work in leading international and Australian journals. She is currently investigating the negotiation of workplace flexibility for working parents, supported by an Australian Research Council Discovery Grant.

Previously Associate Professor Cooper has been the Deputy Chair of the NSW Premier's Expert Advisory Council on Women, the Chair of the NSW Working Women's Centre and a Director of the Board of the NSW Rural Assistance Authority and the NSW TAFE Commission.

Associate Professor Cooper uses her research expertise to consult for a number of major organisations and regularly advises policy makers on workplace matters.

Associate Professor Cooper is a passionate advocate for social inclusion and social justice.



Mrs Swati Dave

NON-EXECUTIVE DIRECTOR

Mrs Dave is currently the Executive General Manager of Specialised Finance, Product and Markets at the National Australia Bank, with responsibility for offices in Australia, the United Kingdom and Singapore. Mrs Dave has an extensive background in the banking and finance sector, and has held senior roles at Bankers Trust, Deutsche Bank and AMP Henderson Global Investors.

Mrs Dave is keen to utilise her extensive skills and experience to make a broader contribution to the community. Of particular interest to Mrs Dave are the aims of Australian Hearing and the services it provides for children, youth, veterans and Aboriginal and Torres Strait Islanders, which she believes are vital to improving the quality of life for hearing impaired Australians.



The Hon Michael Knight AO

NON-EXECUTIVE DIRECTOR

Mr Knight was the Minister for the Sydney Olympic and Paralympic Games. He has had extensive experience in public sector commercial entities, including the Board of Delta Electricity and Chairman of the Sydney Olympic Park Authority. He also chaired the Board of InfraShore, the private consortium which built the new Royal North Shore Hospital in Sydney.

Mr Knight has been an advocate for disadvantaged groups and individuals throughout many years of community service.



Mr Kim Keogh

MAICD

NON-EXECUTIVE DIRECTOR

Mr Keogh was appointed Non-Executive Director of Australian Hearing on 30 August 2007. Mr Keogh is currently the Managing Director of a family investment company, with wide commercial experience in the pastoral industry. He is also engaged as a consultant to various other companies.

Mr Keogh is actively involved in the community, including Director, with a number of community and not-for-profit organisations.

He was a former Local Government Councillor for 22 years, Board member on the Agriculture Protection Board and Gascoyne Murchison Strategy, Chairman of the Federal Ministerial Reference Group for Environment and Agriculture and was formerly a member of the Natural Heritage Trust Advisory Committee and National Weeds Advisory Group.



Associate Professor Kelvin Kong

BSc, MBBS (UNSW), FRACS

NON-EXECUTIVE DIRECTOR

Associate Professor Kong was appointed Non-Executive Director of Australian Hearing on 30 August 2007. Associate Professor Kong is a Fellow of the Royal Australasian College of Surgeons, specialising in paediatric and adult otolaryngology, head and neck surgery. He hails from Worimi country in Port Stephens, NSW.

Associate Professor Kong works in Newcastle, at John Hunter Hospital and has a conjoint appointment at the University of NSW and Newcastle University.



Ms Kathryn Campbell CSC

BAppSc, MInf Sc, MBA

NON-EXECUTIVE DIRECTOR

Ms Campbell was appointed as a Special Purpose Director by the Minister for Human Services on 29 November 2012.

Ms Campbell is the Secretary of the Department of Human Services. Prior to her current appointment, she was the Deputy Secretary, Tertiary, Youth and International at the Department of Education, Employment and Workplace Relations.



Ms Campbell also held the positions of Deputy Secretary, Budget and Deputy Secretary, Financial Management in the Department of Finance and Deregulation from 2005 to 2010. From 1998 to 2005 Ms Campbell held a variety of branch and divisional management positions within the Budget and Property Groups of the Department of Finance and Deregulation.

Mr Steven Grundy

Dip Maritime Studies, Dip Bus Admin, FAIM, MAICD

MANAGING DIRECTOR

Mr Grundy commenced with Australian Hearing in June 2007 and was appointed Managing Director on 1 November 2008.

Mr Grundy's expertise lays in conceiving and executing the strategies and initiatives that drive revenue, growth, market positioning, culture, profits and shareholder value. His passion is to take a business to its next level of success.

He began his career in the Royal Australian Navy, culminating in becoming Commanding Officer of HMAS Rushcutter. He left the Navy in 1999 to pursue his interest in the commercial sector and undertook a management role with Telstra as the inaugural National General Manager for the management of voice, data and project management.

Mr Grundy then went on to be the National General Manager for management of Telstra payphones, including management of the Universal Service Obligation where he worked with outdoor advertising agencies to incorporate advertising on payphones creating a new cutting-edge revenue stream.

As well as the Australian Hearing Board, Mr Grundy is a Director on three other Boards; the CRC Research Committee, Sitebau Pty Ltd, a property development company and HEARworks Pty Ltd, an organisation that manages the intellectual property and commercial activities of the CRC. He is a Member of the Australian Institute of Company Directors and a Fellow of the Australian Institute of Management.



Executive management

Mr Steven Grundy

Dip Maritime Studies, Dip Bus Admin, FAIM, MAICD

MANAGING DIRECTOR

See career details above.

Mr Peter Gasparovic

AdvDip Computer Science

CHIEF INFORMATION OFFICER

Mr Gasparovic joined Australian Hearing in January 2010 and brings with him a wealth of IT and leadership experience. With nearly 30 years' experience in the IT industry, he has developed a comprehensive understanding of value-driven IT departments.

Mr Gasparovic previously held the position of CIO at Mondial Assistance, Mission Australia, Chubb Asia Pacific, Dexion and Taubmans Paints. He has significant experience in developing and leading IT departments which provide a strong focus on customer service excellence. He believes in investing in a robust management and leadership structure that is backed up by a team who are passionate about helping the organisation.

Mr Gasparovic has an Advanced Diploma in Computer Science and is an ITIL (IT Service Management) and PRINCE2 (Project Management) certified professional.



Professor Harvey Dillon

BE, PhD

DIRECTOR NATIONAL ACOUSTIC LABORATORIES

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

Professor 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 190 scientific articles, 14 book chapters and a text book on hearing aids, now in its second edition.

He has been the recipient of several awards including the Callier Prize from the University of Texas in 2013. He is frequently invited to present addresses on various aspects of hearing aids and keynote addresses at overseas conferences.

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



Ms Michelle Spooner

BA, Grad Dip Adult Ed, GAICD

EXECUTIVE MANAGER SALES AND MARKETING

Ms Spooner joined Australian Hearing in 2009. She previously held senior marketing and business development roles in the health, education and insurance sectors.

Ms Spooner has extensive experience in services marketing and business development. She has also consulted to different organisations on commercialising products and services.

Ms Spooner has a Bachelor of Arts and a Graduate Diploma in Adult Education. She is a graduate of the Australian Institute of Company Directors and is actively involved in community Boards.



Mr Carel Bothma

B. Comm. Hons, Masters in HRM

EXECUTIVE MANAGER HUMAN RESOURCES

Mr Bothma joined Australian Hearing in April 2009 as Executive Manager People and Performance. Mr Bothma spent 10 years in recruitment, industrial relations and organisational development before relocating to Australia from South Africa in 1998 as HR Director within the Sara Lee and Tupperware Corporations.

Mr Bothma established human resource functions for Nutrimecs in Australia, New Zealand, Malaysia and Thailand. He then became HR Director for Nutrimecs Australia and New Zealand. In this role he introduced a number of organisational effectiveness initiatives such as continuous improvement, high performing culture and culture change initiatives to achieve business results.

Mr Bothma holds an honours degree majoring in Business Economics and Organisational Psychology, a post graduate diploma in Industrial Relations, a Masters Degree in Human Resources and leadership program from IMD in Switzerland. He has extensive international human resources and change management experience. He is also actively involved in the community and is a current Director on the board of Lifeline Sydney North.



Mr Mario Torresan

B.Bus, MBA, CA

CHIEF FINANCIAL OFFICER

Mr Torresan joined Australian Hearing in July 2009. With a background in finance, accounting and business, his experience spans major accounting firms and international business corporations in senior finance roles and in roles with responsibilities including finance, information technology, facilities, property and investment management. Mr Torresan joined Australian Hearing from the Royal Institute for Deaf and Blind Children (RIDBC) where he was the Manager, Corporate Services.

Mr Torresan has held senior finance roles in information technology corporations and his previous experience includes multinational data management, high volume distribution, treasury, information system projects and implementation of a shared service environment. Mr Torresan commenced his career working in Arthur Anderson and Deloitte chartered accounting firms, where he gained broad business knowledge in industries as diverse as hospitality, food, insurance, manufacturing and distribution.

He is a Chartered Accountant with a Bachelor of Business from the University of Technology, Sydney and a Masters of Business Administration from the Macquarie Graduate School of Management.



Ms Michele Clapin

BSpThy, MAud, MHSM, MAudSA (CCP)

EXECUTIVE MANAGER CLINICAL PRACTICE

Ms Clapin has extensive experience in the field of audiology, having worked for ten years in hospital and community audiology positions in Queensland and Western Australia before joining Australian Hearing in 1992. Ms Clapin has clinical experience in the provision of services to both adult and paediatric clients. She has both practical and research experience in the provision of hearing health services to Aboriginal and Torres Strait Islanders. Ms Clapin has been a member of the Australian Hearing Executive since 2002.

Ms Clapin has a Bachelor of Speech Therapy, a Masters Degree in Audiology and a Masters Degree in Health Services Management. She is a full member of the Audiological Society of Australia (Certificate of Clinical Practice) and is a Committee member of the NSW Branch of the Society. She also holds membership of the International Society of Audiology and is an International member of the American Academy of Audiology. Ms Clapin is a member of the Advisory Board of the Ida Institute, a not-for-profit, Danish based organisation that focuses on the psychosocial aspects of hearing health.



Mr Stephen Patterson

BComm, FCPA, ACIS

CHIEF OPERATING OFFICER AND COMPANY SECRETARY

Mr Patterson has significant finance and company secretarial experience both in Australia and in the Asia Pacific region. He has previously held senior finance roles with a number of large Australian listed organisations such as Australian National Industries, Optus Communications and Goodman Fielder. This experience has been both at corporate head office level and on an Australian and international divisional basis with considerable involvement in acquisitions and restructuring.

Mr Patterson has extensive commercial experience in financial, company secretarial and stock exchange reporting in Australia and overseas, covering a broad range of industry segments such as media and communications, heavy engineering and the food and beverage industries. Mr Patterson has a Bachelor of Commerce Degree from the University of NSW and is a Fellow of the Society of Certified Practising Accountants (FCPA) and a qualified Company Secretary. He has completed the Global Strategic Management Program at Harvard Business School.



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Mr Patterson was previously Chief Financial Officer from March 2004 to April 2009. As Chief Operating Officer since April 2009, he has been responsible for a number of large scale projects. This has included the National Support Office relocation to the Australian Hearing Hub at Macquarie University, as well as the negotiation and tendering of the Hearing Aid and Earmould contracts which are the largest tenders of their type in the Southern Hemisphere, and recognised as one of the largest tenders globally.

Ms Gina Mavrias

BSc, DipAud MAudSA (CCP)

EXECUTIVE MANAGER NETWORK

Ms Mavrias joined the National Acoustic Laboratories in 1988 as an Audiologist and specialised in the rehabilitation of adults with a severe hearing impairment. She has a Bachelor of Science Degree and a Diploma of Audiology from the University of Melbourne, and is a Member of the Audiological Society of Australia (Certificate of Clinical Practice).



Ms Mavrias has been in a senior management position with Australian Hearing for 15 years and has extensive knowledge of the business and the hearing industry. She has been a member of the Australian Hearing Executive team since 2004.

Ms Mavrias' current position is Executive Manager Network, where she is responsible for the management of operations and service delivery across a national network of sites.

PART SIX

Financial Statements

Appendices	75
Glossary	80
Compliance index	81
List of Australian Hearing Centres	82
Index	84



Independent Auditor's Report

FOR THE YEAR ENDED 30 JUNE 2013



To the Minister for Human Services

I have audited the accompanying financial statements of Australian Hearing for the year ended 30 June 2013, which comprise: a Statement by the Directors, Chief Executive and Chief Financial Officer; the Statement of Comprehensive Income; Balance Sheet; Statement of Changes in Equity; Cash Flow Statement; Schedule of Commitments; and Notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Financial Statements

The directors of Australian Hearing are responsible for the preparation of the financial statements that give a true and fair view in accordance with the Finance Minister's Orders made under the Commonwealth Authorities and Companies Act 1997, including the Australian Accounting Standards, and for such internal control as is necessary to enable the preparation of the financial statements that give a true and fair view and 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 Australian Hearing's preparation of the financial statements that give a true and

fair view 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 Australian Hearing's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the directors, 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.

Auditor's opinion

In my opinion, the financial statements of Australian Hearing:

- (a) have been prepared in accordance with the Finance Minister's Orders made under the *Commonwealth Authorities and Companies Act 1997*, including the Australian Accounting Standards; and
- (b) give a true and fair view of the matters required by the Finance Minister's Orders including Australian Hearing's financial position as at 30 June 2013 and of its financial performance and cash flows for the year then ended.

Australian National Audit Office

Kristian Gage

Audit Principal
Delegate of the Auditor-General

Canberra
23 August 2013

Statement by the Directors, Chief Executive and Chief Financial Officer

FOR THE YEAR ENDED 30 JUNE 2013

In our opinion, the attached financial statements for the year ended 30 June 2013 are based on properly maintained financial records and give a true and fair view of the matters required by the Finance Minister's Orders made under the Commonwealth Authorities and Companies Act 1997, as amended.

In our opinion, at the date of this statement, there are reasonable grounds to believe that the Authority 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.

**Associate Professor
Rae Cooper**
Chair

Steven Grundy
Managing Director

Mario Torresan
Chief Financial Officer

23 August 2013

Statement of Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2013

	Notes	2013 \$'000	2012 \$'000
INCOME			
Sale of goods and rendering of services	2A	200,295	206,222
Interest	2B	2,228	2,273
Other revenue	2C	825	448
Total Income		203,348	208,943
EXPENSES			
Employee benefits	3A	93,834	89,552
Suppliers	3B	94,819	97,348
Depreciation and amortisation	3C	9,980	10,899
Finance costs	3D	168	322
Write-down and impairment of assets	3E	-	459
Losses from asset disposals	3F	388	707
Total Expenses		199,189	199,287
Profit before income tax equivalent		4,159	9,656
Income tax equivalent expense	4	1,264	2,906
Surplus after income tax equivalent		2,895	6,750
OTHER COMPREHENSIVE INCOME			
TOTAL COMPREHENSIVE INCOME		2,895	6,750

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

Balance Sheet

AS AT 30 JUNE 2013

	Notes	2013 \$'000	2012 \$'000
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6A	3,079	2,930
Trade and other receivables	6B	4,100	8,690
Inventories	6C	2,707	2,594
Work in progress	6D	2,977	3,946
Other current assets	6E	2,272	2,367
Investments under s.18 of the CAC Act	6F	48,000	39,000
Total current assets		63,135	59,527
NON-CURRENT ASSETS			
Land and buildings	7A	11,767	6,760
Property, plant & equipment	7B	11,237	13,840
Intangible assets	8	5,946	6,474
Deferred tax assets	9	11,378	10,242
Total non-current assets		40,328	37,316
Total assets		103,463	96,843
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10A	13,860	13,757
Provisions	11A	10,763	12,341
Deferred revenue	10B	15,800	16,107
Tax liabilities	10C	1,360	2,152
Dividend payable	10D	1,394	2,197
Total current liabilities		43,177	46,554
NON-CURRENT LIABILITIES			
Trade and other payables	10A	6,692	100
Provisions	11A	15,072	12,847
Total non-current liabilities		21,764	12,947
Total liabilities		64,941	59,501
NET ASSETS		38,522	37,342
EQUITY			
Retained surplus	12	38,522	37,342
TOTAL EQUITY		38,522	37,342

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

Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2013

	Notes	2013 \$'000	2012 \$'000
RETAINED EARNINGS			
Opening Balance		37,342	34,585
Comprehensive income			
Other comprehensive income		-	-
Surplus for the year		2,895	6,750
Total comprehensive income		2,895	6,750
Transactions with owners			
Dividend distributions	(a)	(1,715)	(3,993)
Closing Balance	12	38,522	37,342
(a) Dividends			
Interim		(321)	(1,796)
Final		(1,394)	(2,197)
Total dividends		(1,715)	(3,993)

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

Cash Flow Statement

FOR THE YEAR ENDED 30 JUNE 2013

	Notes	2013 \$'000	2012 \$'000
OPERATING ACTIVITIES			
CASH RECEIVED			
Goods and services		215,268	209,452
Interest		2,208	2,388
Other revenue		822	448
Net GST received		2,466	3,168
Total cash received		220,764	215,456
CASH USED			
Employees		(92,575)	(88,708)
Suppliers		(101,718)	(102,088)
Income tax equivalent		(3,191)	(3,463)
Total cash used		(197,484)	(194,259)
Net cash flows from operating activities	13B	23,280	21,197
INVESTING ACTIVITIES			
CASH RECEIVED			
Proceeds from sale of property, plant and equipment		1	1
Proceeds from investments under s.18 of the CAC Act		124,087	88,500
Total cash received		124,088	88,501
CASH USED			
Purchases of property, plant and equipment		(11,614)	(12,572)
Payments for investments under s.18 of the CAC Act		(133,087)	(92,000)
Total cash used		(144,701)	(104,572)
Net cash used by investing activities		(20,613)	(16,071)
FINANCING ACTIVITIES			
CASH USED			
Dividend paid		(2,518)	(4,628)
Total cash used		(2,518)	(4,628)
Net cash used by financing activities		(2,518)	(4,628)
Net increase/(decrease) in cash held		149	498
Cash at the beginning of the reporting period		2,930	2,432
Cash at the end of the reporting period	13A	3,079	2,930

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

Schedule of Commitments

AS AT 30 JUNE 2013

	Notes	2013 \$'000	2012 \$'000
BY TYPE			
Commitments receivable			
Net GST recoverable on commitments		(5,168)	(5,991)
Commitments payables			
Capital commitments			
Property, plant and equipment	(a)	1,509	789
Other commitments			
Operating lease	(b)	40,398	58,039
Supply Contracts		16,341	7,085
Total Commitments Payable		58,248	65,913
Net commitments by type		53,080	59,922
BY MATURITY			
Capital commitments			
One year or less		1,372	717
Total capital commitments		1,372	717
Other commitments			
One year or less		14,384	16,251
From one to five years		22,972	17,168
Over five years		14,352	25,786
Total operating lease and supply contract commitments		51,708	59,205
Net commitment by maturity		53,080	59,922

Commitments are GST inclusive where relevant.

- (a) Outstanding contractual payments for clinical equipment, computer hardware and software under development.
- (b) Operating leases.

Nature of lease	General description of leasing arrangement
Leases for office accommodation	Most lease payments are subject to annual increases based on either movements 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 following a review to current market rentals.
Agreements for the provision of motor vehicles	No contingent rentals exist and there are no renewal or purchase options available to Australian Hearing for these leases.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2013

Contents

NOTE NO.	DESCRIPTION	PAGE
Note 1	Summary of significant accounting policies	53
Note 2	Income	60
Note 3	Expenses	60
Note 4	Income tax equivalent expense	62
Note 5	Competitive neutrality	62
Note 6	Current assets	63
Note 7	Property, plant and equipment	65
Note 8	Intangible assets	67
Note 9	Tax assets	68
Note 10	Payables	68
Note 11	Provisions	69
Note 12	Retained surplus	70
Note 13	Cash flow reconciliation	70
Note 14	Remuneration	71
Note 15	Remuneration of auditors	73
Note 16	Contingencies	73
Note 17	Financial instruments	74

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.1 OBJECTIVE OF AUSTRALIAN HEARING

Australian Hearing is an Australian Government controlled 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 programs is dependent on Government policy in relation to the provision of hearing services.

1.2 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements are general purpose financial statements and are required by clause 1 of Schedule 1 to the Commonwealth Authorities and Companies Act 1997.

The statements have been prepared in accordance with:

- Finance Minister's Orders (FMOs) for reporting periods ending on or after 1 July 2011; and
- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention. Except where stated, no allowance has been made for the effect of changing prices on the results or the financial position.

The financial statements are presented in Australian dollars and values are rounded to the nearest thousand dollars unless otherwise specified.

Unless an alternative treatment is specifically required by an accounting standard or the FMOs, assets and liabilities are recognised in the balance sheet when and only when it is probable that future economic benefits will flow to Australian Hearing or a future sacrifice of economic benefits 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. Liabilities and assets that are unrecognised are reported in the schedule of commitments or the schedule of contingencies.

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

Certain balances in the prior period have been reclassified in order to conform with the current year presentation.

1.3 REVENUE

Revenue from the sale of goods is recognised when:

- (a) the risks and rewards of ownership have been transferred to the buyer;
- (b) the seller retains no managerial involvement nor effective control over the goods;
- (c) the revenue and transaction costs incurred can be reliably measured; and
- (d) it is probable that the economic benefits associated with the transaction will flow to the entity.

Revenue from rendering of services is recognised by reference to the stage of completion of contracts at the reporting date. The revenue is recognised when:

- (a) the amount of revenue, stage of completion and transaction costs incurred can be reliably measured; and
- (b) the probable economic benefits with the transaction will flow to the entity.

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.

Receivables for goods and services are recognised at the nominal amounts due less any impairment allowance. Collectability of debts is reviewed at the end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to Australian Hearing and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

RESOURCES RECEIVED FREE OF CHARGE

Resources received free of charge are recognised as revenue when and only when a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense. Resources received free of charge are recorded as either revenue or gains depending on their nature.

REVENUES FROM GOVERNMENT

Australian Hearing receives most of its government revenues from two sources:

- Federal budget funding via the Department of Health and Ageing, Office of Hearing Services branch (OHS), for its community service and research work; and
- 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 twelve months that services are provided.

GRANTS AND RESEARCH FUNDING

Australian Hearing is a member of a research organisation, CRC which is an Australian public company limited by guarantee. Australian Hearing provides staff and facilities to the venture to conduct research into hearing technology and receives funds to reimburse expenditures in its research division, NAL.

Royalty income is derived from the subsequent commercial application of intellectual property developed by CRC. Australian Hearing via NAL has a share in a bank of intellectual property devised over the previous years of its involvement in CRC which may lead to royalty income at some time in the future.

Australian Hearing receives grants from organisations to conduct studies into hearing and noise. Most grants require services or facilities to be provided or eligibility criteria to be met. In these cases revenue is only recognised to the extent that the services required have been performed or the eligibility criteria have been satisfied. Where grant monies are received in advance, a liability is recognised.

1.4 GAINS

SALE OF ASSETS

Gains from disposal of assets are recognised when control of the asset has passed to the buyer.

1.5 EMPLOYEE BENEFITS

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities recognised in respect of short-term employee benefits, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of long-term employee benefits are measured as the present value of the estimated future cash outflows to be made in respect of services provided by employees up to reporting date.

LEAVE

The liability for employee benefits includes provision for annual leave and long service leave. No provision has been 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.

The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will apply at the time the leave is taken, including Australian Hearing's employer superannuation contribution rates and payroll tax equivalents to the extent that the leave is likely to be taken during service rather than paid out on termination.

The liability for long service leave has been determined by reference to the work of an actuary as at May 2011. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

SEPARATION AND REDUNDANCY

Provision is made for separation and redundancy benefit payments. Australian Hearing recognises a provision for termination when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations.

SUPERANNUATION

Staff of Australian Hearing are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS), the PSS Accumulation Plan (PSSap) or other superannuation funds held outside the Commonwealth.

The CSS and PSS are defined benefit schemes for the Australian Government. The PSSap is a defined contribution scheme.

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported in the Department of Finance and Deregulation's 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. Australian Hearing accounts for the contributions as if they were contributions to defined contribution plans.

The liability for superannuation recognised as at 30 June 2013 represents outstanding contributions for the final fortnight of the year.

1.6 LEASES

A distinction is made between finance leases and operating leases. Finance leases effectively transfer from the lessor to the lessee substantially all the risks and rewards incidental to ownership of leased assets. An operating lease is a lease that is not a finance lease. In operating leases, the lessor effectively retains substantially all such risks and benefits.

Australian Hearing has no finance leases.

Operating lease payments are expensed on a straight-line basis which is representative of the pattern of benefits derived from the leased assets.

1.7 CASH

Cash and cash equivalents includes cash on hand and any deposits in bank accounts, with a short maturity of three months or less, that are readily convertible to known amounts of cash and subject

to 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.

1.8 FINANCIAL ASSETS

LOANS AND RECEIVABLES

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Australian Hearing loans and trade and other receivables are all included in current assets. Trade and other receivables are measured at their nominal amounts.

IMPAIRMENT OF FINANCIAL ASSETS

Financial assets are assessed for impairment at the end of each reporting period.

If there is objective evidence that an impairment loss has been incurred for loans and receivables the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows. The carrying amount is reduced by way of an allowance account. The loss is recognised in the statement of comprehensive income.

1.9 FINANCIAL LIABILITIES

SUPPLIER AND OTHER PAYABLES

Supplier and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received, irrespective of having been invoiced.

1.10 PROVISIONS

Provisions are recognised when Australian Hearing has a present obligation (legal or constructive) as a result of a past event, it is probable that 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 end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

ONEROUS CONTRACTS

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where Australian Hearing has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

RESTRUCTURING

A restructuring provision is recognised when Australian Hearing has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with ongoing activities.

1.11 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Contingent liabilities and assets are not recognised in the balance sheet but are reported in the relevant schedules and notes. 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.

1.12 ACQUISITION OF ASSETS

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Financial assets are initially measured at their fair value plus transaction costs where appropriate.

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.

1.13 PROPERTY, PLANT AND EQUIPMENT

ASSET RECOGNITION THRESHOLD

Purchases of property, plant and equipment are recognised at cost in the balance sheet except for purchases costing less than \$1,000, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

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. These costs are included in the value of Australian Hearing's leasehold improvements and a corresponding provision for the restoration obligation is recognised.

DEPRECIATION

Depreciable property, plant and equipment assets are written off to their estimated residual values over their estimated useful lives using, in all cases, the straight line method of depreciation.

Depreciation rates, useful lives, residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives.

	2013	2012
Buildings on freehold land	40 years	40 years
Leasehold improvements	Lease term	Lease term
Plant and equipment	3-20 years	3-20 years

IMPAIRMENT

All assets were assessed for impairment at 30 June 2013. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment is made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be

replaced if Australian Hearing were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

DERECOGNITION

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

1.14 INTANGIBLE ASSETS

Intangible assets comprise both specifically developed software for internal use, and proprietary software. These assets are carried at cost less accumulated amortisation and accumulated impairment losses.

Software is amortised on a straight-line basis over its anticipated useful life. The useful lives of Australian Hearing's software are 3 to 7 years (2011/12: 3 to 7 years).

All software assets were assessed for indicators of impairment as at 30 June 2013.

1.15 INVENTORIES

Inventories held for sale are valued at the lower of cost and net realisable value.

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

Costs are assigned to inventory using the average cost method.

1.16 TAXATION / COMPETITIVE NEUTRALITY

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

Revenues, expenses and assets are recognised net of GST:

- except where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- except for 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 Government in addition to payments for FBT and GST.

1.17 NEW ACCOUNTING STANDARDS

ADOPTION OF NEW AUSTRALIAN ACCOUNTING STANDARD REQUIREMENTS

No accounting standard has been adopted earlier than the application date as stated in the standard

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to Australian Hearing. Australian Hearing has decided not to early adopt any of the new and amended pronouncements. Australian Hearing's assessment of the new and amended pronouncements that are relevant but applicable in future periods is set out below:

AASB 9 'Financial Instruments (December 2009), AASB 2009-11 'Amendments to Australian Accounting Standards arising from AASB9'

Key requirements

AASB 9 introduces new requirements for classifying and measuring financial assets, as follows;

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
- simplifying the requirements for embedded derivatives;
- removing the tainting rules associated with held-to-maturity assets;
- removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
- allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument;
- requiring financial assets to be reclassified where there is a change in an entity's business model as they are initially classified based on: (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows; and
- requiring the entity that chooses to measure a financial liability at fair value to present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income, except when that

would create an accounting mismatch. If such a mismatch would be created or enlarged, the entity is required to present all changes in fair value (including effects of changes in the credit risk of the liability) in profit or loss.

Australian Hearing has not yet been able to reasonably estimate the impact of these pronouncements on its financial statements.

Effective date

Applicable for annual reporting periods commencing on or after 1 January 2013.

AAASB 119 'Employee Benefits (2011)', 'AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (2011)' and 'AASB2011-11 Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements'

Key requirements

These Standards introduce a number of changes to accounting and presentation of defined benefit plans. Australian Hearing does not have any defined benefit plans and so is not impacted by the amendment.

AASB 119 (September 2011) also includes changes to:

- require only those benefits that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related services to be classified as short-term employee benefits. All other employee benefits are to be classified as other long-term employee benefits, post-employment benefits or termination benefits, as appropriate; and
- the accounting for termination benefits that require an entity to recognise an obligation for such benefits at the earlier of;
 - (i) for an offer that may be withdrawn - when the employee accepts;
 - (ii) for an offer that cannot be withdrawn - when the offer is communicated to affected employees; and
 - (iii) where the termination is associated with a restructuring of activities under AASB 137: Provisions, Contingent Liabilities and Contingent Assets, and if earlier than the first two conditions - when the related restructuring costs are recognised.

Australian Hearing has not yet been able to reasonably estimate the impact of these changes to AASB 119.

Effective date

Applicable for annual reporting periods commencing on or after 1 January 2013.

1.18 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of Australian Hearing's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

No accounting judgements in applying the accounting policies have been identified that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next accounting period.

KEY SOURCES OF ESTIMATION UNCERTAINTY

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- Estimate of asset lives, residual lives and depreciation methods** - Australian Hearing estimates the useful lives of property, plant and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of property, plant and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the relevant assets. In addition, the estimation of the useful lives of property, plant and equipment are based on internal evaluation and experience with similar assets. It is possible, however, that

future results of operations could be materially affected by changes in the estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of the property, plant and equipment would increase the recorded expenses and decrease the non-current assets..

- Restoration obligations** - Restoration provisions include future cost estimates associated with restoring the original site. Uncertainty may result in future actual expenditure differing from the amounts currently provided. The provision recognised for each site is periodically reviewed and updated based on the facts and circumstances on the site.
- Long service leave provision** - The liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. This is based on actuarial assessment. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using Commonwealth bond rates.
- Inventory obsolescence** - Reviews are made periodically by management on damaged, obsolete and slow moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.
- Restructuring provisions** - A restructuring provision has been recognised for committed and communicated redundancy costs for individual employees where the employees end date is after 30 June 2013 and other committed costs in relation to the restructuring. The provision does not include costs where Australian Hearing has not yet committed to courses of action.

1.19 WORK IN PROGRESS

Under the current claims process with the Office of Hearing Services, Australian Hearing is remunerated on completion of a fitting which occurs when a customer returns their follow-up appointment. In order to match revenue against cost in each accounting period, Work in Progress is used to recognise revenue relating to activities that are partially completed i.e. the customer has been fitted with a hearing device but has yet to return for a follow-up appointment.

	2013 \$'000	2012 \$'000
NOTE 2: INCOME		
2A: Sale of goods and rendering of services		
Provision of goods - related entities	69,495	82,231
Provision of goods - external parties	32,178	30,536
Rendering of services - related entities	89,291	84,048
Rendering of services - external parties	9,331	9,407
Total sale of goods and rendering of services	200,295	206,222
2B: Interest		
Interest on deposits	2,228	2,273
2C: Other revenue		
Rental income	-	1
Royalties	825	447
Total other revenue	825	448
NOTE 3: EXPENSES		
3A: Employee benefits		
Wages and salaries	67,719	66,802
Superannuation	11,442	10,269
Leave and other entitlements	10,072	6,805
Separation and redundancies	866	2,030
Payroll tax	3,735	3,646
Total employee benefits	93,834	89,552
3B: Suppliers		
Goods and services are made up of:		
Goods and services		
Consultants	2,111	1,692
Contractors	554	1,916
Travel	4,695	4,863
IT services	731	539
Others	74,663	76,682
Total goods and services	82,754	85,692
Goods and services are made up of:		
Provision of goods - external parties	54,384	56,620
Provision of services - external parties	28,370	29,072
Total goods and services	82,754	85,692

	2013 \$'000	2012 \$'000
NOTE 3: EXPENSES CONTINUED		
Other supplier expenses		
Operating lease rentals - external parties		
Minimum lease payments	11,390	11,049
Workers compensation premiums	675	607
Total other supplier expenses	12,065	11,656
Total supplier expenses	94,819	97,348
3C: Depreciation and amortisation		
Depreciation		
Buildings on freehold land	1	1
Leasehold improvements	2,811	2,767
Plant and equipment	4,869	6,172
Total depreciation	7,681	8,940
Amortisation		
Computer software	2,299	1,959
Total depreciation and amortisation	9,980	10,899
3D: Finance costs		
Unwinding of discount	168	322
3E: Write-down and impairment of assets		
Impairment of non-financial assets	-	459
3F: Losses from asset disposals		
Other Property, Plant & Equipment		
Proceeds from sale	(1)	(1)
Carrying value of assets sold	383	708
Selling expense	-	-
Intangible		
Proceeds from sale		
Carrying value of assets sold	6	-
Selling expense	-	-
Total carrying value of assets sold	389	708
Total proceeds from sale	(1)	(1)
Net loss on disposal of assets	388	707

	2013 \$'000	2012 \$'000
NOTE 4: INCOME TAX EQUIVALENT EXPENSE		
Reconciliation of income tax equivalent expense to prima facie tax payable:		
Net profit from ordinary activities	4,159	9,656
Income tax calculated at 30%	1,248	2,897
Tax effect of permanent differences:		
- non allowable expenses	27	38
- National Acoustic Laboratories exempt from income tax equivalent	(11)	(29)
Income tax equivalent expense	1,264	2,906
This is comprised of:		
Current tax expense	2,400	4,006
Deferred tax expense	(1,136)	(1,100)
Income tax equivalent expense	1,264	2,906

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.

	2013 \$'000	2012 \$'000
NOTE 5: COMPETITIVE NEUTRALITY		
State tax equivalent expense	3,735	3,646
Commonwealth tax equivalent expense	1,264	2,906
Total competitive neutrality expense	4,999	6,552

	2013 \$'000	2012 \$'000
NOTE 6: CURRENT ASSETS		
6A: Cash and cash equivalents		
Cash on hand or on deposit	3,079	2,930
6B: Trade and other receivables		
Goods & Services		
Goods and services - related entities	2,791	7,653
Goods and services - external entities	457	278
Total goods & services (gross)	3,248	7,931
Impairment allowance - goods and services	(36)	(36)
Total goods & services (net)	3,212	7,895
Other Receivables		
Interest receivable	416	396
GST receivable from the Australian Tax Office	472	399
Total other receivables	888	795
Total trade and other receivables (net)	4,100	8,690
Receivables are aged as follows:		
Not overdue	4,000	8,557
Overdue by:		
Less than 30 days	85	107
30 to 60 days	11	19
61 to 90 days	5	19
More than 90 days	35	24
Total trade and other receivables (gross)	4,136	8,726
The impairment allowance is aged as follows:		
Overdue by:		
30 to 60 days	-	-
61 to 90 days	(1)	(12)
More than 90 days	(35)	(24)
Total impairment allowance - goods and services	(36)	(36)
All receivables are expected to be recovered in no more than 12 months.		
Reconciliation of the impairment allowance:		
Opening balance	(36)	(36)
Decrease recognised as an expense	-	-
Closing balance	(36)	(36)

Australian Hearing terms of payment are 30 days from date of invoice, 14 days for OHS Claims for Payment.

	2013 \$'000	2012 \$'000
6C: Inventories		
Inventories held for sale	2,632	2,775
Inventories held for distribution	597	536
Total inventories	3,229	3,311
Provision for obsolescence	(522)	(717)
Total inventories	2,707	2,594
Inventory held for sale that was recognised as an expense	54,285	56,636
No items of inventory were recognised at fair value less cost to sell. All inventories are expected to be sold or distributed in the next 12 months.		
6D: Work in progress		
Services in progress	3,082	4,161
Provision for non-recoverable	(105)	(215)
Total work in progress	2,977	3,946
Work in progress is expected to be settled within 12 months.		
6E: Other current assets		
Other revenue receivable	183	198
Prepayments	2,089	2,169
Total other current assets	2,272	2,367
Other current assets are expected to be settled within 12 months.		
6F: Investments under s.18 of the CAC Act		
Investments under s.18 of the CAC Act	48,000	39,000
Total Investments under s.18 of the CAC Act	48,000	39,000
Investments are expected to be settled within 12 months.		

	2013 \$'000	2012 \$'000
NOTE 7: PROPERTY, PLANT AND EQUIPMENT		
7A: Land and buildings		
Freehold land	950	950
Buildings on freehold land	180	180
Accumulated depreciation	(53)	(52)
Total buildings on freehold land	127	128
Leasehold improvements at cost	27,943	24,553
Accumulated depreciation	(17,253)	(18,871)
Total leasehold improvements	10,690	5,682
Total land and buildings	11,767	6,760
No indicators of impairment were found for land and buildings. No land or buildings are expected to be sold or disposed of within the next 12 months.		
7B: Property, Plant and equipment		
Property, Plant and equipment at cost	30,999	37,204
Accumulated depreciation	(19,762)	(23,364)
Total Property, plant and equipment	11,237	13,840
No indicators of impairment were found for property, plant & equipment. No property, plant & equipment is expected to be sold or disposed within next 12 months.		

7C: Reconciliation of the opening and closing balances of property, plant and equipment

2012/13	LAND \$'000	BUILDINGS ON FREEHOLD LAND \$'000	BUILDINGS - LEASEHOLD IMPROVEMENTS \$'000	TOTAL LAND AND BUILDINGS \$'000	OTHER PROPERTY PLANT AND EQUIPMENT \$'000
As at 1 July 2012					
Gross book value	950	180	24,553	25,683	37,204
Accumulated depreciation	-	(52)	(18,871)	(18,923)	(23,364)
Net book value	950	128	5,682	6,760	13,840
Additions	-	-	7,819	7,819	2,649
Depreciation expense	-	(1)	(2,811)	(2,812)	(4,869)
Transfers	-	-	-	-	-
Written down value of disposals	-	-	-	-	(383)
Closing net book value	950	127	10,690	11,767	11,237
As at 30 June 2013					
Gross book value	950	180	27,943	29,073	30,999
Accumulated depreciation	-	(53)	(17,253)	(17,306)	(19,762)
Net book value	950	127	10,690	11,767	11,237

2011/12	LAND \$'000	BUILDINGS ON FREEHOLD LAND \$'000	BUILDINGS - LEASEHOLD IMPROVEMENTS \$'000	TOTAL LAND AND BUILDINGS \$'000	OTHER PROPERTY PLANT AND EQUIPMENT \$'000
As at 1 July 2011					
Gross book value	950	180	22,018	23,148	35,362
Accumulated depreciation	-	(34)	(16,104)	(16,138)	(21,490)
Net book value	950	146	5,914	7,010	13,872
Additions	-	-	2,535	2,535	6,831
Depreciation expense	-	(1)	(2,767)	(2,768)	(6,172)
Transfers	-	(17)	-	(17)	17
Written down value of disposals	-	-	-	-	(708)
Closing net book value	950	128	5,682	6,760	13,840
As at 30 June 2012					
Gross book value	950	180	24,553	25,683	37,204
Accumulated depreciation	-	(52)	(18,871)	(18,923)	(23,364)
Net book value	950	128	5,682	6,760	13,840

	2013 \$'000	2012 \$'000
NOTE 8: INTANGIBLE ASSETS		
8A: Intangible assets		
Computer software at cost	24,636	22,869
Accumulated amortisation	(18,684)	(15,936)
Accumulated impairment losses	(6)	(459)
Total intangible assets	5,946	6,474

No intangible assets are expected to be sold or disposed of within the next 12 months.

8B: Reconciliation of the opening and closing balances of intangible assets

2012/13	COMPUTER SOFTWARE INTERNALLY DEVELOPED \$'000	COMPUTER SOFTWARE PURCHASED \$'000	TOTAL \$'000
As at 1 July 2012			
Gross book value	15,588	7,281	22,869
Accumulated amortisation	(11,258)	(5,137)	(16,395)
Net book value	4,330	2,144	6,474
Additions	1,186	591	1,777
Amortisation expense	(1,229)	(1,070)	(2,299)
Written down value of disposals	-	(6)	(6)
Closing net book value	4,287	1,659	5,946
As at 30 June 2013			
Gross book value	16,775	7,861	24,636
Accumulated amortisation and impairment	(12,488)	(6,202)	(18,690)
Net book value	4,287	1,659	5,946

2011/12	COMPUTER SOFTWARE INTERNALLY DEVELOPED \$'000	COMPUTER SOFTWARE PURCHASED \$'000	TOTAL \$'000
As at 1 July 2011			
Gross book value	13,267	6,611	19,878
Accumulated amortisation	(10,387)	(4,049)	(14,436)
Net book value	2,880	2,562	5,442
Additions	2,780	670	3,450
Amortisation expense	(871)	(1,088)	(1,959)
Impairment of asset	(459)	-	(459)
Closing net book value	4,330	2,144	6,474
As at 30 June 2012			
Gross book value	15,588	7,281	22,869
Accumulated amortisation and impairment	(11,258)	(5,137)	(16,395)
Net book value	4,330	2,144	6,474

	2013 \$'000	2012 \$'000
NOTE 9: TAX ASSETS		
Deferred tax assets	11,378	10,242
NOTE 10: PAYABLES		
10A: Trade and other payables		
Trade creditors and accrued expenses	8,350	8,521
Salaries and wages	5,031	5,190
Separations and redundancies	-	13
Lease incentives	7,171	133
Total payables	20,552	13,857
Trade and other payables is expected to be settled in:		
Less than 12 months	13,861	13,757
More than 12 months	6,691	100
Total payables	20,552	13,857
10B: Deferred revenue		
Maintenance and Hearing Services Card	15,739	15,745
Research revenue	61	362
Total deferred revenue	15,800	16,107
Deferred revenue is expected to be settled in:		
Less than 12 months	15,800	16,107
More than 12 months	-	-
Total deferred revenue	15,800	16,107
10C: Income tax equivalent payable		
Income tax equivalent payable	1,360	2,152
Income tax payable is expected to be settled within 12 months.		
10D: Dividend payable		
Dividend payable to the Australian Government	1,394	2,197
Dividend payable is expected to be settled within 12 months.		

	2013 \$'000	2012 \$'000
NOTE 11: PROVISIONS		
11A: Total provisions		
Current provision for leave	7,891	8,348
Current provision for restoration obligations	1,903	2,593
Current provision for separations and redundancies	969	1,400
Total current provisions	10,763	12,341
Non-current provision for leave	10,535	8,214
Non-current provision for restoration obligations	4,537	4,633
Total non-current provisions	15,072	12,847
11B: Employee provisions		
Current provision for leave	7,891	8,348
Non-current provision for leave	10,535	8,214
Current provision for separations and redundancies	969	1,400
Total employee provisions	19,395	17,962
Employee provisions are expected to be settled in:		
Less than 12 months	8,860	5,788
More than 12 months	10,535	12,174
Total employee provisions	19,395	17,962
11C: Restoration obligations		
Current provision for restoration obligations	1,903	2,593
Non-current provision for restoration obligations	4,537	4,633
Total restoration obligations	6,440	7,226
Restoration obligations are expected to be settled in:		
Less than 12 months	1,903	2,593
More than 12 months	4,537	4,633
Total restoration obligations	6,440	7,226
Reconciliation of opening and closing balances:		
Opening balance	7,226	6,766
Additional provisions made	273	243
Amounts utilised	(374)	(30)
Amounts reversed	(853)	(75)
Unwinding of discount	168	322
Closing balance	6,440	7,226

Australian Hearing currently has 127 (2011/12: 125) 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. A provision has been made to reflect the present value of this obligation.

	2013 \$'000	2012 \$'000
NOTE 12: RETAINED SURPLUS		
Australian Hearing	38,484	37,247
National Acoustic Laboratories	38	95
	38,522	37,342

	2013 \$'000	2012 \$'000
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NOTE 13: CASH FLOW RECONCILIATION**13A: Reconciliation of cash and cash equivalents per Balance Sheet to Cash Flow Statement**

Reported cash and cash equivalents as per:

Cash Flow Statement	3,079	2,930
Balance Sheet	3,079	2,930
Difference	-	-

13B: Reconciliation of operating result to net cash from operating activities

Operating result	2,895	6,750
Depreciation and amortisation	9,980	10,899
Impairment of non-financial assets	-	459
Finance costs	168	322
Net loss on disposal of assets	388	707
Make Good Costs	(1,212)	(75)
Changes in assets and liabilities:		
(Increase) decrease in current receivables	4,590	(218)
(Increase) decrease in current inventories	(112)	11
(Increase) decrease in other current assets	1,064	1,032
(Increase) decrease in deferred tax assets	(1,136)	(1,100)
Increase (decrease) in tax payable	(792)	543
Increase (decrease) in liabilities to suppliers	(545)	(164)
Increase (decrease) in deferred revenues	6,731	467
Increase (decrease) in other current provisions	(1,060)	3,447
Increase (decrease) in other non-current provisions	2,321	(1,883)
Net cash from operating activities	23,280	21,197

	2013 Number	2012 Number
NOTE 14: REMUNERATION		
14A: Directors' remuneration		
\$0 to \$29,999	4	3
\$30,000 to \$59,999	2	3
\$60,000 to \$89,999	1	-
Total	7	6

	2013 \$	2012 \$
Total remuneration received or due and receivable by Directors	222,700	205,954

Remuneration of executive directors is included in senior executive remuneration.

Directors held their positions throughout the year ended 30 June 2013 and the comparative year ended 30 June 2012 except for the following: -

- Mrs Kathryn Greiner AO retired as Chairman and Director on 21 October 2011.
- Associate Professor Rae Cooper was appointed as Chair and Director on 22 October 2011.
- Ms Kathryn Campbell was appointed as special purpose Director for period 29/11/2012 to 28/11/2013.
- Ms Kathryn Campbell is the Secretary of the Department of Human Services and receives no remuneration from Australian Hearing.

There were no other transactions with directors or director-related entities during the year.

14B: Senior executive remuneration

Key management personnel compensation:		
Short-term benefits	2,969,564	2,519,852
Post-employment benefits	231,886	374,113
Other long-term benefits	199,202	(8,762)
Total	3,400,652	2,885,203

The above has been prepared on an accrual basis and therefore may differ to the tables below. The above also excludes acting arrangements and part year service where the total remuneration expended is less than \$180,000.

The above also excludes acting arrangements and part year service where the total remuneration expended is less than \$180,000.

14C: Average annual reportable remuneration paid to substantive senior executives

2012-13	Senior executives No	Reportable salary \$	Contributed superannuation \$	Bonus paid \$	Total \$
Total remuneration (including part-time arrangements)					
\$240,000 to \$269,999	1	180,161	19,794	59,484	259,439
\$270,000 to \$299,999	0	-	-	-	-
\$300,000 to \$329,999	4	217,363	23,082	70,161	310,606
\$330,000 to \$359,999	2	244,381	26,897	63,072	334,349
\$360,000 to \$389,999	0	-	-	-	-
\$390,000 to \$419,999	0	-	-	-	-
\$420,000 to \$449,999	1	333,076	35,476	54,867	423,419
\$450,000 to \$479,999	0	-	-	-	-
\$480,000 to \$509,999	0	-	-	-	-
\$510,000 to \$539,999	1	289,632	30,695	203,553	523,880
Total	9				

2011-12	Senior executives No	Reportable salary \$	Contributed superannuation \$	Bonus paid \$	Total \$
Total remuneration (including part-time arrangements)					
\$240,000 to \$269,999	1	161,524	22,066	57,790	241,380
\$270,000 to \$299,999	4	172,293	47,144	60,973	280,410
\$300,000 to \$329,999	1	209,128	27,182	71,920	308,230
\$330,000 to \$359,999	1	214,846	44,083	71,409	330,338
\$420,000 to \$449,999	2	267,926	49,022	113,643	430,591
Total	9				

This table reports substantive senior executives who received remuneration during the year. Each row is an averaged figure based on headcount for individuals in the band.

Reportable salary includes gross payments less any bonus paid and reportable fringe benefits.

Contributed superannuation is the average actual superannuation contributions paid to senior executives in that reportable remuneration band, including any salary sacrificed amounts, as per the individuals payslips.

Reportable allowances are the average actual allowances paid as per the total allowances line on individual payment summaries. There were no reportable allowances paid during the year.

Bonus paid represents the average actual bonuses paid during the year in that reportable remuneration band. The bonus paid within a particular band may vary between financial years due to various factors such as individuals commencing with or leaving Australian Hearing during the year.

Various salary sacrifice arrangements were available to senior executives including super, motor vehicle and expense payment fringe benefits. Salary sacrifice benefits are reported in reportable salary.

14D: Other highly paid employees

2012-13	Employees No	Reportable salary \$	Contributed superannuation \$	Bonus paid \$	Total \$
Total remuneration (including part-time arrangements)					
\$180,000 to \$209,999	9	156,221	18,051	20,796	195,068
\$210,000 to \$239,999	4	175,603	17,930	23,075	216,608
Total	13				

2011-12	Employees No	Reportable salary \$	Contributed superannuation \$	Bonus paid \$	Total \$
Total remuneration (including part-time arrangements)					
\$180,000 to \$209,999	6	144,039	24,669	22,226	190,934
\$210,000 to \$239,999	2	140,868	50,692	26,100	217,660
Total	8				

This table reports employees who were employed by Australian Hearing during the year and whose reportable remuneration exceeded \$180,000 for the year. These employees were not required to be disclosed as part of executive remuneration. Each row is an averaged figure based on headcount for individuals in the band.

Reportable salary includes gross payments less any bonus paid and reportable fringe benefits.

Contributed superannuation is the average actual superannuation contributions paid to senior executives in that reportable remuneration band, including any salary sacrificed amounts, as per the individuals payslips.

Reportable allowances are the average actual allowances paid as per the total allowances line on individual payment summaries. There were no reportable allowances paid during the year.

Bonus paid represents the average actual bonuses paid during the year in that reportable remuneration band. The bonus paid within a particular band may vary between financial years due to various factors such as individuals commencing with or leaving Australian Hearing during the year.

Various salary sacrifice arrangements were available to employees including super, motor vehicle and expense payment fringe benefits. Salary sacrifice benefits are reported in reportable salary.

	2013 \$	2012 \$
NOTE 15: REMUNERATION OF AUDITORS		
Financial statement audit services are provided to Australian Hearing by the Australian National Audit Office		
Fees for the audit of the financial statements	115,000	115,000

No other services were provided by the Australian National Audit Office.

NOTE 16: CONTINGENCIES

Australian Hearing has no contingent assets or liabilities.

	2013 \$'000	2012 \$'000
NOTE 17: FINANCIAL INSTRUMENTS		
17A: Categories of financial instruments		
Financial assets		
Cash on hand or on deposit	3,079	2,930
Trade and other receivables	3,628	8,291
Term deposits	48,000	39,000
Carrying amount of financial assets	54,707	50,221
Financial liabilities		
Trade creditors	8,350	8,521
Carrying amount of financial liabilities	8,350	8,521
17B: Net income or expense from financial instruments		
Interest revenue	2,228	2,273
Net gain from financial assets	2,228	2,273

17C: Fair value of financial instruments

The carrying values of financial instruments presented in Australian Hearing's balance sheet approximate their fair value amount in both the current and the immediately preceding reporting periods.

17D: Credit risk

Australian Hearing is a wholly owned Australian Government entity, which is primarily funded by competing for revenue via the Government's voucher scheme for the provision of hearing services. Its exposure to risk is primarily related to credit risk on trade receivables although this risk is minimal in terms of its operations.

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. Australian Hearing manages its credit risk, inter alia, by undertaking background and credit checks prior to allowing a debtor relationship.

The carrying value of financial assets, net of impairment losses, reported in the balance sheet

represents Australian Hearing's maximum exposure to credit risk.

Australian Hearing holds no collateral to mitigate credit risk and has no significant exposures to any concentrations of credit risk.

17E: Liquidity risk

Australian Hearing's financial liabilities comprise trade creditors who 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 they fall due and prepares detailed business plans annually to ensure it has adequate funds to meet future payments as they fall due. In addition, Australian Hearing has policies in place to ensure timely payments are made when due and has no past experience of defaults.

17F: Market risk

Australian Hearing holds basic financial instruments that do not expose the Authority to certain market risks. Australian Hearing is not exposed to 'currency risk' or 'other price risk'.

Appendices

FOR THE YEAR ENDED 30 JUNE 2013

Appendix 1: Eligibility criteria

To be eligible to receive services under the Australian Government Hearing Services Program as a Voucher customer a person must be an Australian citizen or a permanent resident 26 years of age or older and a:

- Pensioner Concession Card holder.
- Repatriation Health Card holder where the card is issued for all conditions.
- Repatriation Health Card holder where the card is issued for conditions that include hearing loss.
- recipient of a sickness allowance from Centrelink.
- dependant of a person in one of the above categories.
- member of the Australian Defence Force.
- referred clients of an Australian Government funded vocational rehabilitation service.

To be eligible to receive services under the Australian Government Hearing Services Program as a Community Service Obligations customer a person must be an Australian citizen or permanent resident who is:

- under 26 years of age.
- an adult customer who meets the Voucher program eligibility criteria and has a profound hearing loss or hearing loss and severe communication impairment.
- an Aboriginal or Torres Strait Islander person who is over 50 years of age.
- an Aboriginal or Torres Strait Islander person who is a participant in a Community Development Employment Project Program.
- an Aboriginal or Torres Strait Islander person who was a former participant of a Community Development Employment Project Program between 1 December 2005 and 30 June 2008 (valid until 1 July 2012).
- a person who meets the Voucher program eligibility criteria, and lives in a remote area of Australia.
- a person referred by the Safety, Rehabilitation and Compensation Commission under the Safety, Rehabilitation and Compensation Act 1988.
- a person engaged under the Public Service Act 1999 or a member of staff of a body that is a Commonwealth Authority and referred for the purpose relating to a medical examination in connection with the persons employment.

Appendix 2: NAL scientific publications accepted and published in 2012/13

This year, NAL had the following research papers published or accepted for publication.

Al-Ani A, Van Dun B, Dillon H and Rabie A (2012). Analysis of alertness status of subjects undergoing the cortical auditory evoked potential hearing test. In: Huang T, Zeng Z, Li C and Leung CS (Eds), *Neural Information Processing*. Nineteenth International Conference, ICONIP 2012, Doha, Qatar, November 12-15, 2012, Proceedings, Part I. Springer 2012 Lecture Notes in Computer Science 7663, ISBN 978-3-642-34474-9, pp 92-99.

Arweiler I, Buchholz J M and Dau T (in press). Speech intelligibility with binaurally-linked hearing aids. In: Dau T, Dalsgaard JC, Jepsen ML and Poulsen T (eds) *Speech Perception and Auditory Disorders*, ISBN 978-87-990013-3-0.

Arweiler I, Buchholz JM and Dau T (2013). The influence of masker type on early reflection processing and speech intelligibility. *Journal of the Acoustical Society of America*, 133:13-16.

Beach E (2013). Everyone likes it loud, don't they? *ENT & Audiology News*, 22(3):89-90.

Beach E and Nie V (in press). Noise levels in fitness classes are still too high: Evidence from 1997 and 2011. *Archives of Environmental and Occupational Medicine*.

Beach E, Gilliver M and Williams W (2013). Leisure noise exposure: Participation trends, symptoms of hearing damage, and perception of risk. *International Journal of Audiology*, 52:S20-S25.

Beach E, Gilliver M and Williams W (2013). The NOISE (Non-Occupational Incidents, Situations and Events) Database: A new research tool. *Annals of Leisure Research*, 16(2):149-159.

Beach E, Williams W and Gilliver M (2013). Estimating young Australian adults' risk of hearing damage from selected leisure activities. *Ear and Hearing*, 34(1):75-82.

Best V, Mason CR, Thompson ER and Kidd G (published online 7 May 2013). An energetic limit on spatial release from masking. *Journal of the Association for Research in Otolaryngology*, DOI: 10.1007/s10162-013-0392-1.

Best V, Mason CR, Thompson ER and Kidd G (2013). Spatial release from masking as a function of the spectral overlap of competing talkers. *Journal of the Acoustical Society of America* 133(6):3677-3680.

Buchholz JM (2013). A real-time hearing-aid research platform (HARP): realization, calibration, and evaluation. *Acta Acustica/Acustica*, 99:477-492.

Buchholz JM, Best V and Keidser G (2012). Auditory localization in realistic environments by normal-hearing and hearing-impaired listeners. Proceedings of Acoustics 2012 Conference, Hong Kong, 13-18 May 2012.

Cameron S and Dillon H (in press). Remediation of spatial processing issues in CAPD. In Chermak GD and Musiek FE (Eds), *Handbook of (Central) Auditory Processing Disorder. Comprehensive Intervention. Volume II*. San Diego: Plural Publishing.

Cameron S, Glyde H and Dillon H (2012). Efficacy of the LiSN & Learn auditory training software: Randomized blinded control study. *Audiology Research*, 2(1):86-93.

Canton K and Williams W (2012). The consequences of noise-induced hearing loss on dairy farm communities in New Zealand. *Journal of Agromedicine*, 17:354-363.

Carter L, Dillon H, Seymour J, Seeto M and Van Dun B (in press). Cortical Auditory Evoked Potentials (CAEPs) in adults in response to filtered speech stimuli. *Journal of the American Academy of Audiology*.

Catic J, Santurette S, Buchholz J M, Gran F and Dau T (in press). The effect of interaural-level-difference fluctuations on the externalization of sound. *J Acoust Soc Am*.

Chan SYR, McPherson B and Zhang WV (2012). Neonatal otoacoustic emission screening and sudden infant death syndrome. *International Journal of Pediatric Otorhinolaryngology*, 76(10):1485-1489.

Chang H, Dillon H, Carter L, Van Dun B and Young S-T (2012). The relationship between Cortical Auditory Evoked Potential (CAEP) detection and estimated audibility in infants with sensorineural hearing loss. *International Journal of Audiology*, 51(9):663-670.

Ching TYC, Day J, Cupples L. (in press). Phonological awareness and early reading skills in children with cochlear implants. *Cochlear Implant Intern*.

Ching TYC, Day J, Dillon H, Gardner-Berry K, Hou S, Seeto M, Wong A, Zhang V (in press). Impact of the presence of auditory neuropathy spectrum disorder (ANS) on outcomes of children at 3 years of age. *International Journal of Audiology*.

Ching TYC, Day J, Van Buynder P, Hou S, Zhang V, Seeto M, Burns L, Flynn C. (in press) Language and speech perception of young children with bimodal fitting or bilateral cochlear implants. *Cochlear Implant Intern*.

Ching TYC, Day J, Seeto M, Dillon H (in press). Predicting 3-year outcomes of early-identified children with hearing impairment. *B-ENT*.

Ching TYC & Dillon H (in press). A brief overview of factors affecting speech intelligibility of people with hearing loss: implications for amplification. *American Journal of Audiology*.

Ching TYC, Dillon H, Hou S, Zhang V, Day J, Crowe K, Marnane V, Street L, Burns L, Van Buynder P, Flynn C and Thomson J (in press). A randomised controlled comparison of NAL and DSL prescriptions for young children: Hearing aid characteristics and performance outcomes at 3 years of age. *International Journal of Audiology*.

Ching TYC, Dillon H, Marnane V, Hou S, Day J, Seeto M, Crowe K, Street L, Thomson J, Van Buynder P, Zhang V, Wong A, Burns L, Flynn C, Cupples L, Cowan R, Leigh G, Sjahalam-King J, Yeh A. (in press). Outcomes of early- and late-identified children at 3 years: findings from a population study. *Ear and Hearing*.

Ching TYC, Johnson E, Hou S, Seeto M, Dillon H, Zhang V, Burns L, Van Buynder P, Wong A, Flynn C (in press). A comparison of NAL and DSL prescriptive methods for paediatric hearing aid fitting: estimates of loudness and speech intelligibility. *International Journal of Audiology*.

Convery E, Keidser G, Caposecco A, Swanepoel D, Wong LLN and Shen E (2013). Hearing aid assembly management among adults from culturally and linguistically diverse backgrounds: toward the feasibility of self-fitting hearing aids. *International Journal of Audiology*, 52(6):385-393. doi: 10.3109/14992027.2013.773407

Convery E, Keidser G, Seeto M, Freeston K, Zhou D and Dillon H (in press). Identification of conductive hearing loss using air-conduction tests alone: reliability and validity of an automatic test battery. *Ear and Hearing*.

Crowe K (in press). Hearing loss in children: An overview for educators. *Special Education Perspectives*.

Crowe K, Fordham L, McLeod S and Ching TYC (in press). Part of our world: Influences on caregiver decisions about communication choices for children with hearing loss. *Deafness and Education International*.

Crowe K, McKinnon D, McLeod S and Ching TYC (2013). Multilingual children with hearing loss: Factors contributing to language use at home and in early education. *Child Language Teaching and Therapy*, 29(1):111-129. doi: 10.1177/0265659012467640

“Crowe K, McLeod S and Ching TYC (2012). The cultural and linguistic diversity of 3-year-old children with hearing loss. *Journal of Deaf Studies and Deaf Education*, 17(4):421-438. doi: 10.1093/deaf/ens028”.

Dahl HH, Ching TYC, Hutchison W, Hou S, Seeto M and Sjahalam-King J. (2013). Etiology and audiological outcomes at 3 years for 364 children in Australia. *PLoS ONE* 8(3) e59624.

Dillon H and Cameron S (2013). Comment on: Moore DR, Rosen S, Bamiou D-E, Campbell NG and Sirimanna T. Evolving concepts of developmental auditory processing disorder (APD): A British Society of Audiology APD Special Interest Group ‘white paper’. *International Journal of Audiology*, 52(1): 9-10.

Gilliver M, Beach E and Williams W (2013). Noise with attitude: Influences on young peoples’ decisions to protect their hearing. *International Journal of Audiology*, 52:S26-S32.

Glyde H (2012). One of the reasons hearing in noise is difficult. *Hearing Matters Newsletter*. Page 6.

Glyde H, Buchholz J, Dillon H, Cameron S and Hickson L (in press). The importance of interaural time differences and level differences in spatial release from masking. *JASA-Express Letters*.

Glyde H, Cameron S, Dillon H, Hickson L and Seeto M (2013). The effects of hearing impairment and aging on spatial processing. *Ear and Hearing*, 34(1): 15-28.

Incerti PV, Ching TYC and Cowan R (2013). A systematic review of electric-acoustic stimulation: device fitting ranges, outcomes and clinical fitting practices. *Trends in Amplification*, 17(1):3-26. doi: 10.1177/1084713813480857

Keidser G and Alamudi K (in press). Real-life efficacy and reliability of training a hearing aid. *Ear and Hearing*.

Keidser G, Dillon H, Carter L and O’Brien A (2012). NAL-NL2 empirical adjustments. *Trends in Amplification*, 16(4):211-223.

Keidser G, Dillon H, Convery E and Mejia J (in press). Factors influencing individual variation in perceptual directional microphone benefit. *Journal of the American Academy of Audiology*.

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Appendix 3: Hearing Devices Fitted

	2009/10	2010/11	2011/12	2012/13
Total Devices Fitted	147,710	151,166	158,862	150,996

Appendix 4: Freedom of Information

During the year there were six requests received for access to documents under the provisions of the *Freedom of Information Act 1982*.

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
 Fax: (02) 9412 6754
 Email: FOI@hearing.com.au
 TTY: (02) 9412 6802

Requests for access to documents must be made in writing and state that the request is an application for the purposes of the Freedom of Information Act 1982. The request must provide such information concerning the document as is reasonably necessary to identify it and include details of how notices under the Act may be sent to the applicant. Applications sent by electronic communication will also be accepted.

If an applicant is dissatisfied with a decision made under the Act, he or she may apply to the Managing Director seeking an internal review. A review request may also be made to the Information Commissioner. If access is approved, copies of the documents will be provided on receipt of any charges that apply. Alternatively, applicants may arrange to inspect documents at a state or territory office, if the documents lend themselves to this form of access.

Requests for copies of documents that Australian Hearing has made available in accordance with Section 9 of the Act may also be directed to the contact officer. In general terms, these documents cover administrative matters, service delivery procedures and quality assurance standards.

Appendix 5: Program performance reporting

Australian Hearing program activities for 2012/13 were reported to Government within performance reporting for the Health and Ageing portfolio, Outcome 7 – Hearing Services and the Department of Human Services.

Appendix 6: Commonwealth disability strategy

All Australian Hearing activities honour the spirit and requirements of the *Disability Discrimination Act 1992*. Within the reporting framework recommended by the Commonwealth disability strategy, Australian Hearing's charter includes roles as employer and service provider, but not as a purchaser, policy advisor or regulator.

In these capacities, Australian Hearing operates quality improvement and assurance mechanisms, a customer service charter, human resource policies and complaints and grievance procedures that acknowledge and respond to issues important to people with disabilities.

Appendix 7: Ministerial directions and other statutory requirements

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

- *Australian Hearing Services Act 1991*.
- *Commonwealth Authorities and Companies Act 1997*.
- *Work Health and Safety Act 2011*.
- *The Environment Protection and Biodiversity Act 1999*.

No Ministerial directions were issued during the year 2012/13. No General Policy Orders were applied to Australian Hearing.

Appendix 8: Related entity transactions

During the year Australian Hearing has not entered into any procurement or grant transactions with a company where a Director of Australian Hearing is also a Director of the other company, where the value of the transaction was at least \$10,000 (GST Inclusive).

Glossary

AHSPIA	Australian Hearing Specialist Program for Aboriginal and Torres Strait Islanders.
APS	Australian Public Service.
ASA	Audiological Society of Australia.
Audiologist	A university qualified professional who treats customers for hearing disorders.
Audiometrist	A clinician who has completed a certificate course in hearing assessment, hearing aid fitting and management.
BTE	Behind-the-ear hearing aid.
CALD	Culturally and linguistically diverse.
Clinician	An Audiologist or Audiometrist.
CDEP	Community Development Employment Project.
Corporate plan	A document detailing Australian Hearing's strategic direction that the agency is required to prepare for the Minister for Human Services.
CSO	Community Service Obligations.
DHS	Department of Human Services.
EBITDA	Earnings before interest, tax, depreciation and amortisation.
FM	Frequency Modulation (system).
FTE	Full-time equivalent.
Greenfleet	A 'not-for-profit' organisation which encourages other organisations and individuals to avoid and reduce greenhouse gas emissions and 'offset' any remaining emissions by planting native forests.
Hearing centres	Australian Hearing's service outlets and point of contact for customers.
NAL	National Acoustic Laboratories.
Network	Australian Hearing centres across Australia.
OHS	Office of Hearing Services. A unit within the Department of Health and Ageing that administers and regulates the Australian Government's Hearing Services Program.
Permanent site	A permanently staffed hearing centre offering services between 9.30am and 4.30pm Monday to Friday, with a qualified practitioner present at least 40 per cent of time averaged over any fortnightly period.
Quality Framework	A foundation for implementing quality management standards in order to improve products, services and processes and meet customer requirements.
RAP	Reconciliation Action Plan.
Remote site	A location providing for assessment, device fitting and rehabilitation, situated in a locality determined by OHS as being disadvantaged by restricted accessibility of goods and services.
Sound-attenuating booth	A specially constructed room or booth used for hearing tests so that outside noises do not interfere with the testing and results.
Visiting site	A location with appropriate facilities for assessment, device fitting and rehabilitation. Site must be attended by a qualified practitioner on a regular basis of at least one half day per month.
Voucher	Certificate issued to eligible customers from OHS entitling customers to hearing assessment and rehabilitation services.
WHS	Work health and safety.

Compliance index

The index below shows compliance with information requirements contained in the Commonwealth Authorities (Annual Reporting) Orders 2011.

Commonwealth Authorities (Annual Reporting) Orders 2011	Requirements	Annual Report Page
Clause 5	Purpose	1
Clause 6	Approval by Directors	47
Clause 7	Exemptions	NIL
Clause 8	Parliamentary standards of presentation	YES
Clause 9 (a,b,c,d)	Plain English and clear design	YES
Clause 10	Enabling legislation	38
Clause 11	Responsible Minister	32-33
Clause 12 (a,b,c,d)	Ministerial directions and other statutory requirements	78
Clause 13	Information about directors	32-41
Clause 14 (a,b)	Outline of organisational structure and statement on governance	33-38, 82
Clause 15 (a,b)	Related entity transactions	71, 78
Clause 16	Key activities and changes affecting the authority	8, 10
Clause 17 (a,b)	Judicial decisions and reviews by outside bodies	11, 36
Clause 18	Obtaining information from subsidiaries	NIL
Clause 19	Indemnities and insurance premiums for officers	34
Clause 21	Index of annual report requirements	81
Clause 22	Definitions	81

Definitions

Annual report means the reports the Directors of a Commonwealth authority are required to give their responsible Minister after the end of the financial year, in accordance with section 9 of the CAC Act.

CAC Act means the *Commonwealth Authorities and Companies Act 1997*.

Due on 15 October includes any later date resulting from an extension granted by a Minister under section 34C of the *Acts Interpretation Act 1901*.

Finance Minister means the Minister responsible for the Finance portfolio.

Finance statements requirement. The annual report must include financial statements prepared by the Directors (clause 2 of Schedule 1 of the CAC Act) and the Auditor-General's report on those financial statements.

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

Responsible Minister means the Minister with portfolio responsibility for the Commonwealth authority.

Index of figures, graphs and tables

Table One: Audiological services provided 2009/10 to 2012/13	4
Table Two: Number of outreach sites visited 2008/09 to 2012/13	14
Table Three: Number of Aboriginal and Torres Strait Islander children fitted with hearing aids by state and territory for the 2012 calendar year	15
Table Four: Staffing profile and performance indicators	24
Table Five: Training programs by category	25
Table Six: Work health and safety indicators 2009/10 to 2012/13	27
Table Seven: Section 68 notifiable incidents and dangerous occurrences	27
Table Eight: Board attendance at Board meetings	33
Table Nine: Circular resolution distribution to the Board of Directors	34
Table Ten: Special Board meetings	34
Table Eleven: Attendance of Directors and members of the Audit and Risk Management Committee	36
Table Twelve: Attendance of Directors and members at Remuneration and Organisational Development Committee meetings	37
Table Thirteen: Australian Hearing Research Committee attendance	37
Table Fourteen: Australian Hearing Human Research Ethics Committee attendance	38
Figure One: Gender distribution of active customers	5
Figure Two: New visiting sites opened in 2012/13	16
Figure Three: Australian Hearing's governance arrangements	32
Figure Four: Australian Hearing's corporate structure	44
Graph One: Age distribution of active customers	5
Graph Two: Revenue 2009-2012 (\$ millions)	10
Graph Three: Profit before tax 2009-2013 (\$ millions)	10
Graph Four: EBITDA 2009-13 (\$ millions)	10
Graph Five: EBITDA 2009-2013 (percentage)	10
Graph Six: Return on total assets (percentage)	11
Graph Seven: Number of children first fitted with hearing aids in the 2012 calendar year by age group	14

Australian Hearing centres and visiting sites

Permanent hearing centres (in capitals).

ACT

CANBERRA
Belconnen
Gungahlin
Tuggeranong
Woden

NEW SOUTH WALES

Albion Park
ALBURY
Allambi Heights
Armidale
BALLINA
BANKSTOWN
Banora Point
Batemans Bay
Bathurst
Bega
BELMONT
Blackheath
BLACKTOWN
Bondi Junction
Bonnells Bay
Bourke
Bowral
Broken Hill
Budgewoi
Burwood
Cabramatta
CAMPBELLTOWN
Camden
Campsie
Cardiff
Carnes Hill
Casino
Castle Hill Mowll
Village
Cessnock
Charlestown
CHATSWOOD
Cherrybrook
Chester Hill
Cobar
COFFS HARBOUR
Condobolin
Cooma
Coonabarabran
Cootamundra
Corowa
Corrimal
Cowra
Cronulla
Culburra Beach
Culcairn
Dapto
DEE WHY
Deniliquin
DUBBO
Dural
Earlwood
Eastgardens
EAST MAITLAND
Edensor Park
Engadine
Epping
Erina
Fairfield Heights
Forbes
Frenchs Forest
Gladesville
Glen Innes
Goonellabah
GOSFORD
Goulburn

GRAFTON
Griffith
Gunnedah
HORNSBY
HURSTVILLE
Inverell
Katoomba
Kempsey
Kiama
Kincumber
Kingscliff
Kingsgrove
Kyogle
Lake Haven
Lambton
Lane Cove
LAURIETON
Lavington
Lightning Ridge
LISMORE
Lithgow
LIVERPOOL
MACQUARIE
PAEDIATRIC
MAITLAND
Marayong
Maroubra
Junction
Marrickville
Mayfield
Merrylands
Milton
MIRANDA
Mona Vale
Morisset
Mt Druitt
Mudgee
Mullumbimby
Murwillumbah
Muswellbrook
Nambucca Heads
Narellan
Narooma
Narrabeen
Narrabri
Narrandera
NEWCASTLE
North Rocks
NOWRA
Ocean Shores
ORANGE
Parkes
PARRAMATTA
Pennant Hills
PENRITH
PORT MACQUARIE
Pottsville Beach
Bli Bli
Queanbeyan
Raymond Terrace
Revesby
Richmond
Riverwood
Rockdale
Rooty Hill
Roselands
SALAMANDER BAY
Sans Souci
SHELLHARBOUR
Shoal Bay
Singleton
South West Rocks
SPRINGWOOD
St Georges Basin
St Marys
Strathfield

Sutherland
Swansea
SYDNEY
Tahmoor
TAMWORTH
TAREE
Toormina
TORONTO
Tumut
Tenterfield
The Entrance
TOUKLEY
Tuncurry
TWEED HEADS
Ulladulla
WAGGA WAGGA
LAURIETON
Waggett
Wallsend
Warrarong
Wauchope
Wellington
West Ryde
Windsor
Wingham
WOLLONGONG
Woolgoolga
Woongarrah
WOY WOY
Yamba
Yass

NORTHERN TERRITORY

ALICE SPRINGS
DARWIN
Coolalinga
Katherine
Palmerston
Tennant Creek

QUEENSLAND

Acacia Ridge
Albany Creek
Alexandra Hills
Annerley
Ashgrove
ASPLEY
ATHERTON
Ayr
Bargara
Beaudesert
BEENLEIGH
Beerwah
Boonah
Biggera Waters
Bli Bli
Burleigh West
Burpengary
Bowen
Brighton
Bribie Island
BRISBANE
Browns Plains
Buderim
BUNDABERG
Bushland Beach
CABOOLTURE
CAIRNS
Calamvale
CALOUNDRA
Carina
Childers
Charleville
Charters Towers

Chinchilla
Clayfield
CLEVELAND
Collinsville
Cooktown
Coomera
Cooroy
Cunnamulla
Dalby
Deception Bay
Eagleby
Eagle Heights
Edmonton
Esk
Everton Park
Forest Lake
Geebung
Gin Gin
Gayndah
GLADSTONE
Goodna
Greenslopes
Gympie
Helensvale
HERVEY BAY
Highfields
Inala
Indooroopilly
Ingham
Innisfail
IPSWICH
Jimboomba
Kallangur
Kenmore
Kingaroy
Laidley
LOGAN
Loganholme
Longreach
Lowood
MACKAY
Maleny
Mareeba
MAROOCHYDORE
MARYBOROUGH
Mermaid Waters
Mitchelton
Monto
Morningside
Mossman
MT GRAVATT
Mt Isa
Mt Ommaney
Nambour
Nerang
North Lakes
NOOSAVILLE
Ormeau
PALM BEACH
Port Douglas
Proserpine
REDCLIFFE
Redland Bay
ROCKHAMPTON
Rosewood
SHERWOOD
Smithfield
SOUTHPORT
Stanthorpe
Strathpine
Sunnybank
Tewantin
Toombul
Toowong
TOOWOOMBA

TOWNSVILLE
Tully
Warwick
Waterford West
WYNNUM
Yeppoon

SOUTH AUSTRALIA

Aldinga Beach
ADELAIDE
CHRISTIES BEACH
Daw Park
Elizabeth
Flagstaff Hill
Goolwa
Henley Beach
Leabrook
Loxton
MARION
MODBURY
Morphett Vale
Mt Barker
Mt Gambier
Murray Bridge
Oakden
Plympton
Port Adelaide
Port Augusta
Port Lincoln
Port Pirie
Prospect
Renmark
Rostrevor
Salisbury
Victor Harbour
WOODVILLE
Whyalla

TASMANIA

BELLERIVE
BURNIE
Campbell Town
Cygnet
Deloraine
DEVONPORT
Flinders Island
GLENORCHY
HOBART
Huonville
King Island
Kingston
LAUNCESTON
New Norfolk
Nubeena
Port Sorell
Queenstown
Riverside
Scottsdale
Smithton
Sorell
St Helens
Swansea
Triabunna
Ulverstone

VICTORIA

Altona
Altona Meadows
Apollo Bay
Ararat
Ashburton
Bacchus Marsh
Bairnsdale
Ballan

BALLARAT
Balnarring
Baxter
Beechworth
BELMONT
BELL POST HILL
BENDIGO
Bentleigh
Bentleigh East
Berwick
BOX HILL
BROADMEADOWS
Bundoora
Camperdown
Castlemaine
CAULFIELD
Chelsea
CHELTENHAM
Clayton
Coburg
COLAC
Coves
CRANBOURNE
CROYDON
DANDENONG
Daylesford
Doncaster East
Dromana
Drysdale
Eaglehawk
Eltham
Epping
Fairfield
Fawkner
Footscray
FOREST HILL
FRANKSTON
GEELONG
Glenroy
Glen Waverley
GREENSBOROUGH
Grovedale
Hamilton
Hastings
HAWTHORN
Horsham
Inverloch
Ivanhoe
Kangaroo Flat
Keilor Downs
Kerang
Kilmore
KNOX
Lara
Leongatha
LILYDALE
Lower Templestowe
Maffra
Maryborough
MELBOURNE
Melton
Mildura
Moe
MOONEE PONDS
Mordialloc
Mornington
MORWELL
Mt Martha
Narre Warren
Northcote
Oakleigh
PAKENHAM
Port Fairy

Portland
Preston
RESERVOIR
Richmond
Ringwood North
Rosanna
ROSEBUD
Rosebud West
Rye
St Albans
Sale
SHEPPARTON
Smythesdale
Springvale
St. Kilda
SUNBURY
SUNSHINE
Swan Hill
Terang
Torquay
Traralgon
Wangaratta
Wodonga
WARRAGUL
WARRNAMBOOL
Waurin Ponds
WERRIBEE
Williamstown
Winchelsea
Wonthaggi
Yarrowonga

WESTERN AUSTRALIA

Albany
Armadale
Augusta
Balcatta
Bentley
Broome
BUNBURY
Busseton
CANNINGTON
Cloverdale
Collie
Denmark
Derby
Esperance
FREMANTLE
Geraldton
Hilton
Joondalup
Kalamunda
Kalgoorlie
KARRINYUP
Kelmscott
Landsdale
Lower Templestowe
Maffra
Maryborough
MELBOURNE
Melton
Mildura
Moe
MOONEE PONDS
Mordialloc
Mornington
MORWELL
Mt Martha
Narre Warren
Northcote
Oakleigh
PAKENHAM
Port Fairy

Outreach sites

ACT

Winnunga AMS

NEW SOUTH WALES

GALAMBILA
ABORIGINAL HEALTH SERVICE
Bullinah AHSP
Casino AHSP
Awabakal ACCHS AHSP
Biripi AMS AHSP
Durri AMS AHSP
Armidale AMS AHSP
Gunida Gunyah
Pius X Aboriginal Medical Centre
Wallhallow AMS AHSP
Bugalwena Health Service AHSP
Marrin Weejali Aboriginal Corporation
Gilgai Aboriginal Centre
The Mens Shed
Bourke ACCHS AHSP
Walgett AMS AHSP
Cowra SAS AHSP
Condobolin AHSP
Daruk AMS AHSP
La Perouse AHSP
Redfern AMS
Marumali
Tharawal AMS AHSP
Wreck Bay Aboriginal Community
Griffith Aboriginal Medical Centre
Illawarra AMS

NORTHERN TERRITORY

Ali Curung AHSP
Amata AHSP
Canteen Creek
Congress AHSP
Docker River AHSP
Elliott AHSP
Epenarra
Finke AHSP
Fregon AHSP
Haasts Bluff AHSP
Hermannsburg AHSP
Imanpa AHSP
Irkerlantye
Kintore AHSP
Kiwirrkurra AHSP
Laramba AHSP
Mt Liebig AHSP
Mutitjulu AHSP
Nyapari AHSP
Nyrippi AHSP
Papunya AHSP
Pipalyatjarra AHSP
Santa Teresa AHSP
Tennant Creek AHSP
Titjikala AHSP
Tjukurla AHSP

QUEENSLAND

Eidsvold Community Health AHSP
Indigenous Wellbeing Centre
N hulundu Wooribah AHSP
Aurukun AHSP
Badu Island AHSP
Bamaga AHSP
Balaclava State Primary School
Cairns AHSP
Coen AHSP
Cooktown MPHS AHSP
Tennant Creek AHSP
Titjikala AHSP
Tjukurla AHSP

Utju (Arreyonga)
Yirara College AHSP
Yuendumu AHSP
Alyangula AHSP
Amanbidgi
Angurugu AHSP
Barunga AHSP
Beswick AHSP
Bickerton Island
Borrooloola AHSP
Bulla
Bulman Community Health
Croker Island
Galuwinku (Elcho Island) AHSP
Laynhapuy Homelands
Gapuwiyak AHSP
Jabiru AHSP
Jilkmingang AHSP
Kalkarindji AHSP
Kalumarbu AHSP
Lajamanu AHSP
Mataranka AHSP
Miliikapiti AHSP
Milingimbi AHSP
Minyerri Community
Maningrida
Naiyui Community
Wurrumiyanga AHSP
Ngukurr AHSP
Nhulunbuy AHSP
Numbulwar Community Health
Oenpelli AHSP
Peppimenarti AHSP
Pirlangimpi (Garden Pt) AHSP
Pine Creek
Palumpa Community
Ramingining
Robinson River AHSP
Timber Creek
Umbakumba
Wadeye (Pt. Keats) AHSP
Wurii Wurlinjang Health Service
Yirrkala AHSP
Yarralin

Douglas Shire Multi Purpose Health Services
Gordonvale State Primary
Hopevale AHSP
Kowanyama AHSP
Kuranda AHSP
Lockhart River AHSP
Cairns West State School AHSP
Mamu Health Service AHSP
Mareeba PS AHSP
Mt Garnet AHSP
MIDIN Clinic Atherton
Murray Upper AHSP
Napranum AHSP
Pormpuraaw AHSP
Parramatta State Primary School
Ravenshoe AHSP
Thursday Island AHSP
Tully AHSP
Woree State School AHSP
Wuchopperen Health Service
Wujal Wujal AHSP
Yarrabah AHSP
Kalang Respite Care Centre
Murri School
Yulu-Burri- Ba AHSP
Bidgerdii AHSP
Phillip Street Health Centre
Woorabinda AHSP
Doomadgee Community Health
Mornigton Island Community Health
Mt Isa AHSP
Normanton Community Health
Robinson River AHSP
Palm Island AHSP
Shalom Elders Village
Townsville Aboriginal And Island
AICHS Woolloongabba
Kambu AHSP
Cherbourg AHSP
Kalwun AMS AHSP
Dalby AHSP

TASMANIA

SETAC AHSP
Cape Barren Island
Bendigo ACCHS AHSP
Swan Hill Co-op AHSP
Yarra Valley ACCHS AHSP
Bairnsdale Co-op AHSP
Lakes Entrance CGE AHSP
Lake Tyers Aboriginal Trust AHSP
Moogi Co-op AHSP
Morwell Co-op AHSP
Ramahyuck (SALE) AHSP
Cummeragunja ACCHS AHSP
Echuca ACCHS AHSP
Rumbalara AHSP
SETAC AHSP
Cape Barren Island
Ballarat Co-op AHSP
Wathaurong AHSP
Goolum Goolum ACCHS AHSP
Dareton ACCHS AHSP
Mildura ACCHS AHSP
Robinvale ACCHS AHSP
Victorian Aboriginal Health Service AHSP

SOUTH AUSTRALIA

Kaurua Plains Pre-School AHSP
Leigh Creek AHSP
Pika Wiya AHSP
Ernabella AHSP
Indulkana AHSP
Kenmore Park AHSP
Mimili AHSP
Ceduna/Koonibba AHSP
Cooper Pedy AHSP
Oak Valley AHSP
Winke AHSP
Yalata AHSP

Meningie Ahspia
Raukkan Health Clinic AHSP

TASMANIA

SETAC AHSP
Cape Barren Island

VICTORIA

Bendigo ACCHS AHSP
Swan Hill Co-op AHSP
Yarra Valley ACCHS AHSP
Bairnsdale Co-op AHSP
Lakes Entrance CGE AHSP
Lake Tyers Aboriginal Trust AHSP
Moogi Co-op AHSP
Morwell Co-op AHSP
Ramahyuck (SALE) AHSP
Cummeragunja ACCHS AHSP
Echuca ACCHS AHSP
Rumbalara AHSP
SETAC AHSP
Cape Barren Island
Ballarat Co-op AHSP
Wathaurong AHSP
Goolum Goolum ACCHS AHSP
Dareton ACCHS AHSP
Mildura ACCHS AHSP
Robinvale ACCHS AHSP
Victorian Aboriginal Health Service AHSP

Aces Elders Host AHSP
The Gathering Place AHSP
Kirrae Health Services AHSP
Werribee Gathering Place

WESTERN AUSTRALIA

Blackstone AHSP
Jamieson AHSP
Wanarrn AHSP
Warakurna AHSP
Warburton AHSP
Wingellina AHSP
Katanning Aboriginal Health AHSP
Aboriginal Corporation (Narrogin) AHSP
Derbal Yerrigan Health Service
Northam Hospital AHSP
Kalgoorlie(Bega Garnbirringu) AHSP
Tjuntjuntjara AHSP
Halls Creek AHSP
Kununurra AHSP
Cape Barren Island
Ballarat Co-op AHSP
Wathaurong AHSP
Goolum Goolum ACCHS AHSP
Dareton ACCHS AHSP
Mildura ACCHS AHSP
Robinvale ACCHS AHSP
Victorian Aboriginal Health Service AHSP
Kanawarrji
Karlundi-Karl
Mt Magnet
Marble Bar
Meekatharra
Noonanbah
Nullagine
Newman Puntukurnu Aboriginal Medical Service
Punmu
Roebourne AHSP
South Hedland AHSP
Strelley/Warralong Community
Tom Price
Wangkatjungka
Wiluna
Yandeyarra AHSP

KEY

ACCHS	Aboriginal Community Controlled Health Service
ACES	Aboriginal Community Elders Service
AHSP	Australian Hearing Special Program for Aboriginal and Torres Strait Islanders
AICHS	Aboriginal and Islander Community Health Service
AMS	Aboriginal Medical Service
CDEP	Community Development Employment Program
Co-op	Cooperative
MPHS	Multi Purpose Health Service
PS	Public School
RAAFA	Royal Australian Air Force Association
SETAC	South East Tasmania Aboriginal Corporation

For further details of Australian Hearing centres go to: www.hearing.com.au
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Index

A

Aboriginal and Torres Strait Islander Eligibility 75
Aboriginal and Torres Strait Islander recruitment 3, 25
Adults with complex needs 4, 5, 15
AHSPIA 4, 6, 18
Associate Professor Rae Cooper 6, 17, 33, 34, 36, 37, 38, 44, 47
Audit and Risk Management Committee 35
Australia Day achievement awards 28
Australian Hearing Board 33, 39
Australian Hearing Services Act 4, 32, 33, 38
Australian Hearing Specialist Program for Aboriginal and Torres Strait Islanders 4, 6, 18 See also AHSPIA

B

Background noise 22
Business Ethics Guide 38

C

CAC Act 10, 33, 47, 79
CALD - See Culturally and Linguistically Diverse
Central Auditory Processing Disorder 22
Compliance index 81
Cochlear implants 12, 15
Community Development Employment Project 75, 80
Company Secretary 35, 43
Corporate Governance 33
Corporate Plan 8, 11, 38
Corporate Structure 38, 44
Culturally and linguistically diverse 3, 18

D

Department of Health and Ageing 4, 35, 39, 54, 76
Department of Human Services 11, 12, 34, 35, 39, 75

E

EBITDA 10
Eligibility criteria 75
Ethics committee 37
Executive management 41, 42, 43, 44

F

FM systems 3, 15
Freedom of information 78

G

Greenhouse gas 19

H

Hearing aids 14, 15, 78
Hearing centres 5, 16
HEARing CRC 22
Hearing damage 18, 22
Hearing health 14, 15, 18, 22
HEARLab 22
Human Research Ethics Committee 37

L

Legislation 4, 10, 27, 32, 33, 38

M

Macquarie University 7, 16, 43
Minister for Human Services 4, 10, 16, 32, 33

N

National Acoustic Laboratories 3, 4, 22
Network of hearing centres 5, 16 - See also Hearing centres.
Noise exposure 18, 22

O

Office of Hearing Services 4, 10, 14
OHS See Office of Hearing Services
Outreach sites 6, 14, 16, 83

P

Permanent hearing centres 5, 16, 82
Professor Harvey Dillon 42

R

Recycling 19
Research Committee 37

S

Sensorineural hearing loss 73
Spatial Processing Disorder 22
Staff turnover 24

T

Talent development 25
Training 24, 25

V

Visiting sites 16, 82
Voucher customers 3, 4, 7, 15
Voucher program 4, 14, 15

W

Workers compensation 26, 27
Work Health and Safety Act 2011 26





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