

# Annual Report 2021 – 2022

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

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# Letter to the Minister

The Hon Bill Shorten MP  
Minister for the National Disability Insurance Scheme  
Minister for Government Services  
Parliament House  
CANBERRA ACT 2600

Dear Minister,

I have the pleasure of presenting Hearing Australia's Annual Report for the year ending 30 June 2022.

The Report has been prepared in accordance with the requirements of the *Public Governance, Performance and Accountability Act 2013* and relevant regulatory guidelines.

The Report outlines the achievements and performance outcomes of Hearing Australia during 2021-22.

Yours sincerely,



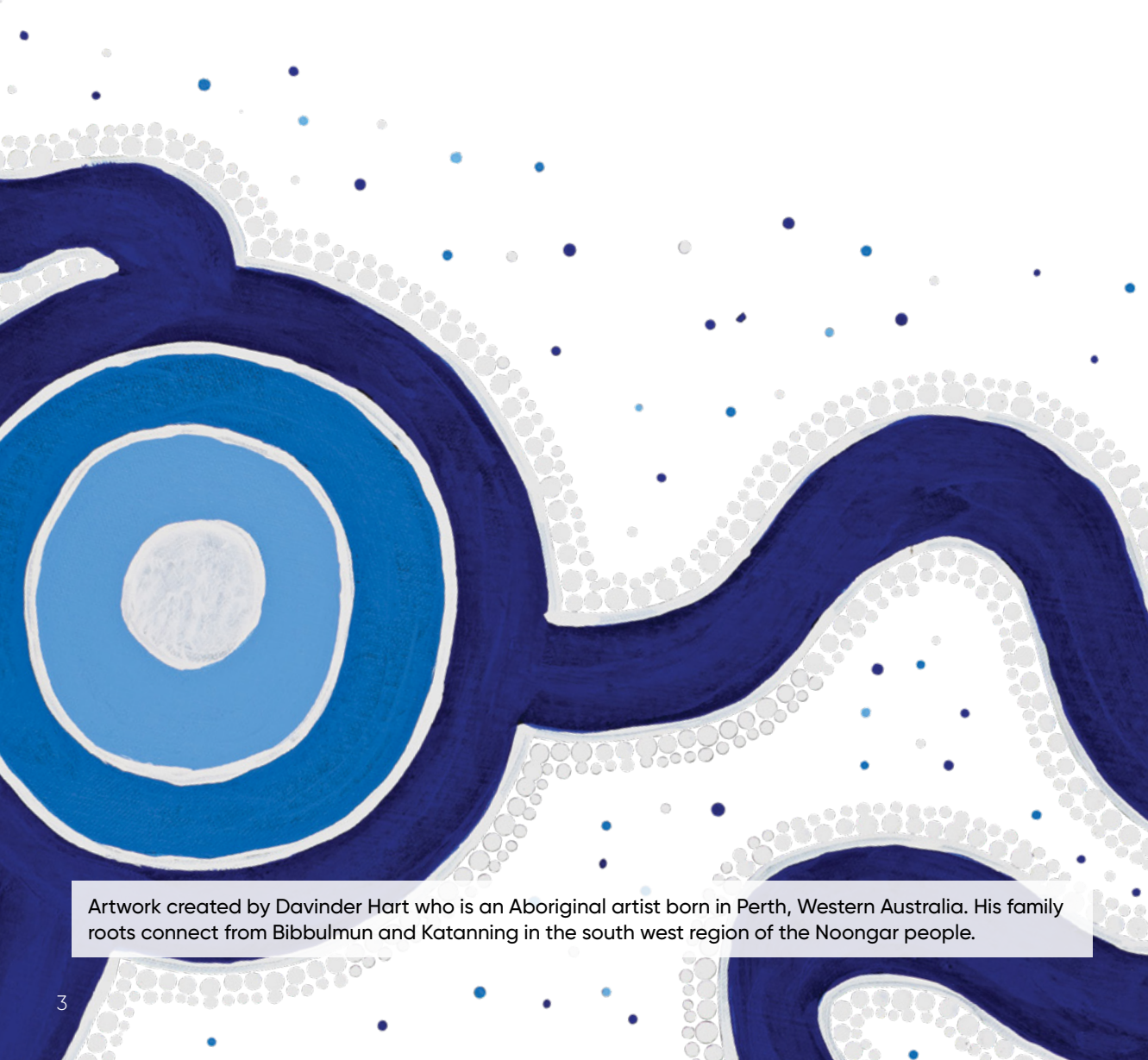
Ms Elizabeth Crouch AM  
Chair  
28 September 2022

# Acknowledgement of Country

Hearing Australia would like to acknowledge and pay our respects to the Traditional Owners of the land on which we live and work.

We pay our respect to Elders past, present and emerging and acknowledge the longest continuing culture on Earth.

We extend our acknowledgement and respect to all Aboriginal and Torres Strait Islander peoples we work with and serve, now and into the future.



Artwork created by Davinder Hart who is an Aboriginal artist born in Perth, Western Australia. His family roots connect from Bibbulmun and Katanning in the south west region of the Noongar people.

# Our Commitment

We commit to empowering Aboriginal and Torres Strait Islander peoples in every opportunity to advance their health, wellbeing and self-determination.

We commit to listening, learning, understanding, respecting, and celebrating Aboriginal and Torres Strait Islander peoples' diverse cultures and perspectives, and to reflecting this in how we work with the community.

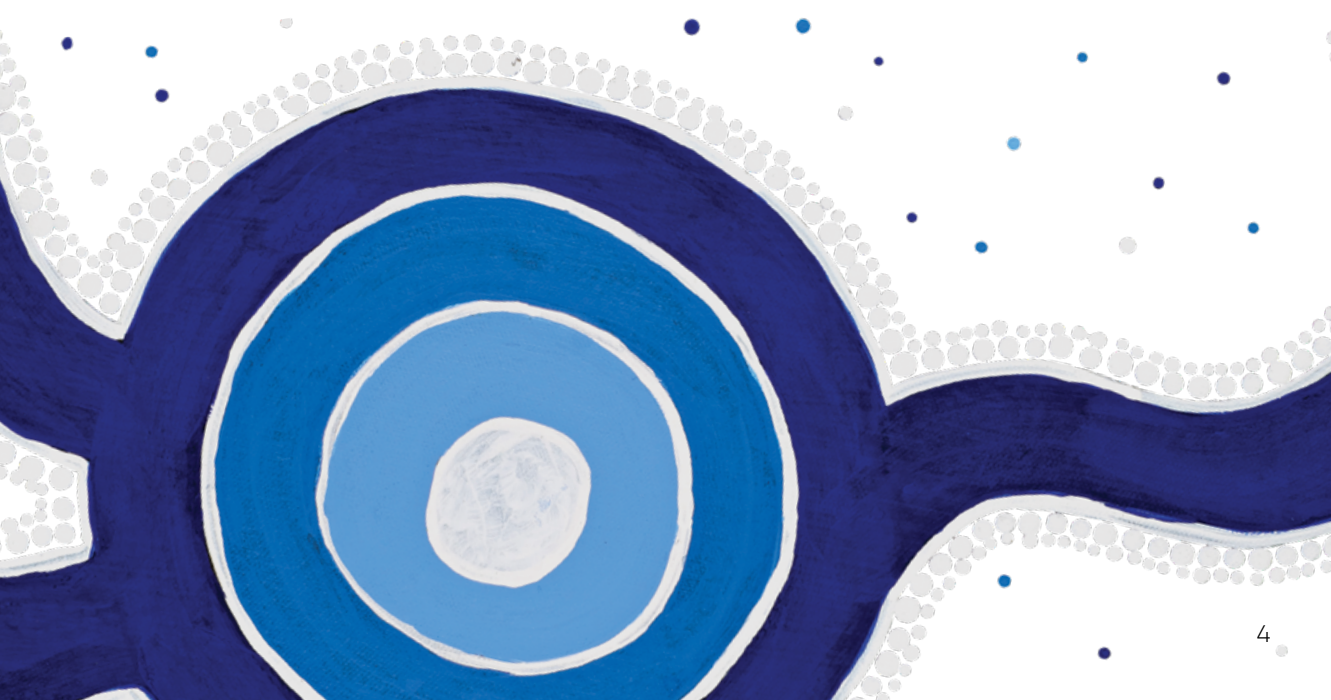
We commit to co-designing our services with Aboriginal and Torres Strait Islander leaders, peoples and communities to ensure they are holistic, culturally safe, and free from racism and discrimination, so communities can access the help they need, when they need it.

We will continuously improve the way we work and engage with Aboriginal and Torres Strait Islander peoples, so that all people feel safe and respected.

Aboriginal and Torres Strait Islander health workers are critical to closing the gap in health outcomes. We are committed to increasing the numbers of Aboriginal and Torres Strait Islander staff working with us, particularly in remote and regional communities.

We will demonstrate these commitments in our work across Australia, every day.

We will show this in how we engage with and serve Aboriginal and Torres Strait Islander peoples and communities, through our corporate and business planning, and through implementing our Reconciliation Action Plan.



# Message from the Chair and Managing Director

This year Hearing Australia celebrates its 75th Anniversary. Since the establishment of the organisation in the 1940s to help Second World War veterans and young children affected by the rubella epidemic, Hearing Australia has helped over one and a half million Australians and celebrated important milestones and world-firsts in providing world leading research and hearing services for the wellbeing of all Australians.

Some 3.6 million Australians have hearing loss and this number is expected to double by 2060<sup>1</sup>. While we have achieved much, our role is as important today as when we were established.

In 2022, acknowledging 75 years of hard work, innovation and the support of our many partners, we continue to improve how we help people with hearing loss stay connected to their families, friends, communities and the life they love.

During 2021-22 Hearing Australia helped more than 270,000 children and adults with hearing loss. This included providing Government funded hearing services to 72,245 people under the Community Service Obligations (CSO) Program and 147,363 pensioners and veterans through the Hearing Services Program (HSP). We also provided services to 41,432 commercial clients in line with our commitment to help anyone who needs us, regardless of

their financial circumstances, age or location. We further provided hearing assessments for 12,016 young Aboriginal and Torres Strait Islander children during the year as part of our commitment to improve the hearing health of First Nations children, with a large percentage of these children found to have an undiagnosed hearing loss and requiring further clinical support.

These outcomes were achieved despite the ongoing challenges of the pandemic and its impacts on our workforce, our clients and the communities we serve.

Our services are highly valued and are transforming as we continue to embrace digital and emerging technologies. We maintained client satisfaction rates of at least 80 per cent, with all client pathways increasing satisfaction scores compared with previous years.

1. Deloitte Access Economics (2017). The social and economic cost of hearing loss in Australia

While the ongoing impacts of the pandemic posed sustained challenges, we also continued to provide our services during the widespread floods across the East Coast of Australia in early 2022, further demonstrating the resilience, dedication and strength of our people and our commitment to providing services to anyone needing hearing help.

A particular highlight for the year was the establishment of our First Nations Services Unit, bringing together the First Nations work we deliver through our CSO Program, Hearing Assessment Program – Early Ears (HAPEE) and Listen to Learn program, with the aim of better coordinating and streamlining our services and engagement with Aboriginal and Torres Strait Islander peoples and communities.

We also worked with key stakeholders to co-design an Action Plan to improve the hearing health of First Nations children, which included consultation with 51 individuals representing 27 organisations. This Plan includes steps to support Aboriginal and Torres Strait Islander-led decision-making and

build capabilities within the health care system to detect ear and hearing problems as early as possible. The Action Plan will be released publicly in 2022-23.

The National Acoustic Laboratories (NAL) also made progress in 2021-22 in driving evidence-based innovation to improve hearing health. This included developing an app which transcribes speech and displays it as text. This app has been well received globally, with over 15,000 downloads across 43 countries. This technology helps people with hearing loss to understand speech when people are wearing face masks.

During 2021-22, NAL also began a First Nations Longitudinal Outcomes of Children with Hearing Loss study (LOCHI), funded by the Department of Health and Aged Care. This project will evaluate the hearing outcomes of these children over time and assess the impacts of early intervention and the factors which influence the hearing outcomes of these children.

## Our thanks

On behalf of Hearing Australia, we would like to thank the Hon Bill Shorten MP, Minister for the National Disability Insurance Scheme and Minister for Government Services, for his early engagement and support. We look forward to working closely with Minister Shorten and the Government to improve the hearing health of the nation.

We would also like to thank our many partners. Hearing Australia is privileged to work with many government, commercial and not-for-profit organisations and individuals and values deeply their support of, and commitment to, both preventing avoidable hearing loss and helping children and adults with hearing loss.

We also thank current and past members of the Board of Hearing Australia for their contribution. Your guidance, experience and expertise have been highly valued.

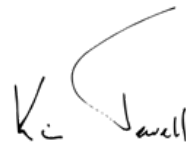
Our management team has demonstrated significant resilience leading our organisation in a highly challenging environment, compounded by the continuing challenges of the pandemic and natural disasters. We thank them for their resilience, leadership and strength.

Our teams nationwide have continued to deliver expert care for those who need it, where and when they need it. We would like to thank them for the care, integrity and diligence they bring to work every day.

We are honoured to lead a team of committed, caring and professional people nationwide who are highly focused on delivering value to the people, Government and communities we serve. Our people are the key to our organisation, driving change and transformation as technologies, care models and standards evolve, striving to deliver ever higher quality outcomes for the people who rely on us each day.



Ms Elizabeth Crouch AM  
Chair  
Hearing Australia



Mr Kim Terrell  
Managing Director  
Hearing Australia





## Hearing Australia client of 75 years, Ron

*"My adventure with Hearing Australia began when it was a mere fledgling back in 1947. I was young then too, just 21, and newly returned from RAAF service in the Philippines.*

*My job involved signals intelligence, which meant long hours of listening in on enemy signals traffic. Often the signals would come through very loudly and it ultimately affected my hearing. When I got back, I realised I had problems.*

*Lucky for me Hearing Australia, or Commonwealth Acoustic Laboratories as it was known then, was there to help me. And now, 75 years on, it continues to keep me in touch with my family and friends and with what is going on in the world.*

*With the support of Hearing Australia, I've had the opportunity to experience some wonderful adventures and live a very full life."*

# Delivering excellent client outcomes

Our clients are at the heart of everything we do, and we help anyone who needs us, regardless of their financial circumstances, age or location.

We provide Australians with a wide range of information, education, research and clinical services, including the fitting of hearing devices and follow-up services. This includes providing Government funded hearing services to:

- children and young adults under the age of 26 years
- Aboriginal and Torres Strait Islander adults aged over 50 years or who are participating in Community Development Programs
- pension concession card holders
- recipients of Centrelink sickness allowance
- holders of a Department of Veterans' Affairs Gold and White card, and
- National Disability Insurance Scheme (NDIS) participants.

During 2021-22 Hearing Australia helped more than 270,000 children and adults with hearing loss. This included providing Government funded hearing services to 72,245 people under the Community Service Obligations (CSO) Program and 147,363 pensioners and veterans through the Hearing Services Program (HSP). We also provided services to 41,432 commercial clients in line with our commitment to help anyone who needs us, regardless of their financial circumstances, age or location. We further provided hearing assessments for 12,016 young First Nations children during the year as part of our commitment to improve the hearing health of First Nations children, with a large percentage of these children found to have an undiagnosed hearing loss and requiring further clinical support.

These outcomes were achieved despite the ongoing challenges of the pandemic and its impacts on our workforce, our clients and the communities we serve. Multiple factors during 2021-22 impacted our ability to see clients including the ongoing impacts of COVID-19 on clients and Hearing Australia staff and operations. Over 1,650 audiologist working days were lost in the first six months of 2022 due to isolation rules and/or our audiologists being unwell with COVID. This alone meant a shortfall

of over 10,000 clients that could have been seen during this period. Clients experienced similar significant disruption in having to reschedule and/or cancel appointments due to being impacted by COVID-19.

Where appropriate, clients could choose to access services in-person or via telehealth, which was particularly important during pandemic-related lockdowns. Our continued offering of telehealth services allows us to make it easier for clients to access our clinical services. We were also able to maintain a client satisfaction rate over 80 per cent.

Increased commercial activity in May and June 2022 has signalled some return to more normal conditions.

### **The prevention of avoidable hearing loss**

Many causes of hearing loss can be prevented, such as common ear diseases, ear infections, and excessive exposure to noise and chemicals<sup>2</sup>. In Australia, around 49 per cent of childhood hearing loss and 37 per cent of adult loss is estimated to be preventable<sup>3</sup>. This represents a major economic and social challenge, which will grow as our population ages.

The *Australian Hearing Services Act 1991* empowers Hearing Australia to carry out research, develop standards and provide advice on the prevention of hearing loss. Prevention remains a key priority in our Corporate Plan.

In 2021-22 Hearing Australia engaged with Aboriginal and Torres Strait Islander peoples, knowledge holders and leading experts in hearing healthcare nationally to co-design an Action Plan to significantly improve the ear health and hearing outcomes of Aboriginal and Torres Strait Islander children. The Action Plan outlines Hearing Australia's role to drive system improvements through national leadership; removing barriers and accelerating access to care; and building capability within the health and education sectors to inform and refer families to specialist services. The Action Plan is widely supported by our stakeholders and will be launched publicly in 2022-23.

To demonstrate our commitment to delivering culturally safe services, we developed a Statement of Commitment to Aboriginal and Torres Strait Islander peoples. Our Statement of Commitment was launched during Reconciliation Week 2022 and will be displayed in all Hearing Centres, alongside an Acknowledgement of Country.

As we implement our First Nations Action Plan over the next three years, we will continue to build on our relationships with more than 100 Aboriginal community-controlled health organisations, allied and primary health services, government and non-government organisations to amplify our impact and achieve our Corporate Plan goal of reducing the rate of hearing loss in First Nations children by at least half by 2029.

2. WHO (2021) *World Report on Hearing*. World Health Organisation, Geneva.

3. Hearing Care Industry Association (2017) *The Social and Economic Cost of Hearing Loss in Australia – Final report by Deloitte Access Economics* [http://www.hcia.com.au/hcia-wp/wp-content/uploads/2015/05/Social-and-Economic-Cost-of-Hearing-Health-in-Australia\\_June-2017.pdf](http://www.hcia.com.au/hcia-wp/wp-content/uploads/2015/05/Social-and-Economic-Cost-of-Hearing-Health-in-Australia_June-2017.pdf)

## Hearing Assessment Program – Early Ears

Hearing Australia's Hearing Assessment Program – Early Ears (HAPEE) initiative, funded by the Australian Government, is improving the hearing health of young Aboriginal and Torres Strait Islander children before they start fulltime school.

Neural pathways for language and higher cognitive function are formed in the first year of life, and brain development is accelerated in the first few years of life<sup>5</sup>. Persistent ear disease and hearing loss during these formative years can interrupt or delay the development of language, critical thinking and communication skills, with significant long term impacts on education, employment, quality of life, and importantly, health and wellbeing. Early detection and treatment of ear disease and hearing loss will ensure children thrive in their early years and start school developmentally on track, a key outcome of the National Agreement on Closing the Gap.

HAPEE initially focussed on remote and very remote locations and, due to its success, was expanded to metropolitan and regional areas during 2020–21 to ensure that all young First Nations children have access to free hearing assessments, no matter where they live. The program is also upskilling Aboriginal and Torres Strait Islander primary health care services so they can better detect and manage ear disease and to improve community awareness of the importance of hearing health.

During 2021–22 we undertook clinical assessments of 12,016 First Nations children in some 277 communities across Australia. During the past year, one in five children have presented with a middle ear infection on at least one occasion and six per cent of the children seen required referral to ear, nose and throat (ENT) specialists. Some 26 per cent of the children with completed hearing assessments had some form of undiagnosed hearing loss. Without HAPEE, these children would not have been identified and referred to specialist services, or their identification and treatment would have been delayed. Hearing Australia has secured funding for HAPEE for an additional year to 30 June 2023, which will allow us to assist some 14,000 children to progress towards improved ear and hearing health.

During the year, Hearing Australia partnered with 33 Creative to develop a suite of materials to publicise the program to target groups. This included the engagement of HAPEE ambassadors, Wiradjuri man, Luke Carroll (Actor and Playschool Presenter), and Gumbaynggirr, Dhungatti, Yamatji and Bibbulman woman, Emma Donovan (Musician), to draw on their lived experiences as parents and bring wider media and community attention to the topic of hearing loss in Aboriginal and Torres Strait Islander kids. This campaign generated a significant increase in website traffic, incoming calls and downloading of HAPEE resources.

5. Center on the Developing Child, Harvard University. *INBRIEF: The Science of Early Childhood Development* at <http://www.developingchild.harvard.edu/>

In March 2022, we launched the Spirit of Sound story book. The book is a collaboration with artist Davinder Hart, of the Noongar nation, and is designed to raise awareness of the importance of ear and hearing health in Aboriginal and Torres Strait Islander children. The book has been made available free of charge to organisations who work with Aboriginal and Torres Strait Islander children nationwide and was launched as an e-book on Hearing Australia's website to commemorate World Hearing Day 2022.

Funding for HAPEE is due to expire at the end of 2022-23. To provide certainty for those who benefit from this Program, Hearing Australia is working with the Government to explore opportunities for continued funding.

Further, a Partnership Committee has been formed with senior officials from the Department of Health and Aged Care, the National Aboriginal Community Controlled Health Organisation (NACCHO), Hearing Australia and other key stakeholders to identify and drive reforms to significantly improve the ear and hearing health of Aboriginal and Torres Strait Islander peoples. The Partnership Committee aims to improve coordination and integration of Government funded ear health programs within primary health care and strengthen the role of the community-controlled sector in managing ear health over the next three years.



### **Natasha, mother of Joseph and Zion**

*"Both of my sons have been assisted with their hearing through the HAPEE program. Zion was first seen through HAPEE prior to and after insertion of grommets. Then, when I realised that my son Joseph was not responding to the other kids, not really looking when they were making a lot of noise and he was just sleeping through the noise, I asked the nurse for a referral to HAPEE for Joseph as well. HAPEE has been very helpful because we have more understanding about their ears and how Zion's grommets are working. HAPEE has been really good for us and I would recommend it to others.*

*I am so happy that my boys are now able to hear and it's great to see them happy and able to listen to the people and sounds around them."*

## Community Service Obligations Program

The Community Service Obligations (CSO) Program is funded through the Government's Hearing Services Program (HSP) and provides Government subsidised hearing services (assessments, hearing devices and ongoing support) for children, young adults, eligible adults with complex needs, and Aboriginal and Torres Strait Islander peoples.

Hearing Australia delivers this Program under an agreement with the Department of Health and Aged Care. During 2020–21 this Agreement was extended for three years from 1 July 2021.

Hearing Australia assessed 72,245 CSO Program clients which was 1,915 less than our target. The shortfall was a result of challenges with travel to remote outreach sites during the year due to COVID and the impact of flooding in the eastern states. Client satisfaction rates have remained high at 87.3 per cent.

Ten of the 11 Key Performance Indicators for the CSO Program were achieved during 2021–22, highlighting Hearing Australia's commitment to provide timely access to services for those who need them, regardless of where they live in Australia. COVID-19 impacted our ability to fit newly diagnosed children within two weeks due to delays in product supply and higher clinical absences.

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

In 2021–2022, Hearing Australia provided services to 29,908 young Australians under the age of 21. We also provided services to 5,086 young adults between 21 and 26 years of age.

During the year, 4,829 remote microphone systems were fitted by Hearing Australia to children and young adults. Remote microphone systems are used in addition to hearing aids and cochlear implants to overcome the adverse effects of distance, background noise and reverberation on hearing quality. They can be particularly useful in a classroom environment.

We also provided 731 speech processors through the Cochlear Implant Speech Processor Upgrade and Replacement Program. Hearing Australia continues to work with the Department of Health and Aged Care in responding to changes in demand for services, the release of new technology and other cost increases, in order to continue to achieve good client outcomes.

### Services for Aboriginal and Torres Strait Islander children and young adults

In 2021–22, we established our First Nations Services Unit, bringing together specialist teams and Government funded programs. These programs include HAPEE, CSO and Listen to Learn and the Unit's aim is to provide better coordination and streamlining of our services and engagement with First Nations communities. This Unit has a strong focus on staffing by First Nations employees and we now have 20 First Nations staff working in the Unit, with 13 of these staff members supporting the delivery of clinical services. We anticipate that our consolidated focus on services provided to First Nations peoples and communities will increase appointment attendance and empower local health staff to confidently provide ear health services. Nine of the First Nations staff are based in regional or remote locations with the intention of placing a further eight staff in regional or remote locations in the coming financial year.

In 2021–22, we saw a total of 3,828 Aboriginal and Torres Strait Islander children and young adults with hearing loss aged under 26 years through the CSO program. This represents 11 per cent of the total number of children and young adults who received our services during the year. The number of unaided Aboriginal and Torres Strait Islander children seen under the CSO program has decreased, reflecting the growth of the Hearing Assessment Program – Early Ears (HAPEE) in providing assessments to these children and enabling them to get the help they need earlier in life.

### Services for Aboriginal and Torres Strait Islander Adults

In 2021–2022, Hearing Australia provided services to 7,438 Aboriginal and Torres Strait Islander adults – a 3.5 per cent increase compared with the previous year. This increase was due to more

clients choosing to receive services at one of our Hearing Centres or Visiting Sites, particularly in circumstances where pandemic associated lockdowns impacted our Outreach services.

A total of 65 per cent of our First Nations adult clients chose to receive hearing services at one of our Hearing Centres or Visiting Sites during the year, reflecting our growing focus on providing culturally-appropriate services regardless of location. We worked closely with Aboriginal and Torres Strait Islander communities to provide hearing services in urban, regional and remote locations, providing a total of 977 Outreach visits to 219 communities, despite ongoing challenges associated with the pandemic.

A total of 98 per cent of First Nations clients who responded to our satisfaction survey stated that our services were culturally appropriate.



### Hearing Australia client, Uncle Harry

*"As Hearing Australia celebrates 75 years, I will turn 80 in December. But I'm still keeping myself busy. I'm also very involved in community organisations and sit on several committees working on health, culture and indigenous issues. The fact that I can do all these things at my age is just wonderful.*

*I've only recently stood down as the inaugural Royal Australian Air Force Indigenous Elder, having been appointed in 2012 after serving between 1966 and 1989. It was early on in my time with RAAF that my hearing declined, with the exposure to loud noise during training and service doing irreparable damage to my hearing. Back then, we weren't so used to health and safety measures, I suppose.*

*Eventually, I went to Hearing Australia for help, as a veteran. I'd been having trouble hearing at meetings and my wife noticed I had the volume on the TV up high. The team at Hearing Australia was amazing and as soon as I had my hearing aids, I felt able to participate properly in life again.*

*I have a lot to thank my hearing aids for. At the end of the day, they allow me to continue to do the things I love most, and for that I feel like a very lucky man."*

Photo courtesy of Aircraftwoman Emma Schwenke

## NAL research to improve the hearing health of First Nations children

Research at the National Acoustic Laboratories (NAL) over the past year, funded by the Department of Health and Aged Care and the Deafness Foundation, has led to the development of agreed recommendations for ear health and hearing checks for Aboriginal and Torres Strait Islander children under the age of 6 years.

Aboriginal and Torres Strait Islander children continue to experience a higher rate of persistent *otitis media*, which tends to be commonly associated with substantial hearing loss early in life, compared with non-Indigenous children.

NAL staff interviewed parents and caregivers of Aboriginal and Torres Strait Islander children and worked collaboratively with a team of 79 experts across primary healthcare, ear and hearing specialist and research organisations to develop the final recommendations. Nearly 50 per cent of members of the study's key expert panel identified as Aboriginal and/or Torres Strait Islander.

A caregiver from NSW stated:

*"I think it should just be as important as any other health check up ... you know when you go in for your Blue Book visits and you need to see how your child's going, or for your needles or things like that".*

Another recommendation included screening of children's listening and communication skills using the PLUM and HATS checklists – tools that were co-developed by NAL and Aboriginal and Torres Strait Islander community partners. Feedback gathered through consultations with representatives of the hearing and primary health sector and caregivers showed strong support for the use of these tools.

The study's recommendations, when implemented, are expected to reduce the age at which children who are vulnerable to the impact of *otitis media*-related hearing loss are identified and referred for support. We are working with the Department of Health and Aged Care to implement the outcomes of this study.





## Services for adults with complex hearing rehabilitation needs

In 2021-22 we provided services to 29,629 adults with complex hearing needs. The majority of these adults have a severe or profound hearing loss or a poor understanding of speech and requires much more than just a well fitted hearing aid to participate fully in life. Other clients in this group may have hearing loss and an additional disability which impacts their communication.

Some 75 per cent of adults with complex needs seen by Hearing Australia were provided with a specialised communication assessment and individual training programs to maximise their communication ability and to assist them in continuing to take part in activities they enjoy.

### Delivery of services under the NDIS

Hearing Australia is an approved provider of services under the National Disability Insurance Scheme (NDIS). During 2021-22, Hearing Australia provided hearing services to 705 NDIS participants who were not otherwise eligible for the Hearing Services Program. These services included hearing device fittings, provision of remote microphone systems and assistive listening devices.

Hearing Australia also maintained the NDIS early intervention pathway for children aged 0-6 years. This pathway fast-tracks NDIS eligibility testing and the provision of an interim NDIS plan for young children who have a hearing impairment. This results in children and families gaining rapid access to the NDIS and having a plan approved in two weeks on average.

The pathway is strongly supported by families and NDIS providers. In 2021-22 we helped 730 families to access this pathway and rapidly gain the support they need for their children.

### Commercial Hearing Services

Hearing Australia provides commercial hearing services to pensioners and veterans who are eligible for Government funded services through the Hearing Services Program (HSP) and to self-funded adults who meet the cost of their own services.

During 2021-22, we provided services to 147,363 clients who were eligible for services under the HSP. This was a 4.9 per cent decrease on the 2020-21 financial year, largely due to decreased demand for hearing services due to health and other restrictions associated with the pandemic. We also provided services to 41,432 self-funded clients during 2021-22, which was a 4.9 per cent increase on the preceding year.

Client feedback remained highly positive during the year, with satisfaction at over 85 per cent.



## Hearing Australia client, Claire

*"As a musician, to find out you have permanent hearing loss is daunting, to say the least. Music is a language you use to speak with other people and a huge part of your identity. I spent years touring Australia and internationally, I've sung for a crowd of 30,000 people at the Bledisloe Cup and written and recorded my own music. When I was diagnosed in my mid-thirties after a sudden loss of hearing I had to work hard to find ways to adapt.*

*My hearing aids made a big difference, of course, but I also invested in technology that helps me hear what I'm singing more clearly when I'm performing on stage. I find I'm now relying on my memory of pitch when I perform too. It's not ideal for me but it must be working because I'm still performing 15 years on.*

*Because of the nature of my hearing loss, I'm now on the waitlist for a cochlear implant, which feels like a big step for me. Hearing Australia is helping me in preparation for the cochlear implant, making sure my hearing aids are working to keep my ears stimulated to get the best outcome, and obviously helping maximise my hearing for everyday life in the meantime. I know they'll be a great support during and after the transition period as well."*

## Business Transformation

Hearing Australia operates in a rapidly changing and highly competitive environment.

We live in a world where client needs are changing rapidly, and clients are increasingly demanding that their hearing products and services be provided on their terms. During the pandemic and recent natural disasters our clients wanted easier access to hearing help through telehealth services, contactless touch points and more convenient locations. Clients also told us that they wanted to be seen faster.

The hearing services market is also changing rapidly, with the advancement of hearing device technologies and the rise of alternatives to 'traditional' hearing aids. This means we must continue to improve our product range to meet evolving client preferences.

In short, intensifying competition means we need to be more efficient, and productive and responsive in how we deliver services.

During the year, we provided services to over 270,000 clients while maintaining client satisfaction above 80 per cent.

Reflecting the high quality of client care we provide, during the year Hearing Australia won the Reader's Digest Annual Trusted Brand Award in the Hearing Services category.

Our use of telehealth has been extended and we now provide services to over 10 per cent of our clients using online services. Research conducted by NAL has confirmed that remotely-delivered hearing services can deliver the same clinical outcomes as those delivered through in-person hearing services, with clinical outcomes from remote follow-up appointments on par with those from face-to-face appointments. Our experience is that telehealth appointments also result in client satisfaction levels comparable to those who receive face-to-face services.

The expansion of telehealth services aligns strongly with our mission to provide our help to anyone who needs it, regardless of age, income or location. During the most acute phase of pandemic-related lockdowns, we found telehealth a safe way to deliver a high-quality service to our most vulnerable clients. Telehealth also allows us to provide services to our clients in remote areas more frequently, with telehealth services supplementing face-to-face appointments.

We have also improved the way we assess and respond to client needs and ensure each client receives the right appointment type. This has also allowed clients to be better prepared for their appointments and to better understand their test results and related recommendations.

During the year, Hearing Australia made significant progress on a new Reconciliation Action Plan.

We are finalising nine signature actions which align with our purpose and with our commitment to improving the hearing health of Aboriginal and Torres Strait Islander peoples. We will also highlight commitments that align with our Action Plan to improve the hearing health of First Nations children. Work will continue in 2022-23 to obtain Reconciliation Australia's endorsement of the plan and on implementing our commitments in earnest.

We also continued work on replacing our legacy core ICT systems which support Practice Management, Customer Relationship Management and Enterprise Resource Management, with a view to generating system efficiencies; improved client retention and experience; improved staff engagement, retention and utilisation; and more cost-effective ICT maintenance and support arrangements.

# Providing great value to Government and partners

## Minister for Government Services

Hearing Australia reports to and is accountable to the Minister for Government Services.

The Hon Bill Shorten MP, the Minister for the National Disability Insurance Scheme and Minister for Government Services, is responsible for administering the *Australian Hearing Services Act 1991* (AHS Act), except to the extent that the AHS Act is administered by the Minister for Health and Aged Care, the Hon Mark Butler MP. Prior to the appointment of Minister Shorten to this role on 31 May 2022, Senator the Hon Linda Reynolds CSC was the Minister for the National Disability Insurance Scheme and Minister for Government Services, and therefore was previously the Minister responsible for Hearing Australia.

The Department of Social Services works closely with Hearing Australia, providing advice to the Minister in relation the Minister's responsibilities regarding Hearing Australia.

## The Australian Hearing Services Act 1991

Hearing Australia is established under the AHS Act, the purpose of which is to establish the authority and provide for its functions.

The functions attributed to Australian Hearing Services (trading as Hearing Australia) are in Part 2 Section 8 of the AHS Act:

- (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*:
- to provide declared hearing services to young Australians
  - to provide declared hearing services to referred Comcare clients
  - to provide declared hearing services to referred Commonwealth employees
  - to provide declared hearing services to designated persons

- (b) to carry out research and development (including co-operative research with other institutions) into:
- assessment of hearing
  - hearing aids and procedures for fitting hearing aids
  - hearing rehabilitation
  - hearing loss prevention
  - the effects of noise on the community.
- (c) to enter into arrangements for research, design and development of hearing services
- (d) to enter into arrangements for supply of hearing services
- (e) to provide, as appropriate, for the training and education of persons or bodies (including overseas bodies) providing hearing services
- (f) to provide advice on, and to conduct public education programs in relation to, hearing services provided by the authority
- (g) to develop standards in relation to noise levels in the community that are acceptable in connection with the prevention of hearing loss
- (h) to provide consultancy services relating to any of the matters referred to in this subsection
- (i) to promote the establishment of export markets for Australian hearing services

- (j) to operate special acoustic facilities for acoustic measurement and research
- (k) such other functions as are conferred on the authority by the Act
- (l) any functions incidental to any of the foregoing functions.

### **Providing value to Government and partners**

The year 2022 marks Hearing Australia's 75th Anniversary. For 75 years, we have been committed to working with Government and our partners to improve the lives of people with hearing difficulties, providing help to over 1.5 million Australians since our establishment.

Events and commemorations are being held throughout the year to celebrate our 75th Anniversary. Highlights include the development of an official history of Hearing Australia, for release in 2022-23, which will cover Hearing Australia's growth and development from 1947 to the present day.

In 2021-22, highlights of our work with Government and our partners included regular meetings with the Department of Health and Aged Care (Health) regarding continual improvement of the design and delivery of Government funded hearing services and of the research activities we deliver on behalf of Government. This has included National Acoustic Laboratories (NAL) and Health progressing the development of a new multi-year

research funding agreement, and NAL further working with Health to develop a Hearing Research Strategy for the Hearing Services Program. We also worked closely with the National Disability Insurance Agency (NDIA) and the National Indigenous Australians Agency.

We have had the pleasure of a number of official visits by Government representatives during the year.

In October 2021, Senator the Hon Linda Reynolds CSC, in her capacity as the then Minister for the National Disability Insurance Scheme and Minister for Government Services, visited our Perth Hearing Centre to learn about our clinical expertise and the breadth of outreach services we provide across rural and remote Western Australia through our First Nations Services Unit.

The Hon Dr David Gillespie MP, the then Minister for Regional Health, visited Hearing Australia at the Australian Hearing Hub in November 2021. His visit included discussions of the importance of ear and hearing health and NAL's latest research.

On 9 June 2022 we hosted a visit by the Hon Bill Shorten MP, Minister for the National Disability Insurance Scheme and Minister for Government Services, at the Australian Hearing Hub. The Minister met with the Chair of Hearing Australia's Board, the Managing Director and senior officers and undertook a tour of NAL's adult and paediatric research laboratories.

We have also explored opportunities with a number of service providers to deliver integrated services to communities to reduce duplication and make it easier for our clients. This includes partnerships with Deadly Ears in Queensland and Telethon Speech and Hearing in Western Australia. Work in this area will continue in 2022-23.

Hearing Australia has a long and proud history of collaboration with industry partners and supporters who have helped us become who we are today. Our shared vision and commitment to taking action has helped us transform the lives of so many people with hearing loss. The proof in our collective achievements is that together we are stronger, and we thank all of our many partners for their ongoing support and commitment, including State and Territory Governments, representatives of Aboriginal and Torres Strait Islander peoples and their communities, the research and technology community, Universities, hospitals and health organisations, hearing health and disability support organisations, members of the hearing health industry, local health services and pharmacies.

The National Acoustic Laboratories (NAL) made considerable progress in 2021-22 towards its mission to undertake cutting edge hearing research and evidence-based innovation to improve hearing health and transform the lives of people with hearing difficulties.

A highlight in 2021-22 was NAL's furthering of its technology development agenda to create an app that transcribes speech and displays it as text, facilitating understanding for those with a hearing difficulty. The app has been well received globally, with over 15,000 downloads from 43 countries. The app helps people with unaided hearing loss to increase their understanding of speech and improve their ease of communication, such as with people wearing face masks and in noisy environments, and to reduce their anxiety regarding communication difficulties.

NAL also delivered outcomes from nine projects during the year, including:

- providing evidence to clinicians and policy makers to inform better treatment strategies, through assessment of the impact of hearing treatment on language development in children

- demonstrating that follow-up remote audiological services, such as teleaudiology, can provide similar benefits to in-clinic appointments
- developing new criteria to determine hearing needs, with the aim of improving the effectiveness of, and access to, hearing healthcare.

During 2021-22, NAL also commenced 19 new projects, addressing a variety of important hearing healthcare needs, including:

- developing treatment strategies for babies with mild hearing loss
- identifying the barriers to the broader use of teleaudiology
- assessing the benefits of emerging technologies for hearing help
- analysing the impact of hearing healthcare on health outcomes for Aboriginal and Torres Strait Islander children.

NAL delivered further initiatives at the request of the Department of Health and Aged Care, including delivery of the report *Eligibility Criteria for the Hearing Services Program*. NAL also began a First Nations Longitudinal Outcomes of Children with Hearing Loss (LOCHI), study, funded by the Department of Health and Aged Care. This project will evaluate the hearing outcomes of these children over time and assess the impacts of early intervention and the factors which influence the hearing outcomes of these children.

Over the past year, NAL announced the creation of a three-way research alliance between NAL, Macquarie University and Sonova. This alliance aims to undertake practical research which has the potential to influence hearing healthcare using an agile and innovative approach. NAL also announced a research partnership with WS Audiology's Australia New Zealand office on two projects. This partnership builds on NAL's previous relationship with WS Audiology's global business.

With an increase in regulatory requirements in Europe for hearing aids and related technology, the hearing healthcare industry has an increased need for clinical trials which support the release of these devices on global markets. To address this need, NAL is building a Clinical Trials Program, with trials undertaken by NAL under the sponsorship of device manufacturers.

In early 2022, NAL completed a clinical trial to support Australian company Nuheara with a United States Federal Drug Administration (US FDA) '510(k)' (premarket submission) filing to bring an innovative hearing aid to the US

market. Following the success of this trial, NAL is in discussions with several other international companies regarding research to support their regulatory needs and to help bring hearing healthcare innovation to people across Australia and around the world, further establishing NAL's expertise and global reputation as a trusted research organisation.

Another research highlight has been investigation of the use of Apple AirPods Pro to improve users' understanding of speech in noisy environments, taking both an engineering and audiological approach to this investigation. The results of this study have received significant attention from the hearing health community worldwide, and NAL's *Soundbites* YouTube webinar on this topic has received the most views among over 20 *Soundbites* episodes developed to date.



## NAL helping hearing during the pandemic

The COVID-19 pandemic changed the world in many and unexpected ways.

Health control measures such as social distancing, the need to wear masks and screens being installed at service counters created additional communication challenges for people who are hard of hearing.

These barriers often increased stress levels and reduced speech understanding for both those who have hearing loss and the people wanting to communicate effectively with them.

Following detailed research, the NAL team developed a speech-to-text transcription app to improve communication between people with hearing difficulties and people wearing masks.

During testing, the NALscribe app was proven to improve communication in busy reception areas, which are often locations with significant background noise.

Based on user feedback, the team further developed the app to include features for people with vision impairments and translation and privacy settings, plus the ability to save and share transcripts.

*"I went to hospital recently and the medical staff were not able to remove their masks and live captioning on a tablet was not available. As a result, they had to painstakingly write down all the questions they needed to ask me. NALscribe is a very useful tool in breaking through communication barriers for people with hearing disability."* - client at a hearing centre and NALscribe user

The NALscribe app formally launched in November 2021 - a time when mask-wearing was mandatory in many places around the world.

During the first month following the launch, *NALscribe* was featured in 98 online articles relating to hearing, consumer, technology and accessibility publications.



# A high performing organisation

## Achieving high performance

Hearing Australia aspires to be a high performing organisation which is financially sustainable, highly reputable and successful in pursuing its strategic objectives. We have delivered many key achievements to this end in 2021-22.

We have continued our digital transformation, including increasing our adoption of digital service models and technologies and the replacement of our legacy ICT platforms to enhance our ability to respond to change and to optimise operational efficiency and effectiveness across people, processes, research and technology.

In addition to embracing remote models of service delivery, we have continued to streamline our client journeys and more closely tailor these to respond to client needs, making it easier and faster for clients to access our services, in line with community and Government expectations.

We are further increasing our use of data to better inform service design, client pathways, client experiences and business performance, supported by more detailed understanding and analysis of key performance drivers.

Client satisfaction remains high across all client cohorts and staff engagement remains positive although there are increasing pressures to attract and retain qualified and experienced people. Tight labour market conditions, wage inflation and competition remain key risks to retaining a skilled and ready workforce.

In the face of these challenges, we have continued to build our workforce capability, including providing training to key management roles to foster resilience and high performance in the context of rapid change and ambiguity associated with the ongoing impacts of the pandemic. We have further offered staff opportunities to work flexibility, including from flexible locations in situations where business needs permit.

A continuing priority and area of vigilance has been maintaining the health, safety and wellbeing of our people and clients in the context of the pandemic. Our response to the pandemic has been grounded on doing everything we practically can to protect our people and clients, to be open to anyone who needs our help, and to continue to transform our services so that we can achieve our current and future objectives.

Our generation of revenue from our commercial operations allows us to invest in areas of community benefit, such as hearing loss prevention. Coupled with our commitments to Government to provide services for the benefits of the Australian community, we have pursued the sustainable growth of commercial revenue and profits, in line with our vision and objectives.

## Our People

### Building Capability and Resilience

Our people are the key to our success. During 2021-22 we have focused on lifting the capabilities of our workforce while supporting greater workplace flexibility, engagement, wellbeing, resilience and diversity. Key areas of focus have been further maturing our leadership capabilities; fostering resilience in the face of the pandemic and natural disasters including additional learning and development initiatives to further support managers to lead their staff in a changing environment; and maintaining our workforce's high levels of engagement and wellbeing.

### Maintaining Safety and Wellbeing

Keeping our people and our clients safe is our number one priority. During 2021-22 Hearing Australia continued to maintain a strong focus on providing a safe and healthy workplace for staff, clients and visitors, with a particular focus on managing the challenges of the pandemic.

Additional Work Health and Safety measures were maintained to ensure the continued wellbeing of staff and clients. These included providing frequent guidance to staff on evolving State and Territory Government requirements regarding the pandemic; the provision and use of additional personal protective and cleaning equipment; enhanced staff support through our Employee Assistance Program (EAP); continuing our operations under a COVIDSAFE plan in alignment with relevant State and Territory requirements; and the maintenance of related guidelines and procedures for our people.

Following extensive consultation, to further protect our people, clients, visitors and service providers, and reduce the risks of disruption to our ability to provide services, we developed a Vaccination Policy for our staff. This Policy now forms an important part of our overall measures to address the ongoing impacts of the pandemic and is designed to support ongoing advice and directions from government health authorities.

We are continuously improving our performance in making our workplace injury free while meeting our obligations under the Work Health and Safety Act 2011 and the Safety, Rehabilitation and Compensation Act 1988. We promote health and wellbeing awareness among employees, and in 2021-22, our staff had access to:

- workplace assessments and ergonomic equipment
- influenza vaccinations
- flexible working arrangements, including home-based work
- role specific work health and safety training at key stages in the employee lifecycle.

The Hearing Australia Workers compensation prescribed rate for 2021-22 was 0.38 per cent, an improvement on the previous year's rate of 0.40 per cent and which compares favourably with the average for Australian Government entities in the Comcare scheme of 0.68 per cent in 2020-21. This improvement demonstrates our ongoing commitment to injury prevention and early intervention. The ability to prevent injury and manage lost time and resultant claim costs contributes to an improved capacity to provide services to our clients and retain our valued employees. There were no notifiable incidents and Hearing Australia was not issued any Prohibition, Non-Disturbance or Provisional Improvement notices by Comcare for 2021-22.

## Managing the impacts of COVID-19

During the challenges of the past 12 months, maintaining the safety and wellbeing of our people has been a particular focus for Hearing Australia. Keeping our people and our clients safe has been our number one priority during 2021-22, with a particular focus on managing the challenges of the pandemic.

Throughout the pandemic we have continued to deliver our services to the community through our network of hearing centres and have responded quickly to the changing requirements of health orders and local requirements to keep our staff, clients and the broader community safe.

Maintaining our focus on proactive and appropriate management of COVID-19 impacts, we have also exercised our duty of care to ensure, so far as reasonably practicable, the health and safety of our people and other persons in our workplaces and activities.

Following extensive consultation, Hearing Australia also implemented a policy requiring COVID-19 vaccinations for specific groups of staff, as a further risk control. This policy was implemented in June 2022.



## Financial Performance

As at 30 June 2022, total revenue for the financial year was \$2679 million, \$6.6 million or 2.4 per cent lower than last year, largely due to ongoing impacts of the pandemic and widespread floods impacting the East Coast of Australia early in the 2022 Calendar Year.

Profit before tax was \$0.2 million to 30 June 2022, \$11.9 million lower than 2020-21. This result however was in line with our Corporate Plan targets.

Hearing Australia assessed 72,245 Community Service Obligations (CSO) program clients which was 1,915 less than our target. The shortfall was a result of challenges with travel to remote outreach sites during the year due to COVID and the impact of flooding in the eastern states.

Hearing Australia also saw 188,795 commercial clients which was 11,205 less than our target. This shortfall was more pronounced with multiple factors impacting our ability to see clients including the ongoing impacts

of COVID-19 on clients and Hearing Australia staff and operations. Over 1,650 audiologist working days were lost in the first six months of 2022 due to isolation rules and/or our audiologists being unwell with COVID-19. This alone meant a shortfall of over 10,000 clients that could have been seen during this period. Clients experienced similar significant disruption in having to reschedule and/or cancel appointments due to being impacted by COVID-19.

Increased commercial activity in May and June 2022 has signalled some return to more normal conditions.

Given the challenges of the operating environment, we have exercised significant discipline regarding discretionary spending during the year, to ensure that we remain financially sustainable.

Further details of our financial performance for the year are provided in the Financial Statements and our Annual Performance Statement.

## Managing Risk and Compliance

Effective risk management and compliance are an integral part of Hearing Australia's operations. We manage risk and compliance in accordance with section 16 of the *Public Governance, Performance and Accountability Act (2013)*, the Commonwealth Risk Management Policy and in alignment with international standards for risk and compliance.

The Hearing Australia Board oversees risk management and internal control within Hearing Australia, on advice from the Managing Director, the Chief Risk Officer and the Audit and Risk Management Committee. Members of the Executive Team are responsible for implementing risk management within their business and operational units, and report regularly to the Chief Risk Officer and Managing Director.

### Our approach to risk and compliance

Hearing Australia recognises that deliberate risk and compliance management is an integral part of good business and governance and is committed to building a culture where risk and compliance management is part of Hearing Australia's ways of thinking and working.

Our Risk Management and Compliance Policies ensure that a clear and consistent approach to risk and compliance management is applied across our business. The Risk Management Framework and Compliance Framework provide guidance to our people to understand the expectations they must meet and processes that they need to apply in their day-to-day work.

### Our strategic risks

The Executive Team of Hearing Australia regularly reviews the organisation's strategic risks and reports to the Audit and Risk Management Committee on a quarterly basis. All strategic risks are assigned a risk owner from the Executive Team. Risk owners must ensure risks are actively managed with emerging threats and opportunities identified and addressed.

## Competition and Competitive Neutrality

In support of established policy regarding choice and competition, Hearing Australia operates in accordance with the Australian Government's competitive neutrality policy, a policy first established in 1996 to ensure that Government businesses do not enjoy market advantages due to the fact that they are owned by Government. Hearing Australia is fully compliant with this policy.



## Hearing Australia client, Brendan

*"I was born with hearing loss and Hearing Australia has just kind of always been there for me, a bit like a good family GP. Before me, they were there for my grandfather too. He was a WWII veteran who had hearing loss that we believe was related to his time in service.*

*I'm honestly not sure where I'd be in society without the services Hearing Australia has provided me throughout my life. They've helped me and my family as I've gone through school and they've supported my ongoing passion as a disability rights advocate.*

*During my senior years in high school, I took up advocacy work. I was elected State Youth Member for Lismore, and a Minister and Shadow Minister in the YMCA NSW Youth Parliament, Young Lions President and I went on to run as the youngest ever Local Council Candidate in New South Wales at the time.*

*A role that provided a fantastic opportunity to shape how hearing services look for children and young people, was my time on the Hearing Australia Paediatric Advisory Committee. I ended up serving on the committee for nearly six years, three of them as Chair.*

*I'm passionate about seeing a society where people with hearing loss are simply included in everyday life and not judged for their capabilities. I do think as a society we are getting there, and that progress is exactly why the work of Hearing Australia is so important. I, for one, am grateful to have had them in my corner all this time."*

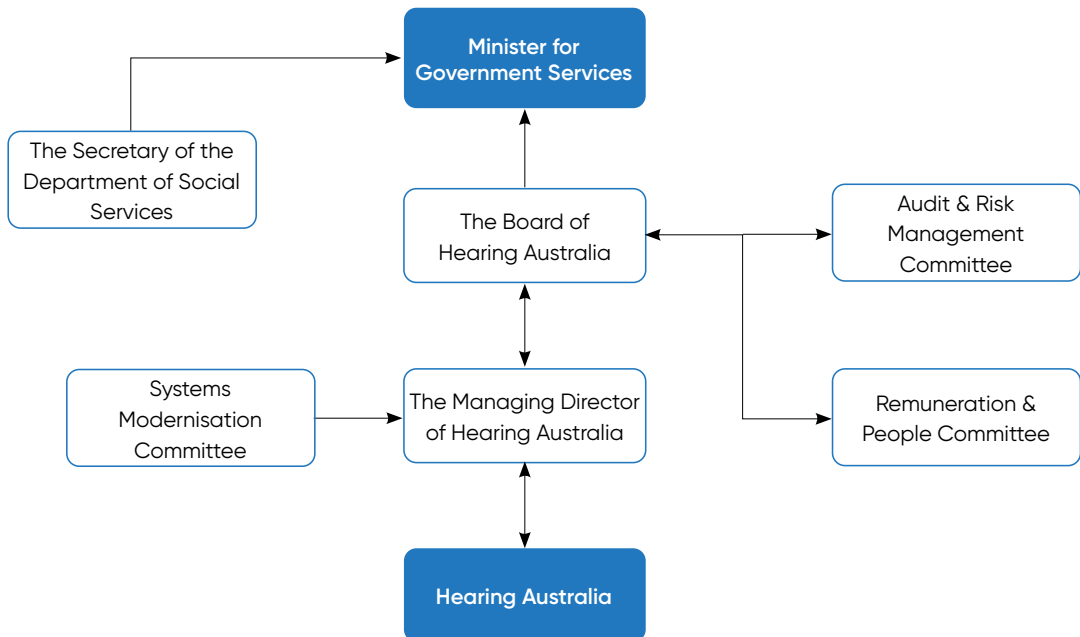
# Organisational structure and governance

## Governance Arrangements and Executive Governance Structure

Hearing Australia operates under the *Australian Hearing Services Act 1991 (AHS Act)* and the *Public Governance, Performance and Accountability Act 2013 (PGPA Act)*. Under the PGPA Act, Hearing Australia is defined as a corporate Commonwealth entity.

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

The functions and powers of the Board are set out in sections 8 and 9 of the AHS Act and are summarised in the section 'Board Governance'.





## **Australian National Audit Office Performance Audit of the Effectiveness of Public Sector Boards**

During 2021-22 Hearing Australia was included in the scope of the Australian National Audit Office's (ANAO) Performance Audit of the Effectiveness of Public Sector Boards. This audit found that the Board had been largely effective in ensuring that its governance and administrative arrangements are consistent with relevant legislative requirements and that it had structured its operations in a manner that support effective governance. The audit further found that the Board had established largely fit-for-purpose arrangements to oversee compliance with key legislative and other requirements, and the achievement of entity purposes.

The audit made four recommendations relating to improving administrative arrangements including improving oversight of fraud risks and ensuring that Hearing Australia's corporate plans and annual performance statements meet all minimum requirements of the Public Governance, Performance and Accountability Rule 2014. Hearing Australia agreed with, and implemented, all of the Audit's four recommendations.

### **Board of Directors** **Board appointments**

Directors are appointed to the Board of Hearing Australia on fixed terms by the Minister. All are Non-Executive or Special Purpose Directors, except for the Managing Director. The Board consists of highly credentialed Directors with significant and extensive expertise across a variety of areas relevant to Hearing Australia's operations, and who oversee performance and shape our strategic

direction. The names and details of the Directors in office during 2021-22 are detailed below, with further details on the Directors, their qualifications and expertise at Appendix 7.

Ms Elizabeth Crouch was appointed Acting Chair of Hearing Australia's Board from 1 January 2022, by the then Minister for Government Services, following the departure of Dr Peta Seaton on 31 December 2021. Ms Crouch was formally appointed as Chair of the Board by the then Minister for Government Services on 10 April 2022.

### **Directors' details**

#### **Elizabeth Crouch AM, BEc, FAICD, Chair**

Ms Crouch brings strong government and policy expertise and extensive non-Executive Director experience to Hearing Australia's Board including as a board member for ReadyTech, Health Infrastructure, Bingo Industries, SGS Economics and Planning and the NSW Institute of Sport. She also chairs Audit and Risk Committees for the State Emergency Service and the Independent Pricing and Regulatory Tribunal.

Ms Crouch also chairs the boards of the Customer Owned Banking Association and the Sydney Children's Hospital Network and has held previous roles on the boards of Ochre Health, Angus Knight and ASX listed Chandler Macleod and McGrath Estate Agents. She is the Emeritus Deputy Chancellor of Macquarie University and is skilled in business strategy and delivery, cyber security, enterprise risk management, leadership and mentoring, Government and stakeholder relations and culture change. She is a Fellow of the Institute of Company Directors and a member of the Association of Certified Fraud Examiners (ACFE).

### **Jody Currie, Non-Executive Director**

Ms Currie was appointed as a Non-Executive Director on 30 August 2017. She is a member of the Australian Institute of Company Directors. She currently serves on the Board of the Brisbane Indigenous Media Association and was a member of the Board of the Queensland Poetry Festival. Ms Currie was a member of the ATSIChS Board over a six year period, two of these as Chair. Ms Currie has worked in Aboriginal and Torres Strait Islander human service delivery and is a strong advocate for improving service accessibility to Aboriginal and Torres Strait Islander peoples. She has a passion and focus on child protection and health, after her experience in a variety of roles in both the community and government sectors.

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

Ms Vaughan was appointed as a special purpose member of Hearing Australia's Innovation Strategy Committee on 30 January 2017 and then appointed as a Non-Executive Director in August 2017. Ms Vaughan has held a number of positions in the public and private sectors. She is a graduate of the Australian Army's Royal Military College and spent eight years in the Army in a variety of Communications and Information Systems management roles. She holds a Masters Degree in Information Technology and is a graduate of Stanford's executive education programme in Design Thinking. Ms Vaughan was most recently a Senior Director at Microsoft Australia, and has a strong background in stakeholder engagement, product commercialisation, as well as the application of emerging technology.

### **Shirley Liew, Non-Executive Director, BBus, MBA, GDip Corporate Finance, FCPA, FAICD**

Ms Liew was appointed to the Board on 3 September 2020 and brings extensive public and private health experience, including in the ageing sector. Ms Liew also has a strong commercial background in finance, retail, transport, food, and mergers and acquisitions.

Ms Liew chairs Hearing Australia's Audit and Risk Management Committee and that of the Central Coast Local Health District. Ms Liew is a Fellow of CPA Australia as well as being a Chartered accountant with extensive experience in leadership and senior technical roles as an audit, assurance and advisory partner for major accounting firms.

### **Kim Keogh, Special Purpose Director**

Mr Keogh was appointed as a Special Purpose Director of Hearing Australia on 1 September 2018. Mr Keogh was previously a Director of Hearing Australia over the period of 2007 to 2013. He is currently an Executive Director of Darlot Brothers Pty Ltd and a government relations/public affairs advisor to Atlas Iron Ltd, Pilbara Minerals Ltd and Balla Balla Infrastructure Pty Ltd. Previously he was a member of the National Heritage Trust Advisory Board, Chair of the Ministerial Reference Group (Agriculture and Environment), member of the National Weeds Advisory Group and pastoralist. He is a member of the Australian Institute of Company Directors.

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

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

**Previous Directors in 2021-22**

**Dr. Peta Seaton AM, Chair, PhD, BA (Hons) (USyd), GAICD**

Dr Seaton AM was appointed as Chair of Hearing Australia's Board on 8 December 2014 and stepped down as Chair on 31 December 2021. At her time as Chair, Dr Seaton was the Principal of Strategic Consulting, a Non-Executive Director of the Menzies Research Centre (since November 2015) and President of the Near Eastern Archaeology Foundation Council at the University of Sydney. She was formerly a Non-Executive Director of the Bradman Foundation, CARE Australia and BDCU Alliance Bank. A former NSW Parliamentarian and frontbencher, Dr Seaton served as Director of Transition and Director of Strategic Priorities in the NSW Premier's Office from 2011-2014.

**Executive Management and Governance**

**Executive Governance Structure**

Hearing Australia's Executive Team is responsible for the efficient and effective operation of Hearing Australia and for developing strategies and policies for Board consideration.

Members of Hearing Australia's Executive Team and their responsibilities are detailed below.

**Kim Terrell, Managing Director**

Refer to Directors' details.

### **Gina Mavrias, Chief Operating Officer**

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

### **Brent Edwards, Director NAL**

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

### **Mike Brett, Chief Information Officer**

Mike Brett was appointed to the role of Chief Information Officer at Hearing Australia in April 2019. Mike has enjoyed a rewarding career both in the Australian Public Service and the private sector. Mike has worked in many different roles in ICT over nearly 35 years, starting at the bottom as a batch scheduler in a computer centre and then undertaking many different roles ranging from technical delivery through to management of application development centres. Mike has previously held senior roles in the Department of Human Services, including General Manager ICT Infrastructure, where he was responsible for the integration and consolidation of three large infrastructure capabilities and, Chief Technology Officer responsible for the Department's ICT Strategy and Architecture. Mike has a Bachelor of Computing from Monash University and a Masters of Business Administration from the University of Adelaide.

### **Robin Priddin, Chief People and Governance Officer**

Rob Priddin joined Hearing Australia in October 2018 from the Department of Human Services. She has a graduate certificate in Public Sector Management and is a member of the Australian Institute of Company Directors. She also holds qualifications in program and project management and has an extensive background in the Australian Public Service.

### **Leigh Shaw, Chief Customer Officer**

Leigh Shaw joined the Hearing Australia executive team in January 2019 as the Chief Customer Officer. She has worked in Marketing, Insights and CX Design for the last 20 years, and has passionately championed the voice of the customer through fast moving consumer goods (FMCG), retail, telecommunications and the building industry. She has served on the Australian and New Zealand leadership teams of Procter & Gamble, James Hardie and Nielsen.

### **David Cuda, Chief Financial Officer**

David joined the Hearing Australia Executive Team in April 2021 as the Chief Financial Officer. He has over 30 years' experience having worked across the FMCG, Telco and Media industries in a variety of roles spanning Finance, Strategy, Sales and Customer Marketing.

David brings technical expertise, entrepreneurial drive and a deep understanding of customer drivers to champion strategies and solutions focussing on the customer loyalty needed to remain relevant in fast changing markets. He has a strong passion for people and creating high-performance teams that add value to the divisions they support. David has a Bachelor of Economics and a MBA, is a Fellow of CPA Australia and is a Graduate Member of the Australian Institute of Company Directors.

## **Corporate Planning**

### **Corporate Plan**

Hearing Australia's Board and Executives undertake annual strategic planning sessions and present a Corporate Plan to the Minister for Government Services and the Minister for Finance by the end of April each year. This Corporate Plan must meet the requirements of the AHS Act and the PGPA Act. In 2021-22, Hearing Australia prepared a Corporate Plan which met these requirements.

### **Reporting and Analysis**

In addition to reporting to our Board of Directors, we provide regular reporting against our Corporate Plan to the Minister for Government Services. These reports contain information on key performance and financial indicators, as well as performance against strategic objectives.

# Annual Performance Statement

## Chair's Statement

I, Elizabeth Crouch, as the Chair of the accountable authority, which is the Board of Hearing Australia, present the 2021–22 Annual Performance Statement of Hearing Australia, as required under paragraph 39(1)(a) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). It is the opinion of the Board that this annual performance statement is based on properly maintained records and accurately reflects the performance of the entity during the period and complies with subsection 39(2) of the PGPA Act.

## Purpose

Hearing Australia's purpose is outlined by the Parliament in our enabling legislation, the *Australian Hearing Services Act 1991* (AHS Act), with specific Powers and Functions outlined in Part 2, Sections 8 and 9 of the Act. Our mission is to provide world leading research and hearing services for the wellbeing of all Australians.

## Performance Analysis

Overall, Hearing Australia met most of the Corporate Plan targets for 2021–22 despite being heavily impacted by the pandemic and the flooding in the eastern states in the first six months of calendar year 2022 which impacted our ability to see clients.

We saw 72,245 Community Service Obligations (CSO) program clients which was some 1,915 less than our target. The shortfall was a result of challenges with travel to remote outreach sites during the year due to COVID which impacted our ability to see clients.

Similarly, we saw 188,795 commercial clients which was 11,205 less than our target. This shortfall was more pronounced with multiple factors impacting our ability to see clients mostly in calendar year 2022 due to the pandemic. For example, we lost some 1,650 audiologist working days in the first six months of 2022 due to isolation rules and/or our audiologists being unwell with COVID. This alone meant a shortfall of some 10,000 clients seen due to this lost time. In addition, significant disruption was also incurred with our clients having to reschedule and/or cancel appointments due to the pandemic.

We did, however, see increasing commercial activity in May and June 2022 which suggests the major disruption is trending down.

Client satisfaction remains high across all client cohorts and staff engagement remains positive although there are increasing pressures to retain and attract high quality people. Finally, our engagement with Government remains strong and was a key focus throughout the year.

The following table outlines the results achieved by Hearing Australia against the specific activities and targets outlined in our 2021–22 Corporate Plan. The KPIs which are reported are comprehensive and accurate and in line with the KPIs published in our public version of the Corporate Plan for 2021–25. Notes supplementing each KPI are also included, providing context to the metric.

## Performance Activities

Strategic Pillar	Activity	Performance Measurements	Target 2021-22	Results Achieved 2021-22
<b>A. Exceptional Client Experiences</b>	Client Satisfaction	1. Client Satisfaction Rate for Adults	86-90	86
<b>B. Impactful Community Outcomes</b>	Services delivered to community and clients	2. Total CSO clients seen	74,160	72,245
		3. Total commercial clients seen	200,000	188,795
	Reduce the current rate of hearing loss in Aboriginal and Torres Strait Islander children by at least half by 2029 <sup>1</sup>	4. As determined by ABS data	On track	On track
	Implement agreed hearing loss prevention initiatives	5. HAP communities target achieved	270	277
		6. HAP program children target achieved	12,000	12,016
		7. Hearing Australia projects successfully managed and delivered	Achieved	On track
		8. National Hearing Loss Prevention Strategy milestones achieved	Achieved	On track
	Help Aboriginal and Torres Strait Islander children with hearing loss	9. Reduce the average age of first fitting to under 5 years	On track	On track
	Services provided to children and young Australians	10. 85% of children and young adults with a permanent hearing loss, are seen within 2 weeks of receipt of referral	On track	On track
	Services provided to Aboriginal and Torres Strait Islander peoples	11. 220 Outreach communities visited annually	220	219
<b>C. Productive Government Engagement</b>	Provision of high-quality advice and support to Government and to Partners to improve national hearing health outcomes	12. Quality of advice & support	Achieved	Achieved
<b>D. Productive Partner Engagement</b>				
<b>F. Purpose Driven Organisation</b>	Lifting people capability	15. Capability program milestones achieved	Achieved	Achieved in part
	Staff Engagement and Wellbeing	16. Monthly staff survey	Average score of 70+	72

The source of these activities is the 2021-22 to 2024-25 Corporate Plan

## Detail on Performance Measurements

- 1. Client Satisfaction Rate (appointments)** – a measure based on all appointment and remains high across all cohorts despite the impact of COVID.
- 2. Total CSO clients seen** – unique count of clients seen for this cohort. This target was partially met due to pandemic travel restrictions impacting outreach travel.
- 3. Total commercial clients seen** – significantly impacted by pandemic related lockdowns given our core aged group is aged 55 and over. The pandemic lockdowns and quarantine requirements also caused a significant number of clinician days lost.
- 4. First Nations Action Plan** – developed with extensive consultation and launched internally in May 2022. Implementation planning for Year 1 actions was underway by end of June.
- 5. HAP communities visited** – a unique count of Aboriginal and Torres Strait Islander locations the HAP team visited. The target was achieved despite pandemic restrictions.
- 6. HAP program children assessed** – a unique count of children seen. The target was achieved despite pandemic restrictions.
- 7. Hearing Australia projects successfully managed and delivered** – all four projects were completed with the key project being the development of the Action Plan to improve the hearing health of First Nations children.
- 8. National Hearing Loss Prevention Strategy milestones achieved** – all eleven activities were either fully or partly completed with progress achieved against KPIs.
- 9. First Fitting Age** – by end of June 2022 the peak age of fitting is < 1 year old and a greater proportion (25%) of children fitted for the first time are less than 2 years of age.
- 10. 85% of children and young adults with a permanent hearing loss, are seen within 2 weeks of receipt of referral** – in FY22, we achieved > 86% of children and young adults with a permanent hearing loss seen within two weeks of receipt of referral.
- 11. 220 Outreach communities visited annually** – we visited 219 CSO Outreach communities which is slightly less than the target of 220 despite the significant negative impact of the pandemic.
- 12. Quality of advice and support** – we provided extensive advice to the Minister for Government Services, other ministers and government departments in relation to our corporate responsibilities and key priorities. This advice was provided on time and to the necessary standards and acted upon.
- 15. Capability program milestones** – significant progress was made to grow workforce wellbeing, alignment and capability, including strategic workforce planning, mandatory learning review and development of Hearing Australia's Wellbeing Strategy. Some activities of the Capability Program were deferred due to the impact of the pandemic on key teams.
- 16. Monthly staff survey** – despite the challenges of the pandemic, we maintained high levels of staff engagement via our monthly staff survey results.



# Financial Statements

**Australian Hearing Services**  
**ABN 80 308 797 003**

Trading as Hearing Australia (hereinafter referred to as Hearing Australia)  
Financial Statements - 30 June 2022

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## INDEPENDENT AUDITOR'S REPORT

To the Minister for the National Disability Insurance Scheme  
To the Minister for Government Services

### Opinion

In my opinion, the financial statements of Australian Hearing Services (trading as Hearing Australia) (the Entity) for the year ended 30 June 2022:

- (a) comply with Australian Accounting Standards – Simplified Disclosure Requirements and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of the Entity as at 30 June 2022 and its financial performance and cash flows for the year then ended.

The financial statements of the Entity, which I have audited, comprise the following as at 30 June 2022 and for the year then ended:

- Statement by the Accountable Authority, Managing Director and Chief Financial Officer;
- Statement of Profit or Loss and Other Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Statement of Cash Flows; and
- Notes to the Financial Statements, comprising a summary of significant accounting policies and other explanatory information.

### Basis for opinion

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

### Accountable Authority's responsibility for the financial statements

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

In preparing the financial statements, the Directors are responsible for assessing the ability of the Entity to continue as a going concern, taking into account whether the Entity's operations will cease as a result of an administrative restructure or for any other reason. The Directors are also responsible for disclosing, as

applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

#### **Auditor's responsibilities for the audit of the financial statements**

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

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

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

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

Australian National Audit Office



Peter Kerr

Executive Director

Delegate of the Auditor-General

Canberra

19 August 2022

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

### For the year ended 30 June 2022

In our opinion:

- the attached financial statements for the year ended 30 June 2022 comply with subsection 42(2) of the Public Governance, Performance and Accountability Act 2013 ('PGPA Act'), and are based on properly maintained financial records in accordance with subsection 41(2) of the PGPA Act;
- at the date of this statement, there are reasonable grounds to believe that Hearing Australia will be able to pay its debts as and when they fall due.

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



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Elizabeth Crouch  
Chair



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Kim Terrell  
Managing Director



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David Cuda  
Chief Financial Officer

Date: 18 August, 2022

## Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2022

	Note	2022 \$'000	2021 \$'000
Revenue from contracts with customers	4	245,006	259,025
Grant income	5	21,585	14,829
Other income	6	1,327	664
<b>Total revenue</b>		<b>267,918</b>	<b>274,518</b>
Employee benefits	7	(136,803)	(132,820)
Goods and services received	8	(106,305)	(103,881)
Depreciation and amortisation	18,19,20	(21,409)	(22,456)
Lease rental	19	(1,642)	(1,658)
Workers' compensation premiums		(499)	(504)
Finance costs	9	(1,095)	(1,182)
<b>Total expenses</b>		<b>(267,753)</b>	<b>(262,501)</b>
<b>Surplus before income tax equivalent expense</b>		<b>165</b>	<b>12,017</b>
Income tax equivalent expense	10	375	(3,173)
<b>Surplus after income tax equivalent expense for the year</b>		<b>540</b>	<b>8,844</b>
<b>Total comprehensive income</b>		<b>540</b>	<b>8,844</b>

## Statement of Financial Position

As at 30 June 2022

	Note	2022 \$'000	2021 \$'000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		10,997	8,159
Trade and other receivables	12	4,031	3,962
Inventories	13	6,292	5,364
Prepayments		4,933	4,848
Contract assets from contracts with customers	14	2,886	3,163
Investments under s.59 of the PGPA Act	16	107,305	125,700
Other current assets	15	199	210
<b>Total current assets</b>		<b>136,643</b>	<b>151,406</b>
<b>Non-current assets</b>			
Property, plant and equipment	18	22,799	23,099
Right-of-use assets	19	47,478	45,512
Intangible assets	20	1,285	2,342
Deferred tax assets	17	20,261	19,599
<b>Total non-current assets</b>		<b>91,823</b>	<b>90,552</b>
<b>Total assets</b>		<b>228,466</b>	<b>241,958</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	21	17,463	21,005
Lease liabilities	19	11,584	11,143
Provisions	22	12,800	12,610
Contract liabilities for contracts with customers	23	14,634	15,657
Tax liabilities		287	4,725
Dividend payable	26	-	761
Grant liabilities	5	13,749	21,225
Refund liabilities	24	748	339
<b>Total current liabilities</b>		<b>71,265</b>	<b>87,465</b>
<b>Non-current liabilities</b>			
Lease liabilities	19	43,699	41,759
Provisions	25	22,710	22,482
<b>Total non-current liabilities</b>		<b>66,409</b>	<b>64,241</b>
<b>Total liabilities</b>		<b>137,674</b>	<b>151,706</b>
<b>Net assets</b>		<b>90,792</b>	<b>90,252</b>
<b>EQUITY</b>			
Retained surplus		90,792	90,252
<b>Total equity</b>		<b>90,792</b>	<b>90,252</b>

## Statement of Changes in Equity

For the Year Ended 30 June 2022

	Note	Retained Surplus \$'000	Total Equity \$'000
Balance at 1 July 2020		83,662	83,662
Surplus after income tax equivalent expense for the year		8,844	8,844
<b>Total comprehensive income for the year</b>		<b>8,844</b>	<b>8,844</b>
<b>Transactions with owners</b>			
Dividends paid or payable	26	(2,254)	(2,254)
Balance at 30 June 2021		90,252	90,252
		-	
Balance at 1 July 2021		90,252	90,252
Surplus after income tax equivalent expense for the year		540	540
<b>Total comprehensive income for the year</b>		<b>540</b>	<b>540</b>
<b>Transactions with owners</b>			
Dividends paid or payable	26	-	-
<b>Balance at 30 June 2022</b>		<b>90,792</b>	<b>90,792</b>

## Statement of Cash Flows

For the Year Ended 30 June 2022

	Note	2022 \$'000	2021 \$'000
<b>Cash flows from operating activities</b>			
Receipts from goods and services		260,865	281,464
Interest received		369	883
Royalty received		10	11
Net GST received		5,313	3,825
Payments to employees		(136,688)	(128,811)
Payments to suppliers		(118,707)	(110,328)
Income tax equivalent		(4,725)	(5,686)
Interest paid on lease liabilities		(987)	(1,086)
<b>Net cash inflow (outflow) from operating activities</b>		<b>5,449</b>	<b>40,272</b>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(8,580)	(8,112)
Payments for intangibles	20	-	(177)
Net payments for investments under s.59 of the PGPA Act		18,395	(18,178)
<b>Net cash inflow (outflow) from investing activities</b>		<b>9,815</b>	<b>(26,467)</b>
<b>Cash flows from financing activities</b>			
Dividends paid		(761)	(2,502)
Principal paid on lease liabilities		(11,665)	(11,451)
<b>Net cash inflow (outflow) from financing activities</b>		<b>(12,426)</b>	<b>(13,953)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>2,838</b>	<b>(148)</b>
Cash and cash equivalents at the beginning of the financial year		8,159	8,307
Cash and cash equivalents at end of year		10,997	8,159



## Notes to the Financial Statements (Departmental)

For the year ended 30 June 2022

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## Note 1. General Information

Australian Hearing services ('AHS') trading as Hearing Australia (hereinafter referred to as Hearing Australia) is a corporate Commonwealth entity created under the provisions of the Australian Hearing Services Act 1991 and operates on a for-profit basis. The entity is incorporated in Australia and has its registered address at; Level 5, 16 University Ave, Macquarie University NSW 2109.

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

The principal activities of Hearing Australia are to provide hearing services and to carry out research and development in hearing related matters.

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 18 August 2022.

## Note 2. Significant accounting policies

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

### **Basis of Preparation**

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

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

### **Historical cost convention**

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

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

### **Critical accounting estimates**

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

### **Interest on deposits calculated using the effective interest method**

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

### **Current and non-current classification**

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

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

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

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

### **Cash and cash equivalents**

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

In accordance with the financial targets and performance considerations contained in the Australian Hearing Services Act 1991, the level of cash resources held by Hearing Australia 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
- Hearing Australia's commercial operational requirements.

### **Impairment of non-financial assets**

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

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

### **Comparatives**

Other than the removal of the comparatives in Note 32 - Related Parties, all other comparatives are consistent with prior year. There is no effect on the surplus or net assets of Hearing Australia.

### **New or amended Accounting Standards and Interpretations adopted**

Hearing Australia has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting year.

Specifically, AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 entities, has been adopted this year. This accounting standard applies to annual reporting periods beginning on or after 1 July 2021 and replaces the reduced disclosure requirements (RDR) framework. The application of AASB 1060 involves some reduction in disclosures compared to the RDR with no impact on the reported financial position, financial performance and cash flows of the entity.

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

## Note 3. Critical accounting judgements, estimates and assumptions

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

### ***Provision for impairment of inventories***

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

### ***Estimation of useful lives of assets***

Hearing Australia determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or

some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

### ***Employee benefits provision***

The liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account, based on actuarial assessments. The last actuarial assessment was in May 2021.

### ***Restoration obligations***

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

**Lease term**

The determination of the lease term requires management judgement regarding whether extension options are reasonably certain to be exercised. Whilst each lease is assessed individually, in general, for property leases the next option is considered reasonably certain, however subsequent options are not reasonably certain as management believe these are too far into the future to be reasonably certain.

**Incremental borrowing rate**

Hearing Australia are not able to determine the interest rate implicit in the lease for a large number of leases. Therefore, management have determined the incremental borrowing rate taking into consideration entity and asset specific factors relevant to each lease.

**Coronavirus (COVID-19) pandemic**

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the entity based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the entity operates. There does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the entity unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

**Recovery of deferred tax assets**

Deferred tax assets are recognised for deductible temporary differences only if the entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

**Impairment of non-financial assets and other indefinite life intangible assets**

The entity assesses impairment of non-financial assets other than indefinite life intangible assets at each reporting date by evaluating conditions specific to the entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

**Configuration and customisation costs for cloud-based software - Software-as-a-Service (SaaS).**

Configuration and customisation costs incurred will be expensed if the principles of intangible assets under the characteristics of identifiability, control of asset and future economic benefits are not met. Costs will be expensed when services are performed by third parties. This approach is consistent with the decision taken by the IFRS Interpretations Committee in March 2021.

## Note 4. Revenue from contracts with customers

	2022 \$'000	2021 \$'000
Sale of goods	131,094	138,327
Rendering of services	113,912	120,698
	<b>245,006</b>	<b>259,025</b>

### **Disaggregation of revenue**

The disaggregation of revenue from contracts with customers is as follows:

	2022 \$'000	2021 \$'000
<b>Major product &amp; service lines</b>		
Fittings and sales of devices	183,306	192,964
Hearing assessments and maintenance	61,700	66,061
	<b>245,006</b>	<b>243,963</b>
<b>Geographical regions</b>		
Australia	245,006	259,025
<b>Timing of revenue recognition</b>		
Goods and services transferred at a point in time	208,889	219,753
Goods and services transferred over time	36,117	39,272
	<b>245,006</b>	<b>259,025</b>

### **Accounting policy for revenue from contracts with customers**

Revenue is recognised at an amount that reflects the consideration to which Hearing Australia is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, Hearing Australia: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance

obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either

the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are initially recognised as contract liabilities in the form of a separate refund liability.

#### ***Sale of goods***

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

#### ***Rendering of services***

Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or an hourly rate.

#### ***Revenues from Government***

Hearing Australia receives a significant amount of its sales revenue (as disclosed above) from the Federal Government. This consists of an allocation of Federal budget funding which is received in the form of sales consideration, received from the Department of Health and Ageing ('DoH') for (i) revenue received through a competitive voucher scheme administered by the DoH; and (ii) the provision of goods and services to the community.

Funding from the DoH is recognised when the service or goods have been provided, in accordance with the accounting policy above. Funding that is carried forward to be recognised as revenue in future years is specifically authorised by the DoH.

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



## Note 5. Grant income and liabilities

	2022 \$'000	2021 \$'000
Grant income	21,585	14,829
	<b>21,585</b>	<b>14,829</b>
Grant liabilities	13,749	21,225

The Australian Government provides additional grants to Hearing Australia for the funding of various activities including:

- i) Ongoing research and development into hearing health, rehabilitation and prevention program,
- ii) Activities related to online hearing tests under the hearing services development program, and
- iii) Hearing assessment activities under the Indigenous Australian Health Program.

Hearing Australia, through its research division NAL, also receives grants from a variety of external organisations to conduct research into hearing loss, diagnostics, outcomes, behaviours, technologies and preservation.

### **Accounting policy for grant income and grant liabilities**

Grant income is recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate. Where grant monies are received in advance, a liability is initially recognised and subsequently recognised as income when the services have been performed.

## Note 6. Other income

	2022 \$'000	2021 \$'000
Royalties	10	11
Rental income	36	42
Interest on deposits	481	611
Proceeds from Insurance claims	800	-
	<b>1,327</b>	<b>664</b>

### **Accounting policy for royalties**

Royalty income is recognised by Hearing Australia when the funds are received.

## Note 7. Employee benefits

	2022 \$'000	2021 \$'000
Wages and salaries	99,206	95,842
Superannuation - Defined contribution plans	17,555	16,683
Leave and other entitlements	13,342	12,845
Taxes, separation and redundancies	6,700	7,450
	<b>136,803</b>	<b>132,820</b>

## Note 8. Goods and services received

	2022 \$'000	2021 \$'000
Aids and appliances	59,481	60,589
Consultants	9,765	10,653
Contractors	1,791	1,169
Information and communication technology	10,291	9,511
Marketing	7,114	5,836
Property	4,980	4,886
Travel	5,050	4,077
Other	7,833	7,160
<b>Goods and services received</b>	<b>106,305</b>	<b>103,881</b>

## Note 9. Finance costs

	2022 \$'000	2021 \$'000
Interest expense - Leases	987	1,085
Unwinding of discount on restoration provision liability	108	97
	<b>1,095</b>	<b>1,182</b>

### **Accounting policy for finance costs**

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are

expensed in the period in which they are incurred.

## Note 10. Income tax equivalent expense

	2022 \$'000	2021 \$'000
<b>Income tax equivalent expense</b>		
Current tax	287	7,411
<b>Total current tax expense</b>	<b>287</b>	<b>7,411</b>
<i>Deferred tax</i>		
Decrease (increase) in deferred tax assets (Note 17)	(662)	(4,238)
<b>Total deferred tax expense</b>	<b>(662)</b>	<b>(4,238)</b>
<b>Aggregate income tax equivalent expense</b>	<b>(375)</b>	<b>3,173</b>
<i>Numerical reconciliation of income tax equivalent expense and tax at the statutory rate</i>		
Surplus before income tax equivalent expense	165	12,017
Tax at the statutory tax rate of 30% (2021: 30%)	50	3,605
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Non-deductible expense/(Non-taxable income)	(261)	(177)
National Acoustic Laboratories exempt from income tax equivalent	(164)	(255)
<b>Subtotal</b>	<b>(425)</b>	<b>(432)</b>
<b>Income tax equivalent expense</b>	<b>(375)</b>	<b>3,173</b>

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, in accordance with the accounting policy for competitive neutrality (Note 11).

### **Accounting policy for taxation**

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

Revenues, expenses and assets are recognised net of GST except for:

- i) where the amount of GST incurred is not recoverable from the Australian Taxation Office ('ATO'); and
- ii) receivables and payables.

## Note 11. Competitive neutrality

	2022 \$'000	2021 \$'000
State tax equivalent expense	6,167	5,896
Commonwealth tax equivalent expense	287	7,411
Annual neutrality offset payment to the national workers compensation regulatory scheme	110	120
<b>Total</b>	<b>6,564</b>	<b>13,427</b>

### **Accounting policy for competitive neutrality**

Hearing Australia provides services on a for-profit basis. Under competitive neutrality arrangements Hearing Australia is required to make payroll tax and income tax equivalent payments to the Commonwealth Government

in addition to statutory payments for FBT and GST. Hearing Australia pays an annual regulatory neutrality payment to the Official Public Account to offset the cost advantages relative to its competitors as a result of operating under one national workers compensation regulatory scheme.

## Note 12. Trade and other receivables

	2022 \$'000	2021 \$'000
<b>Current</b>		
Trade receivables	3,433	3,412
Less: Allowance for expected credit losses	(113)	(337)
	<b>3,320</b>	<b>3,075</b>
Interest receivable	163	50
GST receivable	548	837
	<b>4,031</b>	<b>3,962</b>

### **Allowance for expected credit losses**

Hearing Australia has recognised a reversal of allowance for expected credit losses of \$224,000 (2021: an increase in allowance for expected credit losses of \$321,000) in profit or loss for the year ended 30 June 2022.

### **Accounting policy for trade and other receivables**

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

Hearing Australia has applied the simplified approach to measuring the allowance for expected credit losses, which uses a lifetime expected loss allowance. To measure the allowance for expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less allowance for expected credit losses.

## **Note 13. Inventories**

	2022 \$'000	2021 \$'000
Inventories held for sale – at cost	3,835	3,589
Inventories held for distribution – at cost	3,177	2,510
Less: Provision for impairment	(720)	(735)
	<b>6,292</b>	<b>5,364</b>

Inventory held for sale and distribution that was recognised as an expense in profit or loss amounted to \$59,481,000 (2021: \$60,589,000) for the year ended 30 June 2022.

### **Accounting policy for inventories**

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

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

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

## Note 14. Contract assets from contracts with customers

	2022 \$'000	2021 \$'000
Services and sale of goods	2,988	3,285
Less: Allowance for expected credit losses	(102)	(122)
	<b>2,886</b>	<b>3,163</b>

Hearing Australia has recognised a reversal of impairment of expected credit losses of \$20,000 (2021: a reversal of impairment of \$7,000) in profit or loss for the year ended 30 June 2022.

### **Accounting policy for contract assets**

Contract assets are recognised when Hearing Australia has transferred goods or services to the customer but where Hearing Australia is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes.

Under the current claims process with the DoH, Hearing Australia is remunerated on completion of a fitting which occurs when a customer returns for their follow up appointment. Services and sale of goods classified as contract assets represents revenue activities that are partially completed, usually when a customer has been fitted with a hearing device and has yet to return for the follow up appointment.

## Note 15. Other current assets

	2022 \$'000	2021 \$'000
Grants receivables	194	206
Security deposits	5	4
	<b>199</b>	<b>210</b>

## Note 16. Investments under s.59 of the PGPA Act

	2022 \$'000	2021 \$'000
Fixed term cash deposits	107,305	125,700
	<b>107,305</b>	<b>125,700</b>

### **Accounting policy for investments and other financial assets**

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and Hearing Australia has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

#### **Financial assets at amortised cost**

A financial asset is measured at amortised cost only if both of the following conditions are met:

- (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

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

### **Impairment of financial assets**

Hearing Australia recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon Hearing Australia's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

## Note 17. Deferred tax

	2022 \$'000	2021 \$'000
<b>Deferred tax assets comprises temporary differences attributable to:</b>		
Property, plant and equipment	(599)	(803)
Contract assets	(897)	(985)
Right of use assets	(14,243)	(13,654)
Accrued expenses	1,608	2,005
Contract liabilities	2,287	3,858
Provisions	10,653	10,528
Inventories	216	220
Intangible assets	4,620	2,445
Lease liabilities	16,585	15,871
Other temporary differences	31	114
<b>Deferred tax asset</b>	<b>20,261</b>	<b>19,599</b>
<b>Movements</b>		
Opening Balance	19,599	15,361
Credited (charged) to profit or loss (Note 10)	622	4,238
<b>Closing balance</b>	<b>20,261</b>	<b>19,599</b>

## Note 18. Property, plant and equipment

	2022 \$'000	2021 \$'000
<b>Leasehold improvements</b>		
Leasehold improvements - at cost	50,882	51,245
Leasehold improvements - accumulated depreciation	(35,905)	(36,830)
	<b>14,977</b>	<b>14,415</b>
<b>Plant and equipment</b>		
Plant and equipment - at cost	28,764	34,599
Plant and equipment - accumulated depreciation	(20,962)	(25,915)
	<b>7,802</b>	<b>8,684</b>
	<b>22,779</b>	<b>23,099</b>



## Reconciliations

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

	Plant and equipment \$'000	Leasehold improvements \$'000	Total \$'000
Carrying amount as at 1 July 2021	8,684	14,415	23,099
Additions	3,037	6,385	9,422
Disposals - written-down value	(62)	(861)	(923)
Depreciation expense	(3,837)	(4,962)	(8,799)
Carrying amount as at 30 June 2022	7,822	14,977	22,799

### Accounting policy for property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment, except for items costing less than \$1,000, which are expensed as incurred. Historical cost includes expenditure that is directly attributable to the acquisition of the items. The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located. This is particularly relevant to restoration obligations in property leases taken up by Hearing Australia where an obligation to restore the property to its original condition exists. Plant and equipment acquired at no cost, or for nominal consideration are initially recognised as assets and income at their fair value at the date of acquisition.

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

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

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

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

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

## Note 19. Leases

### (i) Amount recognised in the statement of financial position

The balance sheet shows the following amounts relating to leases:

	2022 \$'000	2021 \$'000
<b>Right-of-use assets</b>		
Property	46,327	43,763
Vehicles	601	713
Plant and equipment	550	1,036
	<b>47,478</b>	<b>45,512</b>
<b>Lease liabilities</b>		
Current	11,584	11,143
Non-current	43,699	41,759
	<b>55,283</b>	<b>52,902</b>

Additions of the right-of-use assets during the year ended 30 June 2022 were \$8,437,506.

### (ii) Amount recognised in profit or loss

The following amounts relating to leases are recognised in profit or loss:

	2022 \$'000	2021 \$'000
<b>Depreciation charge of right-of-use assets</b>		
Property	10,533	10,379
Vehicles	522	526
Office equipment	498	470
	<b>11,553</b>	<b>11,375</b>
Interest expense (included in finance cost)	987	1,085
Expense relating to low-value leases (included in lease rental expense)	269	207
Expense relating to short-term leases (included in lease rental expense)	1,373	1,451

The total cash outflow for leases for the year ended 30 June 2022 was \$12,651,284.

	2022 \$'000	2021 \$'000
<b>Maturity analysis - contractual undiscounted cash flows</b>		
Within one year	11,583	10,943
One to five years	23,246	21,345
More than five years	-	1,084
	<b>34,829</b>	<b>33,372</b>

*(iii) Hearing Australia's leasing activities and how these are accounted for*

Hearing Australia leases properties, vehicles and plant and equipment. Rental contracts are typically made for fixed periods of 3 months to 6 years, but may have extension options as described in (iv) below.

Contracts may contain lease components. Hearing Australia allocates the consideration in the contract to the lease components based on their relative stand-alone prices.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by Hearing Australia under residual value guarantees
- the exercise price of a purchase option if Hearing Australia is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects Hearing Australia exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which apart from motor vehicles is generally the case for leases in Hearing Australia, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Hearing Australia is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received, and
- any initial direct costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If Hearing Australia is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise small items of office equipment.

**(iv) Extension and termination options**

Extension and termination options are included in a number of property and equipment leases across Hearing Australia. The majority of extension and termination options held are exercisable only by Hearing Australia and not by the respective lessor.

The lease term is reassessed if an option is actually exercised (or not exercised) or Hearing Australia becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

**(v) Residual value guarantees**

Hearing Australia has residual value guarantees on some motor vehicle leases. On the anniversary of these leases the residual value is re-assessed and where required the monthly lease payments and corresponding lease liability balances are adjusted accordingly.

## Note 20. Intangible assets

Intangible assets	2022 \$'000	2021 \$'000
Computer software internally developed - at cost	3,559	8,754
Computer software internally developed - less: accumulated amortisation	(2,370)	(6,744)
	<b>1,189</b>	<b>2,010</b>
Computer software purchased - at cost	488	4,024
Computer software purchased - less: accumulated amortisation	(392)	(3,692)
	<b>96</b>	<b>332</b>
	<b>1,285</b>	<b>2,342</b>

**Reconciliations**

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

	Computer software internally developed \$'000	Computer software purchased \$'000	Total \$'000
Carrying amount as at 1 July 2021	2,010	332	2,342
Additions	-	-	-
Amortisation expense	(822)	(235)	(1,057)
Carrying amount as at 30 June 2022	<b>1,188</b>	<b>97</b>	<b>1,285</b>

**Accounting policy for intangible assets**

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

**Computer software internally developed and purchased**

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

## Note 21. Trade and other payables

Trade and other payables	2022 \$'000	2021 \$'000
<b>Current</b>		
Trade creditors	3,835	4,475
Accrued expenses	7,129	9,953
Salaries and wages	6,499	6,577
	<b>17,463</b>	<b>21,005</b>

**Accounting policy for trade and other payables**

These amounts represent liabilities for goods and services provided to Hearing Australia prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at

amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

## Note 22. Provisions (Current)

Provisions	2022 \$'000	2021 \$'000
<b>Current</b>		
Employee benefits	11,691	11,456
Restoration obligations	1,109	1,154
	<b>12,800</b>	<b>12,610</b>

### **Restoration obligations**

Refer to Note 25 for more information on the restoration obligations.

### **Accounting policy for provisions**

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

### **Accounting policy for employee benefits**

#### **Short-term employee benefits**

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

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

### **Superannuation benefits**

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

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

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

## Note 23. Contract liabilities

	2022 \$'000	2021 \$'000
<b>Current</b>		
Maintenance and Hearing Services Card	13,862	15,657
Government funding for goods and services	772	-
	<b>14,634</b>	<b>15,657</b>

### **Accounting policy for contract liabilities**

Contract liabilities represent Hearing Australia's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when Hearing Australia

recognises a receivable to reflect its unconditional right to consideration, whichever is earlier, before Hearing Australia has transferred the goods or services to the customer.

## Note 24. Refund liabilities

	2022 \$'000	2021 \$'000
<b>Current</b>		
Refund liabilities	748	339
	<b>748</b>	<b>339</b>

### **Accounting policy for refund liabilities**

Refund liabilities are recognised where the Hearing Australia receives consideration from a customer and expects to refund some, or all, of that consideration to the customer. A refund liability is measured at the amount of consideration received or receivable for which the Hearing Australia does not

expect to be entitled and is updated at the end of each reporting period for changes in circumstances. Historical data is used across product lines to estimate such returns at the time of sale based on an expected value methodology.

## Note 25. Provisions (Non-current)

	2022 \$'000	2021 \$'000
<b>Non-current</b>		
Employee benefits	16,566	16,606
Restoration obligations	6,144	5,876
	<b>22,710</b>	<b>22,482</b>

### Restoration obligations

The provision represents the present value of the estimated costs to make good the premises leased by Hearing Australia at the end of the respective lease terms. Hearing Australia currently

has 179 (2021: 180) agreements for the leasing of premises which have provisions requiring Hearing Australia to fully or partly restore the premises to their original condition at the conclusion of the lease.

### Movement in provisions

Movements in each class of provision (current: Note 22 and non-current: Note 25) during the current financial year, other than employee benefits, are set out below:

Restoration obligations 2022 \$'000	
Carrying amount as at 1 July 2021	7,030
Additional provisions recognised	706
Provision write backs	(330)
Makegood utilisation	(385)
Makegood revaluation	124
Unwinding of discount	108
<b>Carrying amount as at 30 June 2022</b>	<b>7,253</b>

### Accounting policy for other long-term employee benefits

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

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

## Note 26. Dividends paid and payable

	2022 \$'000	2021 \$'000
Interim dividend declared and paid to the Australian Government	-	1,493
Final dividend to the Australian Government payable at the reporting date	-	761
	-	<b>2,254</b>

### Accounting policy for dividends

Hearing Australia's dividend payment is paid according to a directive from the Portfolio Minister under section 63A of the Australian Hearing Services Act 1991. Dividend payments are typically made to the Official Public Account via the

Department of Social Services in two instalments; an interim dividend paid by 30 April and a final dividend paid by 31 October each year. From time to time there may be a requirement to pay an additional dividend.



## Note 27. Fair value measurement

### Accounting policy for fair value measurement

Hearing Australia operates on a for-profit basis. As per approved exemption 17.7 under the FRR, Hearing

Australia is exempted from the requirement of fair value measurement for valuation of non-financial assets.

## Note 28. Key management personnel disclosures

### Key management personnel

Hearing Australia has determined that Key Management Personnel ('KMP') is comprised of all members of the Board and all members of the Senior

Management Team as they have the responsibility for planning, directing and controlling the activities of Hearing Australia.

### Compensation

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

	2022 \$	2021 \$
Short-term employee benefits	2,849,773	2,798,617
Post-employment benefits	354,358	327,760
Other long-term benefits	23,218	119,417
<b>Total aggregate compensation of KMP</b>	<b>3,227,349</b>	<b>3,245,794</b>

Short term employee benefits include estimated bonuses of \$268,901 that are not yet finalised at the time of preparing this report (2021: \$283,351).

There were no material related party transactions with KMP.

The total number of KMP that are included in the above table are 13 (2021: 16). The variance of -3 from last year is a result of the outgoing of three directors in the previous year when their term came to an end.

The KMP movements for the year are set out below:

	Directors	Senior Executives
KMP as at 30 June 2021	7	6
<i>Incoming during the year</i>	0	0
Total KMP included in this year's aggregate compensation	7	6
<i>Outgoing during the year</i>	-1	0
<b>KMP as at 30 June 2022</b>	<b>6</b>	<b>6</b>

The KMP as at 30 June 2022 of 12 (2021: 13) is one less due to a vacant director position.

The above KMP remuneration excludes the remuneration and other

benefits of the Portfolio Minister. The Portfolio Minister's remuneration and other benefits are set out by the Remuneration Tribunal and are not paid by Hearing Australia.

## Note 29. Remuneration of auditors

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

	2022 \$	2021 \$
Audit services:		
Audit of financial statements	137,000	132,000

## Note 30. Contingent liabilities

Hearing Australia had no contingent liabilities or assets as at 30 June 2022 and 30 June 2021.

### **Accounting policy for contingent liabilities and contingent assets**

Contingent liabilities and assets are not recognised in the statement of financial position but disclosed in these financial statements. They may arise

from uncertainty as to the existence of a liability or asset, or represent a liability or asset in respect of which the amount cannot be reliably measured.

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

## Note 31. Commitments

Commitments	2022 \$'000	2021 \$'000
<b>Lease commitments - Operating</b>		
Committed at the reporting date and recognised as liabilities, payable:		
Within one year	265	227
One to five years	22	126
	<b>287</b>	<b>353</b>
<b>Capital commitments</b>		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	1,189	2,884
One to five years	-	-
More than five years	-	-
	<b>1,189</b>	<b>2,884</b>

Commitments are GST exclusive.

## Note 32. Related party transactions

### ***Related party relationships***

Hearing Australia is an Australian Government controlled entity. Given the breadth of Government activities, related parties may transact with the government sector in the same capacity as ordinary citizens. Such

transactions include the payment by Hearing Australia of taxes, workers compensation and receipt of grants and payments under the hearing services program. Those transactions have not been separately disclosed in this note.

## Note 33. Events after the reporting period

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has had a negative impact on the results of the reporting year ended 30 June 2022, it is not expected to impact the going concern of the entity. The situation is however developing and is dependent on measures imposed by the Australian Federal, State and Territory governments which could make it impractical to estimate the potential long-term impact to the entity.

No other matter or circumstance has arisen since 30 June 2022 and at the date of this report that has significantly affected, or may significantly affect Hearing Australia's operations, the results of those operations, or its state of affairs in future financial years.

# Compliance Index

PGPA Rule Reference	Part of Report	Description	Requirement
17BE	Contents of annual report		
17BE(a)	<i>The Australian Hearing Services Act 1991</i>	Details of the legislation establishing the body.	Mandatory
17BE(b)(i)	<i>The Australian Hearing Services Act 1991</i>	A summary of the objects and functions of the entity as set out in legislation.	Mandatory
17BE(b)(ii)	Purpose	The purposes of the entity as included in the entity's corporate plan for the reporting period.	Mandatory
17BE(c)	Minister for Government Services	The names of the persons holding the position of responsible Minister or responsible Ministers during the reporting period, and the titles of those responsible Ministers.	Mandatory
17BE(d)	N/A	Directions given to the entity by the Minister under an Act or instrument during the reporting period.	If applicable, mandatory
17BE(e)	N/A	Any government policy order that applied in relation to the entity during the reporting period under section 22 of the Act.	If applicable, mandatory
17BE(f)	N/A	Particulars of non-compliance with: (a) a direction given to the entity by the Minister under an Act or instrument during the reporting period; or (b) a government policy order that applied in relation to the entity during the reporting period under section 22 of the Act.	If applicable, mandatory
17BE(g)	Annual Performance Statement	Annual performance statements in accordance with paragraph 39(1)(b) of the Act and section 16F of the rule.	Mandatory
17BE(h), 17BE(i)	N/A	A statement of significant issues reported to the Minister under paragraph 19(1)(e) of the Act that relates to non-compliance with finance law and action taken to remedy non-compliance.	If applicable, mandatory
17BE(j)	Appendix 7 - Board Governance	Information on the accountable authority, or each member of the accountable authority, of the entity during the reporting period.	Mandatory
17BE(k)	Organisation Structure and Governance	Outline of the organisational structure of the entity (including any subsidiaries of the entity).	Mandatory
17BE(ka)	Appendix 3 - Key Staffing Statistics	Statistics on the entity's employees on an ongoing and non-ongoing basis, including the following: (a) statistics on full-time employees; (b) statistics on part-time employees; (c) statistics on gender; (d) statistics on staff location.	Mandatory

PGPA Rule Reference	Part of Report	Description	Requirement
17BE	Contents of annual report		
17BE(l)	Note 4. Revenue from contracts with customers	Outline of the location (whether or not in Australia) of major activities or facilities of the entity.	Mandatory
17BE(m)	Organisation Structure and Governance	Information relating to the main corporate governance practices used by the entity during the reporting period.	Mandatory
17BE(n), 17BE(o)	N/A	For transactions with a related Commonwealth entity or related company where the value of the transaction, or if there is more than one transaction, the aggregate of those transactions, is more than \$10,000 (inclusive of GST):  (a) the decision making process undertaken by the accountable authority to approve the entity paying for a good or service from, or providing a grant to, the related Commonwealth entity or related company; and  (b) the value of the transaction, or if there is more than one transaction, the number of transactions and the aggregate of value of the transactions.	If applicable, mandatory
17BE(p)	N/A	Any significant activities and changes that affected the operation or structure of the entity during the reporting period.	If applicable, mandatory
17BE(q)	N/A	Particulars of judicial decisions or decisions of administrative tribunals that may have a significant effect on the operations of the entity.	If applicable, mandatory
17BE(r)	N/A	Particulars of any reports on the entity given by: (a) the Auditor-General (other than a report under section 43 of the Act); or (b) a Parliamentary Committee; or (c) the Commonwealth Ombudsman; or (d) the Office of the Australian Information Commissioner.	If applicable, mandatory
17BE(s)	N/A	An explanation of information not obtained from a subsidiary of the entity and the effect of not having the information on the annual report.	If applicable, mandatory
17BE(t)	Appendix 7 - Board Governance	Details of any indemnity that applied during the reporting period to the accountable authority, any member of the accountable authority or officer of the entity against a liability (including premiums paid, or agreed to be paid, for insurance against the authority, member or officer's liability for legal costs).	If applicable, mandatory

PGPA Rule Reference	Part of Report	Description	Requirement
17BE(taa)	Appendix 8 - Audit and Risk Management Committee	The following information about the audit committee for the entity: (a) a direct electronic address of the charter determining the functions of the audit committee; (b) the name of each member of the audit committee; (c) the qualifications, knowledge, skills or experience of each member of the audit committee; (d) information about each member's attendance at meetings of the audit committee; (e) the remuneration of each member of the audit committee.	Mandatory
17BE(ta)	Appendix 4 - Information About Executive Remuneration	Information about executive remuneration.	Mandatory
17BF	Disclosure requirements for government business enterprises		
17BF(1)(a)(i)	N/A	An assessment of significant changes in the entity's overall financial structure and financial conditions.	If applicable, mandatory
17BF(1)(a)(ii)	N/A	An assessment of any events or risks that could cause financial information that is reported not to be indicative of future operations or financial conditions.	If applicable, mandatory
17BF(1)(b)	N/A	Information on dividends paid or recommended.	If applicable, mandatory
17BF(1)(c)	N/A	Details of any community service obligations the government business enterprise has including: (a) an outline of actions taken to fulfil those obligations; and (b) an assessment of the cost of fulfilling those obligations.	If applicable, mandatory
17BF(2)	N/A	A statement regarding the exclusion of information on the grounds that the information is commercially sensitive and would be likely to result in unreasonable commercial prejudice to the government business enterprise.	If applicable, mandatory

# Glossary

<b>AHS Act</b>	<i>Australian Hearing Services Act 1991</i>
<b>ANAO</b>	Australian National Audit Office
<b>Annual Report</b>	The yearly report prepared by Hearing Australia in accordance with section 46 of the PGPA Act (or the Directors of a Commonwealth company in accordance with section 97 of the PGPA Act). It provides a broad statement of capability and performance, including results against targets published previously for the corresponding year in the corporate plan. It allows the Board and senior management to report to the Minister on the efficiency and effectiveness for which the Minister is ultimately responsible
<b>ARMC</b>	Audit and Risk Management Committee of the Board of Hearing Australia
<b>Audiologist</b>	A university qualified professional that evaluates hearing function and provides appropriate rehabilitation, such as the fitting of hearing aids
<b>Audiometrist</b>	A clinician who has completed a certificate course in hearing assessment, hearing aid fitting and management
<b>Clinician</b>	An Audiologist or Audiometrist
<b>Corporate Plan</b>	A document detailing Hearing Australia's strategic direction that is required to be prepared for the Minister for Government Services and the Minister for Finance
<b>CSO</b>	Community Service Obligations - part of the Government's Hearing Services Program
<b>DOH</b>	Department of Health and Aged Care (within the Financial Statements)
<b>DSS</b>	The Department of Social Services
<b>EBITDA</b>	Earnings before interest, tax, depreciation and amortisation
<b>ESD</b>	Ecologically Sustainable Development that aims to meet the needs of today, while conserving our ecosystems for the benefit of future generations
<b>ERP</b>	Enterprise Resource Planning (System)
<b>Financial Year (FY)</b>	Period of a year being reported upon (commencing on 1 July and ending on 30 June)
<b>First Nations</b>	A term which acknowledges the diversity of Australia's First Peoples
<b>GST</b>	Goods and Services Tax
<b>HATS</b>	Hearing and Talking Scale - instrument used to assess a child's hearing
<b>HAP</b>	Hearing Assessment Program
<b>HAPEE</b>	Hearing Assessment Program – Early Ears
<b>Health</b>	The Department of Health and Aged Care which administers the Australian Government's Hearing Services Program
<b>Hearing Bus</b>	Purpose built vehicles intended primarily to promote Hearing Australia and provide free hearing screening across the country

<b>Hearing Centres</b>	Hearing Australia's service outlets and physical point of contact for clients
<b>HSP</b>	Hearing Services Program – provides Government supported hearing services to eligible people. Funded through the Commonwealth Department of Health and Aged Care
<b>ICT</b>	Information and Communications Technology
<b>KPI</b>	Key Performance Indicator
<b>NAL</b>	National Acoustic Laboratories – a division of Hearing Australia
<b>NDIA</b>	National Disability Insurance Agency
<b>NDIS</b>	National Disability Insurance Scheme
<b>Network</b>	Hearing Australia's services across Australia
<b>Outreach</b>	Specialist services provided for Aboriginal and Torres Strait Islanders
<b>Permanent site</b>	A permanently staffed hearing centre
<b>PGPA Act</b>	<i>Public Governance, Performance and Accountability Act 2013</i>
<b>PGPA Rule</b>	Public Governance, Performance and Accountability Rule 2014
<b>PLUM</b>	Parent-evaluated Listening and Understanding Measure – instrument used to measure a child's hearing
<b>Remote Site</b>	A location providing for assessment, device fitting and rehabilitation, situated in a locality determined by the Department of Health and Aged Care (using the Modified Monash Model – from 1 October 2019) as being disadvantaged by restricted accessibility of goods and services
<b>Responsible Minister</b>	Minister with portfolio responsibility for a Commonwealth entity
<b>Teleaudiology</b>	Provision of audiological services remotely from the patient
<b>Telehealth</b>	Use of telecommunication techniques for the purpose of providing telemedicine, medical education, and health education over a distance
<b>Visiting Site</b>	A site that is visited on regular basis by a clinician to deliver hearing services. No Hearing Australia staff are permanently based at a visiting site.
<b>Voucher</b>	Certificate issued by the Department of Health and Aged Care to eligible adults that entitles clients to Government funded hearing services under the Hearing Services Program (HSP)
<b>VROA</b>	Visually Reinforced Orientation Audiometry – gaining a child's response by presenting a sound through a speaker, then when the child turns in the direction of the speaker a visual reward is given
<b>WHS</b>	Work health and safety



# Appendices

## Appendix 1 - Ministerial directions and other statutory requirements

Hearing Australia is required to make annual disclosures under the following legislation: *Australian Hearing Services Act 1991 Public Governance, Performance and Accountability Act 2013 Work Health and Safety Act 2011 Freedom of Information Act 1982 The Environment Protection and Biodiversity Conservation Act 1999.*

No Ministerial directions were issued during the year 2021-22. No Government Policy Orders were applied to Australian Hearing Services (trading as Hearing Australia).

## Appendix 2: Freedom of Information

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

The general right is limited by exception to protect essential public interests, including the privacy of individuals and the business affairs of those who give information to the entity. Hearing Australia is required to publish information to the public as part of the Information Publication Scheme

(IPS). The IPS is designed to promote open and transparent communications of government information. Hearing Australia's plan showing what information it publishes in accordance the IPS is located at

[https://www.hearing.com.au/About-Hearing-Australia/Corporate-Publications-\(1\)/Information-Publication-Scheme](https://www.hearing.com.au/About-Hearing-Australia/Corporate-Publications-(1)/Information-Publication-Scheme)

Hearing Australia is required to publish on its website information about its structure, functions and statutory appointments. Hearing Australia must also publish its Annual Reports and other types of information including information that guides decisions or recommendations affecting members of the public as well as information about how the public can comment on policy proposals.

This information is available at [www.hearing.com.au/About-Hearing-Australia](http://www.hearing.com.au/About-Hearing-Australia)

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

**The FOI Officer**  
**Hearing Australia**  
**Level 5, 16 University Avenue**  
**Macquarie University NSW 2109**

**Telephone: (02) 9412 6800**  
**TTY: (02) 9412 6802**  
**email: FOI@hearing.com.au**

In the reporting year to 30 June 2022, Hearing Australia was not the subject of any report given by the Office of the Australian Information Commissioner.

### Appendix 3: Key staffing statistics

#### All Ongoing Employees Current Report Period (2021-22)

	Male			Female			Indeterminate			Total
	Full-time	Part-time	Total Male	Full-time	Part-time	Total Female	Full-time	Part-time	Total Indeterminate	
NSW	117	5	122	205	155	360	0	0	0	482
QLD	36	3	39	95	84	179	0	0	0	218
SA	7	1	8	22	22	44	0	0	0	52
TAS	7	0	7	19	19	38	0	0	0	45
VIC	30	4	34	135	122	257	0	0	0	291
WA	10	1	11	38	27	65	0	0	0	76
ACT	1	0	1	8	4	12	0	0	0	13
NT	2	0	2	9	3	12	0	0	0	14
External Territories	0	0	0	0	0	0	0	0	0	0
Overseas	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>210</b>	<b>14</b>	<b>224</b>	<b>531</b>	<b>436</b>	<b>967</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,191</b>

#### All Non-Ongoing Employees Current Report Period (2021-22)

	Male			Female			Indeterminate			Total
	Full-time	Part-time	Total Male	Full-time	Part-time	Total Female	Full-time	Part-time	Total Indeterminate	
NSW	24	3	27	59	16	75	0	0	0	102
QLD	3	2	5	10	11	21	0	0	0	26
SA	1	1	2	1	0	1	0	0	0	3
TAS	0	2	2	1	1	2	0	0	0	4
VIC	1	2	3	8	30	38	0	0	0	41
WA	1	1	2	9	3	12	0	0	0	14
ACT	0	0	0	0	2	2	0	0	0	2
NT	1	1	2	2	6	8	0	0	0	10
External Territories	0	0	0	0	0	0	0	0	0	0
Overseas	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>31</b>	<b>12</b>	<b>43</b>	<b>90</b>	<b>69</b>	<b>159</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>202</b>

*All Ongoing Employees Previous Report Period (2020-21)*

	Male			Female			Indeterminate			Total
	Full-time	Part-time	Total Male	Full-time	Part-time	Total Female	Full-time	Part-time	Total Indeterminate	
NSW	119	6	125	196	162	358	0	0	0	483
QLD	38	3	41	98	77	175	0	0	0	216
SA	4	1	5	23	23	46	0	0	0	51
TAS	7	1	8	19	17	36	0	0	0	44
VIC	33	3	36	132	120	252	0	0	0	288
WA	7	3	10	38	27	65	0	0	0	75
ACT	1	0	1	6	6	12	0	0	0	13
NT	1	0	1	7	2	9	0	0	0	10
External Territories	0	0	0	0	0	0	0	0	0	0
Overseas	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>210</b>	<b>17</b>	<b>227</b>	<b>519</b>	<b>434</b>	<b>953</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,180</b>

*All Non-Ongoing Employees Previous Report Period (2020-21)*

	Male			Female			Indeterminate			Total
	Full-time	Part-time	Total Male	Full-time	Part-time	Total Female	Full-time	Part-time	Total Indeterminate	
NSW	25	3	28	45	35	80	0	0	0	108
QLD	2	2	4	7	14	21	0	0	0	25
SA	0	1	1	1	0	1	0	0	0	2
TAS	1	2	3	2	3	5	0	0	0	8
VIC	0	3	3	7	23	30	0	0	0	33
WA	1	1	2	4	9	13	0	0	0	15
ACT	0	0	0	0	1	1	0	0	0	1
NT	0	1	1	1	4	5	0	0	0	6
External Territories	0	0	0	0	0	0	0	0	0	0
Overseas	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>29</b>	<b>13</b>	<b>42</b>	<b>67</b>	<b>89</b>	<b>156</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>198</b>

## Appendix 4 – Information about Executive Remuneration

In accordance with the requirements of the *Public Governance, Performance and Accountability Rule 2014* (PGPA Rule) and the Department of Finance Resource Management Guide (RMG) 38 – *Commonwealth Entities Executive Remuneration Reporting Guide for Annual Reports*, Hearing Australia reports on its remuneration practices.

Table 4.1 lists the Key Management Personnel (KMPs) for 2021–22. This includes all Non-Executive Directors and members of Hearing Australia’s Executive. These individuals are identified as KMPs, consistent with the definition in the *Australian Accounting Standards Board (AASB) 124 Related Party Disclosures*.

A further 13 employees are regarded as ‘Other Highly Paid Employees’ for the purposes of the Commonwealth’s remuneration reporting (Table 4.2 refers). ‘Other Highly Paid Staff’ are employees who are neither KMP nor senior executives and whose total remuneration exceeds the \$235,001 threshold for the 2021–22 reporting period.

### Employment Arrangements

Hearing Australia employees are engaged under the *Australian Hearing Services Act 1991* as Commonwealth employees and are not covered by the *Australian Public Service Act 1999*. Some 96 per cent of employees are employed under Hearing Australia’s Enterprise Agreement. Approximately three per cent of employees, including members of the Executive and selected other senior staff, are employed under common law contracts.

Hearing Australia’s employees include audiologists, audiometrists, technicians, researchers and other hearing health professionals. Other roles include support for client engagement and corporate services.

### Fixed and Performance Based Pay

To achieve its business outcomes, as outlined in the Corporate Plan, Hearing Australia needs to be able to attract, reward and retain skilled employees. Hearing Australia’s performance scheme framework supports that outcome, recognising that Hearing Australia must comply with relevant Commonwealth Government policies.

Remuneration for some employees consists of two components: a total guaranteed package and a variable ‘at risk’ component which is delivered through the performance scheme framework. The fixed, guaranteed component of remuneration is comprised of base salary, superannuation contributions, allowances and any non-cash benefits, and aims to compensate employees for executing the core requirements of their role. The performance payment (variable component) is an ‘at risk’ opportunity where a performance component of remuneration may be awarded to recognise outstanding performance. The provision of performance payments is discretionary and recognises high performing individuals and teams that have exceeded their key performance indicators and have contributed to the overall success of Hearing Australia.

## Salary Increases

Hearing Australia works within the parameters of the *Remuneration and Funding Declaration (Declaration)* under the Workplace Bargaining Policy approved by the Australian Public Service Commission.

Those employees engaged under Hearing Australia's Enterprise Agreement received an annual pay increase of two per cent, additionally, eligible employees received a 1.8 per cent salary progression payment in 2021- 22. Most employees on common law contracts received a 1.9 per cent annual salary increase for 2021-22.

## Director Remuneration

All Hearing Australia Directors are appointed by the Minister for Government Services in accordance with s16 of the *Australian Hearing Services Act 1991*. Board Fees for Directors are paid according to the determination of the Commonwealth Remuneration Tribunal (the Tribunal) under the Remuneration Tribunal (Remuneration and Allowances for Holders of Part-time Public Office) Determination 2021. Hearing Australia has no role in determining the level of the Board Director fees. Statutory superannuation is paid in addition to the fees set by the Tribunal.

## Managing Director Remuneration

The Managing Director's remuneration during 2021-22 was determined by the Board of Hearing Australia in line with the Remuneration Tribunal (Principal Executive Officers - Classification Structure and Terms and Conditions) Determination 2022.

## Remuneration Governance Arrangements

Hearing Australia's Remuneration and People Committee advises the Board on matters relating to employee remuneration. Appendix 9 provides further details on the operation of this Committee.

## 2021-22 Remuneration Information

The following tables detail the remuneration paid to Hearing Australia KMPs and other highly paid staff in 2021-22.

Table 4.1 Information about remuneration for Key Management Personnel

Name	Position Title	Short-term benefits				Post-employment benefits	Other long-term benefits		Termination benefits	Total remuneration
		Base Salary	Bonuses	Other benefits and allowances	Superannuation contributions		Long Service Leave	Other long-term benefits		
J E Currie	Director	\$34,962	\$0	\$0	\$3,500	\$0	\$0	\$0	\$38,462	
S J Vaughan	Director	\$43,128	\$0	\$0	\$4,318	\$0	\$0	\$0	\$47,446	
P L Seaton	Chair	\$28,097	\$0	\$0	\$2,810	\$0	\$0	\$0	\$30,907	
E A Crouch	Chair	\$56,085	\$0	\$0	\$5,618	\$0	\$0	\$0	\$61,703	
S S Liew	Director	\$51,295	\$0	\$0	\$5,136	\$0	\$0	\$0	\$56,431	
K W Keogh	Special Purpose Director	\$43,128	\$0	\$0	\$4,318	\$0	\$0	\$0	\$47,446	
K C Terrell	Managing Director	\$360,998	\$48,540	\$0	\$45,183	\$2,078	\$0	\$0	\$452,643	
L Shaw	Chief Customer Service	\$307,633	\$51,281	\$0	\$35,246	\$4,991	\$0	\$0	\$399,151	
D P Cuda	Chief Financial Officer	\$316,581	\$51,281	\$0	\$31,037	\$3,792	\$0	\$0	\$402,691	
G Mavrias	Chief Operating Officer	\$307,618	\$61,474	\$26,500	\$64,151	\$877	\$0	\$0	\$458,866	
M K S Brett	Chief Information Officer	\$355,101	\$0	\$0	\$64,212	\$5,003	\$0	\$0	\$424,316	
R A Priddin	Chief People & Governance Officer	\$313,121	\$0	\$0	\$50,144	\$4,078	\$0	\$0	\$367,343	
B Edwards	Director NAL Research	\$336,625	\$56,325	\$0	\$38,685	\$8,309	\$0	\$0	\$439,944	
<b>Total</b>		<b>\$2,554,372</b>	<b>\$268,901</b>	<b>\$26,500</b>	<b>\$354,358</b>	<b>\$23,218</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,227,349</b>	

Table 4.2 Information about remuneration for Other Highly Paid Staff

Total remuneration bands	Number of other highly paid staff	Short-term benefits			Post-employment benefits	Other long-term benefits		Termination benefits	Total remuneration
		Average Base Salary	Average Bonuses	Average other benefits & allowances		Average long service leave	Average other long-term benefits		
\$235,001 - \$245,000	2	\$171,157	\$20,701	\$10,696	\$31,826	\$5,692	\$0	\$0	\$240,072
\$245,001 - \$270,000	4	\$191,641	\$21,998	\$5,348	\$30,918	\$6,624	\$0	\$0	\$256,529
\$270,001 - \$295,000	5	\$214,603	\$20,907	\$6,196	\$27,955	\$7,377	\$0	\$0	\$277,037
\$295,001 - \$320,000	1	\$217,733	\$27,442	\$21,592	\$43,059	\$7,500	\$0	\$0	\$317,326
\$320,001 - \$345,000	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$345,001 - \$370,000	1	\$196,081	\$27,445	\$0	\$33,180	\$6,746	\$0	\$91,921	\$355,373
\$370,001 - \$395,000	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$395,001 - \$420,000	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$420,001 - \$445,000	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$445,001 - \$470,000	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$470,001 - \$495,000	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$495,001 - ...	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

## Appendix 5 - Environment

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

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

### Ecologically sustainable development (ESD)

Hearing Australia continues to plan a transition to supply 100 per cent rechargeable batteries. This initiative will significantly reduce the number of batteries sent to landfill as we ramp up to full implementation. Our major battery supplier is developing new technology to increase battery capacity, which will reduce the number of batteries used each year. We are expecting that this technology will be available for our clients in coming years.

In addition, Hearing Australia is offering an increasing proportion of clients the option of hearing aids with rechargeable internal batteries, further reducing the use of disposable batteries.

## Environmental performance

The following measures were implemented to minimise the effect of our activities on the environment.

### Energy Efficiency

Our landlord and tenant obligations are under a Green Lease Schedule, resulting in improved energy efficiency in the premises and building at the Australian Hearing Hub, our national head office, by implementing an Energy Management Plan in support of the requirements and objectives of the Australian Government's Energy Productivity and Efficiency priorities.

Our motor vehicle fleet is largely 4 cylinder fuel-efficient, value for money, environmentally friendly vehicles for fleet use and have a high Green Vehicle Guide rating. We also promoted the use of energy efficient fuels such as diesel (for our twelve hearing buses) and the use of ethanol blended fuels (E10), where reasonably available.

We promote and support the use of video and phone conferencing instead of staff using air travel. In light of the recent pandemic, staff travel has been further reduced and the use of teleservices for clients has been expanded.

Enhancement of the ESD Principles is being achieved by all new centre builds (small retail sites) incorporating energy efficient lighting. Air conditioning units are replaced with ones with the most appropriate refrigerant and all toilets, where included, are converted to or installed with dual flush systems. Further, all our fleet and hearing bus vehicles are regularly serviced and maintained to ensure optimum fuel efficiency.



Following a strategic review of our fleet policy in October 2017, it was determined that our standard vehicles of choice going forward will be the Toyota Corolla and Camry Hybrid. This will translate to reductions in fuel consumption of more than 30 per cent per vehicle, resulting in considerably lower vehicle emissions. Over 50 per cent of our vehicle fleet (excluding buses) is now hybrid, with this to increase as older leases expire.

### **Waste**

Most personal computers are manually shutdown and all monitors are put into sleep mode after 10 minutes of inactivity. Following introduction of a Solid State storage unit, we have virtualised around 97.5 per cent of Wintel Server workload and 95 per cent of Unix Server workload. Personal computer and monitors are all ecological and power saving compliant.

Twenty per cent recycled copier paper is used in printers, photocopiers and multifunction devices. The non-recycled component is from sustainably managed plantations and forestry operations. The copy paper is certified carbon neutral. Our cleaning contractors provide environmentally friendly tissue paper (toilet paper and towels) and cleaning products.

ESD Principles are being enhanced through migration to a largely paper free environment. An e-Form framework has also been established. Paper reduction technology has also been introduced to our printers to further reduce consumption of paper.

### **Water**

Hearing Australia is not a major water user and generally is not separately metered in our leased premises.

### **Environment - our commitment**

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

### **Appendix 6 – Business Ethics Policy**

Our essence and purpose is to be caring and to have a positive impact on people's lives. Everything we do reflects these values – out in the community and within our locations across the country.

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

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

## Appendix 7 - Board Governance

### Board Governance

Hearing Australia operates under the *Australian Hearing Services Act 1991* (AHS Act) and the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). Under the PGPA Act, Hearing Australia is defined as a corporate Commonwealth Entity.

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

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

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

In practice, the Board is responsible for a range of functions, including:

- setting the strategic directions of Hearing Australia
- representing the interests of stakeholders, especially the Minister
- working with the Managing Director to improve the ongoing performance of Hearing Australia
- providing guidance, support and advice to the executive management team
- monitoring the organisation's performance
- ensuring that the organisation meets its legislative and regulatory compliance responsibilities
- determining the Managing Director's terms and conditions, consistent with the provisions of the AHS Act and Remuneration Tribunal Determinations
- recommending to the Minister the appointment and termination (if necessary) of the Managing Director
- delegating to management the day to day running of Hearing Australia.

The Board is also responsible for ensuring that Hearing Australia meets its legal, accounting, regulatory and compliance requirements, including those outlined in the PGPA Act.

Directors are appointed by the Minister in line with the AHS Act and have qualifications relevant to, or special experience or interest in, a field related to Hearing Australia's functions. The duties of the Managing Director as prescribed in Section 42 of the AHS Act.

The Board meets on a regular basis and has a number of committees. Table 7.1 lists the qualifications and experience of each Board member and the number of formal meetings attended by each member during 2021-2022.

### **Induction**

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

### **Confidentiality**

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

### **Indemnity and Insurance of Officers**

During the year, Hearing Australia paid a premium of ex GST \$112,300 to insure the Directors and Officers of Hearing Australia. 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 Hearing Australia.

### **Performance Assessment**

An appraisal of the performance of the Board is undertaken on an annual basis to ensure the effectiveness of operations of the Board and its Committees. This includes completion of a formal questionnaire based on guidance from the Australian Institute of Company Directors and action to improve internal governance arrangements.

### **Certification**

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

### **Independent Professional Advice**

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

Table 7.1 – Details of Accountable Authority during the reporting period (2021-22)

Name	Qualifications of the Accountable Authority	Experience of the Accountable Authority	Position Title / Position held Executive / Non-Executive	Period as the accountable authority or member within the reporting period		
				Date of Commencement	Date of cessation	Number of meetings of accountable authority attended
<b>Ms Elizabeth Crouch AM</b>	Bachelor of Economics, FAICD, Masters in Cyber Security	<p>Ms Crouch brings strong government and policy expertise and extensive non-Executive Director experience to Hearing Australia's Board including as a board member for ReadyTech, Health Infrastructure, Bingo Industries, SGS Economics and Planning and the NSW Institute of Sport. She also chairs Audit and Risk Committees for the State Emergency Service and the Independent Pricing and Regulatory Tribunal.</p> <p>Ms Crouch also chairs the boards of the Customer Owned Banking Association and the Sydney Children's Hospital Network and has held previous roles on the boards of Ochre Health, Angus Knight and ASX listed Chandler Macleod and McGrath Estate Agents. She is the Emeritus Deputy Chancellor of Macquarie University and is skilled in business strategy and delivery, cyber security, enterprise risk management, leadership and mentoring, Government and stakeholder relations and culture change. She is a Fellow of the Institute of Company Directors and a member of the Association of Certified Fraud Examiners (ACFE).</p>	Director  Non Executive, Chair from 1 January 2022 onwards	1 July 2021	30 June 2022	5

Name	Qualifications of the Accountable Authority	Experience of the Accountable Authority	Position Title / Position held Executive / Non-Executive	Period as the accountable authority or member within the reporting period		
				Date of Commencement	Date of cessation	Number of meetings of accountable authority attended
<b>Mr Kim Terrell</b>	BA, Master's Degree in Public Policy	Played a key role in establishing three agencies, the Digital Transformation Office (DTO), Australian Sports Anti-doping Authority (ASADA) and CrimTrac, Instrumental in creating myGov and driving digital transformation across the Department of Human Services and the Government. Experience working with and advising various ministers, Prime Ministers and their offices, to initiate significant improvements across various government programs. Australian Swim Team member from 1981-1986 and attended the 1982 Commonwealth Games and 1984 Olympics - winning ten national titles and holding six Australian records. Recipient of three Australia Day Awards.	Managing Director Executive	1 July 2020	30 June 2021	6
<b>Mr Kim Keogh</b>		Previously a Director of Australian Hearing over the period 2007 to 2013. Executive Director of Darlot Brothers Pty Ltd. Government relations/ public affairs advisor to Atlas Iron Ltd, Pilbara Minerals Ltd and Balla Balla Infrastructure Pty Ltd.  Previously a member of the National Heritage Trust Advisory Board, Chair of the Ministerial Reference Group (Agriculture and Environment), member of the National Weeds Advisory Group and pastoralist. He is a member of the Australian Institute of Company Directors.	Special Purpose Board Director  Member of the Audit & Risk Management Committee  Non Executive	1 July 2021	30 June 2022	6

Name	Qualifications of the Accountable Authority	Experience of the Accountable Authority	Position Title / Position held Executive / Non-Executive	Period as the accountable authority or member within the reporting period		
				Date of Commencement	Date of cessation	Number of meetings of accountable authority attended
<b>Ms Sarah Vaughan</b>	<p>Graduate Diploma in Personal Management, Leadership, People Management and Operations, Australian Royal Military College</p> <p>Masters in Information Technology, Information Systems Management</p> <p>Graduate Diploma, Applied Data Analytics and Computer Science</p>	<p>Eight years' experience in the Army in a variety of Communications and Information Systems management roles.</p> <p>Formerly Senior Director at Microsoft Australia.</p> <p>Strong background in stakeholder engagement, product commercialisation and application of emerging technology.</p> <p>Founder, The Arché, a bespoke accelerator and seed fund helping Australian SMEs market test new products and scale-up.</p> <p>Member of Melbourne University's Industry Advisory Group and works with a wide range of Australian Universities on curriculum and student programmes on innovation and entrepreneurship.</p> <p>Director in an agricultural business in Western NSW, producing beef for the premium Australian and Asian export markets.</p>	<p>Director, Member of Audit &amp; Risk Management Committee</p> <p>Non Executive</p>	1 July 2021	30 June 2022	5
<b>Ms Jody Currie</b>	Bachelor's Degree – Ethnic, Cultural, Gender and Group Studies	<p>Member of the Australia Institute of Company Directors, Board of the Brisbane Indigenous Media Association. Formerly a member of the Board of the Queensland Poetry Festival. Previously a member of the ATSICHS board over a six year period, two of these as Chair. Lengthy history in Aboriginal and Torres Strait Islander human service delivery and is a strong advocate for improving the service accessibility to Aboriginal and Torres Strait Islander people.</p>	<p>Director</p> <p>Non Executive</p>	1 July 2021	30 June 2022	6

Name	Qualifications of the Accountable Authority	Experience of the Accountable Authority	Position Title / Position held Executive / Non-Executive	Period as the accountable authority or member within the reporting period		
				Date of Commencement	Date of cessation	Number of meetings of accountable authority attended
<b>Ms Shirley Liew</b>	Bachelor of Business, MBA, GDip Corporate Finance, FCPA	<p>Shirley brings extensive public and private health experience, including in the ageing sector, and has a strong commercial background in finance, retail, transport, food, and mergers and acquisitions.</p> <p>She also chairs various risk, finance and audit committees, including the Central Coast Local Health District. Shirley is a Fellow of CPA Australia as well as being a Chartered accountant with extensive experience in leadership and senior technical roles as audit, assurance and advisory partner for major accounting firms.</p>	<p>Director</p> <p>Chair of the Audit &amp; Risk Management Committee</p>	1 July 2021	30 June 2022	4
<b>Dr Peta Seaton AM</b>	BA (Hons), PhD, GAICD	<p>Principal of Strategic Consulting, Former Deputy Chair of the Bradman Foundation. Former Director of CARE Australia, Member of the Near Eastern Archaeology Foundation Council, .Non-Executive Director of the Menzies Research Centre, Former NSW Parliamentarian and frontbencher, Former Director of Transition and Director of Strategic Priorities in the NSW Premier's Office, Director of the Bundanon Trust</p>	Chair of the Board/Non-Executive	1 July 2021	31 December 2021	2

## **Appendix 8 - Audit and Risk Management Committee**

The purpose of Hearing Australia's Audit and Risk Management Committee is to assist Hearing Australia's Board to discharge its responsibilities under the AHS and PGPA Acts, including review and oversight of Hearing Australia's financial reporting, performance reporting, risk oversight and management, internal control and compliance with relevant laws and policies.

The Committee approves Hearing Australia's internal Audit Plan, Internal Audit provider, Risk Management Framework and organisational assurance map.

Committee members are appointed by the Board, as Hearing Australia's accountable authority. The Committee

- must include at least three non-Executive Directors
- may include an external person appointed by the Chair of the Committee and who has specific expertise relevant to the role of the Committee
- must not include the Chair of the Board, the Managing Director or Chief Financial Officer of Hearing Australia.

The Charter of the Audit and Risk Management Committee, which includes further details of Committee Membership, the roles and responsibilities of Members, and functions of the Committee, is available at: <https://www.hearing.com.au/HearingAustralia/media/assets/Documents/ARMC-Charter.pdf>

## **Attendance at Meetings**

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

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

KPMG was appointed on 1 July 2021 for a three period to 30 June 2024 to manage Hearing Australia's internal audit function. KPMG representatives attended ARMC meetings, as required, by invitation of the Committee Chair.

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

The following table lists the number of formal meetings attended by each Committee member during 2021-22.



Table 8.1 – Audit and Risk Management Committee

Member name	Qualifications, knowledge, skills or experience (include formal and informal as relevant)	Number of meetings attended / total number of meetings	Total annual remuneration (GST inc.)	Additional Information
<b>Ms Shirley Liew</b>	<p>Bachelor of Business, MBA, GDip Corporate Finance, FCPA</p> <p>Shirley brings extensive public and private health experience, including in the ageing sector, and has a strong commercial background in finance, retail, transport, food, and mergers and acquisitions.</p> <p>She also chairs various risk, finance and audit committees, including the Central Coast Local Health District. Shirley is a Fellow of CPA Australia as well as being a Chartered accountant with extensive experience in leadership and senior technical roles as audit, assurance and advisory partner for major accounting firms.</p>	5/5	\$17,963	-
<b>Ms Sarah Vaughan</b>	<p>Graduate Diploma in Personal Management, Leadership, People Management and Operations, Australian Royal Military College</p> <p>Masters in Information Technology, Information Systems Management</p> <p>Graduate Diploma, Applied Data Analytics and Computer Science</p> <p>Eight years' experience in the Army in a variety of Communications and Information Systems management roles.</p> <p>Formerly Senior Director at Microsoft Australia.</p> <p>Strong background in stakeholder engagement, product commercialisation and application of emerging technology.</p> <p>Founder, The Arché, a bespoke accelerator and seed fund helping Australian SMEs market test new products and scale-up.</p> <p>Member of Melbourne University's Industry Advisory Group and works with a wide range of Australian Universities on curriculum and student programmes on innovation and entrepreneurship.</p> <p>Director in an agricultural business in Western NSW, producing beef for the premium Australian and Asian export markets.</p>	5/5	\$8,981	-
<b>Mr Kim Keogh</b>	<p>Previously a Director of Australian Hearing over the period 2007 to 2013. Executive Director of Darlot Brothers Pty Ltd. Government relations/public affairs advisor to Atlas Iron Ltd, Pilbara Minerals Ltd and Balla Balla Infrastructure Pty Ltd. Previously a member of the National Heritage Trust Advisory Board, Chair of the Ministerial Reference Group (Agriculture and Environment), member of the National Weeds Advisory Group and pastoralist. He is a member of the Australian Institute of Company Directors.</p>	4/5	\$8,981	-
<b>Ms Eliza Penny</b>	<p>Bachelor of Commerce, Partner at PWC</p>	5/5	\$19,231	-

## Appendix 9: Remuneration and People Committee

The purpose of Hearing Australia's Remuneration and People Committee is to provide guidance, support and oversight of Hearing Australia's people strategies and policies, including providing advice to the Board and Management in relation to workplace arrangements (including safety and wellbeing), corporate culture, Hearing Australia's Enterprise Agreement and remuneration arrangements, inclusion and talent management.

The Committee is also responsible for making recommendations to the Board regarding the remuneration of the Managing Director, within the terms of the Managing Director's Employment Determination and relevant Remuneration Tribunal determinations and guidelines. This includes providing advice to the Board on the Managing Director's performance and eligibility for performance payments, in line with Remuneration Tribunal determinations.

The responsibilities of this Committee were expanded in April 2022. Prior to this, the Committee's functions largely focussed on making recommendations in relation to employees' and the Managing Director's remuneration.

Name	Number of meetings attended / total number of meetings
Ms Elizabeth Crouch AM	2/2
Ms Jody Currie	2/2
Dr Peta Seaton AM (observer)	1/2

## Appendix 10 - Research and Innovation Committee

During 2021-22, the Research and Innovation Committee operated until March 2022

The functions of the Research and Innovation Committee were outlined in its charter and are summarised below:

- identify opportunities for Hearing Australia associated with innovation and technology and how such opportunities can be maximised through innovation in services or service delivery
- consider the extent to which Hearing Australia's Corporate Plan addresses the threats and opportunities identified.

The role of the Research and Innovation Committee was to:

- review the strategic plan of the National Acoustic Laboratories' (NAL) research once each year and report to the Board
- determine that the research projects to be undertaken are in line with the role of Hearing Australia as described in the AHS Act and any broad strategic directions for NAL that are in place at the time.

These responsibilities are now undertaken by the Board.

Name	Number of meetings attended / total number of meetings
Ms Elizabeth Crouch AM	0/1
Ms Jody Currie	1/1
Ms Sarah Vaughan	1/1
Mr Kim Keogh	1/1
Ms Claire Kimball	1/1

## Appendix 11 - PGPA Rule Section 17be (H) – (I) Significant Non-Compliance With The Finance Law

Description of non-compliance	Remedial Action
N/A	N/A
N/A	N/A

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