

Annual Report 2022 - 2023

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

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Letter to the Minister

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

Dear Minister,

I am pleased to present Hearing Australia's Annual Report for the year ending 30 June 2023.

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

The Report outlines the achievements and performance outcomes of Hearing Australia during 2022-23.

It has been another big year for Hearing Australia celebrating our 75th Anniversary of providing hearing health and care to nearly 300,000 Australians. We look forward to continuing to work with you as we deliver vital services and support to all those who need our care and expertise.

Yours sincerely,



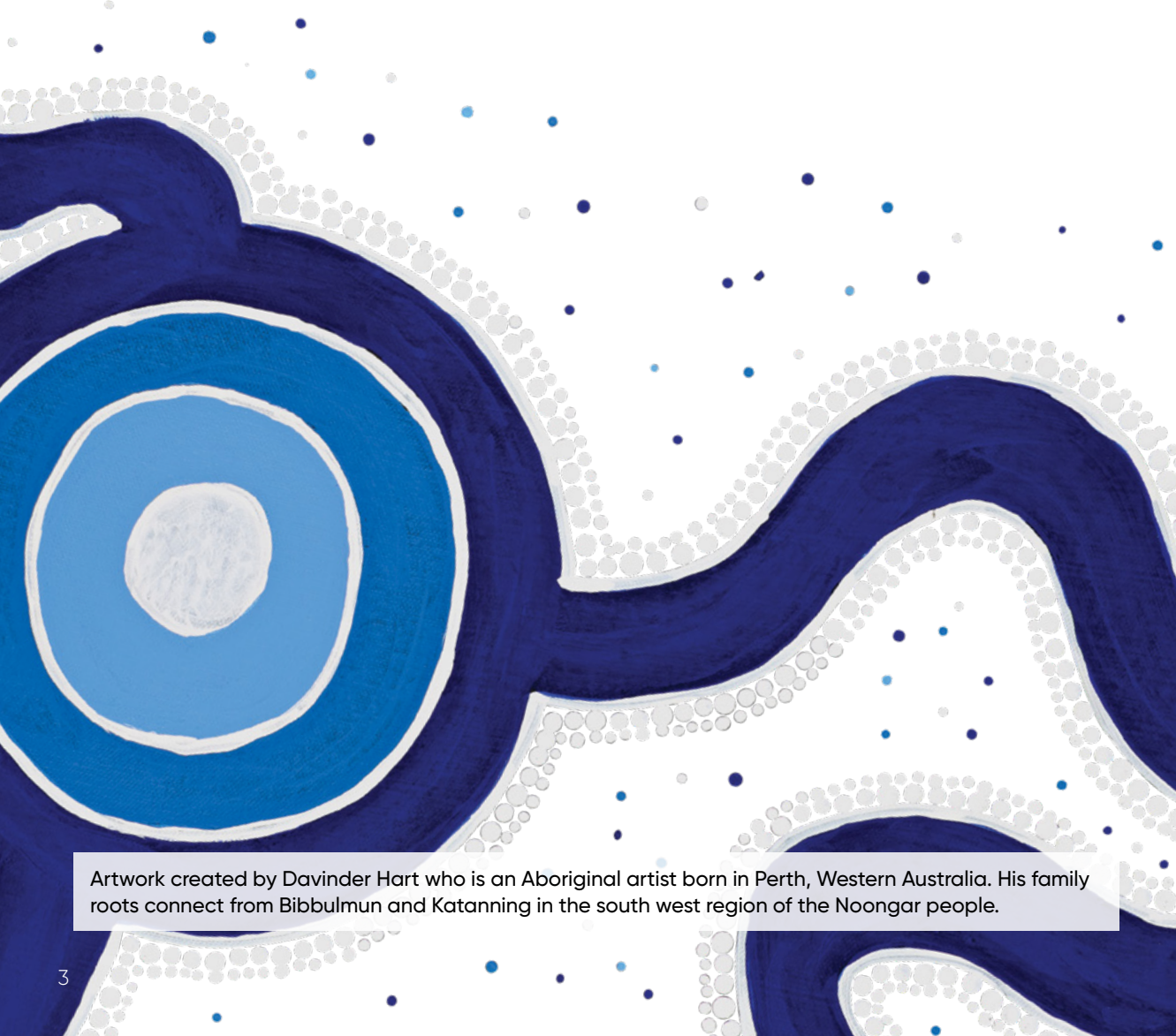
Ms Elizabeth Crouch AM
Chair
4 October 2023

Acknowledgement of Country

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

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

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



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

Our Commitment

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

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

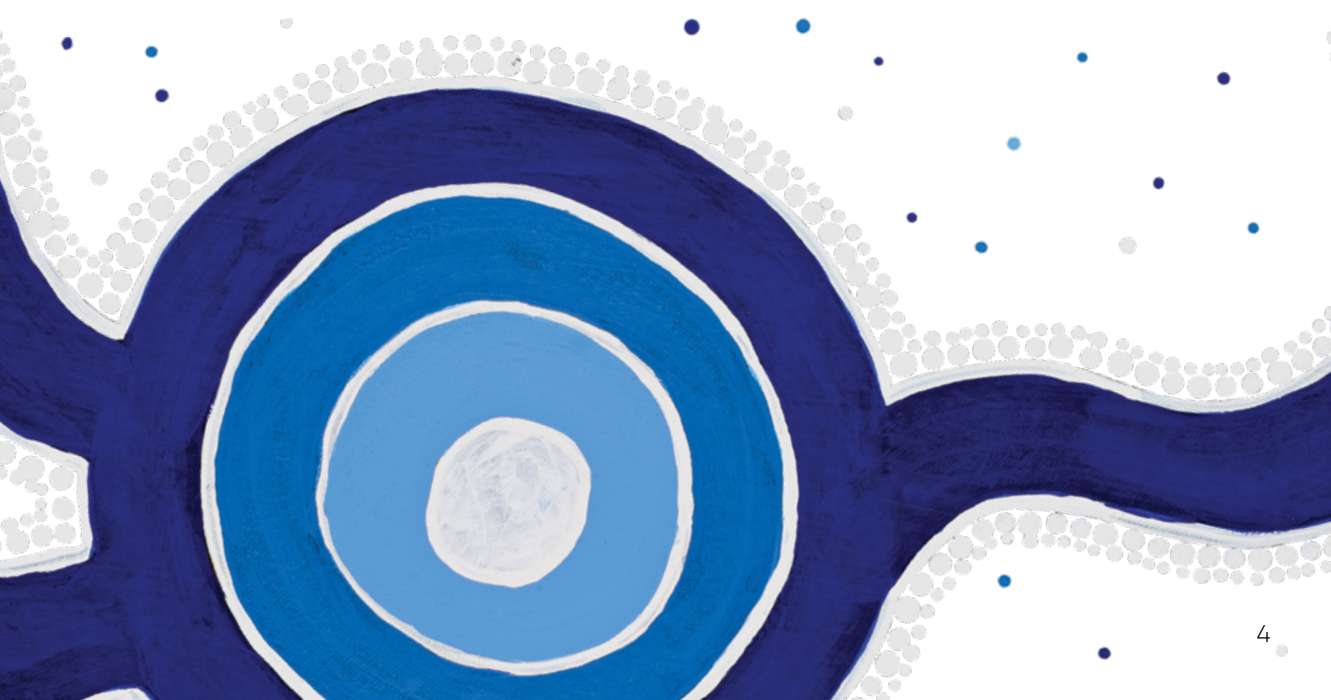
We commit to co-designing our services with Aboriginal and Torres Strait Islander leaders, peoples and communities to ensure they are holistic, culturally safe, and free from racism and discrimination, so communities can access the help they need, when they need it.

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

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

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

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



Overview

Message from the Chair and Managing Director

During 2022–23 Hearing Australia celebrated our 75th Anniversary reflecting on decades of commitment, innovation and caring for our clients. Since our establishment in the 1940s, Hearing Australia and our research arm – the National Acoustic Laboratories – have helped over two million children and adults across Australia and countless more across the world. We leveraged this legacy during the past year to continue to transform our services to make them easier, faster and better for our clients, including through an expanded client and partner base, and delivered record levels of research.

Hearing Australia's mission is to provide world leading research and hearing services for the wellbeing of all Australians.

In 2022–23 Hearing Australia helped 282,902 children and adults across Australia through the provision of hearing assessments, hearing devices, rehabilitation services and supporting referral services. This included providing government funded services to 69,959 children and adults, and commercial services to 198,508 adults, pensioners and veterans.

We also provided clinical hearing assessments to 14,435 young Aboriginal and Torres Strait Islander children through our Hearing Assessment Program – Early Ears (HAPEE), as part of our commitment to improving the hearing health of First Nations children. Around 26 per cent of children screened were found to have undiagnosed ear disease and 21 per cent had undiagnosed hearing loss. Without this service many of these children would have had undetected and untreated hearing loss, impacting their learning, links to their communities and their wellbeing.

With client satisfaction rates of over 87 per cent, Hearing Australia continued to offer high quality client experiences despite the lingering impacts of COVID, with all client satisfaction rates improving over the previous 12 months.

A highlight of the year was the growth in our network to improve the community's access to our services. During 2022–23 we established 14 new hearing centres and relocated another five, delivering services to new areas and clients and operating from 187 Hearing Centres and 288 visiting sites across Australia.

Hearing Australia provided outreach and HAPEE services to 287 urban, regional and remote communities during the year, which was also a new record.

We worked with over 100 Aboriginal Community Controlled Health Organisations (ACCHOs) to ensure our services met the needs of local communities and supported the development of local health workforces, delivering services to over 20,000 Aboriginal and Torres Strait Islander people during the year. A highlight was a new approach to working with

ACCHO's through the development of Shared Hearing Services Plans, co-designed with the Chief Executive Officers of three ACCHOs. This model provides a basis for local services to determine the hearing health priorities for their communities, including what they need from Hearing Australia regarding service delivery and workforce development. Hearing Australia has now signed four year plans with the Orange and Coonamble Aboriginal Medical Services and expects to enter into further partnerships during the 2023–24 financial year.

During the year, Hearing Australia also continued to support the Aboriginal and Torres Strait Islander Ear and Hearing Health Partnership Committee, co-chaired by the National Aboriginal Community Controlled Health Organisation (NACCHO) and the Department of Health and Aged Care, to support NACCHO's development of a National Aboriginal and Torres Strait Islander Ear and Hearing Health Strategy. Opportunities identified by the Committee will help support local community capability building and long term improvements in the delivery of hearing health services to First Nations people.

Hearing Australia developed its fifth Reconciliation Action Plan (RAP) during 2022-23. The new RAP will deliver tangible benefits for our staff and clients, will further embed our commitment to reconciliation and will support a more culturally safe workplace and enhanced delivery of culturally safe services. The RAP will be launched in 2023-24 and aligns strongly with Priority Three of the National Agreement on Closing the Gap – *Transforming Government Organisations*.

In February 2023 we introduced a new 'Hearing Australia' range of hearing aids which provides clients with access to advanced devices, supported by leading edge technology and software. Children under five years now also have the option of a fully subsidised rechargeable aid, offering both safety and environmental benefits.

Another highlight was our *Hearing The Nation* tour in March 2023, with over 1,200 events across Australia providing free hearing checks – a Hearing Australia record and leading to thousands of people having a hearing test and getting help if needed.

We made progress on the development of our new ICT platform, replacing our ageing legacy systems, with the new platform available from July 2023. When fully optimised, this platform will help us improve our services, drive efficiencies, and support the analysis of data to deliver even better outcomes for our clients.

Our research arm, the National Acoustic Laboratories (NAL), also had an outstanding year, completing a record 29 projects and involving over 4,800 participants and 48 international collaborators. The completed projects include a diagnostic test kit for clients with 'hearing in noise' difficulties but with normal audiograms; identifying Aboriginal and Torres Strait Islander caregivers' perspectives on supporting young children's hearing health and language development; applying machine learning to predict hearing loss progression in children; and quantifying the impact of hearing loss on the ability to communicate using videoconference platforms.

Hearing Australia generated \$284 million in revenue in 2022-23, and recorded a small operating loss, in line with our Corporate Plan target. The operating loss was the result of internal strategic investments in technology which will transform the organisation's services. Hearing Australia continues to have a strong balance sheet.

Thank you to our valued partners

Hearing Australia is grateful for the support of the Hon Bill Shorten MP, Minister for the National Disability Insurance Scheme and Minister for Government Services, particularly his commitment to improving the hearing health of Australians and his numerous visits to our hearing centres to meet many of our clients and staff across the country during the year.

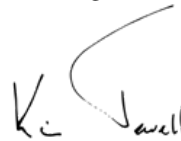
We would also like to thank our many partners. Our success is due to the support of many individuals and groups, commercial and not-for-profit organisations. We highly value these partnerships.

We thank our Board for their strategic oversight and guidance, and for embracing opportunities to spend more time with our clients, staff, partners and supporters. Special thanks to former Board member, Ms Sarah Vaughan, whose term concluded in 2022-23 and whose insights and advice on all things technology related were greatly appreciated.

We thank our management team and our people more broadly for their commitment to delivering great outcomes and value for clients, government and the communities we serve. You continue to demonstrate diligence and dedication each and every day. What you do matters and changes lives.



Ms Elizabeth Crouch, AM
Chair
Hearing Australia



Mr Kim Terrell
Managing Director
Hearing Australia

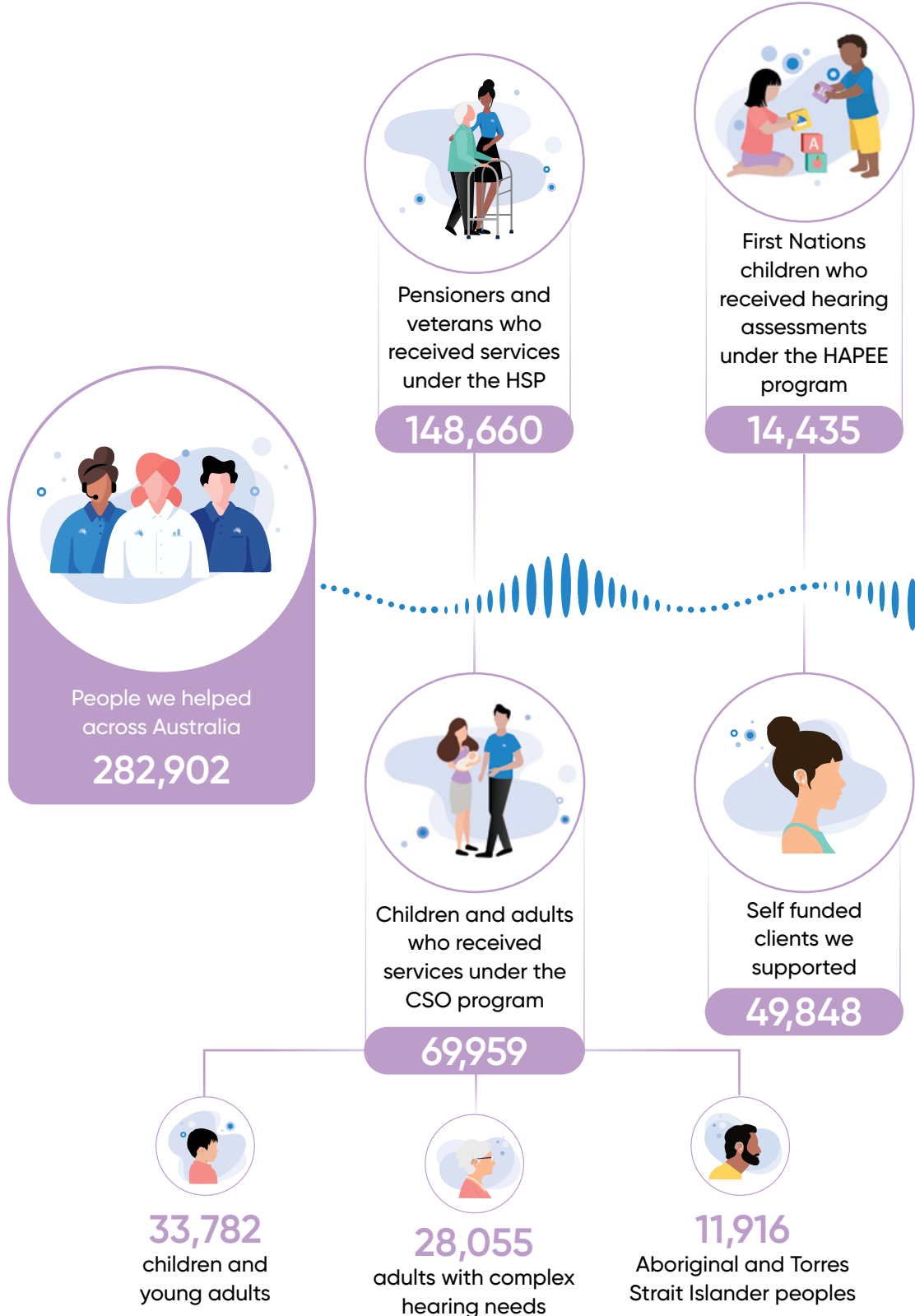


Senior Audiologist Donna-Mae Schwarz, the Prime Minister, Minister Shorten, and the Hedges family at our Marrickville hearing centre.



The opening of our new hearing centre in Glen Waverley, Victoria.

The year at a glance





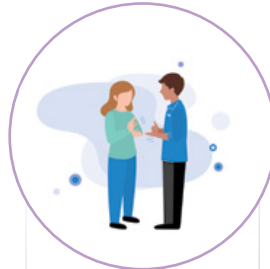
19 new or relocated centres to help more people in more locations

470+



Outreach visits to First Nations communities

986



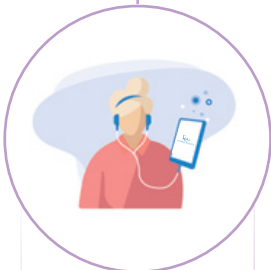
Dedicated people working as one across Australia

1,434



More than 1,200 events held as part of the 'Hearing the Nation' tour in March

Achieved



NAL completed a record number of research projects

29



Our new 'Hearing Australia' branded hearing aid range

Launched



Our fifth Reconciliation Action Plan

Developed

Organisational structure and governance

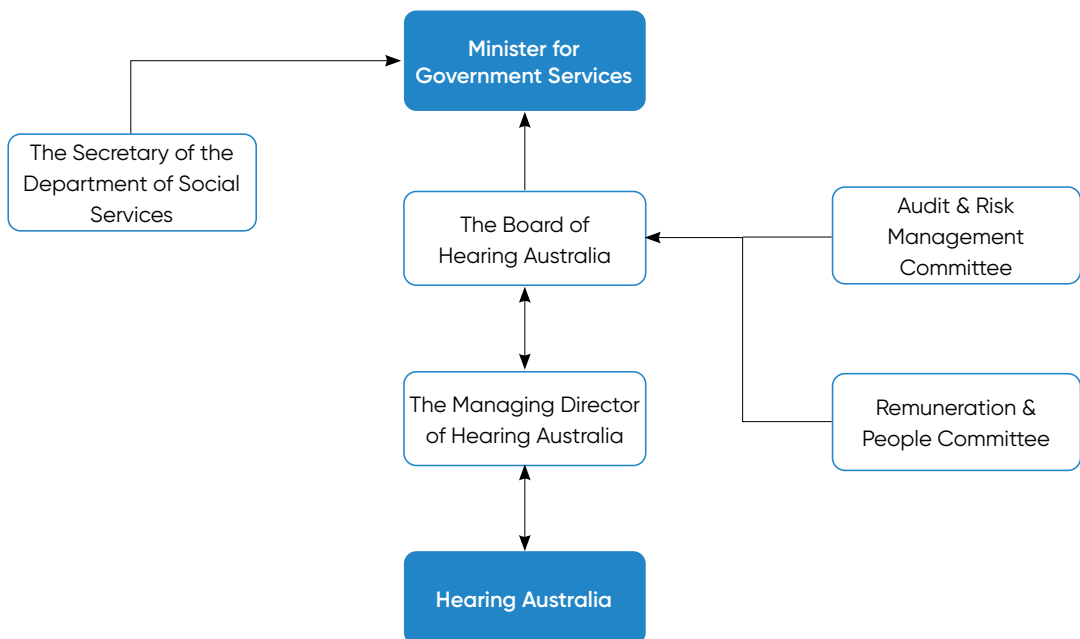
Governance Arrangements and Executive Governance Structure

Hearing Australia operates under the *Australian Hearing Services Act 1991* (AHS Act) and the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

Under the PGPA Act, Hearing Australia is defined as a corporate Commonwealth entity.

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

The functions and powers of the Board are set out in sections 8 and 9 of the AHS Act and are summarised in Appendix 1: Board of Directors.



Minister for Government Services

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

The Hon Bill Shorten MP, the Minister for the National Disability Insurance Scheme and Minister for Government Services, is responsible for administering the *Australian Hearing Services Act 1991* (AHS Act), except to the extent that the AHS Act is administered by the Minister for Health and Aged Care, the Hon Mark Butler MP.

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

The Australian Hearing Services Act 1991

Hearing Australia's functions are set out in Section 8 of the AHS Act. They are as follows:

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

The Year in Detail

Delivering excellent client outcomes

Overview

We seek to deliver exceptional client experiences and work with our partners to prevent avoidable hearing loss as well as reduce the impact of hearing loss.

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

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

During 2022-23 we helped 282,902 children and adults with hearing loss, nearly 10,000 more than the previous year.

This included providing Government funded hearing services to 69,959 people under the Community Service Obligations (CSO) Program and 198,508 adults, pensioners and veterans through our commercial services.

We also provided hearing assessments to 14,435 young First Nations children under the HAPEE Program, as part of our commitment to improving the hearing health of First Nations children.

Throughout the year we maintained client satisfaction rates of over 87 per cent. Our Voice of the Client survey enables us to assess what clients think and feel about their interaction with us, and to further improve our services.

We also improved accessibility to care by opening 14 new hearing centres, and relocating five others, from Darwin to Traralgon. We finished the year with 187 permanent centres and 288 visiting sites. We also re-designed our centres to improve the way we offer support to our clients and improved our digital and telehealth platforms to provide clients with quicker and easier access to better hearing care.

During the year, we worked closely with Aboriginal and Torres Strait Islander communities to provide hearing services in urban, regional and remote locations, providing a total of 986 outreach visits to 228 communities.

Our focus on First Nations hearing health

Many causes of hearing loss can be prevented, such as common ear diseases, ear infections, and excessive exposure to noise and chemicals¹. In Australia, approximately 49 per cent of childhood hearing loss and 37 per cent of adult loss is estimated to be preventable². This represents a major economic and social challenge, which will grow as our population ages.

The *Australian Hearing Services Act 1991* authorises Hearing Australia to carry out research, develop standards and provide advice on the prevention of hearing loss.

A key priority in 2022–23 was reducing the rate of ear disease (*otitis media*) in Aboriginal and Torres Strait Islander children. Our overall aim is to help reduce the rate of preventable hearing loss in First Nations children by at least 50 per cent by 2029 and, with the support of the Government and our partners, we are making progress towards that goal.

Otitis media, a common childhood illness, occurs more often and causes more long term damage to Aboriginal and Torres Strait Islander children compared with non-Indigenous children. Since 2019 Hearing Australia has assessed almost 30 per cent of Aboriginal and Torres Strait Islander children aged 0–6 years nationally (that is, approximately 36,000 children). Some 26 per cent per cent had undiagnosed ear disease at their first appointment and 21 per cent had undiagnosed hearing loss. Without Hearing Australia's services, these hearing problems may have remained undiagnosed for

longer periods or not diagnosed at all, negatively impacting these children's learning and general wellbeing.

Hearing is important to a child's development, and sound is an integral part of Aboriginal and Torres Strait Islander peoples' connection to culture, family, community and history. Persistent ear disease and hearing loss during a child's formative years can interrupt or delay the development of language and communication, with long term consequences. Early detection and treatment of ear disease and hearing loss will ensure children thrive in their early years and start school developmentally on track, a key outcome of the National Agreement on Closing the Gap.

During 2022–23 Hearing Australia met in full the Key Performance Indicators (KPIs) for the *Hearing Assessment Program – Early Ears (HAPEE)*, which provides hearing checks for children aged 0–6 years and all of the KPIs for the *Listen to Learn* program, which supports early learning providers to identify children's hearing problems.



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

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

Hearing checks for First Nations children aged 0–6 years

Hearing Australia's *Hearing Assessment Program – Early Ears* (HAPEE) provides hearing checks for children aged between zero to six years, before they start full time school; and is designed to improve the hearing health of young Aboriginal and Torres Strait Islander children.

The program initially focussed on remote and very remote locations. Based on its success in these areas, during 2020–21 the program was expanded to metropolitan and regional areas to enable access to free hearing assessments for all young First Nations children, no matter where they live. The program also provides training for Aboriginal and Torres Strait Islander primary health care staff to enable them to better detect and manage ear disease and to improve community awareness of the importance of hearing health.

During 2022–23 we undertook clinical assessments of 14,435 First Nations children in 287 communities across Australia, a 20 per cent increase in children seen compared with 2021–22. Twenty six per cent of these children had undiagnosed ear disease and 21 per cent had undiagnosed hearing loss. Hearing Australia has secured funding for HAPEE to 30 June 2024, and is working with the Government to explore opportunities for continued funding of the program.

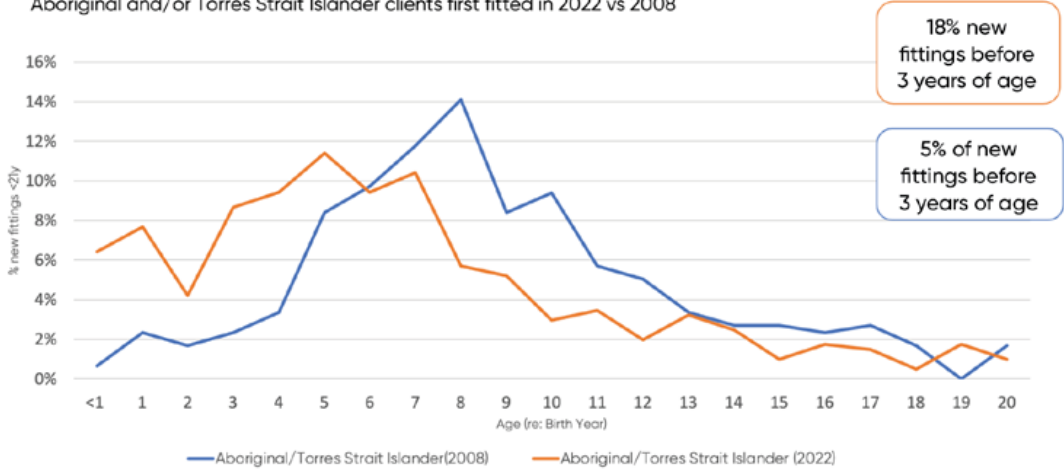
Services for Aboriginal and Torres Strait Islander children and young adults

In 2022–23, Hearing Australia continued to engage with Aboriginal and Torres Strait Islander peoples and leading national experts in hearing healthcare to implement our First Nations Action Plan to improve the ear health and hearing outcomes of Aboriginal and Torres Strait Islander children, with 87 per cent of initiatives on track to deliver improved outcomes. The three year Action Plan supports early detection and treatment of ear disease and hearing loss, and details Hearing Australia's leadership role in driving system improvements, removing barriers and accelerating access to care.

During the year we supported 3,544 Aboriginal and Torres Strait Islander children and young adults with hearing loss aged under 26 years through the CSO program. This represents over 12 per cent of the total number of children and young adults who benefitted from our services.

We continue to work with families, communities and partner agencies to lower the peak age of first hearing aid fitting for Aboriginal and Torres Strait Islander children. In 2008, only five per cent of Aboriginal and Torres Strait Islander children received their first hearing aid by the age of three years. During 2022–23, 18 per cent of new hearing aid fittings took place before the age of three years. The change in peak age of first fitting is highlighted in the following graph.

Age at first hearing aid fitting as a proportion of new fittings for Aboriginal and/or Torres Strait Islander clients first fitted in 2022 vs 2008



18% new fittings before 3 years of age

5% of new fittings before 3 years of age

Services for Aboriginal and Torres Strait Islander Adults

In 2022–23 Hearing Australia provided services to 7,769 Aboriginal and Torres Strait Islander adults who were eligible for services under the Indigenous Eligibility criteria for the CSO program – a seven per cent increase compared with the previous year.

During the year, 69 per cent of our First Nations adult clients chose to receive hearing services at one of our centres or visiting sites. Ninety-nine per cent of Aboriginal and Torres Strait Islander clients reported that they felt comfortable and respected when receiving their services.

We worked closely with Aboriginal and Torres Strait Islander communities to provide hearing services in urban, regional and remote locations, providing a total of 986 outreach visits to 228 communities.

Our outreach services include counselling and guidance to support listening and communication, regular review of hearing and communication needs, selecting, fitting and helping people make good use of hearing devices, and ongoing clinical care and device repair services.

Building capabilities and supporting local communities

Community liaison, training and awareness raising of ear and hearing health are crucial aspects of our outreach program. We work in close partnership with local organisations such as Aboriginal Controlled Community Health Organisations (ACCHOs), schools, early education providers, communities and families, to tailor our services to best meet the needs of each community we visit.

As a key commitment under the First Nations Action Plan, we entered into partnership agreements under the Shared Hearing Services Plan, with three new Plans co-designed with Orange and Coonamble ACCHOs and the Katherine West Health Board, to replace previous service level agreements. It is anticipated that further partnerships with ACCHOs will be finalised during 2023-24.

Hearing Australia has continued to support the Aboriginal and Torres Strait Islander Ear and Hearing Health Partnership Committee (the Committee), co-chaired by the National

Aboriginal Community Controlled Health Organisation (NACCHO) and the Department of Health and Aged Care. The Committee includes representatives from Hearing Australia, ACCHOs, and experts in hearing health including Professor Kelvin Kong. The Committee is supporting NACCHO's development of a National Aboriginal and Torres Strait Islander Ear and Hearing Health Strategy. Opportunities identified by the Committee will help support local community capability building and long term improvements in the delivery of hearing health services to First Nations people.



Our HAPEE program provides hearing checks for First Nations children aged zero to six years not yet attending full time school.



Hearing Australia team with Orange Aboriginal Medical Service team.

First Nations Partnerships

On the eve of Reconciliation Week 2023 Hearing Australia announced a major step to improve the hearing health of Australia's First Nations people, collaborating with three Aboriginal health organisations to redesign the way hearing services are delivered, to better meet the needs of communities.

This was the first time that Hearing Australia and Aboriginal health services had worked so closely to collaborate on new ways of delivering services to meet the needs of First Nations communities.

During the year Hearing Australia worked closely with the Orange Aboriginal Medical Service (OAMS), the Coonamble Aboriginal Health Service (CAHS) and the Katherine West Health Board to reshape hearing service delivery.

A pivotal milestone was achieved in May 2023 with the signing of four year Shared Hearing Services Partnership Agreements with OAMS and CAHS. Under these partnerships, Hearing Australia will work with these local health services to improve the impact of hearing services within their communities, while building the capability of local health staff.

Hearing Australia currently works with more than 100 Aboriginal community controlled health services and provides hearing services to approximately 25,000 First Nations children and adults each year. However, the need to improve hearing health outcomes for First Nations peoples continues and these partnerships enable Hearing Australia staff to work alongside local services, strengthening relationships, co-designing services which meet local needs, and empowering communities.

As part of Hearing Australia's commitment to continue to make it easier for Aboriginal and Torres Strait Islander peoples to access hearing help, Hearing Australia also launched in March 2023 a new First Nations Support Line. This Support Line is a dedicated service for Aboriginal and Torres Strait Islander peoples, and health and education providers working in First Nations communities. It offers general ear and hearing health information and support to help increase access to culturally appropriate, timely and accurate ear and hearing health information.

The launch of the Support Line is a key commitment under the First Nations Action Plan and provides hearing health information to parents, health professionals, educators and others working with First Nations communities.

HAPEE Evaluation

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

HAPEE was developed following consultation between Aboriginal Community Controlled Health Service representatives, the Department of Health and Aged Care, key people from the Aboriginal and Torres Strait Islander hearing health sector and Hearing Australia. The program is run nationally and links with, or complements, existing community programs.

The Program provides free diagnostic hearing assessments and follow-up treatment to Aboriginal and Torres Strait Islander children from 0–6 years of age who do not yet attend full time school.

HAPEE engages with primary care clinics, early education providers, communities, and families with children to:

- provide diagnostic hearing assessment and follow-up treatment;
- strengthen management of ear health in primary care; and
- increase community awareness about the importance of ear and hearing health.

Specific programs are established at the invitation of interested communities and/or health or early childhood services in urban, regional and remote locations across Australia. They operate through Aboriginal community controlled health services (ACCHSs), government clinics, other mainstream primary care clinics and with interested early education providers.

As an integral part of the program, Hearing Australia provides support to local services to develop hearing assessment clinics in partnership with the organisation, with our audiologists supporting the upskilling of primary care and early childhood services staff during outreach visits.



Winangali Indigenous Communications & Research conducted an independent evaluation of HAPEE during 2022–23.

The evaluation found that the perception of HAPEE amongst health workers and other staff and services was very positive and that the successful delivery of the HAPEE program centred on the positive relationship between HAPEE, the local service and the community.

Further, parents, carers and guardians viewed the HAPEE program as being extremely positive and in particular, the relationship between parents and local health service, the role of the audiologist and the delivery of HAPEE in a culturally safe way were critical factors in the successful delivery of the program. The evaluation showed that parents and carers felt the delivery of the HAPEE program was culturally safe and they felt comfortable to ask questions and seek further information if needed.

The evaluation further found that the HAPEE promotional and education materials and resources were highly engaging for parents and carers and health workers who also viewed the materials highly positively, with quantitative and qualitative data suggesting the resources were effective in improving awareness about the HAPEE program; were culturally appropriate and relevant; provided enough information and also helped services to understand the purpose of the HAPEE program.

Hearing services for targeted populations

Hearing problems can have disproportionate impacts on children and young adults, people with complex hearing needs and those with disabilities.

The Government supports the provision of targeted hearing services to support these segments of our community through the Community Service Obligations (CSO) Program, funded under the Hearing Services Program. During 2022–23, Hearing Australia met ten of the 11 KPIs for the CSO Program, with the remaining KPI one per cent off target.

Services for babies, children and young people

In 2022–23, Hearing Australia provided services to 29,094 young Australians under the age of 21. We also provided services to 4,688 young adults between 21 and 26 years of age.

Client satisfaction remained high, with 86 per cent of CSO clients reporting they were very satisfied with their experience, and 98 per cent saying they felt comfortable and respected.

During the year, 4,510 remote microphone systems were fitted by Hearing Australia to children and young adults. Remote microphone systems are used in addition to hearing aids and cochlear implants to overcome the adverse effects of distance, background noise and reverberation on hearing quality. They can be particularly useful in a classroom environment.

We also provided 850 speech processors through the Cochlear Implant Speech Processor Upgrade and Replacement Program, 16 per cent more than in 2021–22. Hearing Australia continues to work with the Department of Health and Aged Care to respond to increases in demand for these services and cost increases.

Services for adults with complex hearing rehabilitation needs

In 2022–23 we provided services to 28,055 adults with complex hearing needs. Most of these adults have a severe or profound hearing loss or a poor understanding of speech and require much more than a well fitted hearing aid to participate fully in life. Other clients in this group may have hearing loss and an additional disability which impacts their communication. Eighty-one per cent of adults with complex needs seen by Hearing Australia were provided with a specialised communication assessment and individual training programs to maximise their ability to communicate.

Delivery of services under the NDIS

Hearing Australia is an approved provider of services under the National Disability Insurance Scheme (NDIS). During 2022–23, Hearing Australia provided hearing services to 584 NDIS participants who were not eligible for the Hearing Services Program. These services included the provision of hearing devices, remote microphone systems and assistive listening devices.



Our team at one of the *Hearing the Nation* events.

Hearing Australia also maintained the NDIS early intervention pathway for children aged 0–6 years. This pathway fast tracks NDIS eligibility testing and the provision of an interim NDIS plan for young children who have a hearing impairment. Through this pathway, children and families gain rapid access to the NDIS and have a plan approved generally within two weeks of assessment. The pathway is strongly supported by families and NDIS providers. In 2022–23, 699 families accessed this pathway and rapidly gained the support they needed for their children.

Commercial Hearing Services

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

During 2022–23, we provided services to 148,660 clients who were eligible for services under the HSP, a one per cent increase on the previous financial year.

We also provided services to 49,848 self funded clients during 2022–23, which was a 20 per cent increase on the preceding year.



Kim Terrell, with Hearing Australia First Nations Spokesperson and TV Presenter, Luke Carroll, at a *Hearing the Nation* event.

Client feedback remained highly positive during the year, with satisfaction at over 86 per cent.

We continued our strong focus on raising community awareness of the importance of hearing health, including through events in local communities to provide opportunities for people to have their hearing screened.

Our buses provided mobile hearing screening across locations which were convenient and accessible by local communities.

Through our *Hearing The Nation* tour, held in March 2023 to coincide with Word Hearing Day, we held over 1,200 events across Australia – a Hearing Australia record. We carried out events in pharmacies, shopping centres, GP surgeries, aged care homes, libraries, local sports clubs and communities, leading to thousands of people nationwide booking to have a hearing test, to ensure their hearing health.

Providing great value to Government and partners

Overview

Hearing Australia is committed to working with the Government and our partners to increase the impact and value of our services.

In 2022–23 we worked closely with our Minister, the Hon Bill Shorten MP, the Department of Health and Aged Care (Health), the Department of Social Services, the National Disability Insurance Agency, the National Aboriginal Community Controlled Health Organisation, Safe Work Australia, universities, Cochlear and our commercial partners to deliver and improve our services and research activities.

We were honoured to have the Prime Minister and Minister Shorten officially open our Marrickville Hearing Centre in March 2023. During the visit, the Prime Minister and Minister met our Marrickville

team and learned more about the services they provide to over 2,000 people, including outreach services to Norfolk Island and to First Nations peoples in Redfern, La Perouse and the Northern Territory.

Minister Shorten also officially launched our First Nations Action Plan in November 2022, on the lands of the Wurundjeri people at the Moonee Ponds Hearing Centre. The Action Plan builds on Hearing Australia's strong legacy of working with Aboriginal and Torres Strait Islander communities since the 1960s and was co-designed with Aboriginal and Torres Strait Islander peoples, knowledge holders and leading experts in hearing healthcare nationally, contributing to Outcome 4 of the National Agreement on Closing the Gap - increasing the proportion of Aboriginal and Torres Strait Islander children starting school developmentally on track.



Hearing Australia team with the Prime Minister and Minister Shorten at the official opening of our Marrickville Hearing Centre on 1 March 2023.



Kim Terrell, Professor Greg Leigh AO, Minister Shorten and Elizabeth Crouch AM.

The Minister also attended Hearing Australia's 75th Anniversary commemorations in November 2022, presenting Hearing Australia's inaugural Lifetime Achievement Award to Professor Greg Leigh AO.

The Minister further met Hearing Australia's Board and regularly met with our Chair, Ms Elizabeth Crouch AM and our Managing Director, Mr Kim Terrell, to discuss Hearing Australia's performance and strategic direction.

During the year Hearing Australia worked closely with the Orange Aboriginal Medical Service (OAMS), the Coonamble Aboriginal Health Service (CAHS) and the Katherine West Health Board to reshape hearing service delivery. A pivotal milestone was achieved in May 2023 with the signing of four year Shared Hearing Services Partnership Agreements with OAMS and CAHS. Under these partnerships, Hearing Australia will work with the local health services to improve the impact of hearing services within their communities, while building the capability of local health staff.

Hearing Australia has continued to support the Aboriginal and Torres Strait Islander Ear and Hearing Health Partnership Committee (the Committee), co-chaired by the National Aboriginal Community Controlled Health Organisation (NACCHO) and the Department of Health and Aged Care. The Committee is supporting NACCHO's development of a National Aboriginal and Torres Strait Islander Ear and Hearing Health Strategy. Opportunities identified by the Committee will help support local community capability building and long term improvements in the delivery of hearing health services to First Nations people.

We have also collaborated with the Department of Audiology and Speech Pathology at Melbourne University, the Victorian Aboriginal Community Controlled Health Organisation (VACCHO) and a number of health services to facilitate student speech

pathologists and a supervisor to accompany Hearing Australia audiologists on their Outreach visits, to provide speech and language assessments for children seen during the visits. The University team will provide additional visits to deliver therapy sessions for children identified with speech and language issues. This collaboration is focusing on regional locations where there are extremely long waiting lists for speech pathology.

Hearing Australia's 75th Anniversary

During 2022–23 Hearing Australia celebrated our 75th Anniversary reflecting on decades of commitment, innovation and caring for our clients. Since our establishment in the 1940s, Hearing Australia and our research arm – the National Acoustic Laboratories – have helped some two million children and adults across Australia and countless more people across the world.

Simone Punch, Clinical Leader Paediatrics, at our 75th Anniversary dinner.





Key milestones in our history include:

- Launching Australia’s first hearing aid in 1948
- Our first visit to a Northern Territory Aboriginal community in 1954.
- Commencing delivery of the Government’s Hearing Services Program in 1955.
- The launch of Australia’s first in-ear hearing aid in 1965.
- Establishment of Australian Hearing Services as a statutory authority in 1991.
- Commencing delivery of the CSO program in 1997.
- Establishing the Hearing Australia brand and the HAPEE Program in 2019.

Commemorations of the 75th Anniversary culminated in the publication of our official history and the *Hearing the Future* conference in November 2022, bringing together leading researchers, clinicians, and industry partners to discuss recent developments in hearing health care.





Kim Terrell with *Hearing the Future* presenters Dr Pádraig Kitterick and Megan White and our conference host, Dr Brent Edwards.

Hearing the Future Conference – 75th Anniversary

As part of our 75th Anniversary celebrations, Hearing Australia hosted the *Hearing the Future* conference, providing the opportunity for clinicians, leading researchers and key stakeholders to discuss trends and issues in hearing care. In attendance were leading voices and alumni of the hearing health care community.

The event highlighted the amazing degree of collaboration, innovation, and transformation that has occurred in hearing health over the last 75 years. It also drew attention to the importance of hearing loss prevention efforts.

Opening the event, conference host, NAL Director, Dr Brent Edwards, acknowledged the deep expertise amongst the audience which had been instrumental in improving the lives of people with hearing loss, remarking on the high degree of transformation in hearing care and research in recent years and the leading role Australia continues to play in hearing health.

Managing Director Mr Kim Terrell thanked attending hearing sector partners for their support, noting that collaboration was essential to improving Australians' hearing health.

Following the conference, an anniversary dinner was held to thank our partners for their ongoing support. A highlight of the evening was Simone Punch, one of Hearing Australia's specialist audiologists and clinical coaches, sharing her personal and professional insights.

The Hon Bill Shorten MP, Minister for the National Disability Insurance Scheme and Minister for Government Services, then presented Hearing Australia's inaugural Lifetime Achievement Award to Professor Greg Leigh AO.

Professor Leigh played a central role in advocating to establish Australia's world-leading newborn hearing screening programs, has led the establishment of the Master of Disability Studies at Macquarie University, and has an ongoing commitment to cutting edge research and mentoring PhD students.

As a leader in hearing care for over 40 years, including having received the award of Officer of the Order of Australia for his contribution to the Deaf and hearing-impaired community, Professor Leigh has made an enormous contribution to improving the hearing health of Australians.

The National Acoustic Laboratories (NAL) made considerable progress in 2022–23 towards its mission to undertake cutting edge hearing research and evidence based innovation to improve hearing health and transform the lives of people with hearing difficulties.

NAL delivered outcomes from a record 29 projects during the year. Completed projects include:

- Developing and assessing a diagnostic test kit for clients with ‘hearing in noise’ difficulties but with normal audiograms;
- Identifying Aboriginal and Torres Strait Islander caregivers’ perspectives on supporting young children’s hearing health and language development;
- Applying machine learning to predict hearing loss progression in children;
- Quantifying the impact of hearing loss on the ability to communicate on videoconference platforms.



During 2022–23, NAL also started further projects, addressing a variety of important hearing healthcare needs, including:

- Developing a patient driven telehealth app for the self management of the social and emotional impacts of hearing loss;
- Developing an artificial intelligence driven system for the remote screening of childhood hearing loss;
- Developing objective measures of hearing aid benefit for children with mild hearing loss in adverse listening situations;
- Assessing the effectiveness of a variety of messages to encourage people to seek hearing help, using behavioural insights.

NAL successfully delivered several initiatives at the request of the Department of Health and Aged Care (Health). NAL assisted with Health’s national hearing awareness campaign by developing an easy to understand guide to hearing aid technology that was used on the awareness campaign website. NAL adapted this work to create more comprehensive information on NAL’s website and created NALguide a consumer friendly booklet on hearing aid technology for the community that has been distributed and used internationally.





Also, as a part of the campaign, NAL created a hearing screener that runs on the Spotify app. At the completion of a three year project requested by Health, NAL delivered the report *Evaluating the clinical and cost effectiveness of upgrading cochlear implant sound processors in the Hearing Services Program*, the result of a study involving 14 clinical sites that measured the benefit from upgrading 340 cochlear implant sound processors on 304 participants.

A multiyear research partnership with GN ReSound was initiated, with the first project successfully measuring user benefit of an innovative microphone technology. A partnership with Google and other members of the Australian Hearing Hub – Macquarie University, NextSense, The Shepherd Centre and Cochlear – was initiated to explore the application of technologies such

as artificial intelligence to improve hearing health. Additional research collaborators over the past year include projects with Phonak and the University of New South Wales.

NAL's research has had tremendous reach, with multiple channels beyond traditional peer reviewed journals including national TV news coverage of NAL's Airpods Pro research and social media posts about NAL research reaching over 248,000 impressions. NAL also co-organised and presented at the 4th Virtual Conference on Computational Audiology, had a keynote speaker at the 66th International EUHA Congress, and delivered 19 presentations which received three awards at the annual Audiology Australia conference. More details of all projects NAL can be found at NAL's website.

NALguide

During the year, NAL released NALguide, a resource that explains hearing aid technology that can be easily understood by the general population, describing hearing aid features through common listening needs – speech understanding, sound quality, listening comfort, usability, connectivity, and personalisation.

NALguide was developed to support the Australian Department of Health and Aged Care's national hearing awareness campaign and allows people to explore the hearing aid features that could be used for their listening needs and discuss them with their family and clinician. Hearing healthcare providers may also refer to this guide to better support the early stages of their clients' journeys and when reviewing hearing goals and new technologies.

The glossary can also be used by manufacturers who supply devices to adopt consistent terms when describing the features of their hearing devices. This information will allow clients and consumers to make easier comparisons between devices and informed choices based on their needs.

The approach taken was to identify the features of current hearing devices and developing technologies (e.g. assistive listening devices, remote microphones) that manufacturers describe on their websites and in publicly available material and to create a glossary of features found in hearing aids and developing technologies to help consumers understand what technologies are available and which may be relevant to their hearing needs. Hearing aid manufacturers were consulted to ensure accuracy and hearing advocacy groups consulted to ensure that the language used to describe complex technology was easy to understand by the general public.

This research project was requested and funded by the Australian Department of Health and Aged Care and undertaken in collaboration with Deafness Forum Australia and the Hearing Aid Manufacturers and Distributors Association of Australia (HAMADAA).

NALguide can be downloaded from the NAL website:
<https://www.nal.gov.au/nalguide>



A high performing organisation

Overview

Hearing Australia aspires to be a high performing organisation which is financially sustainable, highly reputable and successful in pursuing its strategic objectives.

During 2022-23 we continued our digital transformation, including completing the replacement of our legacy ICT systems and increasing our adoption of digital service models and technologies.

In February 2023, Hearing Australia introduced a new hearing aid range which has provided clients with access to a greater range of devices and new features.

As part of our commitment to making it easier and faster for clients to access our services, we further explored remote models of service delivery, streamlining of our client journeys and more closely tailoring services to respond to client needs.

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

We are building our workforce capability, including providing training for key management roles to foster resilience and high performance in the context of rapid change. We have offered staff opportunities to work flexibly while ensuring our business needs are met.

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



Our hearing centre team in Mackay, Queensland.

Business Transformation

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

Client needs are evolving, and clients want their hearing products and services to be available when and where they need them. One of our learnings is that our clients want easier access to hearing help through telehealth services, contactless touch points and more convenient locations. Clients also told us that they wanted reduced wait times for services.

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

In February 2023, Hearing Australia introduced a new 'Hearing Australia' branded hearing aid range, which has provided clients with access to a greater range of devices that include streaming access, bimodal capability with most cochlear implants and access to rechargeability if desired or clinically required. The range of models includes Receiver in the Ear, Behind the Ear and custom models, and directionality for greater spatial awareness and hearing in noise capabilities. The models come in a range of colours to suit clients' varying tastes. The new devices also support greater adoption of teleaudiology services, enabled by advanced app technology and fitting software. Children under five years of age now also have the option of a fully subsidised rechargeable aid, offering both safety and environmental benefits.

During the year, we explored opportunities with providing 'Direct to Consumer' services. In line with our aim to provide services to clients when and how they want them, this model provides clients with the flexibility of telehealth consultations and the option to purchase hearing solutions in the comfort of their home or office – indeed, or anywhere convenient to them.

We have also worked to modernise our online presence, developing a new website which, in the future, will provide a capability to support an optimised self-service journey. From the point of launch it will offer online appointment bookings for a broader cohort of clients and its content will be translated into nine additional community languages. The website is planned for formal launch in 2023-24.

At the close of the Financial Year, Hearing Australia was awaiting Reconciliation Australia's endorsement of its second Stretch Reconciliation Action Plan (RAP), with preparations under way to implement the plan during 2023-24. The implementation of the RAP will have tangible benefits for our staff with a renewed commitment to reconciliation, a more culturally safe workplace and enhanced delivery of culturally safe services. The RAP's commitments align strongly with Priority Three of the National Agreement on Closing the Gap – *Transforming Government Organisations* – and focus on delivering services in partnership with Aboriginal and Torres Strait Islander organisations, communities and people; embedding and practicing meaningful cultural safety; supporting Aboriginal and Torres Strait Islander cultures; and improving engagement with Aboriginal and Torres Strait Islander people.

During 2022-23, we completed the replacement of our legacy core ICT systems which support Practice Management, Customer Relationship Management and Enterprise Resource Management. In 2023-24 work will continue to optimise the new platform to realise the benefits of this transformation.

Our People - building capability, resilience and wellbeing

Our people are the key to our success. During 2022-23 we have focused on lifting the capabilities of our workforce while supporting greater workplace flexibility, engagement, wellbeing, resilience and diversity. Key areas of focus have included development of a Strategic Workforce Plan which identifies the key workforce actions and initiatives that are required to support the achievement of our strategic priorities. This includes continuing to be an employer of choice for high quality talent and building the skills and capabilities we need for the future.

During 2022-23 we also provided staff with access to *MindTools* – an online platform which hosts over 3,000 resources designed to improve performance and develop skills through on demand online learning. Topics covered range from decision making and strategic thinking, time management, customer service, managing people and teams, financial management and leadership and strategy.

During the financial year we also ensured that all our clinical employees maintained accreditation for clinical practice from either Audiology Australia, the Hearing Aid Audiology Society of Australia or the Australian College of Audiology.

Keeping our people and our clients safe is our number one priority. During the year, we launched our *Wellbeing Strategy 2022-24*, which provides the framework to support our commitment to provide a coordinated, holistic approach to staff wellbeing. The Strategy is informed by data and engagement from employees, as well as national research and best practice and supports our 2022-26 Corporate Plan priority of being a Purpose Driven Organisation and to 'significantly lift the capabilities of our workforce while driving greater flexibility, engagement and wellbeing'. The Wellbeing Strategy aims to:

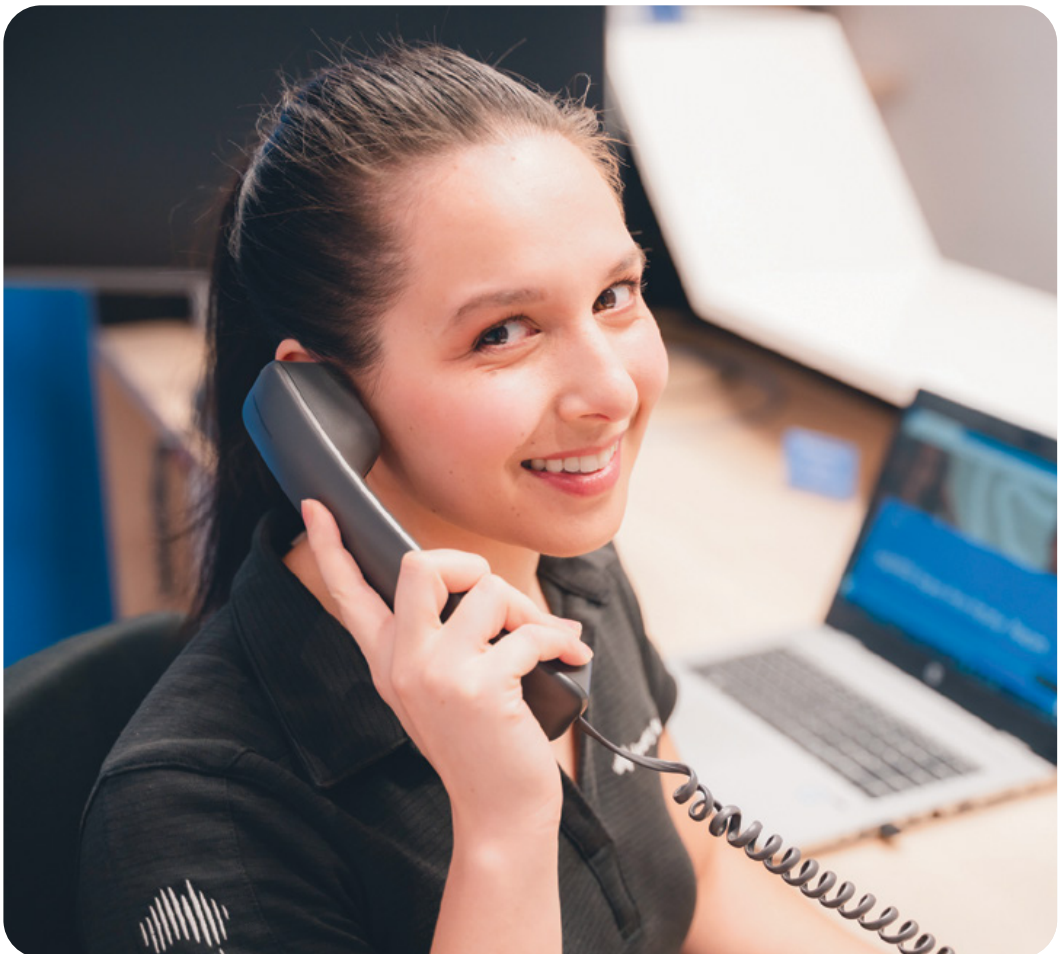
- create a safe, supportive and respectful culture that is conducive to optimal individual mental health and wellbeing.
- adopt a holistic approach to collectively and collaboratively promoting and supporting workplace mental health and wellbeing.
- recognise and celebrate the diverse experiences of our people in promoting and supporting mental health and wellbeing.
- use evidence based practice, evaluation and feedback to inform continuous improvement.

We are continuously improving our performance in making our workplace injury free while meeting our obligations under the *Work Health and Safety Act 2011* and the *Safety, Rehabilitation and Compensation Act 1988*. We promote health and wellbeing awareness amongst employees.

In 2022–23, our staff had access to:

- workplace assessments and ergonomic equipment.
- early intervention support for injury to support return to work.
- wellbeing programs including access to the Fitness Passport program, 15 minute challenge, and our monthly wellbeing publication Good Vibrations.
- work role specific safety and wellbeing training, with a focus on psychological wellbeing.
- influenza vaccinations.

The Hearing Australia Workers compensation prescribed rate for 2022–23 was 0.26 per cent (indicative), an improvement on the previous year's rate of 0.38 per cent and which compares favourably with the average for Australian Government entities in the Comcare scheme of 0.84 per cent in 2022–23. This improvement demonstrates our ongoing commitment to injury prevention and early intervention. The ability to prevent injury and manage lost time and resultant claim costs contributes to an improved capacity to provide services to our clients and retain our valued employees. There have been no regulatory notices issued by Comcare for 2022–23.





Kim Terrell, Rob Priddin, Kim Jones and Professor Jody Currie.

Together Towards Tomorrow – First Nations Conference 2023

The conference theme *Together Towards Tomorrow* was brought to life during our First Nations Staff Conference, held from 3-4 May 2023.

The conference provided the opportunity for Hearing Australia's First Nations employees to come together in person for the first time since 2019.

During the conference, staff members Ann Cross, Kirrallee Cross, Kim Jones, Sharon Simpson and Kerri-Ann Hurst received their 10 year service awards, presented by Hearing Australia Board Director and Yugambeh woman Professor Jody Currie.

Staff member Joanne Cronin was also presented with her 20 year service award.

Attendees discussed the conference themes of Achievement, Growth, Wellbeing and Empowerment, future directions for Hearing Australia's First Nations services and new findings in First Nations hearing research.

Attendees also undertook professional and personal development training and discussed the developing Reconciliation Action Plan with Managing Director Kim Terrell, who spoke to the group about the significant role this team plays within the organisation and the important contribution they make.

Managing Risk and Compliance

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

The Hearing Australia Board oversees risk management and internal control within Hearing Australia, including approving and regularly reviewing the organisation's risk appetite, in alignment with the Commonwealth Risk Management Policy, on advice from the Managing Director, the Chief Risk Officer and the Board's Audit and Risk Management Committee. Members of the Executive Team are responsible for implementing risk management within their business and operational units, and report regularly to the Chief Risk Officer and Managing Director.

Our approach to risk and compliance

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

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

Our strategic risks

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

Competition and Competitive Neutrality

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

Corporate Planning

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

In 2022–23, Hearing Australia prepared a Corporate Plan which met these requirements.

Reporting and Analysis

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

Financial Performance

During 2022–23 Hearing Australia generated \$284 million in total revenue, some \$16 million or 5.6 per cent higher than the preceding year.

This result was largely due to increased revenue from client services and was a record for the organisation. It was also achieved despite the lingering impact of the pandemic on our clients and workforce.

We also produced a small operating loss of \$5.1 million to 30 June 2023, in line with our Corporate Plan target.

This was the result of internal strategic investments in technology which will transform the organisation's services. Hearing Australia continues to have a strong balance sheet.

Further details of our financial performance are in the Financial Statements and our Annual Performance Statement. Hearing Australia's financial results have been audited by the Australian National Audit Office, in its role as Hearing Australia's external auditor.

Additional Supporting Information

Annual Performance Statement

Chair's Statement

I, Elizabeth Crouch AM, as the Chair of the accountable authority, which is the Board of Hearing Australia, present the 2022–23 Annual Performance Statement of Hearing Australia, as required under paragraph 39(1)(a) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). It is the opinion of the Board that this annual performance statement is based on properly maintained records and accurately reflects the performance of the entity during the period and complies with subsection 39(2) of the PGPA Act.

Purpose

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

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

Performance Analysis

Hearing Australia managed to achieve most of its Corporate Plan goals for the 2022–23 period, despite the challenging impacts of the pandemic.

We provided services to 69,959 Community Service Obligations (CSO) program clients which was some 4,041 less than our target. The shortfall was primarily due to reduced clinician capacity caused by COVID-related illnesses, leading to challenges in attending to clients, including outreach, particularly during Q1.

Client satisfaction levels remain consistently high across all client cohorts, and staff engagement continues to be positive, although there are growing challenges of retaining and attracting high quality personnel.

The HAPEE program has shown commendable progress, exceeding the set targets. Notably, both the number of children seen and number of locations visited have successfully met the program's objectives. Furthermore, our engagement with the Government remains strong and was a pivotal area of focus throughout the year.

The following table outlines the results achieved by Hearing Australia against the specific activities and targets outlined in our 2022–23 Corporate Plan.

Notes supplementing each KPI are also included, providing context to the metric.

Performance Activities

Strategic Pillars	Priority Area	Performance Measurement	Target 2022-23	Results Achieved 2022-23
Delivering Excellent Outcomes	To make it easier, faster and better for our clients to get the help and outcome that improves their quality of life	1. Adult client satisfaction rates	86-90	87
		2. Number of CSO clients seen	74,000	69,959
		3. Percentage of children and young adults with a permanent hearing loss seen within two weeks of referral	85%	85%
	To make a significant contribution to the prevention of hearing loss in high-risk communities	4. Number of First Nations children aged 0-6 years seen	14,400	14,435
		5. Number of First Nations communities visited	270	287
		6. First Nations Action Plan Milestones	Achieved	On Track
		7. Percentage of First Nations children aged 0-6 with a hearing loss	25%	25%
Providing Great Value to Government & Partners	To deliver greater value for Government and partners	8. Research milestones	Achieved	Achieved
		9. Quality of advice given and support to Government and Partners	Achieved	Achieved
Being a High Performing Organisation	Grow our workforce wellbeing, capability and alignment	10. Staff engagement and wellbeing survey results	>70%	70%

The source of these activities is the 2022-23 to 2025-26 Corporate Plan.

Detail on Performance Measurements

1. **Client Satisfaction Rate** (appointments) is a measure based on all appointment and remains high across all cohorts despite the impact of COVID.
2. **Total CSO clients seen** is a unique count of clients seen for this cohort. This target was partially met due to reduced clinician capacity caused by the pandemic.
3. **85% of children and young adults with a permanent hearing loss, are seen within 2 weeks of receipt of referral.** In FY23, we achieved this target.
4. **HAP³ program children seen** is a unique count of children seen. The target was achieved despite the impact of the pandemic.
5. **HAP communities visited** is a unique count of Aboriginal and Torres Strait Islander locations the HAP team visited. The target was achieved despite the impact of the pandemic.
6. **First Nations Action Plan** was developed with extensive consultation and launched internally in May 2022. Implementation planning for Year 1 actions was underway by end of June.
7. **Percentage of First Nations children aged 0-6 with a hearing loss** - we achieved the set target of 25% of First Nations children are with a hearing loss.
8. **Research milestones** - in FY23, NAL⁴ successfully accomplished the project's success plan, which includes enhanced engagement with the Department of Health. One notable achievement is the implementation of the Hearing Awareness campaign.
9. **Quality of advice and support** - we provided extensive advice to the Minister for Government Services, other ministers and government departments in relation to our corporate responsibilities and key priorities. This advice was provided on time and to the necessary standards and acted upon.
10. **Capability program milestones** - significant inroads were made to uplift staff health and wellbeing, with the delivery of year one milestones of the Hearing Australia Wellbeing Strategy. Key initiatives of the workforce agenda progressed, including finalisation of the Strategic Workforce plan and training and development programs for leaders. Staff engagement levels remained stable despite the challenges of the pandemic.

3. HAP or HAPEE is the Hearing Assessment Program – Early Ears which provides hearing checks for First Nations children aged 0-6 years and who are not yet at full time school.

4. NAL is National Acoustic Laboratories - is the research division of Hearing Australia.

Financial Statements

Australian Hearing Services

ABN 80 308 797 003

Financial Statements – 30 June 2023

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General information

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

Hearing Australia is a corporate Commonwealth entity, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office

Level 5, 16 University Avenue
Macquarie University
NSW 2109

Principal place of business

Level 5, 16 University Avenue
Macquarie University
NSW 2109

A description of the nature of the entity's operations and its principal activities are included in note 1 of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 18 August 2023.



INDEPENDENT AUDITOR'S REPORT

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

Opinion

In my opinion, the financial statements of Australian Hearing Services, trading as Hearing Australia (the Entity) for the year ended 30 June 2023:

- (a) comply with Australian Accounting Standards – Simplified Disclosures 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 2023 and its financial performance and cash flows for the year then ended.

The financial statements of the Entity, which I have audited, comprise the following as at 30 June 2023 and for the year then ended:

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

Basis for opinion

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

Accountable Authority's responsibility for the financial statements

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

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

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

Auditor's responsibilities for the audit of the financial statements

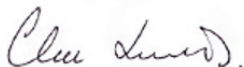
My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that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

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

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

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

Australian National Audit Office



Clea Lewis
Executive Director
Delegate of the Auditor-General

Canberra
18 August 2023

Statement by the Accountable Authority, Managing Director and Chief Financial Officer – For the year ended 30 June 2023

Australian Hearing Services

Trading as Hearing Australia

Statement by the Accountable Authority, Managing Director and Chief Financial Officer
For the year ended 30 June 2023

In our opinion:

- the attached financial statements for the year ended 30 June 2023 comply with the subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* ('PGPA Act'), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act;
- at the date of this statement, there are reasonable grounds to believe that Hearing Australia will be able to pay its debts as and when they fall due.

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

On behalf of the directors



Elizabeth Crouch AM
Chair



Kim Terrell
Managing Director



David Cuda
Chief Financial Officer

18 August 2023

Statement of profit or loss and other comprehensive income
For the year ended 30 June 2023

	Note	2023 \$'000	2022 \$'000
Revenue			
Revenue from contracts with customers	4	258,916	245,006
Grant Income	5	20,009	21,585
Other income	6	5,082	1,327
		284,007	267,918
Expenses			
Employee benefits	7	(146,580)	(136,803)
Goods and services received	8	(117,101)	(106,305)
Depreciation and amortisation	17,18,19	(21,683)	(21,409)
Lease rental	18	(1,615)	(1,642)
Workers compensation premiums		(376)	(499)
Finance costs	9	(1,770)	(1,095)
Total expenses		(289,125)	(267,753)
Surplus/(deficit) before income tax equivalent benefit		(5,118)	165
Income tax equivalent benefit	10	1,334	375
Surplus/(deficit) after income tax equivalent benefit for the year		(3,784)	540
Total comprehensive income for the year		(3,784)	540

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

Statement of Financial Position
For the year ended 30 June 2023

	Note	2023 \$'000	2022 \$'000
ASSETS			
Current assets			
Cash and cash equivalents		14,878	10,997
Trade and other receivables	12	3,977	4,031
Inventories	13	6,329	6,292
Prepayments		4,707	4,933
Contract assets from contracts with customers	14	4,069	2,886
Investments under s.59 of the PGPA Act	16	88,548	107,305
Other current assets	15	200	199
Total current assets		122,708	136,643
Non-current assets			
Property, plant and equipment	17	24,615	22,799
Right-of-use assets	18	48,422	47,478
Intangible assets	19	993	1,285
Deferred tax assets	20	22,386	20,261
Total non-current assets		96,416	91,823
Total assets		219,124	228,466
LIABILITIES			
Current liabilities			
Trade and other payables	21	16,732	17,463
Lease liabilities	18	11,892	11,584
Provisions	22	23,077	24,353
Contract liabilities for contracts with customers	23	13,461	14,634
Tax liabilities		791	287
Grant liabilities	5	8,041	13,749
Refund liabilities	24	1,008	748
Total current liabilities		75,002	82,819
Non-current liabilities			
Lease liabilities	18	45,001	43,699
Provisions	25	12,112	11,157
Total non-current liabilities		57,113	54,856
Total liabilities		132,116	137,674
Net assets		87,008	90,792
EQUITY			
Retained surplus		87,008	90,792
Total equity		87,008	90,792

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

Statement of Changes in Equity
For the year ended 30 June 2023

	Retained Surplus \$'000	Total Equity \$'000
Balance at 1 July 2021	90,252	90,252
Surplus after income tax equivalent benefit for the year	540	540
Total comprehensive income for the year	540	540
Balance at 30 June 2022	90,792	90,792

	Retained Surplus \$'000	Total Equity \$'000
Balance at 1 July 2021	90,792	90,792
Deficit after income tax equivalent benefit for the year	(3,784)	(3,784)
Total comprehensive income for the year	(3,784)	(3,784)
Balance at 30 June 2023	87,008	87,008

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

Statement of Cash Flows

For the year ended 30 June 2023

	2023 \$'000	2022 \$'000
Cash flows from operating activities		
Receipts from goods and services	274,344	260,864
Interest received	4,184	369
Royalty received	5	10
Net GST received	5,631	5,313
Payments to employees	(145,909)	(136,688)
Payments to suppliers	(128,250)	(118,707)
Income tax equivalent	(287)	(4,725)
Interest paid on lease liabilities	(1,539)	(987)
Net cash from operating activities	8,179	5,449
Cash flows from investing activities		
Payments for property, plant and equipment	(10,390)	(8,580)
Payments for intangibles	(564)	-
Net payments for investments under s.59 of the PGPA Act	18,758	18,395
Net cash from investing activities	7,804	9,815
Cash flows from financing activities		
Dividends paid	-	(761)
Principal paid on lease liabilities	(12,102)	(11,665)
Net cash used by financing activities	(12,102)	(12,426)
Net increase in cash and cash equivalents	3,881	2,838
Cash and cash equivalents at the beginning of the financial year	10,997	8,159
Cash and cash equivalents at the end of the financial year	14,878	10,997

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

Notes to the Financial Statements
For the year ended 30 June 2023

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Note 1. General Information

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

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

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

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 18 August 2023.

Note 2. Material 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.

New or amended Accounting Standards and Interpretations adopted

Adoption of New Australian Accounting Standard Requirements

Two amending standards (AASB 2021-2 and AASB 2021-6) were adopted earlier than the application date as stated in the standard. These amending standards have been adopted for the 2022-23 reporting period.

The following amending standards were issued prior to the signing of the statement by the accountable authority and chief financial officer, were applicable to the current reporting period and had a material effect on the entity's financial statements:

- *AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates (AASB 2021-2)*

AASB 2021-2 amends AASB 7, AASB 101, AASB 108, AASB 134 and AASB Practice Statement 2. The amending standard requires the disclosure of material, rather than significant, accounting policies, and clarifies what is considered a change in accounting policy compared to a change in accounting estimate.

- *AASB 2021-6 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards (AASB 2021-6)*

AASB 2021-6 amends the Tier 2 reporting requirements set out in AASB 1049, AASB 1054 and AASB 1060 to reflect the changes made by AASB 2021-2.

There are no changes to the accounting policies and no adjustments were made in the notes to the financial statements, and therefore there is no material impact as a result of these amending standards.

Basis of Preparation

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

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

Historical cost convention

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

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

Critical accounting estimates

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

Interests 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.

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 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 June 2023.

Restoration obligations

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

Lease term

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

Incremental borrowing rate

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

Recovery of deferred tax assets

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

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

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

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

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

Note 4. Revenue from contracts with customers

	2023 \$'000	2022 \$'000
Sale of goods	142,621	131,094
Rendering of services	116,295	113,912
	258,916	245,006

Disaggregation of revenue

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

	2023 \$'000	2022 \$'000
Major product & service lines		
Fittings and sales of devices	195,505	183,306
Hearing assessments and maintenance	63,411	61,700
	258,916	245,006
Geographical regions		
Australia	258,916	245,006
Timing of revenue recognition		
Goods and services transferred at a point in time	224,918	208,889
Goods and services transferred over time	33,998	36,117
	258,916	245,006

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. Grant income and liabilities

	2023 \$'000	2022 \$'000
Grant income	20,009	21,585
Grant liabilities	8,041	13,749

The Australian Government provides additional grants to Hearing Australia for the funding of various activities including: i) Ongoing research and development into hearing health, rehabilitation and prevention program, ii) Activities related to online hearing tests under the hearing services development program, and iii) Hearing assessment activities under the indigenous Australian health program.

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

Accounting policy for grant income and grant liabilities

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

Note 6. Other income

	2023 \$'000	2022 \$'000
Royalties	5	10
Rental income	39	36
Interest on deposits	4,738	481
Proceeds from Insurance claims	300	800
	5,082	1,327

Accounting policy for royalties

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

Note 7. Employee benefits

	2023 \$'000	2022 \$'000
Wages and salaries	105,547	98,538
Superannuation - Defined contribution plans	18,536	17,555
Leave and other entitlements	14,347	14,010
Taxes, separation and redundancies	8,150	6,700
	146,580	136,803

Note 8. Goods and services received

	2023 \$'000	2022 \$'000
Aids and appliances	63,057	59,481
Consultants	8,584	9,765
Contractors	3,138	1,791
Information and communication technology	10,640	10,291
Marketing	7,727	7,114
Property	5,845	4,980
Travel	6,734	5,050
Other	11,376	7,833
Goods and services received	117,101	106,305

Note 9. Finance costs

	2023 \$'000	2022 \$'000
Interest expense - Leases	1,539	987
Unwinding of discount on restoration provision liability	231	108
	1,770	1,095

Accounting policy for finance costs

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

Note 10. Income tax equivalent expense

	2023 \$'000	2022 \$'000
<i>Income tax equivalent benefit</i>		
Current tax	791	287
Deferred tax - origination and reversal of temporary differences	(2,125)	(662)
Aggregate income tax equivalent benefit	(1,334)	(375)
Deferred tax included in income tax equivalent benefit comprises:		
Increase in deferred tax assets (note 20)	(2,125)	(662)
<i>Numerical reconciliation of income tax equivalent benefit and tax at the statutory rate</i>		
Surplus/(deficit) before income tax equivalent benefit	(5,118)	165
Tax at the statutory tax rate of 30%	(1,535)	50
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Non-deductible expense/(Non-taxable income)	273	(261)
National Acoustic Laboratories exempt from income tax equivalent	(72)	(164)
Income tax equivalent benefit	(1,334)	(375)

The above amounts have been calculated as being payable to the Australian Government in the form of company income tax under the Income Tax Assessment Acts had they applied, in accordance with the accounting policy for competitive neutrality (note 11).

Accounting policy for taxation

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

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

Note 11. Competitive neutrality

	2023 \$'000	2022 \$'000
State tax equivalent expense	6,952	6,167
Commonwealth tax equivalent expense	791	287
Annual neutrality offset payment to the national workers compensation regulatory scheme	40	110
	7,783	6,564

Accounting policy for competitive neutrality

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

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

Note 12. Current assets –Trade and other receivables

	2023 \$'000	2022 \$'000
Trade receivables	2,764	3,433
Less: Allowance for expected credit losses	(71)	(113)
	2,693	3,320
Interest receivable	716	163
GST receivable	568	548
	1,284	711
	3,977	4,031

Allowance for expected credit losses

Hearing Australia has recognised a reversal of allowance for expected credit losses of \$42,000 in profit or loss for the year ended 30 June 2023. (2022: a reversal of allowance for expected credit losses of \$224,000).

Accounting policy for trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses.

Trade receivables for goods and services are generally due for settlement within 30 days from date of invoice and 3 days for DoH claims for payment.

Hearing Australia has applied the simplified approach to measuring the allowance for expected credit losses, which uses a lifetime expected loss allowance.

To measure the allowance for expected credit losses, trade receivables have been grouped based on days overdue.

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

Note 13. Current assets – Inventories

	2023 \$'000	2022 \$'000
Inventories held for sale – at cost	3,790	3,835
Inventories held for distribution – at cost	4,258	3,177
Less: Provision for impairment	(1,719)	(720)
	6,329	6,292

Inventory held for sale and distribution that was recognised as an expense in profit or loss amounted to \$63,057,000 for the year ended 30 June 2023 (2022: \$59,481,000).

Accounting policy for inventories

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

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

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

Note 14. Current assets – Contract assets from contracts with customers

	2023 \$'000	2022 \$'000
Services and sale of goods	4,187	2,988
Less: Allowance for expected credit losses	(118)	(102)
	4,069	2,886

Hearing Australia has recognised an increase of impairment of expected credit losses of \$16,000 in profit or loss for the year ended 30 June 2023 (2022: a reversal of impairment of \$20,000).

Accounting policy for contract assets

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

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

Note 15. Current assets – Other current assets

	2023 \$'000	2022 \$'000
Grants receivables	193	194
Security deposits	7	5
	200	199

Note 16. Current assets – Investments under s.59 of the PGPA Act

	2023 \$'000	2022 \$'000
Fixed term cash deposits	88,548	107,305

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. All fixed term cash deposits are carried at amortised cost.

Note 17. Non-current assets – Property, plant and equipment

	2023 \$'000	2022 \$'000
Leasehold improvements - at cost	41,193	50,882
Leasehold improvements - accumulated depreciation	(23,969)	(35,905)
	17,224	14,977
Plant and equipment - at cost	19,666	28,784
Plant and equipment - accumulated depreciation	(12,275)	(20,962)
	7,391	7,822
	24,615	22,799

Reconciliations

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

	Plant and equipment \$'000	Leasehold improvements \$'000	Total \$'000
Balance at 1 July 2022	7,822	14,977	22,799
Additions	2,979	7,813	10,792
Disposals	(20)	-	(20)
Depreciation expense	(3,390)	(5,566)	(8,956)
	7,391	17,224	24,615

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 18. Non-current assets - Leases

(i) Amount recognised in the statement of financial position

The balance sheet shows the following amounts relating to leases:

	2023 \$'000	2022 \$'000
Right-of-use-assets		
Property	47,896	46,327
Vehicles	486	601
Plant and equipment	40	550
	48,422	47,478
Lease liabilities		
Current	11,892	11,584
Non-current	45,001	43,699
	56,893	55,283

Additions of the right-of-use assets during the year ended 30 June 2023 were \$8,819,503 (2022: \$8,437,506).

(ii) Amount recognised in profit or loss

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

	2023 \$'000	2022 \$'000
Depreciation charge of right-of-use assets		
Property	10,836	10,533
Vehicles	496	522
Office equipment	544	498
	11,876	11,553
Interest expense (included in finance cost)	1,539	987
Expense relating to low-value leases (less than \$10,000 per asset) (included in lease rental expense)	391	269
Expense relating to short-term leases (included in lease rental expense)	1,224	1,373

The total cash outflow for leases for the year ended 30 June 2023 was \$13,641,543 (2022: \$12,651,284).

	2023 \$'000	2022 \$'000
Maturity analysis - contractual undiscounted cash flows		
Within one year	13,062	11,583
One to five years	26,789	23,246
More than five years	65	-
	39,916	34,829

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

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

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

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

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

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

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

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

Lease payments are allocated between principal and finance cost.

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

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

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If Hearing

Australia is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

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

(iv) Extension and termination options

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

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

(v) Residual value guarantees

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

Note 19. Non-current assets – Intangible assets

	2023 \$'000	2022 \$'000
Computer software internally developed – at cost	3,616	3,559
Computer software internally developed – less accumulated amortisation	(2,623)	(2,370)
	993	1,189
Computer software purchased – at cost	245	488
Computer software purchased – less: accumulated amortisation	(245)	(392)
	-	96
	993	1,285

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 2022	1,189	96	1,285
Additions	564	-	564
Disposals – written down value	-	(5)	(5)
Amortisation expense	(760)	(91)	(851)
Balance at 30 June 2023	993	-	993

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 20. Non-current assets – Deferred tax assets

	2023 \$'000	2022 \$'000
<i>Deferred tax asset comprises temporary differences attributable to:</i>		
Property, plant and equipment	(648)	(599)
Contract assets	(1,256)	(897)
Right of use assets	(14,527)	(14,243)
Accrued expenses	1,996	1,608
Contract liabilities	2,148	2,287
Provisions	10,557	10,653
Inventories	516	216
Intangible assets	6,499	4,620
Lease liabilities	17,068	16,585
Other temporary differences	33	31
Deferred tax asset	22,386	20,261
<i>Movements:</i>		
Opening balance	20,261	19,599
Credited to profit or loss (note 10)	2,125	662
Closing balance	22,386	20,261

Note 21. Current liabilities – Trade and other payables

	2023 \$'000	2022 \$'000
Trade creditors and accrued expenses	8,889	10,964
Salaries and wages	7,843	6,499
	16,732	17,463

Accounting policy for trade and other payables

These amounts represent liabilities for goods and services provided to Hearing Australia prior to the end of the financial year and which are unpaid. Due to their short-term nature, they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Note 22. Current liabilities – Provisions

Provisions	2023 \$'000	2022 \$'000
Employee benefits	22,353	23,243
Restoration obligations	724	1,109
	23,077	24,353

Restoration obligations

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

Employee benefits

In the current year, the organisation re-assessed the classification of long service leave where an employee has reached 10 years. This is now classified as a current liability. In practice, the entity expects approximately 9% of long service leave to be taken in the next 12 months. The assumption is supported by a third-party actuary report. Prior year comparative long service leave has been reclassified to align with current year presentation. This has no effect on the prior year surplus or net assets of Hearing Australia.

Accounting policy for provisions.

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

Accounting policy for employee benefits

Short-term employee benefits

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

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

Superannuation benefits

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

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

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

Note 23. Current liabilities – Contract liabilities for contracts with customers

	2023 \$'000	2022 \$'000
Maintenance and Hearing Services Card	13,018	13,862
Government funding for goods and services	443	772
	13,461	14,634

Accounting policy for contract liabilities

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

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

Note 24. Current liabilities – Refund liabilities

	2023 \$'000	2022 \$'000
Current		
Refund liabilities	1,008	748

Accounting policy for refund liabilities

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

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

Note 25. Non-current liabilities - Provisions

	2023 \$'000	2022 \$'000
Employee benefits	5,230	5,013
Restoration obligations	6,882	6,144
	12,112	11,157

Refer to note 22 for information on the classification of the employee benefits liability.

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 191 (2022: 179) agreements for the leasing of premises which have provisions requiring Hearing Australia to fully or partly restore the premises to their original condition at the conclusion of the lease.

Movement in provisions

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

	Restoration obligations \$'000
Balance at 1 July 2022	7,253
Additional provisions recognised	575
Provision write backs	(40)
Makegood utilisation	(176)
Makegood revaluation	(237)
Unwinding of discount	231
Balance at 30 June 2023	7,606

Accounting policy for other long-term employee benefits

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

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

Note 26. Dividends paid and payable

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

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

Note 27. 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.

	2023 \$	2022 \$
Short-term employee benefits	2,905,294	2,849,773
Post-employment benefits	386,874	354,358
Other long-term benefits	33,449	23,218
Termination benefits	106,706	-
Total aggregate compensation of KMP	3,432,323	3,227,349

Short term employee benefits include estimated bonuses of \$279,486 that are not yet finalised at the time of preparing this report (2022: \$268,901).

There were no material related party transactions with KMP.

The total number of KMP that are included in the above table are 15 (2022:13).

	Directors	Senior Executives
The KMP movements for the year are set out below:		
KMP as at 1 July 2022	6	6
<i>Incoming during the year</i>	3	-
Total KMP included in this year's aggregate compensation	9	6
<i>Outgoing during the year</i>	(1)	(1)
KMP as at 30 June 2023	8	5

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 28. Remuneration of Auditors

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

	2023 \$	2022 \$
Audit services:		
Audit of financial statements	141,000	137,000

Note 29. Contingent liabilities

Hearing Australia had no contingent liabilities or assets as at 30 June 2023 and 30 June 2022.

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 30. Commitments

	2023 \$'000	2022 \$'000
Lease commitments - Operating		
Committed at the reporting date and recognised as liabilities, payable:		
Within one year	57	265
One to five years	7	22
	64	287
Capital commitments		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	641	1,189
One to five years	-	-
More than five years	-	-
	641	1,189

Commitments are GST exclusive.

Note 31. Related party transactions

Related party relationships

Hearing Australia is an Australian Government controlled entity. Given the breadth of Government activities, related parties may transact with the government sector in the same capacity as ordinary citizens. Such transactions include the payment by Hearing Australia of taxes, workers compensation and receipt of grants and payments under the hearing services program.

Giving consideration to relationships with related entities, and transactions entered into during the reporting period by the entity, it has been determined that there are no related party transactions to be separately disclosed.

Note 32. Events after the reporting period

On 1 July 2023 our new CRM/ERP system, FOCUS was implemented. This is the result of a program built on the Microsoft Dynamics 365 platform. The integrated FOCUS system is expected to bring long-term benefits to our operations however, we anticipate a disruption period of at least three months during the 2023/2024 financial year as we transition and bed down the new processes and upskilling of the system occurs across the business users.

This disruption is expected to have short-term effects on certain aspects of our financial performance but will not affect the long-term viability of the organisation.

Other than the above, no matter or circumstance has arisen since 30 June 2023 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.

Glossary

Acronym/ Specialist Term	Expansion/Meaning
ACCHO	Aboriginal Community Controlled Health Organisation
AHS Act	<i>Australian Hearing Services Act 1991</i> , Hearing Australia's enabling Act, which establishes and governs us as a corporate Commonwealth entity.
ANAO	The Australian National Audit Office, Hearing Australia's External Auditor
APS	Australian Public Service. Hearing Australia's staff are not engaged under the Australian Public Service Act (but the <i>Australian Hearing Services Act 1991</i>), and so are not regarded as members of the APS.
APSC	Australian Public Service Commission
ARMC	Audit and Risk Management Committee (of the Board)
Commercial Services	Services offered in competitive aspects of the Australian market. Predominantly covers HSP (Voucher) services
Corporate Plan (CP)	Strategic Plan, covering the forward four years and required to be provided to the Minister for Government Services and the Finance Minister
CRM/ERP	Customer Relationship Management/ Enterprise Resource Planning - referring to ICT system
CSC	Customer Service Centre – centrally handles calls and other non-clinical client interactions. Based at Port Macquarie, NSW.
CSO	Community Services Obligations (CSO) program is a sub-program of the HSP. Covers services to children and young people under the age of 26 years, including First Nations children and young adults and adults with complex needs and eligible First Nations adults. Hearing Australia is the only provider of these services in Australia.
DSS	Commonwealth Department of Social Services
DVA	Commonwealth Department of Veterans' Affairs
DTC	Direct To Consumer
EA	Enterprise Agreement
FTE	Full Time Equivalent
FY	Financial Year
GN Hearing	Hearing Australia's major supplier of hearing devices

Acronym/ Specialist Term	Expansion/Meaning
HAPEE	Hearing Assessment Program – Early Ears
HSP	Hearing Services Program – funded by the Department of Health and Aged Care, and covers services for eligible pensioners and veterans, plus services under the CSO.
HSP (Voucher)	The elements of the HSP which do not include the CSO.
KPI	Key Performance Indicator
NACCHO	National Aboriginal Community Controlled Health Organisation
NAL	National Acoustic Laboratories – the research division of Hearing Australia
NDIS Early Intervention Pathway	This pathway fast-tracks NDIS eligibility testing and the provision of an interim NDIS plan for young children who have a hearing impairment, resulting in children and families gaining rapid access to the NDIS and having a plan approved within two weeks, on average.
Network	Hearing Australia's footprint of Hearing Centres which deliver services nationwide, often also used to refer to the staff who work in these locations
PGPA Act	<i>Public Governance Performance and Accountability Act 1993</i> – governs Hearing Australia's systems of financial and performance management, systems of internal control and risk management and reporting obligations to Government
P&L	Profit and Loss
RAP	Reconciliation Action Plan
VOTC	Voice of the Client – client satisfaction survey
YTD	Year To Date

Appendices

Appendix 1: Board of Directors

Board appointments

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

The Minister for the National Disability Insurance Scheme (NDIS) and Minister for Government Services, the Hon Bill Shorten MP, announced in June 2023 the appointment of three new members of the Hearing Australia Board and the reappointment of an existing Board member.

The new Board members were Professor Sharon Goldfeld, Dr Stephen Parnis and Dr Jim Hungerford. Ms Sarah Vaughan completed her service with the Board on 31 March 2023.

Directors' details

**Elizabeth Crouch AM, BEc, M.Cyber
FAICD, Chair**

Ms Elizabeth Crouch AM was appointed Chair of Hearing Australia's Board of Directors on 10 April 2022 for a term of three years, following a period as Non Executive Director from September 2020.

Ms Crouch brings strong government and policy expertise and extensive Non Executive Director experience to Hearing Australia's Board including as a board member for ReadyTech, Health Infrastructure and the NSW Institute of Sport. She also chairs Audit and Risk Committees for the State Emergency Service and the Independent Pricing and Regulatory Tribunal and NSW DEET. Ms Crouch also chairs the boards of the Customer Owned Banking Association and the Sydney Children's Hospital Network and has held previous roles on the boards of Ochre Health, Bingo Industries, Angus Knight and ASX listed Chandler Macleod and McGrath Estate Agents.

Ms Crouch is the Emeritus Deputy Chancellor of Macquarie University and is skilled in business strategy and delivery, cyber security, enterprise risk management, leadership and mentoring, Government and stakeholder relations and culture change. She is also a Fellow of the Institute of Company Directors and a member of the Association of Certified Fraud Examiners (ACFE).

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

Mr Kim Terrell was appointed Acting Managing Director of Hearing Australia on 1 March 2018 and Managing Director on 30 August 2018.

Mr Terrell's extensive career includes working as a senior executive within the Department of the Prime Minister and Cabinet, the Department of Human Services, the Attorney-General's Department and several small agencies. He played a key role in establishing the Digital Transformation Office (DTO), the Australian Sports Anti-doping Authority (ASADA) and CrimTrac, and is highly experienced in building innovative, high performing teams. Mr Terrell 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 received four Australia Day awards. In addition to his professional achievements, Mr Terrell was an Australian Swim Team member from 1981-1986. During this time Mr Terrell won ten national titles, established six Australian records and attended the 1982 Commonwealth Games and 1984 Olympics.

Professor Jody Currie, Non Executive Director, BA, MAICD

Professor Jody Currie is currently a Professor of Practice at the Queensland University of Technology in the Health Faculty. Professor Currie has over 20 years' experience in health, housing and human service delivery, with a particular focus on vulnerable families and Aged Care, working in several senior positions in both the community and government sector.

Professor Currie was most recently Chief Executive Officer of the Aboriginal and Torres Strait Islander Community Health Service (ATSICHS) Brisbane.

She established ATSICHS Brisbane as a Nationally Registered Early Childhood Education provider, a Nationally Registered Housing Provider, and a Registered National Disability Insurance Scheme Provider.

Professor Currie is an appointed member to the Federal Government's National Aged Care Advisory Council and is currently a Non Executive Director on Cape York Partnership, Brisbane North Primary Health Care Network, TAFE QLD and has expertise in Government and Stakeholder engagement.

Professor Sharon Goldfeld, Non Executive Director, PhD, MBBS(Hons), FAFPHM, FRACP (from 7 June 2023)

Professor Sharon Goldfeld is a paediatrician, researcher and policy advisor focussing on child development and health equity. She is Director of the Centre for Community Child Health at the Royal Children's Hospital's, and Theme Director for Population Health at the Murdoch Children's Research Institute. With a decade of experience in state government as a senior policymaker in health and education, including holding the role of Principal Medical Advisor in the Victorian Department of Education and Training, Professor Goldfeld is uniquely positioned to seamlessly straddle research, policy, and practice. Her expertise is highly sought after with appointments to government Expert Advisory Groups in health, education and social services departments including her recent appoint to the National Early Years Strategy Advisory Group.

Dr Jim Hungerford, Special Purpose Director, BVSc, GAICD (from 7 June 2023)

Dr Jim Hungerford has over 10 years' experience in the hearing and not for profit sectors in Australia and was appointed to the Hearing Australia Board in June 2023. From 2011-23, Dr Hungerford was the Chief Executive Officer of The Shepherd Centre, a world leading early intervention support service for children with hearing problems. During this time, Dr Hungerford was also the Chair of First Voice, a peak body for eight charities which focus on providing listening and spoken language therapy services to children who are deaf or hearing impaired. Dr Hungerford was a member of the NDIS Early Intervention Hearing Expert Reference Group from 2017-19 and a member of the NSW Government Ministerial Standing Committee on Hearing from 2011-12. Dr Hungerford is currently a member of the Board of the NSW Returned Services League (since 2022), and the Board of the Fundraising Institute of Australia (since 2018). Dr Hungerford held early career roles in veterinary, biotechnology and pharmaceutical companies in Australia and overseas, in private veterinary practice and in the Australian Army Reserve. He is a Graduate Member of the Australian Institute of Company Directors (AICD) and holds a Bachelor of Veterinary Science from the University of Sydney.

Kim Keogh, Special Purpose Director

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

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

Ms Liew brings extensive public and private health experience, including in the ageing sector, and has a strong commercial background in finance, retail, transport, food, and mergers and acquisitions. She also chairs various risk, finance and audit committees, including the Central Coast Local Health District. Ms Liew is a Fellow of CPA Australia as well as being a Chartered Accountant with extensive experience in leadership and senior technical roles as audit, assurance and advisory partner for major accounting firms.

Dr Stephen Parnis, Non Executive Director, MBBS, PGDipSurgAnat, FACEM, FAICD (from 7 June 2023)

Dr Stephen Parnis was appointed to the Board in June 2023 and is an accomplished medical specialist, experienced company director and opinion leader and advocate. As a senior specialist in emergency medicine, he has played leadership roles across hospitals in regional and metropolitan Victoria, in the provision of clinical care, education, research and clinical administration in the public and private hospital sectors. As a company director in the medical and professional insurance industries for over 16 years, Dr Parnis has contributed to the governance of professional associations and the medical indemnity sector. His leadership within the medical profession and influence in the wider community began in 2004 in areas including public health, industrial relations and workforce policy, end of life care, health funding and medical ethics. He continues to advise medical and political leaders on medical practice and health policy, and to speak on matters of public importance.

**Sarah Vaughan, Non Executive Director,
MIT, GradDip Comm, Mgt
(to 31 March 2023)**

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

Board Governance

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

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

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

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

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

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

- recommending to the Minister the appointment and termination (if necessary) of the Managing Director, and
- delegating to management the day to day running of Hearing Australia.

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

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

The Board meets on a regular basis and has a number of committees. Table A1.1 lists the qualifications and experience of each Board member and the number of formal meetings attended by each member during 2022-23.

Induction

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

Confidentiality

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

Indemnity and Insurance of Officers

During the year, Hearing Australia paid a premium of ex GST \$112,300 to insure the Directors and Officers of Hearing Australia. The liabilities insured were legal costs and other expenses that may be incurred in defending any civil or criminal proceedings brought against them in their capacity as Directors and Officers of Hearing Australia.

Performance Assessment

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

Certification

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

Independent Professional Advice

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

Table A1.1: Details of Accountable Authority during the reporting period (2022–23)

Name	Qualifications of the Accountable Authority	Experience of the Accountable Authority	Position Title / Position held Executive / Non Executive	Period as the accountable authority or member within the reporting period		
				Date of Commencement	Date of cessation	Number of meetings of accountable authority attended
Ms Elizabeth Crouch AM	Bachelor of Economics, FAICD, Masters in Cyber Security	Ms Crouch brings strong government and policy expertise and extensive Non Executive Director experience to Hearing Australia's Board including as a board member for ReadyTech, Health Infrastructure and the NSW Institute of Sport. She also chairs Audit and Risk Committees for the State Emergency Service and the Independent Pricing and Regulatory Tribunal and NSW DEET. Ms Crouch also chairs the boards of the Customer Owned Banking Association and the Sydney Children's Hospital Network and has held previous roles on the boards of Ochre Health, Bingo Industries, Angus Knight and ASX listed Chandler Macleod and McGrath Estate Agents.	Director Non Executive, Chair	1 July 2022	30 June 2023	9
Mr Kim Terrell	BA, Master's Degree in Public Policy	Ms Crouch is the Emeritus Deputy Chancellor of Macquarie University and is skilled in business strategy and delivery, cyber security, enterprise risk management, leadership and mentoring, Government and stakeholder relations and culture change. She is also a Fellow of the Institute of Company Directors and a member of the Association of Certified Fraud Examiners (ACFE).	Managing Director/ Executive	1 July 2022	30 June 2023	9

Name	Qualifications of the Accountable Authority	Experience of the Accountable Authority	Position Title / Position held Executive / Non Executive	Period as the accountable authority or member within the reporting period		
				Date of Commencement	Date of cessation	Number of meetings of accountable authority attended
Professor Jody Currie	Bachelor's Degree – Ethnic, Cultural, Gender and Group Studies	<p>Currently a Professor of Practice at the Queensland University of Technology in the Health Faculty.</p> <p>Has over 20 years' experience in health, housing and human service delivery, with a particular focus on vulnerable families and Aged Care, working in several senior positions in both the community and government sector.</p> <p>Most recently was Chief Executive Officer of the Aboriginal and Torres Strait Islander Community Health Service (ATSICHS) Brisbane.</p> <p>Appointed member to the Federal Government's National Aged Care Advisory Council and is currently a Non Executive Director on Cape York Partnership, Brisbane North Primary Health Care Network, TAFE QLD and has expertise in Government and Stakeholder engagement.</p>	Director Non Executive	1 July 2022	30 June 2023	8
Professor Sharon Goldfeld	Doctor of Philosophy Bachelor of Medicine/ Bachelor of Surgery	<p>Extensive experience in the fields of paediatrics, research and policy advice.</p> <p>Director of the Centre for Community Child Health and the Royal Children's Hospital. Theme Director for Population Health and the Murdoch Children's Research Institute.</p> <p>Holds a decade of experience in state government as a senior policymaker in health and education, including as Principal Medical Advisor in the Victorian Department of Education.</p> <p>Has been appointed to Expert Advisory Groups in health, education and social services departments, including the National Early Years Strategy Advisory Group.</p>	Director Non Executive	7 June 2023	30 June 2023	0

Table A1.1: Details of Accountable Authority during the reporting period (2022–23)

Name	Qualifications of the Accountable Authority	Experience of the Accountable Authority	Position Title / Position held Executive / Non Executive	Period as the accountable authority or member within the reporting period		
				Date of Commencement	Date of cessation	Number of meetings of accountable authority attended
Dr Jim Hungerford	Bachelor of Veterinary Science Graduate Member of the Australian Institute of Company Directors	Experience of the Accountable Authority Holds over 10 years' experience in the hearing and not-for-profit sectors in Australia. Formerly the Chief Executive Officer of The Shepherd Centre a world leading early intervention support service for children with hearing problems. Was also formerly the Chair of First Voice, a peak body for eight charities which focus on providing listening and spoken language therapy services to children who are Deaf or hearing impaired. Member of the NDIS Early Intervention Hearing Expert Reference Group 2017-19 and member, NSW Government Ministerial Standing Committee in Hearing 2011-12. Holds Board roles for the NSW Returned Services League and the Fundraising Institute of Australia.	Special Purpose Board Director Non Executive	7 June 2023	30 June 2023	1
Mr Kim Keogh		Previously a Director of Australian Hearing over the period 2007 to 2013. Executive Director of Darlot Brothers Pty Ltd. Government relations/public affairs advisor to Atlas Iron Ltd, Pilbara Minerals Ltd and Balla Balla Infrastructure Pty Ltd. Previously a member of the National Heritage Trust Advisory Board, Chair of the Ministerial Reference Group (Agriculture and Environment), member of the National Weeds Advisory Group and pastoralist. He is a member of the Australian Institute of Company Directors.	Special Purpose Board Director Non Executive	1 July 2022	30 June 2023	8

Table A1.1: Details of Accountable Authority during the reporting period (2022–23)

Name	Qualifications of the Accountable Authority	Experience of the Accountable Authority	Position Title / Position held Executive / Non Executive	Period as the accountable authority or member within the reporting period		
				Date of Commencement	Date of cessation	Number of meetings of accountable authority attended
Ms Shirley Liew	Bachelor of Business, MBA, GDip Corporate Finance, FCPA, Fellow of the Australian Institute of Company Directors	Extensive public and private health experience, including in the ageing sector, and has a strong commercial background in finance, retail, transport, food, and mergers and acquisitions. Chairs various risk, finance and audit committees, including the Central Coast Local Health District. Fellow of CPA Australia and a Chartered Accountant with extensive experience in leadership and senior technical roles as audit, assurance and advisory partner for major accounting firms.	Director Non Executive	1 July 2022	30 June 2023	7
Dr Stephen Parnis	Bachelor of Medicine/ Bachelor of Surgery Postgraduate Diploma of Surgical Anatomy Fellow of the College of Emergency Medicine Fellow of the Australian Institute of Company Directors	Specialist in Emergency Medicine, in consultant practice at St Vincent's Hospital and the Royal Victorian Eye and Ear Hospital in Melbourne and has played leadership roles across hospitals in regional and metropolitan Victoria in the provision of clinical care, education, research and clinical administration in the public and private hospital sectors. Has held senior roles with the Australian Medical Association, culminating as Federal Vice President from 2014–16. Over 16 years' experience as a company director in the medical and professional insurance industries and has contributed to the governance of professional associations and the medical indemnity sector.	Director Non Executive	7 June 2023	30 June 2023	1

Table A1.1: Details of Accountable Authority during the reporting period (2022–23)

Name	Qualifications of the Accountable Authority	Experience of the Accountable Authority	Position Title / Position held Executive / Non Executive	Period as the accountable authority or member within the reporting period		
				Date of Commencement	Date of cessation	Number of meetings of accountable authority attended
Ms Sarah Vaughan	Graduate Diploma in Personal Management, Leadership, People Management and Operations, Australian Royal Military College Masters in Information Technology, Information Systems Management Graduate Diploma, Applied Data Analytics and Computer Science	Eight years' experience in the Army in a variety of Communications and Information Systems management roles. Formerly Senior Director at Microsoft Australia. Strong background in stakeholder engagement, product commercialisation and application of emerging technology. Founder, The Arché, a bespoke accelerator and seed fund helping Australian SMEs market test new products and scale-up. Member of Melbourne University's Industry Advisory Group and works with a wide range of Australian Universities on curriculum and student programmes on innovation and entrepreneurship. Director in an agricultural business in Western NSW, producing beef for the premium Australian and Asian export markets.	Director Non Executive	1 July 2022	31 March 2023	5

Appendix 2: Audit and Risk Management Committee

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

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

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

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

The Charter of the Audit and Risk Management Committee, which includes further details of Committee Membership, the roles and responsibilities of Members, and functions of the Committee, is available at: <https://www.hearing.com.au/getmedia/1fd9e052-52ab-4623-9ca3-1ec2b04f3def/ARMC-Charter.pdf>

Attendance at Meetings

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

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

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

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

The following table lists the number of formal meetings attended by each Committee member during 2022-23.

Table A2.1 Members of the Audit and Risk Management Committee

Member name	Qualifications, knowledge, skills or experience (include formal and informal as relevant)	Number of meetings attended / total number of meetings	Total annual remuneration (GST inc.)	Additional Information
Ms Shirley Liew	<p>Bachelor of Business, MBA, GDip Corporate Finance, FCPA, FAICD</p> <p>Ms Liew brings extensive public and private health experience, including in the ageing sector, and has a strong commercial background in finance, retail, transport, food, and mergers and acquisitions.</p> <p>Ms Liew also chairs various risk, finance and audit committees, including the Central Coast Local Health District.</p> <p>Ms Liew is a Fellow of CPA Australia as well as being a Chartered Accountant with extensive experience in leadership and senior technical roles as audit, assurance and advisory partner for major accounting firms.</p>	5/5	\$18,543	
Mr Ray Armstrong	<p>Extensive experience across areas including risk management, fraud, security and crisis management. Has worked in a wide variety of environments, including in the public sector as Head of Business Resilience for Water NSW, in the Queensland Police and the Australian Army; and in the private sector, including at Coca Cola Amatil and DHL Supply Chain. Qualifications include a Graduate Diploma in Public Policy and a Diploma of Investigations.</p>	2/5	\$12,702	Appointed from 10 November 2022
Mr Kim Keogh	<p>Previously a Director of Australian Hearing over the period 2007 to 2013. Executive Director of Darlot Brothers Pty Ltd. Government relations/public affairs advisor to Atlas Iron Ltd, Pilbara Minerals Ltd and Balla Balla Infrastructure Pty Ltd.</p> <p>Previously a member of the National Heritage Trust Advisory Board, Chair of the Ministerial Reference Group (Agriculture and Environment), member of the National Weeds Advisory Group and pastoralist. He is a member of the Australian Institute of Company Directors.</p>	4/5	\$9,277	

Table A2.1 Members of the Audit and Risk Management Committee

Member name	Qualifications, knowledge, skills or experience (include formal and informal as relevant)	Number of meetings attended / total number of meetings	Total annual remuneration (GST inc.)	Additional Information
Dr Stephen Parnis	<p>Bachelor of Medicine/Bachelor of Surgery, Postgraduate Diploma of Surgical Anatomy, Fellow of the College of Emergency Medicine</p> <p>Fellow of the Australian Institute of Company Directors</p> <p>Specialist in Emergency Medicine, in consultant practice at St Vincent’s Hospital and the Royal Victorian Eye and Ear Hospital in Melbourne and has played leadership roles across hospitals in regional and metropolitan Victoria in the provision of clinical care, education, research and clinical administration in the public and private hospital sectors.</p> <p>Has held senior roles with the Australian Medical Association, culminating as Federal Vice President from 2014-16.</p> <p>Over 16 years’ experience as a company director in the medical and professional insurance industries and has contributed to the governance of professional associations and the medical indemnity sector.</p>	0/5	\$71	Appointed 29 June 2023
Ms Sarah Vaughan	<p>Graduate Diploma in Personal Management, Leadership, People Management and Operations, Australian Royal Military College</p> <p>Masters in Information Technology, Information Systems Management</p> <p>Graduate Diploma, Applied Data Analytics and Computer Science</p> <p>Eight years’ experience in the Army in a variety of Communications and Information Systems management roles.</p> <p>Formerly Senior Director at Microsoft Australia.</p> <p>Strong background in stakeholder engagement, product commercialisation and application of emerging technology.</p> <p>Founder, The Arché, a bespoke accelerator and seed fund helping Australian SMEs market test new products and scale-up.</p> <p>Member of Melbourne University’s Industry Advisory Group and works with a wide range of Australian Universities on curriculum and student programmes on innovation and entrepreneurship.</p> <p>Director in an agricultural business in Western NSW, producing beef for the premium Australian and Asian export markets.</p>	4/5	\$6,895	Appointed to 1 March 2023
Ms Eliza Penny	Bachelor of Commerce, Partner at PWC	2/5	\$4,786	Appointed to 27 September 2022

Appendix 3: Remuneration and People Committee

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

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

The table below provides details of Directors' attendance at Committee meetings.

Name	Number of meetings attended / total number of meetings
Ms Elizabeth Crouch AM	3/3
Prof Jody Currie	3/3

Appendix 4: Executive Management and Governance

Executive Governance Structure

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

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

Kim Terrell, Managing Director

Refer to Directors' Details.

Gina Mavrias, Chief Operating Officer

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

Brent Edwards, Director NAL

Brent is the Director of the National Acoustic Laboratories, where he is currently leading research and innovation initiatives that focus on transforming hearing healthcare. For over 22 years he headed research and technology development at major hearing aid companies (GN ReSound, Starkey) and at Silicon Valley startups that have developed innovative technologies and clinical tools used worldwide. Brent founded and ran the Starkey Hearing Research Center in Berkeley, California that was a leading site for research in hearing impairment and cognition. He is a Fellow of the Acoustical Society of America, a Fellow and current President of the International Collegium of Rehabilitative Audiology, and an Adjunct Professor at Macquarie University. Brent received his Ph.D. in Electrical Engineering and Computer Science from the University of Michigan and was a Postdoctoral Fellow in Psychology at the University of Minnesota.

Mike Brett, Chief Information Officer

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

Robin Priddin, Chief People and Governance Officer

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

David Cuda, Chief Financial Officer

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

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

Stephen Jean, Chief Customer Officer - Acting (from 23 May 2023)

Stephen Jean joined the Customer Experience team of Hearing Australia in September 2020 and took up the role of acting Chief Customer Officer following the departure of Leigh Shaw in May 2023. He has held senior positions across marketing, customer experience and change management functions in Europe and Australia, with a number of blue chip organisations including Sony, Telstra and News Corp. One of his key strengths is taking on complex problems and developing and implementing simple solutions.

Leigh Shaw, Chief Customer Officer (to 22 May 2023)

Leigh Shaw joined the Hearing Australia executive team in January 2019 as the Chief Customer Officer and ceased working for Hearing Australia in May 2023. She has worked in Marketing, Insights and CX Design for the last 20 years, and has championed the voice of the customer through fast moving consumer goods (FMCG), retail, telecommunications and the building industry. She has served on the Australian and New Zealand leadership teams of Procter & Gamble, James Hardie and Nielsen.

Appendix 5: Key Staffing Statistics

All Ongoing Employees Current Report Period (2022-23)

	Male			Female			Non-binary			Prefers not to answer			Uses different term			
	Full-time	Part-time	Total	Full-time	Part-time	Total	Full-time	Part-time	Total	Full-time	Part-time	Total	Full-time	Part-time	Total	
NSW	121	4	125	243	149	392	0	0	0	0	0	0	0	0	0	517
QLD	35	6	41	98	89	187	0	0	0	0	0	0	0	0	0	228
SA	6	2	8	23	22	45	0	0	0	0	0	0	0	0	0	53
TAS	11	1	12	19	19	38	0	0	0	0	0	0	0	0	0	50
VIC	32	3	35	143	124	267	0	0	0	0	0	0	0	0	0	302
WA	10	2	12	36	31	67	0	0	0	0	0	0	0	0	0	79
ACT	1	0	1	10	5	15	0	0	0	0	0	0	0	0	0	16
NT	1	0	1	8	5	13	0	0	0	0	0	0	0	0	0	14
External Territories	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Overseas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	217	18	235	580	4444	1024	0	0	0	0	0	0	0	0	0	1259

All Non-Ongoing Employees Current Report Period (2022-23)

	Male			Female			Non-binary			Prefers not to answer			Uses different term			
	Full-time	Part-time	Total	Full-time	Part-time	Total	Full-time	Part-time	Total	Full-time	Part-time	Total	Full-time	Part-time	Total	
NSW	20	2	22	33	27	60	0	0	0	0	0	0	0	0	0	82
QLD	2	1	3	8	6	14	0	0	0	0	0	0	0	0	0	17
SA	1	0	1	0	2	2	0	0	0	0	0	0	0	0	0	3
TAS	0	0	0	2	2	4	0	0	0	0	0	0	0	0	0	4
VIC	0	0	0	7	30	37	0	0	0	0	0	0	0	0	0	37
WA	1	1	2	6	5	11	0	0	0	0	0	0	0	0	0	13
ACT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NT	1	2	3	4	12	16	0	0	0	0	0	0	0	0	0	19
External Territories	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Overseas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	25	6	31	60	84	144	0	0	0	0	0	0	0	0	0	175

All Ongoing Employees Previous Report Period (2021-22)

	Male			Female			Indeterminate			Total
	Full-time	Part-time	Total	Full-time	Part-time	Total	Full-time	Part-time	Total	
NSW	117	5	122	205	155	360	0	0	0	482
QLD	36	3	39	95	84	179	0	0	0	218
SA	7	1	8	22	22	44	0	0	0	52
TAS	7	0	7	19	19	38	0	0	0	45
VIC	30	4	34	135	122	257	0	0	0	291
WA	10	1	11	38	27	65	0	0	0	76
ACT	1	0	1	8	4	12	0	0	0	13
NT	2	0	2	9	3	12	0	0	0	14
External Territories	0	0	0	0	0	0	0	0	0	0
Overseas	0	0	0	0	0	0	0	0	0	0
Total	210	14	224	531	436	967	0	0	0	1191

Note: Categories for gender reporting have been updated for 2022-23. Data for 2021-22 is reported under the historical categories.

All Non-Ongoing Employees Previous Report Period (2021-22)

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

Note: Categories for gender reporting have been updated for 2022-23. Data for 2021-22 is reported under the historical categories.

Appendix 6: Information About Executive Remuneration

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

Table A6.1 lists the Key Management Personnel (KMPs) for 2022-23. This includes all Non Executive Directors and members of Hearing Australia's Executive. These individuals are identified as KMPs, consistent with the definition in the *Australian Accounting Standards Board (AASB) 124 Related Party Disclosures*.

A further 19 employees are regarded as 'Other Highly Paid Employees' for the purposes of the Commonwealth's remuneration reporting (Table 6.2 refers). 'Other Highly Paid Staff' are employees who are neither KMP nor senior executives and whose total remuneration exceeds the \$240,001 threshold for the 2022-23 reporting period.

Employment Arrangements

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

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

Fixed and Performance Based Pay

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

Remuneration for some employees consists of two components: a total guaranteed package and a variable 'at risk' component

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

Salary Increases

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

Those employees engaged under Hearing Australia's Enterprise Agreement received an annual pay increase of three per cent, additionally, eligible employees received a 1.8 per cent salary progression payment in 2022-23. Most employees on common law contracts received a 3.0 per cent annual salary increase for 2022-23.

Director Remuneration

All Hearing Australia Directors are appointed by the Minister for Government Services in accordance with section 16 of the *Australian Hearing Services Act 1991*. Board Fees for Directors are paid according to the determination of the Commonwealth Remuneration Tribunal (the Tribunal) under the *Remuneration Tribunal (Remuneration and Allowances for Holders of Part-time Public Office) Determination 2022*. Hearing Australia has no role in determining the level of Board Director fees. Statutory superannuation is paid in addition to the fees set by the Tribunal.

Managing Director Remuneration

The Managing Director's remuneration during 2022-23 was determined by the Board of Hearing Australia in line with the *Remuneration Tribunal (Principal Executive Officers - Classification Structure and Terms and Conditions) Determination 2022*.

Remuneration Governance Arrangements

Hearing Australia's Remuneration and People Committee advises the Board on matters relating to employee remuneration. Appendix 3 provides further details on the operation of this Committee.

2022-23 Remuneration Information

The following tables detail the remuneration paid to Hearing Australia KMPs and other highly paid staff in 2022-23

Table 6.1 Information about remuneration for Key Management Personnel

Name	Position Title	Base Salary	Bonuses	Other benefits and allowances	Superannuation contributions	Long Service Leave	Other long-term benefits	Termination Benefits	Total Remuneration
E A Crouch	Chair	79,791	0	0	8,389	0	0	0	88,180
J E Currie	Director	29,583	0	0	3,111	0	0	0	32,694
S J Vaughan	Director	32,931	0	0	3,458	0	0	0	36,389
S S Liew	Director	52,691	0	0	5,540	0	0	0	58,231
J W I Hungerford	Special Purpose Director	2,477	0	0	265	0	0	0	2,742
S J Parnis	Director	2,590	0	0	277	0	0	0	2,867
S R Goldfeld	Director	2,477	0	0	265	0	0	0	2,742
K W Keogh	Special Purpose Director	44,307	0	0	4,658	0	0	0	48,965
K C Terrell	Managing Director	380,112	57,338	0	55,431	8,722	0	0	501,603
L Shaw	Chief Customer Officer	298,066	52,820	0	43,268	0	0	106,706	500,860
D P Cuda	Chief Financial Officer	294,037	52,820	0	37,314	3,354	0	0	387,525
G Mavrias	Chief Operating Officer	328,494	58,494	27,017	65,428	2,114	0	0	481,547
M K S Brett	Chief Information Officer	384,226	0	0	65,811	6,350	0	0	456,387
R A Priddin	Chief People & Governance Officer	335,264	0	0	51,812	5,520	0	0	392,596
B Edwards	Director NAL Research	331,745	58,014	0	41,847	7,389	0	0	438,995
Total		\$2,598,791	\$279,486	\$27,017	\$386,874	\$33,449	\$0	\$106,706	\$3,432,323

Note: This information is reported as detailed in Resource Management Guide 138 - Commonwealth entities' executive remuneration reporting guide for annual reports. The PGPA Rule requires that this information be presented on an 'accrual' basis which means that there will be differences between the total remuneration amounts disclosed here and the amount included on an individual's annual payment summary, which is prepared on a cash basis.

Table 6.2 Information about remuneration for Other Highly Paid Staff

Remuneration Band	Number of other highly paid staff	Average base salary	Average bonuses	Average other benefits and allowances	Average superannuation contributions	Average long service leave	Average other long-term benefits	Average termination benefits	Total remuneration
240000 – 245000	3	168,256	20,360	20,907	29,136	4,537	0	0	243,196
245001 – 270000	11	184,609	19,639	11,936	27,824	3,569	0	9,642	257,217
270001 – 295000	3	217,507	22,494	10,006	29,609	3,496	0	0	283,112
295001 – 320000	2	185,481	11,605	0	31,775	2,842	0	79,951	311,654

Appendix 7: Code of Conduct

In January 2023, Hearing Australia introduced a Code of Conduct, which outlines the standards of behaviour required of all individuals who perform work at Hearing Australia. This Code replaced the former Business Ethics Policy.

As a corporate Commonwealth entity, Hearing Australia requires anyone who works for Hearing Australia to have the highest standards of personal behaviour and integrity and to actively contribute to a safe, inclusive and respectful workplace.

Employees, Board Directors, consultants and contractors are required to comply with this Code of Conduct to achieve the goals of:

- providing world leading research and hearing services for the wellbeing of all Australians
- meeting in full Hearing Australia's legal and regulatory requirements
- creating an environment that is supportive
- remaining true to Hearing Australia's brand behaviours
- providing everyone who works for Hearing Australia with a safe and respectful workplace.

Appendix 8: 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 2022–23. No Government Policy Orders were applied to Australian Hearing Services (trading as Hearing Australia).

Appendix 9: Freedom of Information

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

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

Hearing Australia's plan showing what information it publishes in accordance the IPS is located at <https://www.hearing.com.au/about-hearing-australia/corporate-publications/>

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 <https://www.hearing.com.au/about-hearing-australia/corporate-publications/>

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 2023, Hearing Australia was not the subject of any report given by the Office of the Australian Information Commissioner.

Appendix 10: Environment

This section is provided in accordance with our requirement to report on environmental performance and how we align with, and advance, the principles of Ecologically Sustainable Development (ESD) under Section 516A of the *Environment Protection and Biodiversity Conservation Act 1999*.

Accountable Authority

Hearing Australia has delivered hearing assessments, services, support and products to Australians for over 75 years. We offer world leading hearing solutions and seek to make a positive impact and difference to the communities we serve.

We are the nation's largest provider of Government funded hearing services for children, young adults under 26, Aboriginal and Torres Strait Islander peoples, pensioners and veterans and have over 470 locations across Australia.

In conducting our services, we support sustainable procurement practices set by the Australian Government to drive performance, optimise our resources, and integrate innovation across our product offerings, operations, vendor selection and supply chains.

Ecologically Sustainable Development (ESD)

Pursuant to Section 516A of the *Environment Protection and Biodiversity Conservation Act 1999*, and RMG136 of the *Public Governance, Performance and Accountability Rule 2014* (PGPA Rule), Hearing Australia reports its commitments and environmental results in support of the Government's Ecologically Sustainable Development (ESD) and Australian Public Service (APS) *Net Zero 2030* targets.

In addition to the information provided within this subsection of our Annual Report, Hearing Australia's inaugural *ESG Sustainability Report FY2023* (ESG-SR) is under development and will provide a comprehensive view of our targeted sustainability and emissions reduction actions and associated outcomes for financial year ending June 2023.

The ESG-SR will also include forward looking statements for the financial year ending 2024 and beyond and will be underpinned by the United Nations Sustainable Development Goals (UNSDGs) and provide insights to the foundational pillars of our broader Environment, Social and Governance (ESG) commitments and results.

The ESG-SR FY23 is expected to be published in December 2023.

Year Ending 2023 ESG Outcomes

Contracts – Suppliers' Environmental Management

Environmental management clauses are included in supplier contracts, in compliance with the National Waste Policy, National Environment Protection Measures, Energy Efficiency in Government Operations Policy and the Green Marketing and Australian Consumer Law guideline.

In Quarter 4 of 2022–23, our supplier contracts were hallmarked for review and strengthening of our ESG vendor selection criteria to ensure procured goods or services are, where possible, made from recycled material, are energy efficient, environmentally conscious products, and our strategic vendors have active and quantifiable ESG programs and commitments that align with global standards.

Hearing Australia has implemented the following initiatives to minimise the effect of our activities on the environment.

Energy Efficiency

Hearing Australia has implemented an Energy Management Plan in support of the objectives of the Australian Government's Energy Productivity and Efficiency priorities.

Our National Head Office located at 16 University Avenue, Macquarie University, NSW is under a Green Lease Schedule and as a tenant, we collaborated with the landlord to improve the energy efficiency of the building and premises.

Enhancement of the ESD Principles is being achieved through all new Hearing Centre builds (small retail sites) incorporating energy efficient lighting. Where possible, aged air conditioning units are replaced with modern units which use environmentally conscious refrigerants and dual flush toilets are installed.

Additionally, our computers are ecological and power saving compliant, and monitors are automatically set to 'sleep' mode after 10 minutes of inactivity. Other initiatives include incorporating a Solid-State storage unit and virtualising approximately 97.5 per cent of Wintel Server workload and 95 per cent of Unix Server workload.

Energy (Electricity)

During 2022–23, Hearing Australia undertook a review of our energy supply to identify opportunities to introduce renewable energy across our Hearing Centres. The review identified 112 sites where energy supply was converted from coal fired to renewable energy sources.

We also solidified our commitment to introduce renewable energy across our remaining sites where the opportunity presents, to further reduce our energy emissions across our leased property portfolio as part of our ongoing ESG Programs.

Vehicle Fleet

As at 30 June 2023, our vehicle fleet comprised of 75 per cent Hybrid Low Emissions Vehicles (LEV) in support of Hearing Australia's commitment to reduce our carbon emissions.

A review undertaken in 2017 identified the Toyota Corolla Hybrid models had the lowest emissions, represented the best value for money, and had a high Green Vehicle Guide rating.

Additionally, we encourage the use of biofuels such as E10 (10% Ethanol) or clean burning diesel for our twelve hearing buses, where available. Our fleet vehicles are also regularly serviced and maintained to ensure optimum fuel efficiency and are managed by SG Fleet under a Whole of Government Agreement.

In 2023–24, we will undertake a comprehensive Fleet Optimisation Program commencing with an audit of our fleet including vehicle selection, allocation, managed services effectiveness, and fleet costs, with the intent to further reduce our vehicle emissions and better manage costs.

Air Travel

To reduce air travel and associated environmental impacts we continue to promote and support the use of video and phone conferencing in place of staff using air travel, where appropriate. All meeting invitations include virtual links by default to allow dial in options for internal and external attendees, and for events hosted from our National Head Office.

In 2022–23, we undertook 4,713 domestic and 76 international flights, totalling 4789 flights and combined mileage of 5,611,853 kilometres.

In 2023–24, we will review our travel activities, including consideration of introduction into our travel policy of exclusion provisions for non-urgent or unnecessary air travel and opportunities to offset flights.

Rechargeable Devices

Hearing Australia is transitioning to rechargeable hearing devices, where clinically appropriate, to reduce reliance on single use disposable batteries.

In 2022–23, Hearing Australia supplied 135,741 hearing devices compared with 130,376 in 2022–23, an increase of four per cent. Of devices supplied in 2021–22, 24,009 were rechargeable and 106,367 were non-rechargeable. By comparison, in 2022–23, 34,317 devices were rechargeable and 101,424 were non-rechargeable. This represents a 43 per cent increase of rechargeable devices and a five per cent decrease of non-rechargeable devices for the period.

Hearing Australia will continue to promote rechargeable options to our clients to reduce reliance on disposable battery devices, coupled with reviewing the market for battery reliant products that have a longer useful life and to undertake a feasibility study on introducing a national battery recycling scheme across our Hearing Centre network.

Paper

In 2021–22, 20 per cent of Hearing Australia's photocopier and printer paper was 100% Recycled product. As at 30 June 2023, we had increased our use of 100% recycled paper to 31 per cent. The balance of paper used was 44 per cent 1 – 99% recycled paper and 25 per cent of paper was sustainably sourced.

The supply of our stationery products is under a Whole of Government Agreement with WINC. In 2023 WINC experienced a significant disruption to its paper supply chain which directly impacted the availability of 100% Recycled product. Hearing Australia used the most environmentally conscious options for the disrupted period and will be moving to 100% Recycled product for the 2023–24 onward.

During 2022–23, we also commenced an initiative to update our printer fleet to more energy efficient machines embedded with Software as a Service (SaaS) technology that manages our print volume paper and energy consumption.

We anticipate our printer fleet will be transitioned by mid-2024 and will assist to reduce our environmental impacts

ESD Principles are being further enhanced through encouraging a paperless environment and transitioning to eForms in lieu of paper based forms, where feasible.

We also ensure that our cleaning contractors provide environmentally friendly tissue paper (toilet paper and towels) and cleaning products.

Water

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

*CO₂-e Emissions Summary

Hearing Australia's CO₂-e emissions for period ending June 2023 pursuant to the APS Net Zero report.

Emission Source	Scope 1 kg CO ₂ -e	Scope 2 kg CO ₂ -e	Scope 3 kg CO ₂ -e	Total kg CO ₂ -e
Electricity (Location Based Approach)	0	1,491,403	171,002	1,662,405
Natural Gas	0	0	0	0
Fleet Vehicles	328,184	0	82,730	410,914
Domestic Flights	0	0	679,021	679,021
Other Energy	0	0	0	0
Total kg CO₂-e	328,184	1,491,403	932,753	2,752,341

The electricity emissions reported above are calculated using the location based approach. When applying the market based method, which accounts for activities such as Greenpower, purchased LGCs and/or being located in the ACT, the total emissions for electricity, are below:

Emission Source	Scope 1 kg CO ₂ -e	Scope 2 kg CO ₂ -e	Scope 3 kg CO ₂ -e	Total kg CO ₂ -e
Electricity (Location Based Approach)	0	1,453,298	192,348	1,645,646
Natural Gas	0	0	0	0
Fleet Vehicles	328,184	0	82,730	410,914
Domestic Flights	0	0	679,021	679,021
Other Energy	0	0	0	0
Total kg CO₂-e	328,184	1,453,298	954,099	2,735,582

*APS Net Zero 2030 emissions reporting

APS Net Zero 2030 is the Government's policy for the Australian Public Service (APS) to reduce its greenhouse gas emissions to net zero by 2030, and transparently report on its emissions. As part of this, non-corporate and corporate Commonwealth entities are required to report on their operational greenhouse gas emissions.

The Greenhouse Gas Emissions Inventory presents greenhouse gas emissions over the 2022–23 period. Results are presented on the basis of Carbon Dioxide Equivalent (CO₂-e) emissions. Greenhouse gas emissions reporting has been developed with methodology that is consistent with the Whole-of-Australian Government approach as part of the APS Net Zero 2030 policy. Not all data sources were available at the time of the report and adjustments to baseline data may be required in future reports.

List of requirements

PGPA Rule Reference	Part of Report	Description	Requirement
17BE	Contents of annual report		
17BE(a)	Organisation Structure and Governance	Details of the legislation establishing the body.	Mandatory
17BE(b)(i)	Organisation Structure and Governance	Details of the legislation establishing the body.	Mandatory
17BE(b)(ii)	Organisation Structure and Governance	A summary of the objects and functions of the entity as set out in legislation.	Mandatory
17BE(c)	Organisation Structure and Governance	The names of the persons holding the position of responsible Minister or responsible Ministers during the reporting period, and the titles of those responsible Ministers.	Mandatory
17BE(d)	N/A	Directions given to the entity by the Minister under an Act or instrument during the reporting period.	If applicable, mandatory
17BE(e)	N/A	Any government policy order that applied in relation to the entity during the reporting period under section 22 of the Act.	If applicable, mandatory
17BE(f)	N/A	Particulars of non-compliance with: (a) a direction given to the entity by the Minister under an Act or instrument during the reporting period; or (b) a government policy order that applied in relation to the entity during the reporting period under section 22 of the Act.	If applicable, mandatory
17BE(g)	Annual Performance Statement	Annual performance statements in accordance with paragraph 39(1)(b) of the Act and section 16F of the rule.	Mandatory
17BE(h), 17BE(i)	N/A	A statement of significant issues reported to the Minister under paragraph 19(1)(e) of the Act that relates to non-compliance with finance law and action taken to remedy non-compliance.	If applicable, mandatory
17BE(j)	Appendix 1 – Board of Directors	Information on the accountable authority, or each member of the accountable authority, of the entity during the reporting period.	Mandatory
17BE(k)	Organisation Structure and Governance	Outline of the organisational structure of the entity (including any subsidiaries of the entity).	Mandatory
17BE(ka)	Appendix 5: Key Staffing Statistics	Statistics on the entity's employees on an ongoing and non-ongoing basis, including the following: (a) statistics on full-time employees; (b) statistics on part-time employees; (c) statistics on gender; (d) statistics on staff location.	Mandatory
17BE(l)	Organisation Structure and Governance	Outline of the location (whether or not in Australia) of major activities or facilities of the entity.	Mandatory

PGPA Rule Reference	Part of Report	Description	Requirement
17BE	Contents of annual report		
17BE(m)	Organisation Structure and Governance	Information relating to the main corporate governance practices used by the entity during the reporting period.	Mandatory
17BE(n), 17BE(o)	N/A	For transactions with a related Commonwealth entity or related company where the value of the transaction, or if there is more than one transaction, the aggregate of those transactions, is more than \$10,000 (inclusive of GST): (a) the decision making process undertaken by the accountable authority to approve the entity paying for a good or service from, or providing a grant to, the related Commonwealth entity or related company; and (b) the value of the transaction, or if there is more than one transaction, the number of transactions and the aggregate	If applicable, mandatory
17BE(p)	N/A	Any significant activities and changes that affected the operation or structure of the entity during the reporting period.	If applicable, mandatory
17BE(q)	N/A	Particulars of judicial decisions or decisions of administrative tribunals that may have a significant effect on the operations of the entity.	If applicable, mandatory
17BE(r)	N/A	Particulars of any reports on the entity given by: (a) the Auditor-General (other than a report under section 43 of the Act); or (b) a Parliamentary Committee; or (c) the Commonwealth Ombudsman; or (d) the Office of the Australian Information Commissioner.	If applicable, mandatory
17BE(s)	N/A	An explanation of information not obtained from a subsidiary of the entity and the effect of not having the information on the annual report.	If applicable, mandatory
17BE(t)	Appendix 1 - Board of Directors	Details of any indemnity that applied during the reporting period to the accountable authority, any member of the accountable authority or officer of the entity against a liability (including premiums paid, or agreed to be paid, for insurance against the authority, member or officer's liability for legal costs).	If applicable, mandatory
PGPA Rule Reference	Part of Report	Description	Requirement
17BE(taa)	Appendix 2 - Audit and Risk Management Committee	The following information about the audit committee for the entity: (a) a direct electronic address of the charter determining the functions of the audit committee; (b) the name of each member of the audit committee; (c) the qualifications, knowledge, skills or experience of each member of the audit committee; (d) information about each member's attendance at meetings of the audit committee; (e) the remuneration of each member of the audit committee.	Mandatory
17BE(ta)	Appendix 6 - Information About Executive Remuneration	Information about executive remuneration.	Mandatory

Hearing Australia National Support Office:
Australian Hearing Hub
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Tel: (02) 9412 6800
TTY: (02) 9412 6802

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