

Annual Report 2018 – 2019

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



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Letter to the Minister



The Hon. Stuart Robert 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 ended 30 June 2019. The report has been prepared in accordance with the requirements of the Public Governance, Performance and Accountability Act 2013 and relevant regulatory guidelines.

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

The report outlines the achievements and milestones for Hearing Australia during 2018-19 and was made in accordance with a resolution of Directors on 20 September 2019.

Yours sincerely,

Dr Peta Seaton AM
Chair
26 September 2019

Message from the Chair

It has been a dynamic and highly productive year with significant achievements to deliver even more value to our clients, the government and the communities we serve. 2018–19 saw us provide a record 586,875 services to Australians of all ages across our vast country.

As Chair of the Board of Directors of Hearing Australia, I am pleased to report a milestone year for our organisation. We cared for over 274,000 Australians, more than ever before, and were instrumental in driving beneficial change across the industry, especially emphasising the prevention of hearing loss.

Our change of brand and trading name to Hearing Australia was driven by listening to our clients and understanding their need to have more services tailored to their individual needs, making the best use of technology. This change builds on our legacy of 72 years of helping people with hearing loss and their families to improve their quality of life and stay connected to the life, people and the sounds of Australia they love. It recommit us to help more and more Australians, to pursue growth opportunities and to strengthen our industry partnerships.

Hearing Australia reaches diverse communities across the country. Whether in remote Northern Territory, the Torres Strait Islands, urban

communities, capital cities or regional centres, I always enjoy meeting our dedicated staff and seeing their positive impact.

Some 3.6 million Australians have hearing loss, and that number is expected to double by 2060. We know that a large amount of hearing loss can be prevented, so we've placed a greater focus on reducing the incidence of preventable hearing loss for all Australians.

Hearing Australia received a \$28 million government grant to establish the Hearing Assessment Program, which we have called Early Ears, to deliver hearing services to Aboriginal and Torres Strait Islander children aged zero to six years. This will have a significant impact on our efforts to reduce the amount of hearing loss in Aboriginal and Torres Strait Islander children, who experience preventable hearing loss at unacceptably high rates. In addition, our highly skilled and dedicated audiologists travelled to urban, rural and remote parts of Australia to help improve the hearing health and wellbeing of more than 11,081 Aboriginal and Torres Strait Islander people.

Our research division, the National Acoustic Laboratories (NAL), continues to play a vital role in leading and implementing innovative research, including the prevention of avoidable hearing loss.

We have been pleased to be able to contribute our expertise to support our partners who have the responsibility to deliver the National Disability Insurance Scheme (NDIS). Working with the National Disability Insurance Agency, we have provided prompt access to the NDIS and intervention services for families with children who need hearing help.

Our thanks

I welcome the appointment of the Hon Stuart Robert MP as Minister for the National Disability Insurance Scheme and Minister for Government Services, and look forward to working closely with him to continue the outstanding work of Hearing Australia.

On behalf of the Board, I wish to express our appreciation to our former Minister for Human Services and Digital Transformation, the Hon Michael Keenan MP, for his support and encouragement of our quest to continuously improve outcomes.

Special thanks also to our many partners, including NGO's and peak organisations, in government, and the public sector with whom we work every day to deliver services and transform the lives and wellbeing of so many Australians.

On behalf of the Board, I congratulate Hearing Australia's management team and staff for our many achievements this year. This is a credit to the leadership of Mr Kim Terrell who was appointed permanent Managing Director in September 2018. The staff of Hearing Australia really do change people's lives for the better and I thank them for the passion they bring to their roles every day.

And finally, I want to thank the Board of Hearing Australia for their contribution over the past year. The changes to our brand, commitment to hearing loss prevention and delivering better client outcomes will benefit our clients and partners and position the organisation for even greater success.

Dr Peta Seaton AM
Chair
Hearing Australia

Message from the Managing Director

Hearing Australia has a rich history of helping Australians and our commitment to our clients is stronger than ever.

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

In 2018-19, we helped more than 274,000 clients across the nation. This included children, young adults, families, veterans, pensioners and over 11,000 Aboriginal and Torres Strait Islander clients.

We supported our clients through our call centre, our digital services, over 29,000 home visits and our network of 618 centres. Our 12 hearing buses covered close to 200,000 kilometres visiting 2,700 locations around Australia. In addition, our Outreach Program to 229 communities was vital for helping clients in regional and remote locations improve their hearing health.

We also worked closely with government agencies and industry partners to support initiatives to improve the hearing health of the nation. This included increasing our focus on the prevention of hearing loss and establishing a program to help prevent hearing loss in Aboriginal and Torres Strait Islander children aged zero to six years in regional and remote parts of Australia.

We have a strong commitment to being a high performing organisation. Our change of our brand and trading name to Hearing Australia symbolises our deep commitment to increase the impact of our work across Australia and to better reflect who we are, what we do and our commitment to deliver even better services.

During 2018-19 we also commenced initiatives to modernise our business systems, improve our services and strengthen our risk management and compliance programs.

Hearing Australia operates in a highly competitive sector. The 2018-19 financial year saw us achieve a solid financial result with a total revenue of \$251.1 million and a profit before tax of \$24.7 million. We must maintain a rigorous focus on our financial performance while delivering high quality services and meeting our corporate governance and compliance requirements.

Looking ahead, I see an exciting future for Hearing Australia. The changes we're making build on our tremendous legacy and our commitment to our clients, to government and the communities we serve.

I'd like to thank the Board of Hearing Australia and our partners in government and the hearing sector across Australia.

I would also like to thank the dedicated and talented staff of Hearing Australia for their tireless work helping more and more Australians to celebrate the sounds they love.

Kim Terrell
Managing Director
Hearing Australia



Highlights 2018-19

Our financials



Revenue was
\$251.1M



\$24.7M
in profit
before tax

Our clients



We saw
274,000
clients up from 259,194 in FY2017-18

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

Our people



1,300
people work
as one



4.3%
with a hearing
impairment



81.3%
female
workforce



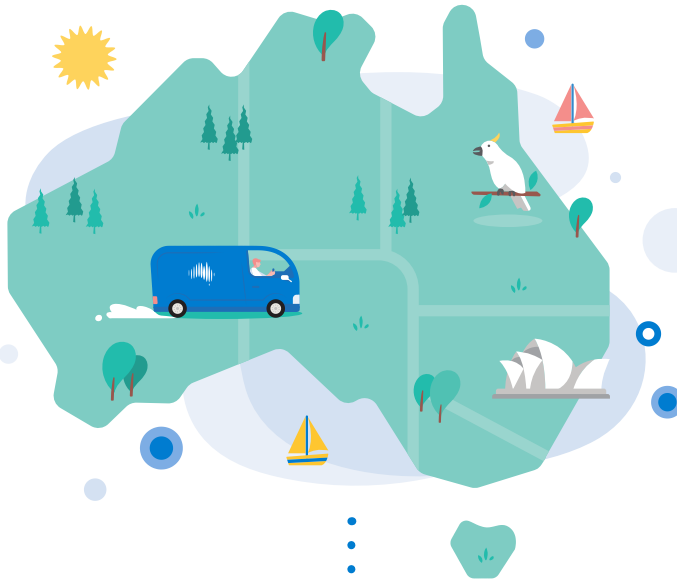
3.15%
identify as Aboriginal
or Torres Strait
Islander

Our community



1,072 visits to
229 Aboriginal
and Torres Strait
Islander communities

12 buses covered
198,360kms visiting
2,701 locations



167
hearing centres



451
visiting sites
nationally

Delivering excellent client outcomes

In 2018-19 we commenced a number of initiatives aimed at reducing the incidence of preventable hearing loss in communities across Australia. At the same time we continued to deliver services to all our clients, meeting their needs and helping them achieve the best possible outcomes.

Hearing Australia is the sole provider of services to eligible Australians under the Government's Community Service Obligations (CSO) program and the largest provider of services under the Government's Hearing Services Voucher program. Our clients include pension concession card holders, recipients of Centrelink sickness allowance, holders of a Department of Veterans' Affairs Gold and White card (specifying hearing loss), NDIS participants, children and young adults under the age of 26 years, adults with complex hearing needs and Aboriginal and Torres Strait Islander adults aged over 50 years or who are participating in Community Development Programs.

Prevention

It is estimated that some 3.6 million Australians have hearing loss and that this number will double by 2060. Critically 49% of childhood hearing loss is estimated to be preventable, as is 37%

of adult loss. This represents a major economic and social challenge which will grow as the population increases. Despite such compelling numbers, there is a disturbingly low level of knowledge of hearing health in the community.

As an example of the initiatives being undertaken, Hearing Australia and its research arm the National Acoustic Laboratories have developed and validated two checklists that give primary health and early childhood services tools to identify hearing loss and take action early. These tools, the Parent-evaluated Listening and Understanding Measure (PLUM) listening checklist and the Hearing and Talk Scale (HATS) language checklist, are freely available along with demonstration videos. A 'Talking at Home' guide is also available to support families build their children's language skills.

If not addressed early, hearing loss can influence the way children speak, learn and interact with others leading to long term speech and language challenges in education and employment.

The new Hearing Assessment Program

On 11 May 2019 the former Minister responsible for hearing services, the Hon Ken Wyatt MP, announced a \$28 million grant to Hearing Australia to deliver the new Hearing Assessment Program for Aboriginal and Torres Strait Islander children aged under six in regional, rural and remote communities. The program will:

- deliver hearing assessments in areas that have poor access to services
- upskill primary health care services so they can better detect and manage ear disease; and
- improve awareness in the community of the importance of hearing health and what parents and families can do to prevent hearing loss.

Hearing Australia has commenced implementation of the program with a staged approach rapidly expanding services across Australia. This program will have a significant impact in raising awareness in families and communities and identifying and treating ear disease much earlier. This in turn will lead to significantly improved hearing outcomes for Aboriginal and Torres Strait Islander children.

The National Disability Insurance Scheme

In 2018-19 Hearing Australia worked closely with the National Disability Insurance Agency (NDIA) to ensure that newborns and young children get rapid

access to the hearing services they need under the National Disability Insurance Scheme (NDIS). We did this by working with the NDIA to introduce a new early intervention pathway for children aged under seven years to access hearing services in the NDIS on a priority basis.

The new pathway enables Hearing Australia to provide diagnostic information and a needs assessment to the NDIA to fast-track eligibility testing and provision of an interim NDIS plan for children aged under seven years with hearing impairment.

The new pathway sees children and families gain rapid access to the NDIS and have a plan approved on average in two weeks – a significant improvement on previous processes. The pathway commenced on 20 August 2018. As at the end of June 2019, some 1,400 families had been assisted by Hearing Australia through the pathway, with the new arrangements strongly supported by parents, service providers and the NDIA.

The Community Service Obligations (CSO) Program

We receive annual funding to deliver the Government's CSO program under a Memorandum of Agreement with the Department of Health (Health). Over the year, we provided services to 67,387 CSO clients and delivered 1,072 visits to 229 Outreach sites.

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

In 2018-19, we provided 70,764 services to 29,827 young Australians under the age of 21. We also provided 9,191 services to 4,091 young adults aged between 21 and 26.

During the year 5,682 remote microphone systems were fitted to children and young adults. Remote microphone systems are used in addition to hearing aids and cochlear implants to overcome the adverse effects of distance, background noise and reverberation. They can be particularly useful in a classroom environment. We also funded 602 speech processors through the cochlear implant speech processor upgrade and replacement program.

Directional microphones in hearing aids have been shown to improve a listener's ability to understand speech in noisy conditions. This year Hearing Australia introduced new bone conduction hearing aid technology to our range of fully subsidised aids that are worn without an implantable component. The new product provides access to directional microphone technology for those clients who are unable to use conventional air conduction hearing aids due to chronic middle ear disease.

The Paediatric Program Advisory Committee met on three occasions in 2018-19. Members provided advice about ways to improve access to services and continued to provide feedback about information resources that are provided to families and young clients.

Early intervention for paediatric hearing loss is essential to help children achieve the best possible outcomes. In August 2018, Hearing Australia worked with the NDIA to implement a priority pathway for children aged under 7 years, who were newly diagnosed with hearing loss. Over 1,400 children were helped to apply for access to the NDIS through the priority pathway, an initiative which was strongly supported by families, early intervention providers and the NDIA.

Services to Aboriginal and Torres Strait Islander children and young adults

In 2018-19, we saw a total of 4,818 Aboriginal and Torres Strait Islander children and young adults aged under 26. This represents 17% of the total number of children and young adults who received services during the year.

Analysis of data between 2008 to 2018 revealed a statistically significant reduction in the average age of first hearing aid fitting for Aboriginal and Torres Strait Islander children. Age of first fitting reflects the pathway from either newborn hearing screening or primary health to Hearing Australia. The proportion of Aboriginal children receiving their first hearing aids before the age of five years has improved from one in ten in 2008 to one in three in 2018.

Refer also to the Hearing Assessment program.

Services to Aboriginal and Torres Strait Islander Adults

In 2018-19, 6,026 Aboriginal and Torres Strait Islander adult clients were seen, a 11% increase compared with

the previous financial year. Over the past four years, this client group has increased by an average of 13% annually. Some 55% of adult clients seen chose to receive hearing services at one of our hearing centres or visiting sites, with 45% accessing services through our Outreach program. We worked closely with Aboriginal and Torres Strait Islander communities to provide hearing services in urban, regional and remote locations in Australia, providing an average of some five visits to the 229 communities.

Adults with complex hearing rehabilitation needs

In 2018–19, we provided 65,515 services to 27,150 adults with complex hearing needs. The majority of these adults have a severe or profound hearing loss or poor understanding of speech and require much more than just a well-fitted hearing aid to participate in life. Others have hearing loss plus an additional disability which has an impact upon their communication. Some 76% of adults with complex needs seen for a review were provided with specialised communication assessment and individual training programs, to maximise their communication ability and assist them in continuing to take part in activities they enjoy.

The Voucher Program

During the year, we provided 394,806 services to clients under the Voucher Program. We work with our clients to find the right solution for their needs and communication goals. To help clients make a more informed decision on the right hearing device for them, we support clients to experience the

benefit of using a device prior to making their choice.

We value feedback from our clients and use this to identify ways to improve our service. Client feedback obtained throughout 2018–19 shows a very high satisfaction level with our services.

Hearing Australia continues to ensure all clients are able to receive services at convenient, easy to access locations. At 30 June 2019 Hearing Australia had 167 permanent sites. In addition, clients can access services at visiting sites. At 30 June 2019, Hearing Australia had 451 visiting sites throughout Australia.

Digital Services and Tele-audiology

Hearing Australia is committed to improving the quality of our digital and tele-audiology services.

During 2018–19 we improved the quality of our website, our online hearing assessment and online booking process. All of these changes were designed to make it easier for people to access the information they need and to access our services.

We also saw 98 clients through our new Aboriginal and Torres Strait Islander Services' tele-outreach follow up program (TeleFUP). Of these, 60 appointments were for children living in remote locations who had been fitted with hearing aids for the first time. Families who attended a TeleFUP appointment experienced, on average, a significantly shorter interval between their first fitting and their first follow up than families who did not have a TeleFUP follow up.

Providing great value to government and partners

Hearing Australia is a statutory authority established under the *Australian Hearing Services Act 1991*. The Act sets out a number of functions for the organisation, including provision of hearing services to children and young adults, Aboriginal and Torres Strait Islander people, adults with complex needs and eligible Voucher holders under the Government's Hearing Services Program.

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

- provide support and advice to the Minister for Government Services and work closely with relevant government departments and agencies and external partners
- support the development of government initiatives to prevent hearing loss and improve access and quality of services to those that have hearing loss
- work collaboratively with government and other hearing health stakeholders to set the future direction of hearing services for all Australians
- work with our research arm, the National Acoustic Laboratories to support world leading education, research outcomes and innovation in service delivery, and
- constantly seek to deliver value for money for the community and taxpayers.

In 2018-19 we:

- provided a range of briefing to the Minister for Government Services and the former Minister for Human Services and Digital transformation
- worked with the NDIA to ensure that young children received rapid access to the services they require under the National Disability Insurance Scheme
- established a new Hearing Assessment Program for Aboriginal and Torres Strait Islander pre-school children in remote and regional areas, supported by a government grant

- worked with the Department of Health and the hearing sector to prepare a Roadmap for Hearing Health, setting out the key actions that need to occur to improve hearing health for all Australians.

Working with our partners

Hearing Australia works closely with relevant Government Departments and agencies as well as a number of external partners.

Our large national footprint coupled with our research capability and proven expertise in paediatric services, working with Aboriginal and Torres Strait Islanders, adults with complex needs and pensioners and veterans, means we are uniquely placed to deliver exceptional value to government in both our for-profit and not-for-profit work.

Reflecting this, in 2018-19 Hearing Australia was successful in gaining additional funding to undertake high priority projects for government. These include working to improve the identification of hearing loss in school aged children and a significant investment in improving hearing outcomes for Aboriginal and Torres Strait Islander children through the Hearing Assessment Program.

A Roadmap for Hearing Health

In February 2019, the Government finalised the Roadmap for Hearing Health to improve hearing outcomes for all Australians. Hearing Australia played a key role in this process by contributing our expertise, including in improving services for Aboriginal and Torres Strait Islander clients, children and adults with complex needs. Hearing Australia's research arm, the National Acoustic Laboratories, also made a significant contribution to shaping the research activities outlined in the Roadmap.

We will continue to work with the Department of Health other government and hearing sector stakeholders to support the implementation of the Roadmap in 2019-20.

National Acoustic Laboratories (NAL)

2018-19 was a year of transformation for the NAL to ensure it meets its mission to lead the world in hearing research and evidence-based innovation to improve hearing health and transform the lives of people with hearing difficulties.

An organisational restructuring was undertaken to create a more agile organisation and a Project Management Office was created, along with a Research Council and a Scientific Advisory Group. A new logo for NAL was also created that represents a more contemporary and innovative brand.

A balanced scorecard was introduced that tracked key performance metrics on innovation, financial stability, stakeholder management and project success.

New research approaches were introduced during the year. A behavioural economics study began to understand hearing health decision-making behaviour. Design thinking initiatives were conducted that focused on several of the strategic objectives, including understanding (i) the needs of those with unilateral hearing loss, (ii) the potential benefits of connected health technology in audiology, and (iii) the unmet needs of people with hearing difficulty but no audiometric hearing loss.

A total of fifteen projects were successfully completed during the year, including two projects funded by the Department of the Prime Minister and Cabinet in relation to Aboriginal and Torres Strait Islander hearing health. Funding for the Hearing Cooperative Research Centre (CRC) ended at the end of the fiscal year and the CRC-funded research projects were successfully completed, meeting all Commonwealth milestones.

The Longitudinal Outcomes of Children with Hearing Impairment (LOCHI) project successfully completed Wave 2. A special issue on the Wave 1 outcomes was published in the International Journal of Audiology, detailing the significant findings from the five-year

check-in. Funding for the execution of Wave 3 in 2019-20 was received from the Department of Health.

A number of new sponsored programs and projects were also created. These include a Research Program for Hearing Australia that will provide funding for four projects in 2019-20.

Successful collaborations with commercial partners continued, with four projects initiated and three projects completed during the year. A formal process was put into place for licensing NAL-developed technology, which was used to identify candidates and manage potential licensees for two NAL technologies.

Research highlights include:

- the age-five LOCHI results showing the benefit of early intervention with hearing aids and cochlear implants towards language ability
- the development of a simple tool that can be used by teachers and parents to identify hearing loss in children
- the evaluation of a commercial tele-audiology tool, demonstrating the benefits from a connected health approach to hearing health services
- the development of an ecological momentary assessment app that can be used to better understand the experiences of people with hearing loss in the real world
- the development and implementation of an online tool for assessing the hearing needs of people seeking advice about their hearing.

A high performing organisation

Achieving high performance

In order to be successful Hearing Australia must be a high performing organisation. During 2018-19 we:

- improved our operational efficiency
- delivered high quality leadership
- maintained a committed, highly engaged, flexible and skilled workforce
- improved our brand and reputation
- improved our risk management and compliance controls

Transformation

Hearing Australia undertook a review in late 2018 to assess its organisational capability to achieve its strategic objectives.

Among the recommendations made were initiatives to transform the customer experience, modernise core technology and data platforms and ensure a greater focus on risk and compliance. These recommendations will be implemented in several phases and ensure that we deliver excellent

client outcomes while also maximising efficiency and effectiveness in our delivery of services.

Our people

Hearing Australia recognises that its employees are key to its success. We invest in our employees to ensure their capabilities continuously grow and develop so they achieve their personal career ambitions and drive organisational performance.

The launch of our new name and brand in July 2019 was the result of extensive research and client feedback and a symbol of our commitment to delivering even more value to our clients and to government. As part of this, we focussed on providing our staff with insights into the expectations of our clients and how to improve client experience.

We also launched our Future Leaders development program. The aim of this program is to build the capability of high potential managers to increase their effectiveness in their current roles and to increase their readiness to assume a more senior role in the future.

The program combines “classroom” and learning and focusses on topics such as coaching skills and assisting participants to better understanding themselves as leaders.

Providing our people with a positive working environment

Our goal is to provide a working environment in which our employees enjoy coming to work and do their best work each and every day. To better understand how our employees experience working for Hearing Australia, we conduct internal pulse surveys as well as bi-annual formal employee engagement surveys.

Employees have let us know the areas they felt we were doing well in and provided us with valuable feedback on the things we could do better. The strengths that employees identified included:

- supportive environment created by peers and managers
- team members working effectively together to achieve their goals.
- employees understanding how their individual goals relate to Hearing Australia’s purpose.

In response to this feedback, we are focussing on the following priorities:

- providing more visible and aligned leadership at all levels
- developing new ways of working together
- better recognition of staff.

A key component of providing a positive working environment is ensuring it is diverse and inclusive for all of our employees. Achievements we are particularly proud of include:

- progressing our Reconciliation Action Plan, with our Aboriginal and Torres Strait Islander employment rate continuing to grow, and
- some two thirds of our people leaders are female.

Business Ethics Policy

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 this Policy.

A summary of Hearing Australia's key staffing statistics for 2018-19 and 2017-18:

All ongoing employees current report 2018-2019

	Male			Female			Indeterminate			Total
	Fulltime	Part Time	Total male	Fulltime	Part Time	Total Female	Fulltime	Part Time	Total Indeterminate	
NSW	122	16	138	226	195	421	-	-	0	559
Qld	35	4	39	103	78	181	-	-	0	220
SA	4	1	5	22	22	44	-	-	0	49
Tas	7	2	9	15	20	35	-	-	0	44
Vic	31	6	37	136	141	277	-	-	0	314
WA	9	2	11	37	38	75	-	-	0	86
ACT	1	-	1	4	8	12	-	-	0	13
NT	2	1	3	5	7	12	-	-	0	15
External Territories	-	-	0	-	-	0	-	-	0	0
Overseas	-	-	0	-	-	0	-	-	0	0
Total	211	32	243	548	509	1057	0	0	0	1300

All ongoing employees current report 2017-2018

	Male			Female			Indeterminate			Total
	Fulltime	Part Time	Total male	Fulltime	Part Time	Total Female	Fulltime	Part Time	Total Indeterminate	
NSW	116	16	132	221	196	417	-	-	-	549
Qld	28	7	35	97	86	183	-	-	-	218
SA	6	1	7	22	19	41	-	-	-	48
Tas	6	5	11	15	24	39	-	-	-	50
Vic	28	9	37	134	138	272	-	-	-	309
WA	5	2	7	38	35	73	-	-	-	80
ACT	1	-	1	4	9	13	-	-	-	14
NT	1	1	2	8	5	13	-	-	-	15
External Territories	-	-	0	-	-	0	-	-	-	0
Overseas	-	-	0	-	-	0	-	-	-	0
Total	191	41	232	539	512	1051	0	0	0	1283

Note: There are no non-ongoing employees current for either period 2018-19 or 2017-18

Safety and wellbeing

Hearing Australia is committed to providing a safe environment for employees, clients and visitors. We are continuously improving our performance in workplace safety and striving to make our workplace injury free. During 2018-19 our Work Health and Safety (WHS) management system was recertified against the Australia and New Zealand Standard AS/NZS 4801 for Occupational Health and Safety Systems. The external audit identified zero non-conformances.

Key initiatives we also implemented to further improve our safety performance included:

- improving WHS training for employees at key stages in the employee lifecycle

- partnering more closely with Comcare to ensure optimal rehabilitation for injured employees
- building Centre Manager capability to proactively manage safety in their workplace via internal audits.

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

Hearing Australia was not issued any Prohibition, Non-Disturbance or Provisional Improvement notices during the year. No notifiable or dangerous incidents were reported to Comcare.

WHS Indicators

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Comcare workers compensation premium rate for Hearing Australia	0.93%	1.72%	1.43%	1.83%	1.23%	1.06%
Comcare premium rates for all agencies combined	1.65%	1.93%	1.85%	1.72%	1.23%	1.06%

Our Brand

Extensive research was undertaken to ensure the success of the change of our trading name to Hearing Australia and launch of our new brand on 1 July 2019.

Our brand symbolises our commitment to deliver even more value to our clients, to Government and the communities we serve. It reflects our business as it is now and our vision for helping more and more Australians in the future.

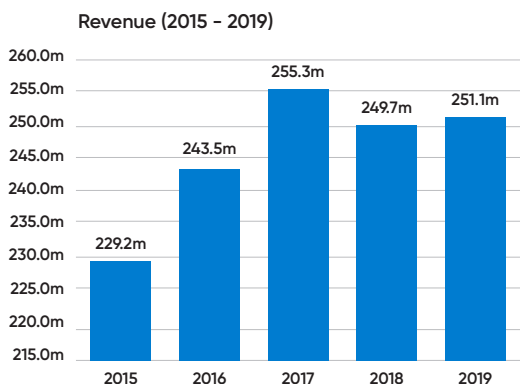
We want to make it easier and more convenient for our clients to get help when they need it and we want to prevent hearing loss from happening in the first place.

Financial performance

Hearing Australia had another solid financial performance in 2018-19. Profit before tax for the year was \$24.7m and additional details are below. For more information please refer to the Financial Statements section.

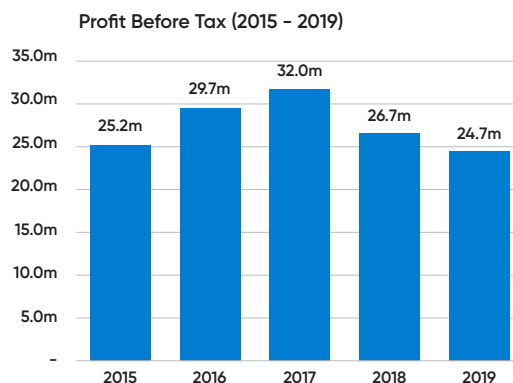
Revenue Performance

Hearing Australia achieved total revenue of \$251.1 million in 2018-19.



Profit Before Tax

We achieved a profit before tax of \$24.7 million in 2018-19.



Managing risk and compliance

Hearing Australia recognises that risk management is an integral part of our day to day operations. We are conscious of our risks and make ongoing improvements to the way we manage them. Understanding risks and managing them appropriately increases our ability to make good decisions. Applying this due diligence allows us to provide excellent services to clients and helps us achieve our strategic objectives and priorities.

Our Risk Management Policy and Risk Management Framework are consistent with the International Standard ISO 31000:2018 Risk Management—Guidelines, the Commonwealth Risk Management Policy and formalise our system of risk oversight and control as required by Section 16(a) of the Public Governance Performance and Accountabilities Act 2013. Our Risk Management Policy ensures that a clear and consistent approach to risk management is applied across our business.

The Risk Management Framework provides a formal process and helps us to understand and actively manage risk in our day to day work.

In addition, in September 2018, Hearing Australia entered into an undertaking with the Australian Competition and Consumer Commission (ACCC) in relation to concerns it raised regarding several Facebook posts made in 2017 and the wording of an annual letter to clients. As at 30 June 2019, Hearing Australia had met all its obligations outlined in the undertaking and established a comprehensive compliance program.

Competition and competitive neutrality

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

Hearing Australia is fully compliant with this policy.

Organisational structure and governance arrangements

Minister for Government Services

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

On 29 May 2019 the Hon Stuart Robert MP was appointed Minister for the National Disability Insurance Scheme and Minister for Government Services. The Hon Michael Keenan was Minister for Human Services from 20 December 2017 to 29 May 2019.

The Minister for the National Disability Insurance Scheme and Minister for Government Services is responsible for administering specific legislation including the *Australian Hearing Services Act 1991* (AHS Act), except to the extent that the AHS Act is administered by the Minister for Health.

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

An overview of our governance arrangements and executive governance structure is provided in this section.

Enabling legislation

Hearing Australia (until 1 July 2019 trading under the business name Australian Hearing) is established under the *Australian Hearing Services Act 1991*, the purpose of which is to establish the authority and provide for its functions.

Functions

The functions attributed to Australian Hearing Services (trading as Hearing Australia) are at Part 2 Section 8 of the *Australian Hearing Services Act 1997*:

(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*:

1. to provide declared hearing services to young Australians
2. to provide declared hearing services to referred Comcare clients
3. to provide declared hearing services to referred Commonwealth employees
4. to provide declared hearing services to designated persons.

(b) to carry out research and development (including co-operative research with other institutions) into:

5. assessment of hearing
6. hearing aids and procedures for fitting hearing aids
7. hearing rehabilitation
8. hearing loss prevention
9. the effects of noise on the community.

(c) to enter into arrangements for research, design and development of hearing services

(d) to enter into arrangements for supply of hearing services

(e) to provide, as appropriate, for the training and education of persons or bodies (including overseas bodies) providing hearing services

(f) to provide advice on, and to conduct public education programs in relation to, hearing services provided by the authority

(g) to develop standards in relation to noise levels in the community that are acceptable in connection with the prevention of hearing loss

(h) to provide consultancy services relating to any of the matters referred to in this subsection

(i) to promote the establishment of export markets for Australian hearing services

(j) to operate special acoustic facilities for acoustic measurement and research

(k) such other functions as are conferred on the authority by this Act

(l) any functions incidental to any of the foregoing functions.

Corporate Plan

Hearing Australia’s Board and Executives undertake an annual strategic planning session(s) and present a Corporate Plan to the Minister for Government Services and the Minister for Finance. This Corporate Plan must meet the requirements of the *Australian Hearing Services Act 1991* (AHS Act) and the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). In accordance with the AHS Act, the Board must review and revise the Corporate Plan as soon as practicable before the beginning of each financial year and give the Corporate Plan to the Minister for Government Services and the Minister for Finance at least 60 days before the start of the first reporting period to which the plan relates.

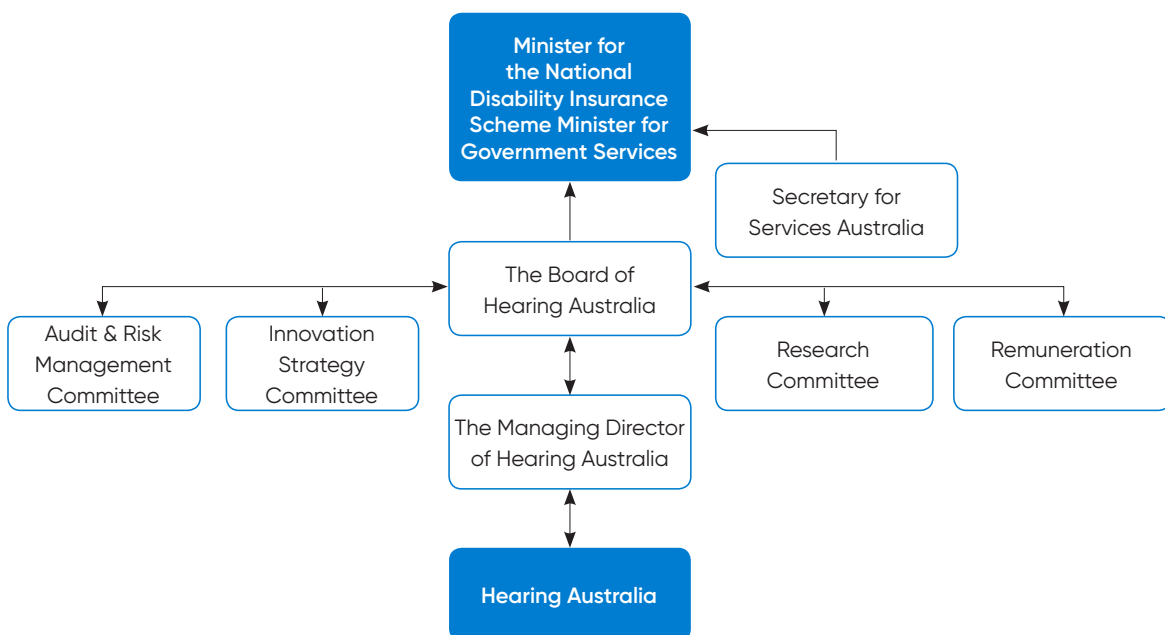
Hearing Australia’s Managing Director and Executives attend quarterly meetings with Services Australia to review actual performance against the Corporate Plan. Quarterly meetings are also held with the Department of Health in relation to the delivery of the Community Service Obligations program. These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

Reporting and analysis

In addition to reports to our Board of Directors, we provided quarterly reporting against our Corporate Plan to the Minister for Government Services. The reports contained key performance and financial indicators, as well as performance against strategic objectives.

Governance arrangements and executive governance structures

An overview of our governance arrangements.

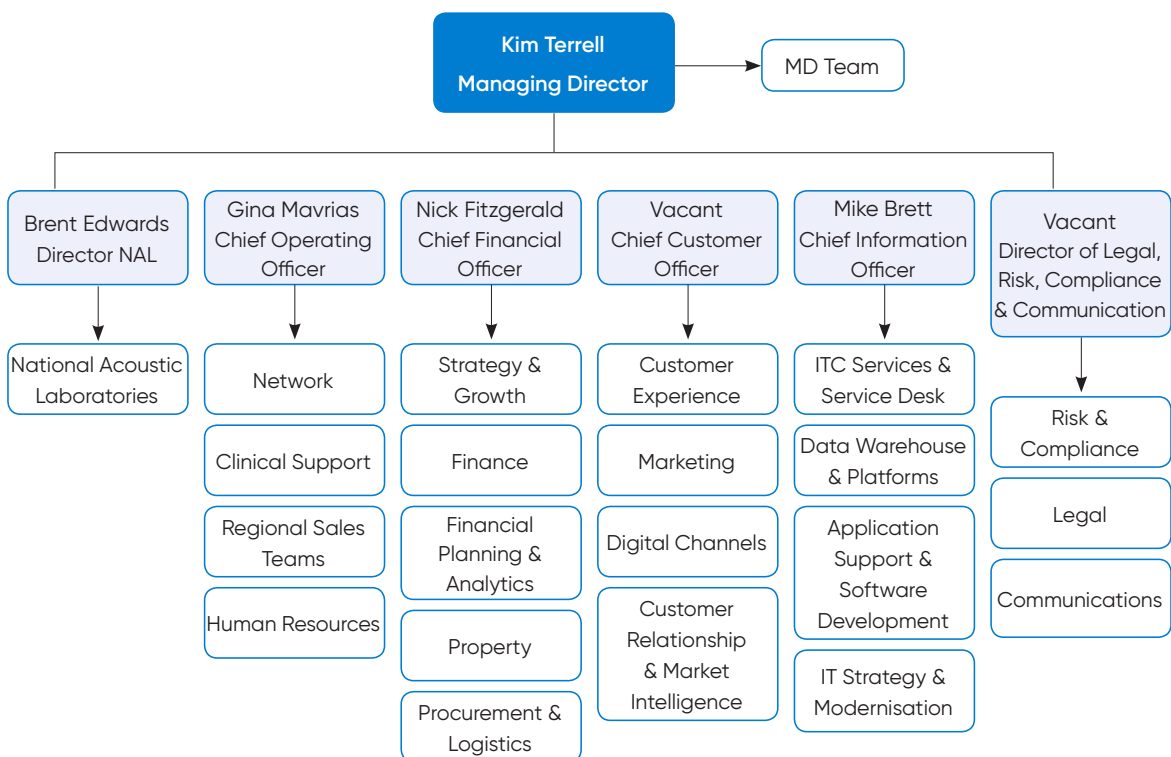


Executive governance structure

During 2018-19 Hearing Australia expanded the number of business units to six each managed by a member of the Senior Management Team (SMT).

As at 30 June 2019, the SMT comprised the Managing Director, the Chief Operating Officer, the Chief Financial Officer, the Chief Information Officer and the Director, NAL. Recruitment for the

two remaining positions was underway. The SMT is responsible for the efficient and effective operation of Hearing Australia and for formulating strategies and policies for Board consideration.



Board governance

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

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

The Board is also responsible for providing the Minister and the Finance Minister annually with the Corporate Plan and Financial Plan for the operation of Hearing Australia.

The Financial Plan combined with the Corporate Plan will include financial targets and performance information.

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

Other general duties include:

- assurance of proper use and management of public resources
- establishment and maintenance of risk and control systems
- keeping the Minister informed.

Board attendance at formal Board meetings

The Board meets on a regular basis and has a number of committees. The following table lists the number of formal meetings attended by each Board member during financial year 2018-19.

Board of Directors		Meetings Attended *	Meetings Eligible to be Attended
Dr Peta Seaton AM	Chair	6	6
Mrs Sandra Anderson	Non-Executive Director	6	6
	Chair of the Audit & Risk Management Committee		
Mr Christopher Crawford PSM	Non-Executive Director	6	6
Ms Jody Currie	Non-Executive Director	6	6
Ms Sarah Vaughan	Non-Executive Director	6	6
Mr Kim Keogh **	Special Purpose Director	5	5
Mr Kim Terrell ***	Managing Director	6	6

* In addition to the meetings in the table above there were a number of Board teleconferences that occurred during 2018-19.

** Mr Keogh was appointed as a Special Purpose Director for a six month term effective 1 September 2018 and was reappointed 2 April 2019 until such time as the special purpose specified in the instrument of appointment is complete.

*** Mr Terrell was appointed Managing Director 1 September 2018. Prior to this time he attended meetings as the Acting Managing Director.

The Role of the Board

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

- 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 executing its functions, the Board seeks to:

- ensure that Hearing Australia complies with Commonwealth reporting requirements
- provide guidance to senior management
- ensure the long-term viability and financial position of Hearing Australia
- agree on key performance indicators (KPIs) for the measurement of Hearing Australia's performance
- ensure an appropriate corporate governance structure is in place
- assess the performance of Hearing Australia, our management and the Board itself

- monitor developments within Hearing Australia's operating environment
- approve annual accounts, the Annual Report and other public documents.

Directors' Induction

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

Directors' confidentiality agreement

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

Indemnity and insurance of officers

During the year, Hearing Australia paid a premium of ex GST \$52,800 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.

Board performance assessment

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

Conflict of Interest

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

Certification

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

Independent professional advice

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

Audit and Risk Management Committee

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

Financial reporting:

- review the financial statements and provide advice to the Board (including whether appropriate action has been taken in response to audit recommendations and adjustments), and recommend their signing by the Chair of the Board.
- assess whether appropriate management action has been taken in response to any issues raised by the Australian National Audit Office (ANAO), including financial statement adjustments or revised disclosures
- review the processes in place designed to ensure that financial information included in Hearing Australia's Annual Report is consistent with the signed financial statements
- monitor the standard of financial information provided to the Board

- discuss with the ANAO the auditor's judgments about the adequacy of Hearing Australia's accounting policies and the quality of processes for the preparation of the financial statements
- review whether Hearing Australia has appropriate mechanisms in place to review and implement, where appropriate, relevant Parliamentary Committee reports and recommendations.

Performance reporting

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

System of risk oversight and management

- review whether Hearing Australia's management has in place a current and comprehensive risk

- management framework and associated procedures for effective identification and management of Hearing Australia's financial and business risks, including fraud, and to approve Hearing Australia's Risk Management Framework

- determine whether a sound and effective approach has been followed by Hearing Australia in managing its major risks, including those associated with individual projects, program implementation and activities

- satisfy itself that Hearing Australia's management has assessed the impact of Hearing Australia's enterprise risk management framework on Hearing Australia's control environment

- monitor the adequacy of insurance cover for Hearing Australia

- monitor reports on fraud from Hearing Australia's management that outline any significant or systemic allegations of fraud, the status of any ongoing investigations and any changes to identified fraud risk in Hearing Australia

- at least annually, commission and approve an entity-wide assurance map that identifies Hearing Australia's key assurance arrangements.

System of internal control

- assess whether management has in place comprehensive and relevant policies and procedures designed to maintain an effective

internal control framework, including controls over external parties such as contractors and advisors and information technology security and arrangements

- review whether management has in place appropriate policies and procedures, and that these are periodically reviewed and updated
- determine whether the appropriate processes are in place to assess, at least once a year, whether policies and procedures are complied with
- assess whether appropriate policies and supporting procedures are in place for the management and exercise of delegations
- assess whether management has taken steps to embed a culture that promotes the proper use of Commonwealth resources and which is committed to ethical and lawful behaviour
- determine whether a sound and effective approach has been followed in establishing Hearing Australia's business continuity

planning arrangements, including whether business continuity and disaster recovery plans are periodically updated and tested

- determine whether management has appropriately considered legal and compliance risks as part of Hearing Australia's enterprise risk management plan
- assess the effectiveness of the system for monitoring Hearing Australia's compliance with relevant laws, regulations and associated government policies

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

The Chair of the Hearing Australia Board, the Managing Director, the Chief Financial Officer, the Chief Operating 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.

The following table lists the number of formal meetings attended by each Committee member during financial year 2018-19.

Committee Member		Meetings attended	Meetings eligible to be attended
Mrs Sam Andersen	Chair	6	6
Mr Christopher Crawford PSM	Non-Executive Director	6	6
Ms Sarah Vaughan	Non-Executive Director	6	6
Ms Eliza Penny *	Special Purpose Committee Member	6	6
Mr Kim Keogh **	Special Purpose Director	6	6

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

**Mr Keogh was appointed as a Special Purpose Director for a six month term effective 1 September 2018 and was reappointed 2 April 2019 until such time as the special purpose specified in the instrument of appointment is complete.

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

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

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

Innovation Strategy Committee

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

- identify threats to Hearing Australia’s current business model and how such threats may be mitigated
- 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.

Attendance of Directors and Members at Innovation Committee Meetings

Committee Member		Meetings attended	Meetings eligible to be attended
Dr Peta Seaton AM	Chair	5	5
Mrs Sandra Andersen	Non-Executive Director	5	5
Mr Christopher Crawford PSM	Non-Executive Director	5	5
Ms Jody Currie	Non-Executive Director	5	5
Ms Sarah Vaughan	Non-Executive Director	5	5
Mr Kim Keogh *	Special Purpose Director	4	4
Ms Claire Kimball **	Special Purpose Member	1	1
Mr Kim Terrell ***	Managing Director	5	5

* Mr Keogh was appointed as a Special Purpose Director for a six month term effective 1 September 2018 and was reappointed 2 April 2019 until such time as the special purpose specified in the instrument of appointment is complete.

** Ms Claire Kimball was appointed as a Special Purpose Member for a 24 month term effective from 1 May 2019.

*** Mr Terrell was appointed Managing Director 1 September 2018. Prior to this time he attended meetings as the Acting Managing Director.

Research Committee

The role of the Research Committee is to:

- review the strategic plan of NAL research once each year and report to the Board
- determine that the 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 anytime

For NAL projects that receive funding from the Department of Health (Health), the Committee will undertake tasks set out in the Memorandum of Agreement in relation to the funding of Research and Development into Hearing Health, Rehabilitation and Prevention between Health and Hearing Australia represented by NAL (Agreement), to ensure:

- that NAL's activities are consistent with the terms of the Agreement
- alignment between the aim of each project undertaken by NAL and the objectives of the Australian Government's Hearing Services Program by endeavouring to confirm that each project:
 - has the potential for national application
 - provides practical and sustainable benefits

- has methodological merit, and where appropriate, be peer reviewed
- is cost effective
- can be directly translatable into practice and/or provide knowledge that has the potential to guide future research and development impacting on practice.

- monitor and review the performance, progress and expenditure of projects against the above listed criteria and ensure that any changes to the direction and/or scope of a project do not compromise synergy with the objectives of the Hearing Services Program
- manage the quality of the research through a review process which may be conducted by members of the Committee and/or involve audiological or other scientific peer review external to the Committee
- consider whether to endorse any reports as requested by Health prior to NAL formally submitting them
- take a proactive, high level role in project selection, evaluation, resource allocation and balance of type of outcomes to be achieved (i.e. basic research versus applied research versus development and community benefit versus commercial return) and the intellectual property rights strategy

- take a proactive, high level role in:
 - identifying and advising on risk at all levels (organisational and project) around research and development at NAL
 - providing oversight to ensure that all risks are effectively mitigated and managed by NAL.
- be interactive, and apply scrutiny and guidance at a strategic level including review of project progress reports at each meeting
- assess significant changes to projects in line with strong governance, structure and reporting/evaluation mechanisms, including oversight of variations to individual project budgets/allocations
- monitor the development, ownership, protection and commercialisation of intellectual property created by NAL.

Attendance of Directors and Members at Research Committee Meetings

Committee Member		Meetings attended	Meetings eligible to be attended
Dr Peta Seaton AM	Chair	5	5
Ms Jody Currie	Non-Executive Director	5	5
Ms Sarah Vaughan	Non-Executive Director	5	5
Mrs Sam Andersen	Non-Executive Director	5	5
Mr Kim Keogh *	Special Purpose Director	3	3
Dr Brent Edwards	Member (NAL Director)	5	5
Mr Kim Terrell **	Managing Director	5	5
Department of Health Authorised Representative ***	Member	5	5

* Mr Keogh was appointed as a Special Purpose Director for a six month term effective 1 September 2018 and was reappointed 2 April 2019 until such time as the special purpose specified in the instrument of appointment is complete.

** Mr Terrell was appointed Managing Director 1 September 2018. Prior to this time he attended meetings as the Acting Managing Director.

*** Voting rights are granted to an authorised representative of the Department of Health on matters related to projects funded by the Department of Health under the Memorandum of Agreement.

Remuneration Committee

The function of the Committee is to assist and advise the Board on matters relating to the compensation, bonuses, incentives and remuneration issues of the Managing Director and staff of Hearing Australia.

This includes providing the Board with advice in relation to:

- the remuneration of the Managing Director of Hearing Australia within the terms of the Managing Director's employment Determination and relevant Remuneration Tribunal determinations and guidelines
- the annual key performance indicators for the Managing Director
- the performance of the Managing Director against these key performance indicators for the determination of the annual bonus components
- the Managing Director's processes, policies and decisions regarding the remuneration for Hearing Australia's senior executives and staff, and
- Hearing Australia's Enterprise Agreement and associated policies and frameworks for staff remuneration, allowance and entitlements.

Attendance of Directors and Members at Remuneration Committee Meetings

Committee Member		Meetings attended	Meetings eligible to be attended
Dr Peta Seaton AM	Chair	2	2
Mrs Sam Andersen	Non-Executive Director	2	2
Mr Christopher Crawford PSM	Non-Executive Director	2	2
Ms Jody Currie	Non-Executive Director	2	2
Ms Sarah Vaughan	Non-Executive Director	2	2
Mr Kim Keogh *	Special Purpose Director	2	2
Mr Kim Terrell **	Managing Director	2	2

* Mr Keogh was appointed as a Special Purpose Director for a six month term effective 1 September 2018 and was reappointed 2 April 2019 until such time as the special purpose specified in the instrument of appointment is complete.

** Mr Terrell was appointed Managing Director 1 September 2018. Prior to this time he attended meetings as the Acting Managing Director.

Human Research Ethics Committee

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

The role of the Human Research Ethics Committee is to:

- protect the welfare and rights of participants in research undertaken by researchers employed by Hearing Australia
- approve research by other institutions on Hearing Australia clients where:
 - (a) there is significant involvement by researchers employed by Hearing Australia, or
 - (b) issues of privacy of client records kept by Hearing Australia are raised by the research, in which case, the Committee needs to

review the research to ensure that any breaches of the Australian Privacy Principles are justified or steps are required of the researchers to obtain client permission to access the records.

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

Attendance at Hearing Australia Human Research Ethics Committee Meetings.

The Committee met once formally during the year and also reviewed submissions throughout the year.

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

Annual performance statement

I, Peta Seaton, as the Chair of the accountable authority which is the Board of Hearing Australia, present the 2018–19 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, *Australian Hearing Services Act 1991* (AHS Act), with specific Powers/Functions outlined in Part 2, Sections 8 and 9 of the Act.

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

Performance Analysis

The following table outlines the results achieved by Hearing Australia against the specific activities and targets outlined in our 2018–19 Corporate Plan (noting that substantially met means that at least 90% of target was achieved and partially met means at least 75% of target was achieved).

Performance Activities

Activity	Target *	Result Achieved 2018-19
Services provided to Voucher holders - clause 8(1)(a) of the Act	392,500	394,806 (Met)
Services provided to children up to age 21 (young Australians) - clause 8(1)(aa) of the Act	70,000	70,764 (Met)
Services provided to Community Service Obligation (CSO) Clients - clause 8(1)(ad) of the Act	149,000 238 communities visited	157,945 (Met) 229 (Substantially met)
Screening to detect, advise and educate on hearing issues and services – clause 8(1)(f) of the Act	79,000	71,900 (Substantially met)
Accessibility of services- clause 8(1)(l) of the Act	Grow permanent and visiting sites by 25 nationally	Reduced by 3 sites (Not met due to rationalisation of poorly attended visiting sites)
Accessibility of services- clause 8(1)(l) of the Act	Improve access using our Hearing Buses to visit 2,200 locations	2,701 (Met)
Increase the proportion of aided as a % of all Indigenous Eligibility (IE) Clients receiving services at Outreach sites	Increase by 0.92%	0.30% (Not met. While the number of services provided to IE clients increased by 2.4%, we were unable to achieve a challenging target to increase the fitted percentage)
Provision of services to culturally and linguistically diverse (CALD) clients	Increase by 5.0%	4.6% (Substantially met)
Services provided to young adults between the ages of 21 and 26	8,900	9,253 (Met)
Provision of services to Complex Adult Clients	59,000	66,594 (Met)
Total injury frequency rate (TIFR)	TIFR 9.5	TFR 4.7 (Met)
Quarterly reporting to the Minister for Government Services against: · KPIs · Corporate Plan · Risk Review	4 quarterly reports	3 (Partially met. Q3 report was prepared but not submitted due to timing of the May Federal election)
Quarterly reporting to the Department of Health (Health) against: · Memorandum of Agreement on Community Service Obligations (CSO) delivery KPIs (including financial)	4 quarterly reports	4 (Met)
Net Promoter Score (NPS) – customer metric that indicates client propensity to recommend or advocate Hearing Australia to others	+70 NPS	+74.9 (Met)

* Source of the above activities is on pages 7-9 (publicly available version) of the 2018-19 to 2021-22 Corporate Plan

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 names and details of the Directors in office during FY2018-19 are detailed below. Unless otherwise indicated, all held their position as a Director throughout the entire year.

Directors details

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

Dr Seaton AM was appointed as Chair on 8 December 2014. She is the Principal of Strategic Consulting, 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 is 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.

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

Mrs Andersen is a Certified Practising Accountant with a Bachelor of Laws degree. She is a Fellow of Finsia (the Financial Services Institute of Australasia) and the Australian Institute of Company Directors. Sam was appointed as a Non-Executive Director of Hearing Australia on 30 August 2013,

is Chair of the Australian Packaging Covenant Organisation Limited, Chair of Beyond Bank Australia and Chair of the Department of Premier & Cabinet Victoria, Audit & Risk Management Committee. Sam is also a member of the Board of Trustees for Melbourne Convention and Exhibition Trust, Director of Agriculture Victoria Services Pty Ltd and a board member of the Victorian Land Registry Services. Sam held senior executive roles in investment banking and financial services and, following a career change from banking and finance, she held CFO and COO roles in listed technology companies and led the IPO as Managing Director of a listed allied health services company.

Chris Crawford PSM, Non-Executive Director, BA (Hons) (UNSW), LLB (UNSW) LLM (USyd) and MBA (MU)

Mr Crawford was appointed as a Non-Executive Director on 30 August 2017. He is the Principal of Crawford Consulting, a Graduate Member of the Australian Institute of Company Directors and a Member of the Industry Advisory Committee of the Macquarie University Centre for the Health Economy. Previously he was consecutively Chief Executive of the Northern NSW Local Health District, North Coast Area Health Service and Northern Rivers Area Health Service for over fifteen years.

Prior to that he was Executive Director of St George Hospital and Community Health Service and earlier he served as Chief of Staff to the NSW Minister for Health. He has Master of Business Administration and Master of Laws

degrees and is currently undertaking a PhD in Government. He has a passion for excellent governance, strong support for frontline staff and proactive customer service. For his services to Health he received the Public Service Medal.

Jody Currie, Non-Executive Director

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

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. Sarah 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 Master's Degree in Information Technology and is graduate of Stanford's executive education programme in Design Thinking. Sarah was most recently a Senior Director at Microsoft Australia, and has a strong background in stakeholder engagement, product commercialisation, as well as the application of emerging technology. Sarah is the founder of The Arché, a bespoke accelerator and seed fund helping Australian SMEs market test new products and scale-up. She is a member of Melbourne University's Industry Advisory Group and works with a wide range of Australian Universities on curriculum and student programs on innovation and entrepreneurship. Sarah is also a Director in an agricultural business in Western NSW, producing beef for the premium Australian and Asian export markets.

Kim Keogh, Special Purpose Director

Mr Keogh was appointed as a Special Purpose Director of Hearing Australia on 1 September 2018 and reappointed for an extended period in April 2019. Kim 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, 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 Acting Managing Director of Hearing Australia on 1 March 2018 and appointed Managing Director on 1 September 2018. Kim's extensive career includes working with and advising various Ministers, Prime Ministers and their offices, to initiate significant improvements across various government programs. He played a key role in establishing three agencies: the Digital Transformation Office (DTO), the Australian Sports Anti-doping Authority (ASADA) and the CrimTrac Agency, and is highly experienced in building innovative, high performing teams. Kim was instrumental in creating myGov and driving digital transformation across the Department of Human Services and the government. He has a Bachelor of Arts degree, a Master's Degree in Public Policy and has also received three Australia Day awards. In addition to his professional achievements, Kim was an Australian Swim Team member from 1981-86 and attended the 1982 Commonwealth Games and 1984 Olympics.

Executive Management

Mike Brett, Chief Information Officer

Mike 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.

Brent Edwards, Director (NAL)

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

Nick Fitzgerald, Chief Financial Officer

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

Gina Mavrias, Chief Operating Officer

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

Financial Statements

- 30 June 2019

AUSTRALIAN HEARING SERVICES

Trading as Hearing Australia (hereinafter referred to as Hearing Australia)

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INDEPENDENT AUDITOR'S REPORT

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 2019:

- (a) comply with Australian Accounting Standards – Reduced Disclosure Requirements and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of the Entity as at 30 June 2019 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 statements as at 30 June 2019 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* (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 – Reduced Disclosure Requirements and the rules made under the Act. The Directors are also responsible for such internal control as the Directors determine it 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



Lorena Skipper

Acting Executive Director

Delegate of the Auditor-General

Canberra

19 August 2019

Statement of Accountable Authority, Managing Director and Chief Financial Officer

Hearing Australia
Statement by the Accountable Authority, Managing Director and Chief Financial Officer
30 June 2019



In our opinion:

- the attached financial statements for the year ended 30 June 2019 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 the corporate Commonwealth entity will be able to pay its debts as and when they fall due.

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

Dr Peta Seaton
Chair

Kim Terrell
Managing Director

Nick Fitzgerald
Chief Financial Officer

19 August 2019

Statement of Profit or Loss or Other Comprehensive Income

For the Year Ended 30 June 2019

	Note	2019 \$'000	2018 \$'000
Revenue from contracts with customers	4	241,135	239,869
Other income	5	7,487	7,719
Interest on deposits calculated using the effective interest method		2,494	2,143
Expenses			
Employee benefits expense		(118,024)	(115,543)
Goods and services received	6	(82,647)	(82,946)
Depreciation and amortisation expense		(10,353)	(9,663)
Impairment of non-current assets		(672)	-
Reversal of impairment of receivables and contract assets		1	142
Operating lease rentals	7	(13,505)	(13,225)
Workers compensation premiums		(1,110)	(1,659)
Finance costs	7	(148)	(142)
Total expenses		(226,458)	(223,036)
Surplus before income tax equivalent expense		24,658	26,695
Income tax equivalent expense	8	(8,060)	(7,590)
Surplus after income tax equivalent expense		16,598	19,105
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the Australian Government		16,598	19,105

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

Statement of Financial Position

As at 30 June 2019

	Note	2019 \$'000	2018 \$'000
Assets			
Current assets			
Cash and cash equivalents		8,395	5,704
Trade and other receivables	10	3,499	3,287
Inventories	11	3,946	3,665
Contract assets	12	3,761	4,048
Other current assets	13	3,678	2,330
Investments under section 59 of the PGPA Act	14	117,355	78,279
Total current assets		140,634	97,313
Non-current assets			
Property, plant and equipment	15	25,848	28,003
Intangibles	16	5,696	6,954
Deferred tax	17	14,006	13,746
Total non-current assets		45,550	48,703
Total assets		186,184	146,016
Liabilities			
Current liabilities			
Trade and other payables	18	17,964	14,144
Lease incentives		908	920
Provisions	19	10,685	10,218
Contract liabilities	20	36,592	16,651
Tax liabilities		2,936	1,290
Dividend payables		3,959	5,213
Other current liabilities	21	8,703	622
Total current liabilities		81,747	49,058
Non-current liabilities			
Lease incentives		5,221	6,089
Provisions	22	20,227	18,653
Total non-current liabilities		25,448	24,742
Total liabilities		107,195	73,800
Net Assets		78,989	72,216
Equity			
Retained Surplus		78,989	72,216
Total Equity		78,989	72,216

Statement of Changes in Equity

For the Year Ended 30 June 2019

	Retained Surplus \$'000	Total Equity \$'000
Balance at 1 July 2017	64,706	64,706
Surplus after income tax equivalent expense for the year	19,105	19,105
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	19,105	19,105
<i>Transactions with owners</i>		
Dividends paid and payable (note 23)	(11,595)	(11,595)
Balance at 30 June 2018	72,216	72,216
	Retained Surplus \$'000	Total Equity \$'000
Balance at 1 July 2018	72,216	72,216
Surplus after income tax equivalent expense for the year	16,598	16,598
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	16,598	16,598
<i>Transactions with owners</i>		
Dividends paid and payable (note 23)	(9,825)	(9,825)
Balance at 30 June 2019	78,989	78,989

Retained surplus of \$712,000 (2018: \$752,000) is apportioned to National Acoustic Laboratories with the balance to Hearing Australia.

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

Statement of Cash Flows

For the Year Ended 30 June 2019

	Note	2019 \$'000	2018 \$'000
Cash flows from operating activities			
Receipts from goods and services		278,910	249,344
Interest received		2,328	2,313
Royalty received		144	155
Net GST received		2,526	3,385
Payments to employees		(116,246)	(115,875)
Payments to suppliers		(100,431)	(105,852)
Income tax equivalent		(6,674)	(8,364)
Net cash from operating activities		60,557	25,106
Cash flows from investing activities			
Payments for property, plant and equipment	15	(6,487)	(9,469)
Payments for intangibles	16	(1,224)	(3,518)
Net (payments)/proceeds for investments under section 59 of the PGPA Act		(39,076)	923
Net cash used in investing activities		(46,787)	(12,064)
Cash flows from financing activities			
Dividends paid		(11,079)	(12,688)
Net cash used in financing activities		(11,079)	(12,688)
Net increase in cash and cash equivalents		2,691	354
Cash and cash equivalents at the beginning of the financial year		5,704	5,350
Cash and cash equivalents at the end of the financial year		8,395	5,704

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

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Hearing Australia as at 30 June 2019

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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 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 objectives 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 19 August 2019.

Note 2. Significant Accounting Policies

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

Basis of Preparation

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

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

Historical cost convention

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

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

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying 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

Comparatives have been realigned, where necessary, to be consistent with current year presentation. 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.

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

The following new Accounting Standards adopted are most relevant to Hearing Australia:

AASB 15 Revenue from Contracts with Customers

Hearing Australia has adopted AASB 15 from 1 July 2018, applying the 'full retrospective' method which requires the restatement of comparatives where necessary. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

AASB 9 Financial Instruments

Hearing Australia has adopted AASB 9 from 1 July 2018, applying the 'full retrospective' method which requires the restatement of comparatives where necessary. The standard replaced AASB 139 'Financial Instruments: Recognition and Measurement'. AASB 9 addressed the classification, measurement and derecognition of financial assets and financial liabilities and introduced new rules for hedge accounting.

There were also consequential changes to AASB 101 'Presentation of Financial Statements' from the introduction of AASB 15 and AASB 9.

Impact of adoption

The adoption of these Accounting Standards and Interpretations resulted in the following adjustments:

- impairment of receivables is now shown on the face of profit or loss;
- provision for impairment of receivables is now classified as allowance for expected credit losses;
- work in progress is now classified as contract assets;
- right of return assets is recognised in other current assets;
- investments under section 59 of the PGPA Act previously classified as held-to-maturity are now classified as a financial asset at amortised cost;
- deferred revenue is now classified as contract liabilities; and
- refund liabilities are now classified in other current liabilities.

The adoption of AASB 15 and AASB 9 did not result in any material change to the opening net assets or the opening retained surplus on 1 July 2017 and the measurement of revenue or expected credit losses has not materially changed.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by Hearing Australia for the annual reporting period ended 30 June 2019. Hearing Australia's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to it, are set out below.

AASB 16 Leases

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset and lease liability are recognised at the commencement of the lease. The right-of-use asset is recognised at an amount that is equivalent to the initial measurement of the lease liability, adjusted for lease prepayments, lease incentives received, initial direct costs incurred, and an estimate of any future restoration, removal or dismantling costs. The lease liability is recognised at the present value of future lease

payments comprising fixed lease payments less incentives, variable lease payments, residual guarantees payable, payment of purchase options where exercise is reasonably certain, and any anticipated termination penalties. The lease payments are discounted at the rate implicit in the lease, or where not readily determinable, the entity's incremental borrowing rate. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results will improve as the operating expense is replaced by interest expense and depreciation in profit or loss under AASB 16. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

Hearing Australia will adopt this standard from 1 July 2019, and using the transitional rules available, Hearing Australia will recognise on the same date lease liabilities ranging between \$60,626,828 and \$62,626,828 with a related right-of-use asset. Hearing Australia will follow the implementation instructions and guidelines as presented in the Finance Position Paper 'Implementation Options for AASB 16 Leases 2017-18 No 01 June 2018' as issued by the Department of Finance.

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 July 2018.

Restoration obligations

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

Refund liability

A refund liability has been created to provide for expected returns of products sold to customers and for expected correction of claims under the government voucher program. The calculation of this liability is based on management's estimate.

Note 4. Revenue from Contracts with Customers

Disaggregation of revenue

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

	2019 \$'000	2018 \$'000
Major product lines		
Sale of goods	127,520	128,422
Rendering of services	113,615	111,447
	241,135	239,869
Geographical regions		
Australia	241,135	239,869
Timing of revenue recognition		
Goods and services transferred at a point in time	208,522	206,823
Goods and services transferred over time	32,613	33,046
	241,135	239,869

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 ('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. Other Income

	2019 \$'000	2018 \$'000
Grants	7,328	7,558
Royalties	144	155
Other income	15	6
Other income	7,487	7,719

Accounting policy for other income

Grants

Hearing Australia through its research division the National Acoustic Laboratories ('NAL') is a member of the HEARing Cooperative Research Centre ('CRC'). Through the CRC, the Australian Government provides funding for a variety of projects that advance the field of hearing and hearing healthcare. The above-mentioned CRC funding program, that was set up in July 2014, ended on the 30th of June 2019. Alternative sources of funding and new partnerships are being developed for future years.

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 on line hearing tests under the hearing services development program, and iii) Hearing assessment activities under the indigenous Australians 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.

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. Refer to note 21 for more information on grant liabilities.

Royalties

Commercialisation of HEARing CRC projects has led to a number of patents and licence agreements. Hearing Australia, through NAL receives a share of the royalties. Royalty income is recognised by Hearing Australia when the funds are received. The end of the CRC program will also end the related royalties program. The last royalties under the CRC program will be paid to Hearing Australia during the year ended 30 June 2020.

Note 6. Goods and Services Received

	2019 \$'000	2018 \$'000
Aids and appliances	53,499	54,534
Consultants	1,245	1,133
Contractors	434	876
Information and communication technology	6,339	7,532
Marketing	4,876	4,075
Property	3,909	2,443
Travel	4,417	4,637
Others	7,928	7,716
Goods and services received	82,647	82,946

Note 7. Other Expenses

	2019 \$'000	2018 \$'000
Surplus before income tax includes the following specific expenses:		
Finance costs		
Unwinding of discount on restoration provision liability	148	142
Rental expense relating to operating leases		
Total rental expense relating to operating leases	13,505	13,225
Superannuation expense		
Defined contribution superannuation expense	15,122	14,651

Accounting policy for finance costs

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

Accounting policy for leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an

assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

Hearing Australia does not have finance leases.

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

Note 8. Income Tax Equivalent Expense

	2019 \$'000	2018 \$'000
Income tax equivalent expense		
Current tax	8,320	7,504
Deferred tax – origination and reversal of temporary differences	(260)	86
Aggregate income tax equivalent expense	8,060	7,590
Deferred tax included in income tax equivalent expense comprises:		
Decrease/(increase) in deferred tax assets (note 17)	(260)	86
Numerical reconciliation of income tax equivalent expense and tax at the statutory rate		
Surplus before income tax equivalent expense	24,658	26,695
Tax at the statutory tax rate of 30%	7,397	8,009
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Non-deductible expense/(Non-taxable income)	623	(460)
National Acoustic Laboratories exempt from income tax equivalent	40	41
Income tax equivalent expense	8,060	7,590

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 9).

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 9. Competitive Neutrality

	2019 \$'000	2018 \$'000
State tax equivalent expense	5,433	5,336
Commonwealth tax equivalent expense	8,320	7,504
Annual neutrality offset payment to the national workers compensation regulatory scheme	100	100
Total	13,853	12,940

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 10. Current Assets - Trade and Other Receivables

	2019 \$'000	2018 \$'000
Trade receivables	2,462	2,514
Less: Allowance for expected credit losses	(23)	(12)
	2,439	2,502
Interest receivable	577	412
GST receivable	483	373
	3,499	3,287

Allowance for expected credit losses

Hearing Australia has recognised an impairment of expected credit losses of \$11,000 (2018: a reversal of impairment of \$117,000) in profit or loss for the year ended 30 June 2019.

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 expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

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

Note 11. Current Assets – Inventories

	2019 \$'000	2018 \$'000
Inventories held for sale – at cost	2,852	2,743
Inventories held for distribution – at cost	1,870	1,782
Less: Provision for impairment	(776)	(860)
	3,946	3,665

Inventory held for sale and distribution that was recognised as an expense in profit or loss amounted to \$53,499,000 (2018: \$54,534,000) for the year ended 30 June 2019.

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 12. Current Assets – Contract Assets

	2019 \$'000	2018 \$'000
Services and sale of goods	3,959	4,258
Less: Allowance for expected credit losses	(198)	(210)
	3,761	4,048

Hearing Australia has recognised a reversal of impairment of expected credit losses of \$12,000 (2018: a reversal of impairment of \$25,000) in profit or loss for the year ended 30 June 2019.

Accounting policy for contract assets

Contract assets are recognised when Hearing Australia has transferred goods or services to the customer but where the 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 13. Current Assets – Other Current Assets

	2019 \$'000	2018 \$'000
Prepayments	3,212	1,771
Grants receivables	466	559
	3,678	2,330

Note 14. Current Assets - Investments under Section 59 of the PGPA Act

	2019 \$'000	2018 \$'000
Fixed term cash deposits	117,355	78,279

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 15. Non-current Assets - Property, Plant and Equipment

	2019 \$'000	2018 \$'000
Leasehold improvements - at cost	45,464	43,790
Less: Accumulated depreciation	(30,670)	(28,262)
	14,794	15,528
Plant and equipment - at cost	29,215	41,342
Less: Accumulated depreciation	(18,161)	(28,867)
	11,054	12,475
	25,848	28,003

Reconciliations

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

	Leasehold improvements \$'000	Plant and equipment \$'000	Total \$'000
Balance at 1 July 2018	15,528	12,475	28,003
Additions	2,631	3,856	6,487
Disposals	(7)	(92)	(99)
Impairment of assets	(264)	(3)	(267)
Depreciation expense	(3,094)	(5,182)	(8,276)
Balance at 30 June 2019	14,794	11,054	25,848

Australian Hearing on 1 July 2019 changed its trading name to Hearing Australia. This change required new iconography and new brand assets to be implemented and resulted in the assessment of impairment of existing brand assets. The net book value of identified assets that no longer have a useful life at 30 June 2019 was \$267,000.

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 16. Non-current Assets - Intangibles

	2019 \$'000	2018 \$'000
Computer software internally developed - at cost	8,499	8,450
Less: Accumulated amortisation	(3,715)	(3,138)
	4,784	5,312
Computer software purchased - at cost	3,672	3,908
Less: Accumulated amortisation	(2,760)	(2,266)
	912	1,642
	5,696	6,954

Reconciliations

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

	Computer software internally developed \$'000	Computer software purchased \$'000	Total \$'000
Balance at 1 July 2018	5,312	1,642	6,954
Additions	946	278	1,224
Impairment of assets	(385)	(20)	(405)
Transfers in/(out)	404	(404)	-
Amortisation expense	(1,493)	(584)	(2,077)
Balance at 30 June 2019	4,784	912	5,696

Australian Hearing on 1 July 2019 changed its trading name to Hearing Australia. This change required new iconography and new brand assets to be implemented and resulted in the assessment of impairment of existing brand assets. The net book value of identified assets that no longer have a useful life at 30 June 2019 was \$405,000.

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 17. Non-current Assets – Deferred Tax

	2019 \$'000	2018 \$'000
Deferred tax asset comprises temporary differences attributable to:		
Property, plant and equipment	(1,590)	(1,243)
Contract assets	(1,188)	(1,277)
Accrued expenses	224	33
Contract liabilities	3,923	4,066
Provisions	12,388	11,721
Inventories	233	258
Other temporary differences	16	188
Deferred tax asset	14,006	13,746
Movements:		
Opening balance	13,746	13,832
Credited/(charged) to profit or loss (note 8)	260	(86)
Closing balance	14,006	13,746

Note 18. Current Liabilities – Trade and Other Payables

	2019 \$'000	2018 \$'000
Trade creditors	5,403	3,026
Accrued expenses	8,849	7,670
Salaries and wages	3,712	3,448
	17,964	14,144

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 19. Current Liabilities – Provisions

	2019 \$'000	2018 \$'000
Employee benefits	9,286	9,320
Restoration obligations	1,399	898
	10,685	10,218

Restoration obligations

Refer to note 22 for details 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 20. Current Liabilities – Contract Liabilities

	2019 \$'000	2018 \$'000
Maintenance and Hearing Services Card	15,988	16,651
Government funding for goods and services	20,604	-
	36,592	16,651

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 21. Current Liabilities – Other Current Liabilities

	2019 \$'000	2018 \$'000
Grant liabilities	8,387	260
Refund liabilities	316	362
	8,703	622

Accounting policy for grant and refund liabilities

Grant liabilities are accounted for in accordance with the policy in note 5.

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 22. Non-current Liabilities - Provisions

	2019 \$'000	2018 \$'000
Employee benefits	14,535	12,989
Restoration obligations	5,692	5,664
	20,227	18,653

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 177 (2018: 171) 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.

Movements in provisions

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

2019	Restoration obligation 2019 \$'000
Carrying amount at the start of the year	6,562
Additional provisions recognised	381
Unwinding of discount	148
Carrying amount at the end of the year	7,091

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 23. Equity – Dividends Paid and Payable

	2019 \$'000	2018 \$'000
Interim dividend declared and paid to the Australian Government	5,866	6,382
Final dividend to the Australian Government payable at the reporting date	3,959	5,213
	9,825	11,595

Accounting policy for dividends

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

Note 24. 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 25. 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.

	2019	2018
Short-term employee benefits*	1,856,011	1,752,830
Post-employment benefits	207,123	188,212
Other long-term benefits	45,720	39,997
Total aggregate compensation of KMP	2,108,854	1,981,039

* Short term employee benefits include estimated bonuses of \$214,391 that are not yet finalised at the time of preparing this report (2018: \$149,779).

There were no material related party transactions with KMP.

The total number of KMP that are included in the above table are 11 (2018: 16). The variance of 5 from last year is a result of KMP positions that were occupied by more than one person due to positions becoming vacant during last year and then filled with a different person in that year.

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 26. 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:

	2019	2018
Audit services:		
Audit of financial statements	132,000	128,500

Note 27. Contingent Liabilities

Hearing Australia had no contingent liabilities or assets as at 30 June 2019 and 30 June 2018.

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 28. Commitments

	2019 \$'000	2018 \$'000
Lease commitments - operating		
Committed at the reporting date and recognised as liabilities, payable:		
Within one year	12,777	12,532
One to five years	27,282	26,000
More than five years	7,370	9,917
	47,429	48,449
Capital commitments		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	205	72

General description of operating leasing arrangements:

Leases for office accommodation

Most lease payments are subject to annual increases based on either movement in the consumer price index, an agreed amount or prevailing market rentals at the time of review. The initial periods of some leases are still current and in some cases the lease may be renewed for periods of up to 5 years at Hearing Australia's option.

Agreements for the provision of motor vehicles

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

Commitments are GST exclusive.

Note 29. Related Party Transactions

Related party relationships

Hearing Australia is an Australian Government controlled entity. Related parties to this entity are KMP as detailed in note 25 and other Australian Government entities. This note provides additional related party disclosures where such disclosures are not made in other notes in this report.

Transactions with related parties

The following transactions occurred with related parties:

	2019	2018
Sale of goods and services:		
Sale of goods to related parties	86,850,704	89,381,779
Rendering of services to related parties	103,284,073	101,868,668
Other income:		
Grant income from related parties	4,789,192	4,518,993
Payment for other expenses:		
Other expenses paid to related parties	1,436,790	1,703,694

Receivable from and payable to related parties

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	2019	2018
Current receivables:		
Trade and other receivables from related parties	2,815,415	2,643,422
Current payables:		
Trade and other liabilities to related parties	25,011,245	15,473,922

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

Note 30. Events after the Reporting Period

On 1 July 2019, Australian Hearing changed its trading name to Hearing Australia. The legal entity name remains as Australian Hearing Services. This trading name change will be supported by various communication and marketing activities to the general market.

No other matter or circumstance has arisen since 30 June 2019 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.

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 2018–19. No Government Policy Orders were applied to Australian Hearing Services.

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 agencies, such as Hearing Australia, to publish the information and provide a right of access to the 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 agency.

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 www.humanservices.gov.au/corporate/freedom-of-information/

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

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 2019, Hearing Australia was not the subject of any report given by the Office of the Australian Information Commissioner.

Appendix 3: National Disability Insurance Agency

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

The NDIS started in 2013 and it is being rolled out in stages to ensure a smooth transition for people with disabilities and support providers. Hearing Australia is an approved provider under the NDIS and is committed to support clients to test their eligibility for NDIS.

Appendix 4: 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* (EPBC Act).

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)

Activities related to the ESD goal -

Activity	Relationship to ESD principles	Enhancement of ESD principles
Mercury free batteries	<p>Batteries supplied by Hearing Australia to its clients fitted with hearing devices and other assistive listening devices have been mercury free since early 2018 (ahead of the national phase-down proposed for batteries in 2020).</p> <p>Relative to several ESD principles most notably as a responsible economic, environmental and social decision.</p>	<p>We are now looking ahead and planning a transition to supply 100% rechargeable batteries. This will initiative significantly reduce the number of batteries sent to landfill as we ramp up to full implementation.</p>

Environmental performance

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

Activity	Measures taken to reduce effect	Enhancement of ESD principles
Energy efficiency	<p>Landlord and tenant obligations under a Green Lease Schedule resulting in improved energy efficiency in the premises and building at the Australian Hearing Hub, 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.</p> <p>Our motor vehicle fleet is largely 4 cylinder fuel-efficient, value for money, environmentally friendly vehicles for fleet use and high Green Vehicle Guide rating. We also promoted the use of energy efficient fuels such as diesel (for our twelve hearing buses) and the use of ethanol blended fuels (E10) where reasonably available.</p> <p>We promote and support the use of video and phone conferencing instead of staff using air travel.</p>	<p>All new centre builds (small retail sites) incorporate energy efficient lighting. Air-conditioning units are replaced with ones with the most appropriate refrigerant and all toilets, where included, are converted to or installed with dual flush systems.</p> <p>All our fleet and hearing bus vehicles are regularly serviced/maintained to ensure optimum fuel efficiency. Following a strategic review of our fleet policy in October 2017, it was determined that our standard vehicles of choice going forward will be the Toyota Corolla and Camry Hybrid. This will translate to reductions in fuel consumption of more than 30% per vehicle, resulting in considerably lower vehicle emissions.</p>
Waste	<p>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% of Wintel Server workload and 95% of Unix Server workload. Personal computer and monitors are all eco and power saving compliant.</p> <p>20% recycled copier paper is used in printers, photocopiers and multifunction devices.</p> <p>The non-recycled component is from sustainably managed plantations and forestry operations. The copy paper is certified carbon neutral.</p> <p>Our cleaning contractors provide environmentally friendly tissue paper (toilet paper and towels) and cleaning products.</p>	<p>Hearing Australia has migrated to a largely paper free environment. An e-Form framework has been established.</p> <p>Paper reduction technology was introduced to our printers to further reduce consumption of paper.</p>
Water	<p>Hearing Australia is not a major water user and generally is not separately metered in our leased premises.</p>	

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 5: Information About Executive Remuneration

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			
P L Seaton	Chair	\$54,248			\$5,153					\$59,401
C J Crawford	Director	\$42,109			\$4,000					\$46,109
J E Currie	Director	\$34,135			\$3,243					\$37,378
S J Vaughan	Director	\$42,109			\$4,000					\$46,109
S D Andersen	Director	\$50,082			\$4,758					\$54,840
K W Keogh	Special Purpose Director	\$34,502			\$3,278					\$37,780
K C Terrell	Managing Director	\$334,113	\$47,674	\$4,865	\$48,673	\$11,451				\$446,776
M K S Brett	Chief Information Officer	\$67,310			\$10,780	\$2,263				\$80,353
N J Fitzgerald	Chief Financial Officer	\$309,824	\$57,643		\$30,898	\$10,685				\$409,049
G Mavrias	Chief Operating Officer	\$290,713	\$47,938	\$26,914	\$58,213	\$9989				\$433,765
B Edward NAL Research	Director NAL Research	\$337,824	\$61,136	\$12,874	\$34,129	\$11,332				\$457,295
Total		\$1,596,968	\$214,391	\$44,652	\$207,123	\$45,720	\$0			\$2,108,854

Information about Remuneration for Senior Executives

Total Remuneration Bands	Number of Senior Executives	Short-term benefits			Post-employment benefits	Other long-term benefits		Termination benefits	Total remuneration
		Average Base Salary	Average Bonuses	Average other benefits and allowances		Average long service leave	Average other long-term benefits		
\$0 -	0								0

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 and allowances		Average long service leave	Average other long-term benefits		
\$220,001 - \$245,000	5	\$175,796	\$18,923	\$7974	\$30,495	\$6,327			\$239,515
\$245,001 - \$270,000	1	\$210,421	\$13,668		\$20,517	\$6,936			\$251,542
\$295,001 - \$320,000	1	\$190,728	\$28,739	\$33,600	\$40,137	\$7,019			\$300,223

Glossary

AHS Act	<i>Australia Hearing Services Act 1991.</i>
ANAO	Australian National Audit Office.
Annual Report	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.
ARMC	Audit and Risk Management Committee of the Board of Hearing Australia.
Audiologist	A university qualified professional that evaluates hearing function and provides appropriate rehabilitation, such as the fitting of hearing aids.
Audiometrist	A clinician who has completed a certificate course in hearing assessment, hearing aid fitting and management.
Clinician	An Audiologist or Audiometrist.
Cerebral Palsy Alliance	Not for profit organisation that provides family-centred therapies, life skills programs, equipment and support for people living with cerebral palsy and their families.
Client Pathway	A follow up system for clients who use hearing aids.
Corporate Plan	A document detailing Hearing Australia's strategic direction that is required to be prepared for the Minister for Government Services and the Minister for Finance.
CSO	Community Service Obligation.
Digital	The application of technology to provide services for the benefit of our clients, stakeholders and employees.
DoH	Department of Health (used in the Financial Statements - refer also Health)
ESD	Ecologically Sustainable Development that aims to meet the needs of today, while conserving our ecosystems for the benefit of future generations.
EBITDA	Earnings before interest, tax, depreciation and amortisation.
Financial Year (FY)	Period of a year being reported upon (commencing on 1 July and ending on 30 June).
Health	Department of Health – administers the Australian Government's Hearing Services Program.
Hearing Awareness Week	Occurs each year in March.
Hearing Bus	Purpose built vehicles intended primarily to advertise Hearing Australia and provide free hearing screening nationally (except at this time in the NT).

Hearing Centres	Hearing Australia's service outlets and point of contact for clients.
NAL	National Acoustic Laboratories.
NDIS	National Disability Insurance Scheme.
Network	Hearing Australia's centres across Australia.
OHS	Office of Hearing Services. A unit within the Department of Health that administered and regulated the Australian Government's Hearing Services Program. (OHS became part of the Hearing Services Program in November 2017 but may still appear in some sections of this report.)
Outreach	Specialist services provided for Aboriginal and Torres Strait Islanders.
Permanent site	A permanently staffed hearing centre.
PGPA Act	<i>Public Governance, Performance and Accountability Act 2013.</i>
Remote Site	A location providing for assessment, device fitting and rehabilitation, situated in a locality determined by the Department of Health (using the Modified Monash Model – from 1 October 2019) as being disadvantaged by restricted accessibility of goods and services.
Responsible Minister	Minister with portfolio responsibility for a Commonwealth entity.
SA	Services Australia delivers a range of government payments and services to almost every Australian including Centrelink, Aged Care, Medicare and Child Support.
Tele-audiology	Provision of audiological services remotely from the patient.
Tele-Audiology Follow Up (Tele-FUP)	Support provided remotely in the critical 2-3 weeks after first hearing aid fitting.
Tele-health	Use of telecommunication techniques for the purpose of providing telemedicine, medical education, and health education over a distance.
Visiting Site	A site that is visited on regular basis by a clinician to deliver hearing services; there are no Hearing Australia staff permanently based at a visiting site.
Voice of the Client	Hearing Australia's initiative to measure the level of its client satisfaction.
White Ribbon	A "not for profit" movement of men and boys working to end men's violence against women and girls, promote gender equality, healthy relationships and a new vision of masculinity.
Voucher	Certificate issued by the Department of Health to eligible adults that entitles clients to government funded hearing services.
WHS	Work health and safety.

Compliance index

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

PGPA Rule Reference	Part of Report	Description	Requirement
Clause 17BB	Letter to the Minister	Approval of the Annual Report by the Accountable Authority	Mandatory
Clause 17BC	Meets the Tabling Guidelines issued by the Department of Prime Minister & Cabinet	Parliamentary standards of presentation	Mandatory
Clause 17BCA	Met	Annual report to be published using digital reporting tool	Mandatory
Clauses 17BD	Met	Plain English and clear design	Mandatory

Contents of the Annual Report

PGPA Rule Reference	Part of Report	Description	Requirement
17BE(a)	Enabling Legislation	Details of the legislation establishing the body	Mandatory
17BE(b)(i)	Functions	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)	Appendix 1	Directions given to the entity by the Minister under an Act or instrument during the reporting period	If applicable, mandatory
17BE(e)	Appendix 1	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)	Appendix 1 - Nil	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 Statements	Annual performance statements in accordance with paragraph 39(1)(b) of the Act and section 16F of the rule	Mandatory
17BE(h), 17BE(i)	Nil	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)	Board of Directors	Information on the accountable authority, or each member of the accountable authority, of the entity during the reporting period	Mandatory

PGPA Rule Reference	Part of Report	Description	Requirement
17BE(k)	Governance Arrangements and Executive Governance Structures	Outline of the organisational structure of the entity (including any subsidiaries of the entity)	Mandatory
17BE(ka)	Independent Auditor's Report	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
17BE(l)	Hearing Australia Centres	Outline of the location (whether or not in Australia) of major activities or facilities of the entity	Mandatory
17BE(m)	Governance Arrangements	Information relating to the main corporate governance practices used by the entity during the reporting period	Mandatory
17BE(n), 17BE(o)	Nil	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)	Internal Transformation	Any significant activities and changes that affected the operation or structure of the entity during the reporting period	If applicable, mandatory
17BE(q)	Nil	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)	Nil	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)	Nil	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)	Board Governance - Indemnity and Insurance of Officers	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
17BE(ta)	Appendix 5	Information about executive remuneration	Mandatory

Hearing Australia centres

Permanent hearing centres

AUSTRALIAN CAPITAL TERRITORY

Canberra
Tuggeranong

NEW SOUTH WALES

Albury
Ballina
Bankstown
Batemans Bay
Belmont
Blacktown
Bowral
Broken Hill
Campbelltown
Campsie
Cessnock
Chatswood
Coffs Harbour
Corrimal
Cowra
Dee Why
Dubbo
East Maitland
Erina
Forster
Gosford
Grafton
Griffith
Hornsby
Hurstville
Kempsey
Lake Haven
Laurieton
Lismore
Liverpool
Macquarie University

Maitland
Maroubra Junction
Merrylands
Miranda
Mount Druitt
Newcastle
Nowra
Orange
Parramatta
Penrith
Port Macquarie
Salamander Bay
Shellharbour
Springwood
Sydney
Tamworth
Taree
Toronto
Toukley
Tweed Heads
Tweed Heads South
Wagga Wagga
Wallsend
Wollongong
Woy Woy

NORTHERN TERRITORY

Alice Springs
Darwin

QUEENSLAND

Aspley
Atherton
Bargara
Beenleigh
Brisbane
Bundaberg

Caboolture
Cairns
Caloundra
Cleveland
Gladstone
Hervey Bay
Ipswich
Kirwan
Logan
Mackay
Maroochydore
Maryborough
Mitchelton
Mt Gravatt
Noosaville
Palm Beach
Redcliffe
Robina
Rockhampton
Sherwood
Southport
Toowoomba
Townsville
Wynnum
Yeppoon

SOUTH AUSTRALIA

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

TASMANIA

Bellerive
Burnie
Devonport
Glenorchy
Hobart
Kings Meadows
Kingston
Launceston
Sorell

VICTORIA

Ballarat
Bell Post Hill
Belmont
Bendigo
Box Hill
Broadmeadows
Castlemaine
Caulfield
Cheltenham
Colac
Cranbourne
Croydon
Dandenong
Drysdale
Epping
Forest Hill
Frankston
Geelong
Greensborough
Hamilton
Hastings
Horsham
Kilmore
Knox
Lilydale

As at 30 June 2019, Hearing Australia operated in 167 permanent hearing centres, 451 visiting centres, 12 hearing buses and 229 Aboriginal and Torres Islander outreach sites.

- Melbourne
- Melton
- Mildura
- Moonee Ponds
- Morwell
- Northcote
- Ocean Grove
- Pakenham
- Portland
- Reservoir
- Rosebud
- Sale
- Shepparton
- Sunbury
- Sunshine
- Swan Hill
- Wangaratta
- Warragul
- Warrnambool
- Werribee
- Wonthaggi
- Yarrowonga



WESTERN AUSTRALIA

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

For further details of Hearing Australia's centres, visiting sites and remote sites go to: Hearing.com.au

**Hearing Australia National Support Office:
Australian Hearing Hub
Level 5, 16 University Avenue,
Macquarie University, NSW 2109**

Tel: (02) 9412 6800

TTY: (02) 9412 6802

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