



Annual
Report

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Letter to the Minister

The Hon. Alan Tudge MP
Minister for Human Services
Parliament House
Canberra ACT 2600

Dear Minister

I have the pleasure of presenting Australian Hearing's Annual Report for the year ended 30 June 2017. The report has been prepared in accordance with the requirements of the *Public Governance, Performance and Accountability Act 2013* and relevant regulatory guidelines.

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

The report outlines the achievements and milestones for Australian Hearing during 2016/17 and was made in accordance with a resolution of Directors on 26 September 2017.

Yours sincerely



Dr Peta Seaton AM - Chair
26 September 2017

Report on Operations

Our financial results for the financial year 2016/17 were a significant improvement over both budget and previous year. Our revenue was \$255.3 million and our Net Profit before Tax was \$32 million.

Excluding CSO funding, which is intended to be cost neutral, our EBITDA percentage was 21.3%, and our Return on Assets was a healthy 21.9%. By any standards this is a competitive result.


2016/17 marked the third year of Australian Hearing's four-year Corporate Plan which was developed to support Australian Hearing's journey to becoming an increasingly client-focussed organisation.

It responds to current and future market challenges and the need to develop collaborative partnerships with appropriate organisations and building stronger relationships with key stakeholders. One such partnership is with the Royal Flying Doctors Service (RFDS). Australian Hearing is working to implement a prevention-focussed hearing health initiative in partnership with the RFDS in Queensland.

In 2016/17, Australian Hearing launched an internal brand program to engage staff with a common sense of purpose and identity, which will in turn help us to better respond to the dynamic needs of our clients. This program was a direct result of Australian Hearing's market research findings to improve the client experience.

In August 2016, Australian Hearing was very pleased our Minister, the Hon. Alan Tudge MP, officially launched a new service offering called Hearing Help. Hearing Help is a new website, online chat and clinical helpline. It is a free advisory service and another communication channel for clients.

As part of our marketing strategy, Australian Hearing created a team of Regional Marketing Specialists. The Specialists are locally based with a focus on strengthening local marketing, stakeholder and media relationships.



Our network of hearing centres was extended over the course of the year to provide more accessible services to clients. Our footprint of permanent hearing centres grew by 11 and Australian Hearing now has 156 permanent hearing centres and 443 visiting sites nationally.

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

In the Federal Budget in May 2017, the Government announced that it had decided to retain full ownership and control of Australian Hearing.



Annual Performance Statement

I, Peta Seaton, as the Chair of the accountable authority which is the Board of Australian Hearing, present the 2016/17 Annual Performance Statement of Australian Hearing, as required under paragraph 39(1)(a) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). It is the opinion of the Board that this annual performance statement is based on properly maintained records and accurately reflects the performance of the entity during the period, and complies with subsection 39(2) of the PGPA Act.

PURPOSE

Australian Hearing's purpose as stated in the FY2016-17 Corporate Plan (page 3) is outlined by the Parliament in our enabling legislation, *Australian Hearing Services Act 1991* (AHS Act), with specific Powers/Functions outlined in Part 2, Sections 8 and 9 of the Act.

In summary, our purpose is to deliver a positive impact on the hearing impaired through effective and accessible hearing services, quality clinical care and excellence in client service.

PERFORMANCE ANALYSIS

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

There were no material changes to our purpose, activities or organisational capability during 2016/17.

RESULTS

Following is the performance criteria related to our purpose as detailed in our Corporate Plan for the financial year 2016/17.

The table below details performance against activities that contributed in FY2016/17 to Australian Hearing achieving its purpose as outlined in the AHS Act.

Activity	Target	Result
Services provided to Voucher holders – clause 8(1)(a) of the Act.	Provide 382,500 services to voucher holders.	Provided 390,722 services to voucher holders. Met
Screening to detect, advise and educate on hearing issues – clause 8(1)(f) of the Act.	Undertake 64,500 hearing screenings.	Undertook 68,000 hearing screenings. Met
Visits to Aboriginal and Torres Strait Island Communities – clause 8(1)(ad) of the Act.	Visit 230 remote Aboriginal and Torres Strait Islander communities.	Visited 238 remote Aboriginal and Torres Strait Islander communities. Met
Services provided to children and young adults up to age 26.	Provide 75,600 services to children and young adults.	Provided 78,538 services to children and young adults. Met
Accessibility of services – clause 8(1)(l) of the Act.	Open 8 new hearing centres.	Grew the number of permanent hearing centres by 11 nationally. Met
	Grow hearing bus fleet to 12.	Used our 12 Hearing Buses to visit 2,138 locations. Met
Total injury frequency rate (TIFR – per million hours worked).	Achieve a maximum TIFR of 10.0	TIFR 7.6 Met

Performance Criterion	Source – 2016/17 to 2019/20 Corporate Plan*	Results Achieved in FY2016/17
Board reporting – progress against: <ul style="list-style-type: none"> Strategic initiatives Financial statements/scorecard metrics 	<ul style="list-style-type: none"> Strategic Initiatives Scorecard and Financial Targets 	Review of strategic projects and financial summary (including targets) was provided for every Board meeting. Met.
Monthly executive performance review of progress against key performance indicators (KPIs): <ul style="list-style-type: none"> Business as usual Strategic 	<ul style="list-style-type: none"> Monthly Board, Executive and Network reports; Strategic Themes 2016/17 	Executive management reviewed both business as usual financial results and strategic KPIs at their monthly meetings. Met.
Quarterly reporting to the Department of Human Services (DHS) against: <ul style="list-style-type: none"> KPIs Corporate Plan Risk Review 	Reports and related papers for quarterly governance meetings between DHS and Australian Hearing	Quarterly governance meetings were held with DHS covering the review of all key financial and non-financial metrics including risk. Met.
Quarterly reporting to the Office of Hearing Services (OHS) and DHS against: <ul style="list-style-type: none"> Memorandum of Agreement on Community Service Obligations (CSO) delivery KPIs (including financial) 	Memorandum of Agreement for the delivery of CSO under the Australian Government Hearing Services Program (MoA)	Reported quarterly to OHS against the KPIs listed in the MoA. KPIs cover client groups, complaints and continuous improvement and are specific as to measurement. Substantially met.

Performance Criterion	Source – 2016/17 to 2019/20 Corporate Plan*	Results Achieved in FY2016/17
Board reporting – Work, Health & Safety		Work, Health & Safety report showing progress against targets is reported against legislative and operational KPIs including improvement strategies. Report was submitted and accepted for each of the 6 Board meetings held. Met.
Australian National Audit Office (ANAO) financial statement audits <ul style="list-style-type: none"> Annual Audits Interim Audits 	PGPA Act (Chapter 2, Part 2-3, Division 4,43)	Interim and annual financial statement audits were completed by ANAO. No audit finding by the ANAO. Met.
Quarterly internal audits on: <ul style="list-style-type: none"> Hearing Centres Clinical Practices Key processes & functions 	<ul style="list-style-type: none"> Hearing Centre Peer Review Program Self-assessment audit provisions under the OHS MoA for Clinical Practices Strategic Risk Register 	Internal audits were conducted as planned. Met.
Audit and Risk Management Committee <ul style="list-style-type: none"> Minimum four (4) meetings to be held in 2016/17 		Six (6) Audit and Risk Management meetings held during 2016/17. Met.
Australian Hearing Research Committee <ul style="list-style-type: none"> Three (3) meetings to be held in 2016/17 		Four (4) Research Committee meetings held during 2016/17. Exceeded.
Australian Hearing Research Ethics Committee <ul style="list-style-type: none"> Annual meeting to be held in 2016/17 		One (1) Research Ethics Committee meeting held during 2016/17. Met.
Australian Hearing Board meetings <ul style="list-style-type: none"> Seven (7) meetings to be held in 2016/17 		Six (6) Board meetings held during 2016/17. The Board also held one (1) Strategy Day. Met.
Statutory annual reporting (including performance reporting) <ul style="list-style-type: none"> To the Minister for Human Services To the Australian Hearing Board 	Reporting requirements for Corporate Commonwealth Entities (including financial statements) as required under the PGPA Act	Published in the FY2016/17 Annual Report for Australian Hearing. Met.

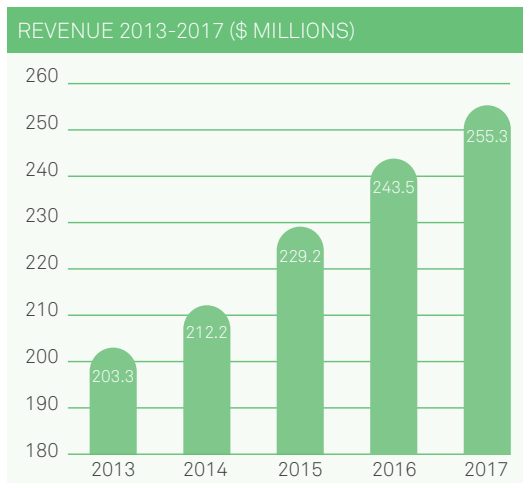
* Source of the performance criteria is on page 10 of the 2016/17- 2019/20 Corporate Plan

Financial Summary

Australian Hearing is accountable to the Minister for Human Services. Our organisation is managed by a Board of Directors appointed by the Minister for Human Services and is subject to the requirements of the PGPA Act and AHS Act. Annual financial statements for 2016/17 are subject to audit by the Auditor-General and are provided to the Minister.

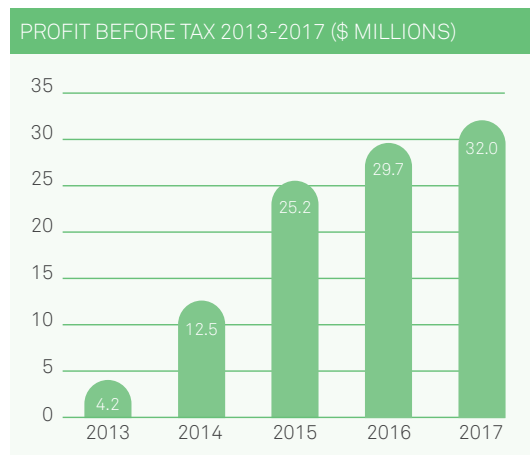
REVENUE PERFORMANCE

We achieved total revenue of \$255.3 million, which was 4.8% more than last year.



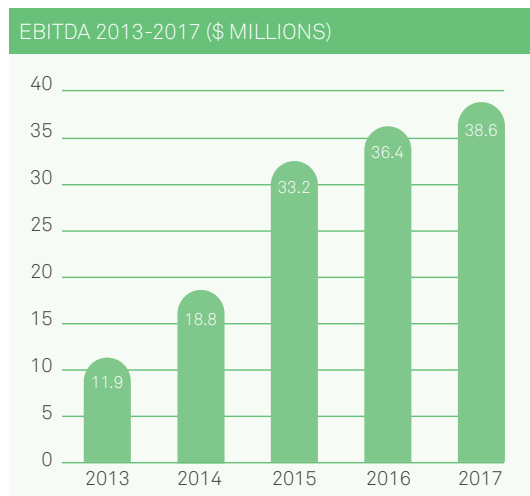
PROFIT BEFORE TAX

We achieved a profit before tax of \$32.0 million, which was 7.8% more than last year.

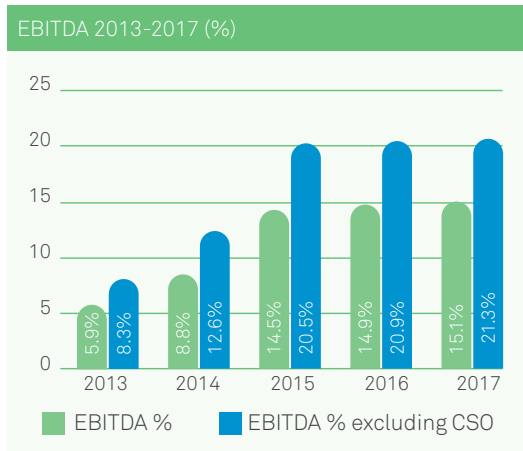


KEY BUSINESS INDICATORS

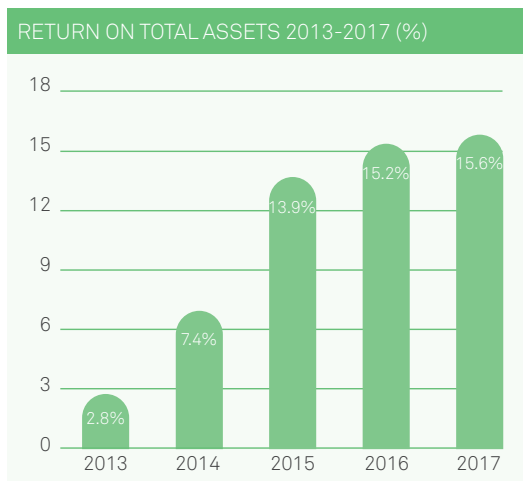
Our earnings before interest, tax, depreciation and amortisation (EBITDA) for the year were \$38.6 million. This was 6.0% more than the previous year.



An EBITDA percentage of 21.3% excluding Community Service Obligations (CSO) was achieved this year.



We achieved a return on total assets of 15.6% this year (including CSO funding).



Capital expenditure for the year was \$13.7 million as we continued to invest in remote services, new hearing centres and technology to support business efficiencies. Included is the transition to a paperless office environment. Return on total assets increased during the year. This was a result of our higher profit.

RISK MANAGEMENT AND AUDIT

During the financial year we worked with our internal auditors, Ernst & Young, to continue to improve our risk management framework and this included workshops attended by management. We also reviewed our strategic risks to ensure that our risk profile aligns with our Corporate Plan Strategic Themes and the environment in which we operate. Risk Assurance Maps and Risk Registers were updated as a result.

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

As part of the Australian National Audit Office (ANAO) audit, Crowe Horwath was subcontracted by ANAO to audit the financial statements.

REPORTING AND ANALYSIS

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

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

Message from the Chair

The ever changing needs of our clients has ensured that throughout 2016/17 we have remained focussed on delivering the highest quality services to the Australian community in the most productive and cost-effective ways. In our 70th year of operations, we have provided over 557,000 services to the youngest and oldest of Australians across the length and breadth of this nation.

OUR STRATEGY

In 2016/17 we have remained focused on our key strategic themes and initiatives for the benefit of our clients, while at the same time continuing to run Australian Hearing in a productive, innovative and efficient manner.

Our focus on the development of our internal culture has ensured that we have remained industry leaders in the provision of care and services to the ever changing needs of our fellow Australians. Rapid changes in technology, methods of service delivery and consumer expectations has meant that we, as an organisation must continue to rapidly evolve to ensure that we meet these challenges.

With an ageing population seeking to remain actively connected with their families, their friends and the broader community it is crucial that we evolve our business and service delivery model.

As with the past few years we continued to execute on our strategy to grow our business by collaborating and seeking out new and appropriate partnerships focused on improving our clients' outcomes. We continue to strengthen relationships with our stakeholders, including Government, which oversees Australian Hearing on behalf of taxpayers and citizens.

On behalf of myself and my Board, I would like to thank our Minister, the Hon. Alan Tudge MP, for his continued support of the importance of hearing

health and his encouragement in our focus on continuous improvement of hearing health outcomes throughout the Australian community.

Australian Hearing continued to positively contribute its expertise to Government as it continues to roll out significant programs, such as the National Disability Insurance Scheme, to enhance service effectiveness and find ways to help prevent avoidable hearing loss.

OUR PERFORMANCE

I am pleased to report another strong financial return to Government and the taxpayers of Australia. This is a significant achievement and a credit to Managing Director Bill Davidson's leadership along with the contribution of the entire Board.

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

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



Dr Peta Seaton AM
Chair
Australian Hearing

Message From The Managing Director

As we celebrate our 70th year in 2017, we achieved many great things. From launching our new digital hearing health service called Hearing Help, engaging our staff in our new internal brand, to helping more people than ever before.

FINANCIAL YEAR IN REVIEW

The 2016/17 year saw us achieve record revenue and profit. We hit a total revenue of \$255.3 million, a 4.8% increase on the previous year. In addition, our EBITDA increased 6.0% from the 2015/16 year to be \$38.6 million.

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

CARING FOR OUR CLIENTS

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

Key to this has been the launch of our new internal brand program, which has engaged our staff and clients on a scale like never before. It has given us a clear understanding of our unified goal, which is to work with our clients and respond to their needs.

We continue to work with staff to implement capabilities and a supportive culture to best focus on our clients.

To help spread the importance of hearing health more broadly, we once again ran our Big Aussie Hearing Check during Hearing Awareness Week in August. We were also pleased that a number of Australian primary schools took part in our new Love, Listen and Learn program aimed at educating children on the importance of good hearing health.

OUR FOOTPRINT

Our services are easily accessible for clients across the country. In 2016/17 the number of permanent Australian Hearing centres increased to 156 locations.

Two new hearing buses hit the road taking our total number of buses to twelve. Our audiologists also serviced more than 238 Aboriginal and Torres Strait Islander communities as part of our outreach program.

But it's not only our physical sites where we help. We also use tele-audiology to take our services to where our clients are. During 2016/17, we also launched a new service – Hearing Help – that gives free and direct access to our hearing specialists (either over the phone or web chat).

Hearing Help has already helped thousands of Australians get advice and support.

OUR PEOPLE

In 2016/17, 1,333 people were a part of the Australian Hearing family. I'm proud to be a part of an organisation that is leading the way in gender parity with 81.7% of our staff and 50% of our executive leadership team are female.

I'm also proud of our first Diversity and Inclusion Action Plan, building on the success of our Reconciliation Action Plan. Being a White Ribbon accredited workplace, we also continued our strong support of the White Ribbon charity.

We launched our new SHARE program which recognises the important community and charity work our colleagues undertake in their own time. Nationally we once again took part in the Steptember initiative, where we made a record 78,652,781 steps and raised over \$22,000 for the Cerebral Palsy Alliance.

Our call to action is 'Together We Will' and I extend my thanks to all who make this happen.



Bill Davidson
Managing Director
Australian Hearing

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



Highlights 2016/17:

Together we will

**Revenue
was 4.8%**

higher than FY2015/16

at **\$255.3 m**



\$32 m in
profit before tax

We provided over

557,531

services to
clients





1,333

people work as one



81.7%

female workforce



**OUR
PEOPLE**



4.6%

with a hearing
impairment



50%

female executive



2.3%

identify as Aboriginal or
Torres Strait Islander

**e-forms
and Wi-Fi**

introduced to all
hearing centres



**OUR
TECHNOLOGY**

Upgraded
HEARLab to
help more babies

**Interactive Voice
Response (IVR)**

introduced

Upgraded remote
access technology
for outreach
communities



156

hearing centres



443

visiting sites nationally



Visited 238

Aboriginal & Torres Strait Islander communities



A record **12 hearing buses** travelled over **187,500 kms** to more than **2,138 locations**



Australian Hearing steps out again for September making an incredible **78,652,781 steps** and raising over **\$22,000** for the Cerebral Palsy Alliance.



One third of all primary schools took part in our **Love, Listen and Learn** education program.

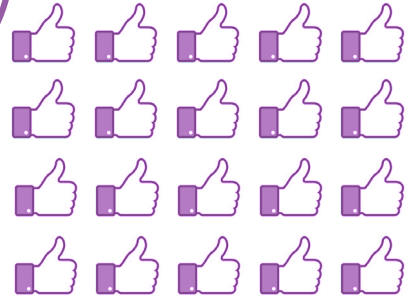


Officially launched our new tele-health service

Hearing Help



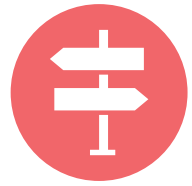
Online Hearing
● **'Yes' Test**
reached over a quarter
of a million people



39,000
followers on Facebook



Launched our new
internal brand



Launched our
**diversity and
inclusion
action plan**



Officially
'dropped the jargon'



National Acoustic Laboratories

The National Acoustic Laboratories (NAL) consists of five sections the development impacting on hearing. A selection of the work performed this year is detailed below.

REHABILITATION PROCEDURES

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

The past year has witnessed the development of oral language intervention programs and commencement of delivering the programs directly to children with hearing loss via the Australian Hearing service network at several pilot centres. In parallel, the team has continued with its efforts in disseminating findings of the Longitudinal Outcomes of Children with Hearing Impairment study (www.outcomes.nal.gov.au), showing that the younger a child with hearing loss is fitted with a hearing aid or cochlear implant, the better the language outcomes. Further, those with poorer hearing obtain greater benefits from earlier treatment.

REHABILITATION DEVICES

A novel task to elicit natural and balanced conversations between two people, and a new tool for automatically analysing real conversations were developed. Using these tools it was demonstrated that when talking to a hearing-impaired person, normal-hearing people change their speech behaviour over and above the changes made when talking to another normal-hearing person in a louder background. These observed changes in speech behaviour are not captured by traditional clinical speech tests and will be critical for achieving our goal of answering the basic question: When does hearing loss become a problem?

Self-fitting hearing aids are now commercially available on the online market in the USA. Using one of these products, a NAL study demonstrated that of 60 older hearing-impaired adults, 68% were successful at self-fitting - 25% on their own and 43% after seeking help with self-identified problems - while 32% were unsuccessful. Outcomes with self-fitted hearing aids were comparable to those obtained with professionally fitted devices.

The directional microphone is the most effective technology for improving speech understanding in noise, but knowing when and how to use this technology is imperative for successful outcomes. A formula that predicts when directional microphones are most effective for individual hearing aid users was devised.

PREVENTION

NAL continues to work closely with the HEARing CRC on the HEARSmart initiative. HEARSmart aims to promote hearing health and prevent noise-induced tinnitus and hearing loss in young Australians. In the past year, HEARSmart partnered with SAE Creative Media Institute to develop a hearing health education module for sound engineers.

The Early Indicators of Noise Injury project (NHMRC) is now in its final stages. Having tested over 120 people, NAL found although those with more cumulative, lifetime noise exposure had weaker signals in the auditory nerve (leading from the ear to the brain) compared to those with less noise exposure, there was no direct link found between a person's history of noise exposure and their ability to understand speech-in-noise. Rather, cognitive factors, such as working memory, attention and generalised language skills, were determined to be important factors for listening in noise.

ENGINEERING DEVELOPMENT

The Engineering Development team, through the commercial arm of the HEARing CRC, HEARworks succeeded in obtaining a project grant of \$750,000 from the NSW Government's Medical Devices Fund (MDF). The aim of this project is to develop a test to assist clinicians in deciding which hearing impaired infants should receive cochlear implants. Through this early identification, they can receive implants well before 12 months – this timeframe is critical for achieving optimal outcomes. Development work has commenced and is expected to be completed by mid-2019.

The prototype of the one-person audiometer was developed and field tested in two hearing centres with paediatric clients. Roll out to the Australian Hearing network is scheduled to commence in October 2017.

The Australian Bureau of Statistics commissioned NAL to develop an automatic hearing test app customised for use as part of the National Aboriginal and Torres Strait Islanders Health Survey (NATSIHS). The bulk of the development was completed during the year.

HEARING ASSESSMENT

The hearing assessment group implemented an online version of a questionnaire (the Auditory Processing Domains Questionnaire) that informs parents about the likelihood of their child having some form of auditory processing disorder. The questionnaire is intended to encourage families to seek an assessment from clinicians when the symptoms match those expected for an auditory processing disorder, and to discourage them from seeking an assessment when they don't.

Data collected from children with poor reading have been consistent with our expectation that some types of reading problems are caused by poor auditory processing ability in children. If further data shows the same relationship, the work will likely lead to treatments for reading delay that involve ensuring these children can accurately hear the sounds of speech that much of reading is based on.

The assessment group combined with the Engineering and Procedures groups to bring to completion a fully automated cortical audiometer. The module, which adds to the capabilities of HEARLab, allows an audiogram to be obtained on people unable to give a reliable behavioural response.

Caring For Our Clients

Australian Hearing is committed to delivering effective and accessible hearing services, quality clinical care and excellence in client service. In 2016/17 we provided 557,531 services to clients.

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

Our clients include pension concession card holders, recipients of Centrelink sickness allowance, holders of a Department of Veterans' Affairs Gold and White card (specifying hearing loss), children and young adults under the age of 26 years, adults with complex hearing needs and Aboriginal and Torres Strait Islander adults aged over 50 years or who are participating in Community Development Programs.

THE COMMUNITY SERVICE OBLIGATIONS (CSO) PROGRAM

We receive fixed funding annually to deliver services designated as CSO under a Memorandum of Agreement with the Office of Hearing Services (OHS). CSO funding represented 28.9% of our total revenue. The Memorandum of Agreement with the OHS emphasises the importance of access and quality services for our CSO clients.

Over the year, we had 116 Australian Hearing audiologists do 1,072 visits to 238 Outreach sites. This was 13.8% more Outreach site visits compared to the previous financial year.

SERVICES TO ABORIGINAL AND TORRES STRAIT ISLANDER ADULTS

In 2016/17, there was a 15.6% increase in the number of Aboriginal and Torres Strait Islander adults seen. We worked closely with Aboriginal and Torres Strait Islander communities to provide hearing services in urban, rural and some of the most remote locations in Australia. About half of the Aboriginal and Torres Strait Islander adults seen chose to receive hearing services at one of our hearing centres or visiting sites, with the other half accessing services through our community Outreach program.

SERVICES TO ABORIGINAL AND TORRES STRAIT ISLANDER CHILDREN

In 2016/17, we saw a total of 4,944 Aboriginal and Torres Strait Islander children and young adults aged under 26, which was 4.7% more than the previous financial year. This represents 14.6% of the total number of children and young adults who received services during the year.

Australian Hearing launched a new professional development program, Hear for School, for schools with high numbers of Aboriginal and Torres Strait Islander students. The program supports schools to take a 'whole school approach' to students' hearing needs, so that all students, even those with unrecognised hearing trouble, have the best chance of hearing well.

NUMBER OF OUTREACH SITES VISITED 2012/13 TO 2016/17	
Financial year	Number of sites visited
2012/13	224
2013/14	217
2014/15	233
2015/16	235
2016/17	238

ADULTS WITH COMPLEX HEARING REHABILITATION NEEDS

In 2016/17, Australian Hearing provided 58,837 services to over 24,605 adults with complex hearing needs. The majority of these adults have a severe or profound hearing loss or poor understanding of speech and require much more than just a well fitted hearing aid to participate in life. Others have hearing loss plus an additional disability which impacts on their communication. Over 78% of adults with complex needs seen for a review were provided with specialised communication assessment and individual training programs, to maximise their communication ability and assist them to continue to take part in activities they enjoy.

SERVICES FOR BABIES, CHILDREN AND YOUNG PEOPLE UP TO AGE 26

In 2016/17 we provided 69,806 services to 29,683 young Australians under the age of 21. We also provided 8,732 services to 4,079 young adults aged between 21 and 26.

During the year over 7,700 remote microphone systems were fitted to children and young adults. Remote microphone systems are used in addition to hearing aids and cochlear implants to overcome the adverse effects of distance, background noise and reverberation. They can be particularly useful in a classroom environment. We also funded 532 speech processors through the cochlear implant speech processor upgrade and replacement program. Orders were approved for all children whose applications fulfilled clinical candidacy criteria.

The Paediatric Program Advisory Committee met on three occasions in 2016/17 and continues to provide valuable input to our services. Half of the committee membership was renewed during the year and an induction was provided prior to their first meeting. Members provided advice about ways to improve access to services and continued to provide feedback about information resources that are provided to families and young clients.

THE VOUCHER PROGRAM

During the year we provided 390,722 services to clients under the Voucher program. We work with our clients to find the right solution for their needs. Our clients have a range of devices to choose from and outcomes surveys have shown high usage and user benefit from the devices, as well as a very high satisfaction rating for the services provided.

Australian Hearing continues to grow its sites to service all clients at convenient, easy to access locations. At 30 June 2017, Australian Hearing had 156 permanent sites which was a growth of 7.6% compared to the previous year. In addition, clients can access services at visiting sites. At 30 June 2017, Australian Hearing had 443 visiting sites throughout Australia, an increase of 4% against the previous year.

In 2016/17 we provided 8,732 services to 4,079 young adults aged between 21 and 26.

Our People

Australian Hearing has maintained its strong focus on its people, recognising that they are the cornerstone of our success.

Our goal is to maintain a working environment in which our employees love coming to work and do their best work each and every day. This goal reflects our essence and purpose: we care for our employees and want to positively impact their professional and personal lives. This goal also reflects our commercial objectives. We know that a productive and engaging environment is key to our employees providing the best possible service to our clients.

Late in 2016, our new enterprise agreement was endorsed by employees and the Fair Work Commission. We adopted an interest based approach to these negotiations. Rather than immediately focussing on outcomes, management representatives focussed on the interests employee representatives were trying to advance (and vice versa). The outcome of these negotiations was an enterprise agreement that achieved an appropriate balance between Australian Hearing's commercial objectives and employees' terms and conditions.



We ask our employees to complete an independent employee engagement survey (with Aon Hewitt) in order to obtain an objective assessment of our workplace. We are proud that in 2016/17 our employees again rated Australian Hearing in the top quarter of employers in Australia and New Zealand, with the number of highly engaged employees continuing to increase.

This outcome reflects the continual focus that our leaders and the human resources team have placed on improving our workplace. One of our key projects in 2016/17 was launching a new internal employee brand that will further improve our culture. The key outcomes we are aiming for is having our employees adopt certain key behaviours and a friendlier language organisation wide. This will help us deliver an even better client experience.

Our new internal brand was launched in May. The initial employee response has been very pleasing with our employees embracing the new brand behaviours. We will be focussing on embedding our new brand over the next 18 to 24 months.

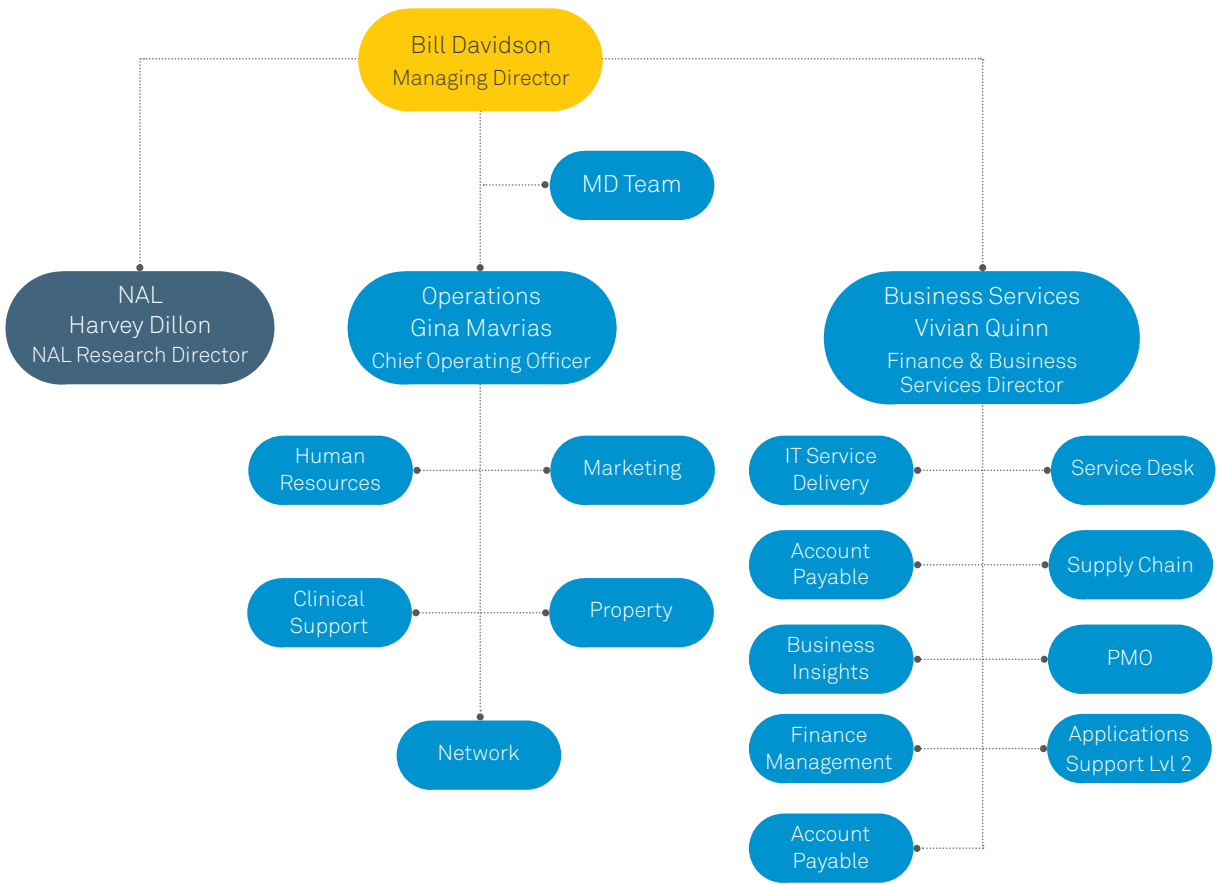
Of course, there are a number of other initiatives we implemented during the 2016/17 financial year that also positively impacted our people. These include:

- Developing the mental health awareness of our leaders so they can look after the physical and mental wellbeing of their teams.
- Developing our first Diversity and Inclusion action plan to ensure each of our employees feels comfortable bringing their true selves to work each day.
- Making our employees' working day easier by transforming clunky work processes, including tackling enormous challenges such as replacing paper forms with electronic forms in our centres.
- Developing the coaching skills of our managers so they have more purposeful and supportive conversations with their team members.
- Developing managers' capability to grow their business to ensure Australian Hearing's ongoing sustainability.

STAFFING PROFILE AND PERFORMANCE INDICATORS

	2012/13	2013/14	2014/15	2015/16	2016/17
Employees at 30 June (headcount)	1,141	1,176	1,198	1,284	1,333
Voluntary staff turnover	11.5%	9.6%	6.3%	10.8%	9.5%
Ratio of clinical to non-clinical staff	1 : 1.6	1 : 1.6	1 : 1.6	1 : 1.6	1 : 1.6
Personal / carer's leave (paid in days)	5.9	5.1	6.4	6.9	6.4
Percentage of women	80.0%	81.6%	80.9%	81.4%	81.7%
Percentage of women in senior management roles	66%	67%	70%	72%	72%
Employees using the Employee Assistance Program	62	50	43	47	52
Number of Health and Safety Committee members who are employee representatives	20	15	14	13	12
Aboriginal and Torres Strait Islander employees as a percentage of total employees	1.5%	1.9%	2.2%	2.4%	2.3%

ORGANISATIONAL STRUCTURE



OUR PEOPLE'S SAFETY AND WELLBEING

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

Australian Hearing has a strong focus on improving the health and wellbeing of our employees. We again participated in the Cerebral Palsy Alliance September challenge. A third of our employees participated and took up the challenge of taking 10,000 steps a day during the month of September. We raised over \$22,000 which all went towards changing the lives of adults and children living with cerebral palsy.

Utilisation of our Employee Assistance Program (EAP) was higher than in previous years, with good utilisation of the manager assist line, which provided additional support to our managers.

We continued to use our EAP provider to give additional on-site counselling support for sites requiring extra emotional support for our employees.

SAFETY REPORTING

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

Our WHS Plan included participation in September, rolling out mental health training to managers, implementing risk management strategies for long distance driving, undertaking inspections of all our visiting sites and reviewing risks from aggressive clients. Australian Hearing maintained our partnership with the White Ribbon Organisation and we are an accredited White Ribbon workplace. White Ribbon is our chosen charity and we donated over \$2,000 to them this year.

WHS INDICATORS

	2013/14	2014/15	2015/16	2016/17
Comcare workers compensation premium rate for Australian Hearing	0.93%	1.72%	1.43%	1.83%
Comcare premium rates for all agencies combined	1.65%	1.93%	1.85%	1.72%

COMCARE

Australian Hearing's workers' compensation premiums remain comparable with similar sized Commonwealth agencies. We have improved case management capabilities in the organisation to assist us to manage an early return to work for our injured employees. We have also maintained a close working relationship with our insurer, Comcare, and this has led to improved support for injured workers.

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

Management

GOVERNANCE ARRANGEMENTS

Australian Hearing reports to the Minister for Human Services.

MINISTER

On 18 February 2016 the Hon. Alan Tudge MP was appointed Minister for Human Services. The Minister for Human Services is responsible for administering specific legislation including the AHS Act, except to the extent that it is administered by the Minister for Health.

DEPARTMENT OF HUMAN SERVICES

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

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

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

BOARD GOVERNANCE

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

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

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

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

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

The Board consists of the Chair, the Managing Director and up to four other Non-Executive Directors.

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

Australian Hearing has established a corporate governance framework that meets existing legislative requirements. In doing so Australian Hearing continues to apply the principles of good corporate governance and to continuously

improve its corporate governance practices. The Board meets on a regular basis. The following table lists the number of meetings attended by each Board member during the financial year.

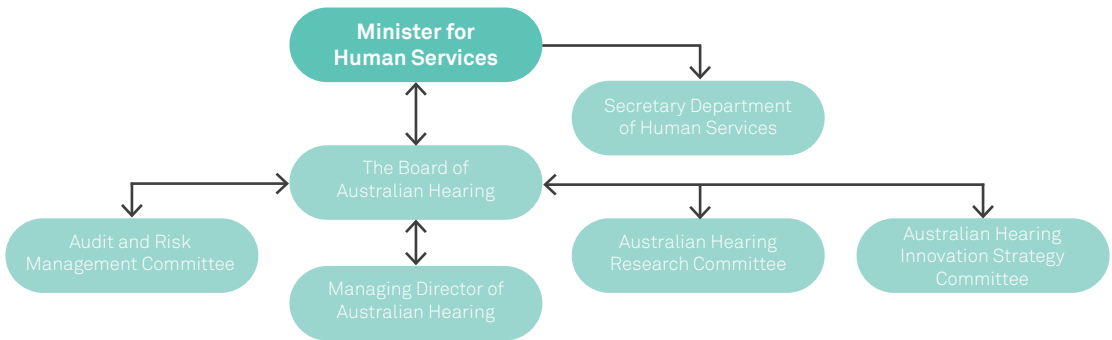
BOARD ATTENDANCE AT BOARD MEETINGS

Board of Directors		Meetings attended	Meetings eligible to be attended
Dr Peta Seaton AM	Chair	6	6
The Hon Michael Knight AO	Non-Executive Director	5	6
Mrs Swati Dave	Non-Executive Director Chair of the Audit & Risk Management Committee	6	6
Mrs Glenise Coulthard	Non-Executive Director	5	6
Mrs Sam Andersen	Non-Executive Director	6	6
Mr Bill Davidson	Managing Director	6	6

CIRCULAR RESOLUTION DISTRIBUTION TO THE BOARD OF DIRECTORS

Board of Directors		Circulars distributed	Circulars eligible to be received
Dr Peta Seaton AM	Chair	6	6
The Hon Michael Knight AO	Non-Executive Director	6	6
Mrs Swati Dave	Non-Executive Director Chair of the Audit & Risk Management Committee	6	6
Mrs Glenise Coulthard	Non-Executive Director	6	6
Mrs Sam Andersen	Non-Executive Director	6	6
Mr Bill Davidson	Managing Director	6	6

AUSTRALIAN HEARING'S GOVERNANCE STRUCTURE



DIRECTORS' INDUCTION

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

DIRECTORS' CONFIDENTIALITY AGREEMENTS

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

INDEMNITY AND INSURANCE OF OFFICERS

During the year, we paid a premium of ex GST \$42,409.09 to insure the Directors and Officers of Australian Hearing. The liabilities insured were legal costs and other expenses that may be incurred in defending any civil or criminal proceedings brought against them in their capacity as Directors and Officers of Australian Hearing.

BOARD PERFORMANCE ASSESSMENT

Assessment of Board performance is conducted in relation to the statutory requirements, the functions and role of the Board.

A Board performance appraisal is undertaken on an annual basis, focusing on Board and other Committee effectiveness. A formal board questionnaire based on the Australian Institute of Company Directors (AICD) is completed on a confidential basis by each Director. The most recent review was completed in August 2017.

CONFLICT OF INTEREST

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

CERTIFICATION

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

COMPANY SECRETARY

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

INDEPENDENT PROFESSIONAL ADVICE

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

THE ROLE OF THE BOARD

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

(A) THE FUNCTIONS OF THE BOARD ARE:

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

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

- i. ensure that Australian Hearing complies with Commonwealth reporting requirements.
- ii. provide guidance to senior management.
- iii. ensure the long-term viability and financial position of Australian Hearing.
- iv. agree on key performance indicators (KPIs) for the measurement of Australian Hearing's performance.
- v. ensure an appropriate corporate governance structure is in place.
- vi. assess the performance of Australian Hearing, our management and the Board itself.
- vii. monitor developments within Australian Hearing's operating environment.
- viii. approve annual accounts, the annual report and other public documents.

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

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

AUDIT AND RISK MANAGEMENT COMMITTEE

The functions of the Audit and Risk Management Committee are outlined in its charter and are detailed below:

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

FINANCIAL REPORTING

- review the financial statements and provide advice to the Board (including whether appropriate action has been taken in response to audit recommendations and adjustments), and recommend their signing by the Chair of the Board. In particular the Committee will:
 - i. assess Australian Hearing's compliance with accounting standards, including an assessment of the appropriateness of accounting policies and disclosures;
 - ii. review the financial statements against the requirements in the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*;
 - iii. assess areas of significant judgment and financial statement balances that require estimation;
 - iv. assess any significant changes to accounting policies and practices (by May each financial year); and
 - v. review significant or unusual transactions, not covered by (iii) or (iv) above.
- assess whether appropriate management action has been taken in response to any issues raised by the Australian National Audit Office (ANAO), including financial statement adjustments or revised disclosures;
- review the processes in place designed to ensure that financial information included in Australian Hearing's annual report is consistent with the signed financial statements;

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

PERFORMANCE REPORTING

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

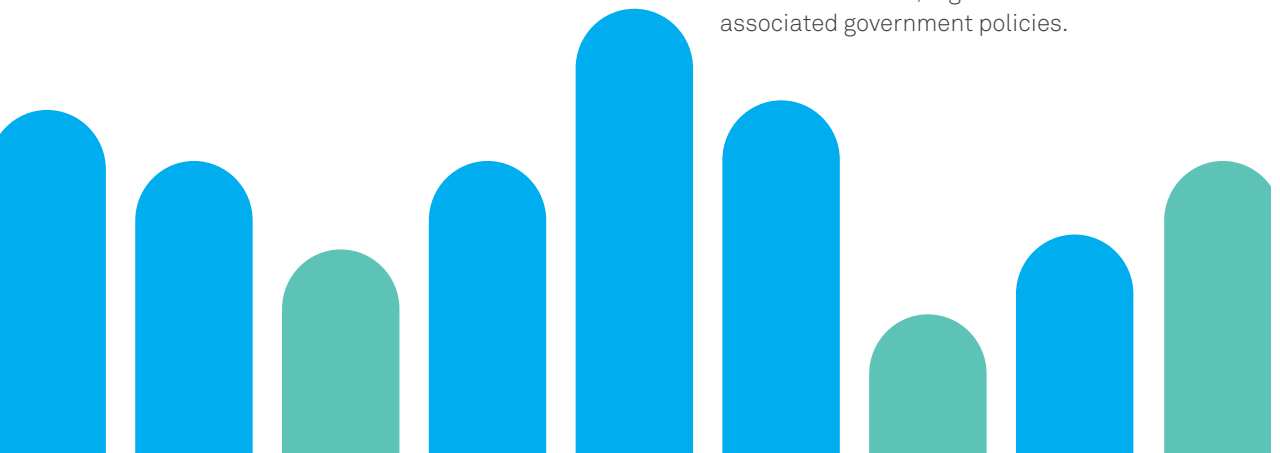


SYSTEMS OF RISK OVERSIGHT AND MANAGEMENT

- review whether Australian Hearing's management has in place a current and comprehensive risk management framework, and associated procedures for effective identification and management of Australian Hearing's financial and business risks, including fraud, and to approve Australian Hearing's Risk Management Framework;
- determine whether a sound and effective approach has been followed by Australian Hearing in managing its major risks, including those associated with individual projects, program implementation and activities;
- satisfy itself that Australian Hearing's management has assessed the impact of Australian Hearing's enterprise risk management framework on Australian Hearing's control environment;
- monitor the adequacy of insurance cover for Australian Hearing;
- monitor reports on fraud from Australian Hearing's management that outline any significant or systemic allegations of fraud, the status of any ongoing investigations and any changes to identified fraud risk in Australian Hearing; and
- at least annually, commission and approve an entity-wide assurance map that identifies Australian Hearing's key assurance arrangements.

SYSTEM OF INTERNAL CONTROL

- assess whether management has in place comprehensive and relevant policies and procedures designed to maintain an effective internal control framework, including controls over external parties such as contractors and advisors and information technology security and arrangements;
- review whether management has in place appropriate policies and procedures, and that these are periodically reviewed and updated;
- determine whether the appropriate processes are in place to assess, at least once a year, whether policies and procedures are complied with;
- assess whether appropriate policies and supporting procedures are in place for the management and exercise of delegations;
- assess whether management has taken steps to embed a culture that promotes the proper use of Commonwealth resources and which is committed to ethical and lawful behaviour;
- determine whether a sound and effective approach has been followed in establishing Australian Hearing's business continuity planning arrangements, including whether business continuity and disaster recovery plans are periodically updated and tested;
- determine whether management has appropriately considered legal and compliance risks as part of Australian Hearing's enterprise risk management plan; and
- assess the effectiveness of the system for monitoring Australian Hearing's compliance with relevant laws, regulations and associated government policies.



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

		Meetings attended	Meetings eligible to be attended
Mrs Swati Dave	Chair Non-Executive Director	6	6
The Hon Michael Knight AO	Non-Executive Director	5	6
Mrs Sam Andersen	Non-Executive Director	6	6
Ms Eliza Penny*	Special Purpose Member	6	6

* Ms Eliza Penny was appointed as a Special Purpose Member for a 12 month term effective from 6 April 2016 and was reappointed on 6 April 2017 for a further 12 month term.

The Chair of the Australian Hearing Board, the Managing Director, the Finance & Business Services Director, the Chief Operating Officer, the Company Secretary and other representatives from Australian Hearing Management, who are not members of the Committee, may attend all or part of the ARMC meeting as observers, by invitation of the Committee Chair.

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

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

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

CIRCULAR RESOLUTION DISTRIBUTION TO AUDIT & RISK MANAGEMENT COMMITTEE MEMBERS

		Circulars Distributed	Circulars eligible to be received
Mrs Swati Dave	Chair Non-Executive Director	1	1
The Hon Michael Knight AO	Non-Executive Director	1	1
Mrs Sam Andersen	Non-Executive Director	1	1
Ms Eliza Penny*	Special Purpose Member	1	1

* Ms Eliza Penny was appointed as a Special Purpose Member for a 12 month term effective from 6 April 2016 and was reappointed on 6 April 2017 for a further 12 month term.

INNOVATION STRATEGY COMMITTEE

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

- i. identify threats to Australian Hearing's current business model and how such threats may be mitigated;
- ii. identify opportunities for Australian Hearing associated with innovation and technology and how such opportunities can be maximised through innovation in services or service delivery; and
- iii. consider the extent to which Australian Hearing's Corporate Plan addresses the threats and opportunities identified.

ATTENDANCE OF DIRECTORS AND MEMBERS AT INNOVATION STRATEGY COMMITTEE (ISC) MEETINGS

		Meetings attended	Meetings eligible to be attended
Dr Peta Seaton	Chair	2	2
Mrs Swati Dave	Non-Executive Director	2	2
The Hon Michael Knight AO	Non-Executive Director	2	2
Mrs Sam Andersen	Non-Executive Director	2	2
Mrs Glenise Coulthard	Non-Executive Director	2	2
Mr Bill Davidson	Managing Director	2	2
Ms Sarah Vaughan*	Special Purpose Member	2	2

*Ms Sarah Vaughan was appointed as a Special Purpose Member for a 12 month term effective from 30 January 2017.

AUSTRALIAN HEARING RESEARCH COMMITTEE

The Research Committee is directly responsible and accountable to the Board for the exercise of its responsibilities. Its role is to:

- review the strategic plan of NAL research once each year and report to the Board;
- determine that the projects to be undertaken and undertaken are in line with the role of Australian Hearing as described in the AHS Act, and any broad strategic directions for NAL that are in place at any time;
- in relation to NAL projects that receive funding from the Commonwealth Department of Health (the Department) undertake tasks set out at clause 5.3 of the Memorandum of Understanding in relation to the funding of Research and Development into Hearing Health, Rehabilitation and Prevention between the Department and Australian Hearing represented by NAL (Agreement) being:
 - i. endeavour to ensure that NAL's activities are consistent with the terms of the Agreement;
 - ii. endeavour to ensure alignment between the aim of each project undertaken by NAL and the objectives of the Australian Government's Hearing Services Program by endeavouring to confirm that each project:
 - has the potential for national application;
 - provides practical and sustainable benefits;
 - has methodological merit, and where appropriate, be peer reviewed;
 - is cost effective; and
 - can be directly translatable into practice and/or provide knowledge that has the potential to guide future research and development impacting on practice.

- iii. monitor and review the performance, progress and expenditure of projects against the above listed criteria and ensure that any changes to the direction and/or scope of a project do not compromise synergy with the objectives of the Hearing Services Program.
 - iv. manage the quality of the research through a review process which may be conducted by members of the Committee and/or involve audiological or other scientific peer review external to the Committee.
 - v. consider whether to endorse any reports as requested by the Department prior to NAL formally submitting them to the Office of Hearing Services.
- take a proactive, high level role in project selection, evaluation, resource allocation and balance of type of outcomes to be achieved (i.e. basic research versus applied research versus development, and community benefit versus commercial return) and the intellectual property rights strategy;
 - take a proactive, high level role in:
 - i. identifying and advising on risk at all levels (organisational and project) around research and development at NAL.
 - ii. providing oversight to ensure that all risks are effectively mitigated and managed by NAL.
 - be interactive, and apply scrutiny and guidance at a strategic level including review of project progress reports at each meeting;
 - assess significant changes to projects in line with strong governance, structure and reporting/evaluation mechanisms, including oversight of variations to individual project budgets/allocations; and
 - monitor the development, ownership, protection and commercialisation of intellectual property created by NAL.

AUSTRALIAN HEARING RESEARCH COMMITTEE ATTENDANCE

		Meetings attended	Meetings eligible to be attended
Dr Peta Seaton	Chair	3	4
Mrs Swati Dave*	Acting Chair Non-Executive Director	1	1
Mrs Glenise Coulthard	Non-Executive Director	2	4
Mr Bill Davidson	Managing Director	4	4
Mrs Sam Andersen**	Member	3	3
Ms Trisha Garrett	Member (OHS)	3	4
Dr Bob Frater	Member	4	4
Associate Professor Jim Patrick***	Member	0	4
Professor Louise Hickson	Member	2	4
Professor Harvey Dillon	Member (NAL Director)	4	4
Professor Sakkie Pretorius**	Member	0	4
Professor David McAlpine**	Invitee	0	4

* Dr Peta Seaton was on approved leave between 21 December 2016 and 19 February 2017. Therefore Mrs Swati Dave stood in as Chair for the Research Committee meeting held on 9 February 2017.

** By resolution of the Board on 1 September 2016 Mrs Andersen was appointed as a member of the Research Committee.

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

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

HUMAN RESEARCH ETHICS COMMITTEE

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

The role of the Human Research Ethics Committee is to:

- protect the welfare and rights of participants in research undertaken by researchers employed by Australian Hearing;
- approve research by other institutions on Australian Hearing clients where:
 - i. there is significant involvement by researchers employed by Australian Hearing, or;
 - ii. issues of privacy of client records kept by Australian Hearing are raised by the research, in which case, the Committee needs to review the research to ensure that any breaches of the Australian Privacy Principles are justified or steps are required of the researchers to obtain client permission to access the records.
- ensure that prior to the commencement of subject testing, all projects have received the appropriate ethics approval;
- monitor the progress of research projects to which it has given ethics approval. This will be performed on an annual basis by examining the progress reports submitted by the researchers; and
- approve procedures to deal with complaints from participants of research projects, researchers or other interested parties about the conduct of the research or the consideration of research projects by the Committee.

AUSTRALIAN HEARING HUMAN RESEARCH ETHICS COMMITTEE ATTENDANCE

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

ENABLING LEGISLATION

Australian Hearing is established under the *Australian Hearing Services Act 1991* (AHS Act), the purpose of which is to establish the authority and provide for its functions.

FUNCTIONS

- a) to provide hearing services to voucher-holders in accordance with an agreement entered into by the Authority under Part 3 of the *Hearing Services Administration Act 1997*:
 - i. to provide declared hearing services to young Australians.
 - ii. to provide declared hearing services to referred Comcare clients.
 - iii. to provide declared hearing services to referred Commonwealth employees.
 - iv. to provide declared hearing services to designated persons
- b) to carry out research and development (including co-operative research with other institutions) into:
 - i. assessment of hearing; and
 - ii. hearing aids and procedures for fitting hearing aids; and
 - iii. hearing rehabilitation; and
 - iv. hearing loss prevention; and
 - v. the effects of noise on the community.
- c) to enter into arrangements for research, design and development of hearing services;
- d) to enter into arrangements for supply of hearing services;

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

CORPORATE GOVERNANCE

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

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



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

EXECUTIVE GOVERNANCE STRUCTURE

EXECUTIVE COMMITTEE

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

BUSINESS ETHICS POLICY

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

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

OUR CORPORATE PLAN

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

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



BOARD OF DIRECTORS

BOARD COMPOSITION

Directors are appointed to the Board of Australian Hearing on fixed terms by the Australian Government. All are Non-Executive Directors, except for the Managing Director. The names and details of the Directors in office during FY2016/17 are detailed below. Unless otherwise indicated, all held their position as a Director throughout the entire year.

Dr Peta Seaton AM

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

Dr Peta Seaton was appointed as Chair on 8 December 2014. She is the principal of Strategic Consulting and an (Associate) Director of the BDCU Alliance Bank since December 2016. She has served as Deputy Chair of the Bradman Foundation and as a Director of CARE Australia. Since August 2015, Dr Seaton has served on the Near Eastern Archaeology Foundation Council and was appointed as a Non-Executive Director of the Menzies Research Centre in November 2015. A former NSW Parliamentarian and frontbencher, Dr Seaton served as Director of Transition and Director of Strategic Priorities in the NSW Premier's Office from 2011-2014. She was made a member of the Order of Australia in 2017.

Mrs Swati Dave

NON-EXECUTIVE DIRECTOR B.Com (UON), GAICD

Ms Dave is the Managing Director and CEO of Export Finance and Insurance Corporation.

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

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

She currently serves on the boards of Asia Society Australia and State Super. She has served as a former director of Great Western Bancorp Inc. (USA) and was the Chair of the inaugural Board Risk Committee leading up to the bank's IPO on NYSE.

Ms Dave was also a former director of the NAB Wealth Responsible Entity Boards comprising; MLC Investments Ltd, Navigator Australia Limited, Antares Capital Partners Limited, National Asset Management Limited.

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



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

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

**Mrs Glenise Coulthard
NON-EXECUTIVE DIRECTOR**

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

**Mrs Sam (Sandra) Andersen
NON-EXECUTIVE DIRECTOR, LLB (QUT), CPA,
FAICD, F Fin**

Mrs Andersen is a Certified Practising Accountant with a Bachelor of Laws degree. She is a Fellow of Finsia (the Financial Services Institute of Australasia) and the Australian Institute of Company Directors.

Sam was appointed as a Non-Executive Director of Australian Hearing in August 2013. She is a member of the Board of Trustees and Chair of the Finance and Audit Committee for Melbourne Convention and Exhibition Trust, a Director and the Chair of the Audit and Risk Management Committee for Chisholm Institute, a Director and Chair of Board Risk Committee for Beyond Bank Australia, and Chair of the Audit & Risk Management Committee for Department of Premier & Cabinet, Victoria. Sam retired as a Director and Chair of Anteo Diagnostics Limited effective 24 August 2016.

Sam has held senior executive positions with ANZ, Commonwealth Bank and NAB. Following a career change from banking and finance into industry, she was CFO at Lumacom Ltd and Chief Operating and Financial Officer at Multi-Media.com Ltd, and led the IPO as Managing Director of Eyecare Partners Limited (ASX:EPL).



Mr Bill Davidson
MANAGING DIRECTOR

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

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

EXECUTIVE MANAGEMENT

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

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



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

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

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

He has been the recipient of several awards including the Callier Prize from the University of Texas and the NSW public sector scientist/engineer of the year, both in 2013, and the 2015 International Award from the American Academy of Audiology. He is frequently invited to present keynote addresses at overseas conferences.

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

In August 2016 Dr Dillon announced his retirement from his role from 21 August 2017. Following a global search, Dr Brent Edwards has been selected to replace Dr Dillon. Dr Edwards will commence as the new Director from 2 October 2017.

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

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

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

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



Financials



INDEPENDENT AUDITOR'S REPORT

To the Minister for Human Services

Opinion

In my opinion, the financial statements of Australian Hearing for the year ended 30 June 2017:

- (a) comply with Australian Accounting Standards and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of Australian Hearing as at 30 June 2017 and its financial performance and cash flows for the year then ended.

The financial statements of Australian Hearing, which I have audited, comprise the following statements as at 30 June 2017 and for the year then ended:

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

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 Australian Hearing 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* to the extent that they are not in conflict with the *Auditor-General Act 1997* (the Code). 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 Australian Hearing the Directors are responsible under the *Public Governance, Performance and Accountability Act 2013* for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards and the rules made under that Act. The Directors are also responsible for such internal control as the Directors determines is necessary to enable the preparation and fair presentation 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 Australian Hearing's ability 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 matters related to going concern as applicable 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 those charged with governance 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



Carla Jago
Group Executive Director
Delegate of the Auditor-General
Canberra
15 August 2017


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

30 June 2017

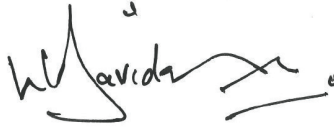
In our opinion:

- the attached financial statements for the year ended 30 June 2017 comply with section 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and are based on properly maintained financial records in accordance with section 41(2) of the PGPA Act;
- at the date of this statement, there are reasonable grounds to believe that the corporate Commonwealth entity will be able to pay its debts as and when they become due and payable.

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



Dr Peta Seaton
Chair



Bill Davidson
Managing Director



Vivian Quinn
Finance and Business
Services Director

15 August 2017

Statement of Comprehensive Income

For the year ended 30 June 2017

	Notes	2017 \$'000	2016 \$'000
Sale of goods and rendering of services	4	252,549	240,804
Interest on deposits		2,453	2,389
Royalties		261	316
Total income		255,263	243,509
Expenses			
Employee benefits expense	5	(114,582)	(110,607)
Goods and services supplied	6	(85,296)	(80,733)
Depreciation and amortisation expense	7	(9,098)	(9,045)
Operating lease rentals	7	(12,754)	(11,753)
Workers compensation premiums		(1,417)	(1,504)
Net loss on assets sale		-	(13)
Finance costs	7	(117)	(148)
Total expenses		(223,264)	(213,803)
Surplus before income tax equivalent expense		31,999	29,706
Income tax equivalent expense	8	(9,619)	(8,889)
Surplus after income tax equivalent expense		22,380	20,817
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income attributable to the Australian Government		22,380	20,817

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

Statement of Financial Position

As at 30 June 2017

	Notes	2017 \$'000	2016 \$'000
ASSETS			
Current assets			
Cash and cash equivalents		5,350	4,285
Trade and other receivables	10	4,672	4,694
Inventories	11	3,369	3,251
Work in progress	12	4,153	4,397
Other current assets	13	2,426	2,875
Investments under section 59 of the PGPA Act	14	79,202	77,796
Total current assets		99,172	97,298
Non-current assets			
Property, plant and equipment	15	24,973	20,955
Intangibles	16	5,608	5,058
Deferred tax	17	13,832	13,564
Total non-current assets		44,413	39,577
Total assets		143,585	136,875
Liabilities			
Current liabilities			
Trade and other payables	18	15,810	15,960
Lease incentives		843	734
Provisions	19	11,583	10,788
Deferred revenue	20	18,211	16,859
Tax liabilities		2,149	3,618
Dividend payable		6,306	6,742
Total current liabilities		54,902	54,701
Non-current liabilities			
Lease incentives		6,815	7,367
Provisions	21	17,162	16,955
Total non-current liabilities		23,977	24,322
Total liabilities		78,879	79,023
Net assets		64,706	57,852
Equity			
Retained surplus		64,706	57,852
Total equity		64,706	57,852

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

Statement of Changes in Equity

For the year ended 30 June 2017

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

	Retained surplus \$'000	Total equity \$'000
Balance at 1 July 2016	57,852	57,852
Surplus after income tax equivalent expense for the year	22,380	22,380
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	22,380	22,380
Transactions with owners		
Dividends paid and payable (note 22)	(15,526)	(15,526)
Balance at 30 June 2017	64,706	64,706

Retained surplus of \$888,000 (2016: \$717,000) is apportioned to National Acoustic Laboratories with the balance to Australian Hearing.

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

Statement of Cash Flows

For the year ended 30 June 2017

	Notes	2017 \$'000	2016 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from goods and services		256,560	242,556
Interest received		2,576	2,290
Royalty received		261	308
Net GST received		4,686	2,939
Payments to employees		(113,484)	(112,175)
Payments to suppliers		(107,105)	(99,149)
Income tax equivalent		(11,356)	(8,723)
Net cash from operating activities	29	32,138	28,046
Cash flows from investing activities			
Payments for property, plant and equipment	15	(11,337)	(8,587)
Payments for intangibles	16	(2,368)	(1,665)
Net payments for investments under section 59 of the PGPA Act		(1,406)	(10,082)
Net cash used in investing activities		(15,111)	(20,334)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(15,962)	(9,608)
Net cash used in financing activities		(15,962)	(9,608)
Net increase/(decrease) in cash and cash equivalents		1,065	(1,896)
Cash and cash equivalents at the beginning of the financial year		4,285	6,181
Cash and cash equivalents at the end of the financial year		5,350	4,285

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

Notes to the Financial Statements

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Note 1. General information

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

Australian Hearing is a corporate Commonwealth entity and operates on a for-profit basis.

The objectives of Australian Hearing are to provide hearing services and to carry out research and development in hearing related matters.

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

The Australian Government was approached by a consortium, led by the Royal Institute for Deaf and Blind Children alongside Cochlear Ltd and Macquarie University, with a proposal for the transfer of Australian Hearing into non-government ownership. Following consultation, the Government announced that it has decided to retain full ownership and control of Australian Hearing.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 15 August 2017.

Note 2. Significant accounting policies

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

Basis of preparation

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

The financial statements have been prepared in accordance with *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015* ('FRR') for reporting periods ending on or after 1 July 2016 and with Australian Accounting Standards and Interpretations issued by the Australian

Accounting Standards Board ('AASB'), as appropriate for for-profit oriented entities.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, certain assets and liabilities at fair value. No allowance has been made for the effect of changing prices on the results or the financial position.

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

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

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

Critical accounting estimates

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

Current and non-current classification

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

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in Australian Hearing's normal operating cycle; it is held primarily for

the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

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

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

Cash and cash equivalents

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

In accordance with the financial targets and performance considerations contained in the *Australian Hearing Services Act 1991*, the level of cash resources held by Australian Hearing is, in the opinion of the board of directors, sufficient to maintain:

- a reasonable level of reserves, having regard to estimated future infrastructure requirements;
- the extent of the Commonwealth equity in the entity; and
- Australian Hearing's commercial operational requirements.

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

New, revised or amending Accounting Standards and Interpretations adopted

Australian Hearing has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting year. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of Australian Hearing during the financial year ended 30 June 2017.

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

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Hearing has not early adopted these new or amended accounting standards and interpretations in 2017 and is continuing to assess the impact on Australian Hearing's financial results and financial statement presentation. A project team has been established to assess the impact of the new accounting standards relevant to Australian Hearing's operations. This assessment process also includes identifying changes to internal and external reporting requirements, IT systems, business processes and associated internal controls with the aim of quantifying the expected impact of the new standards as well as supporting ongoing compliance with new accounting requirements. New and amended accounting standards include:

AASB 9 Financial Instruments

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

AASB 15 Revenue from Contracts with Customers

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will require: contracts

(either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue. For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied. Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgements made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer. Whilst our impact assessment is not yet finalised, Australian Hearing does not anticipate that the impact of adopting this standard from 1 July 2018 will be material.

AASB 16 Leases

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured as the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal

computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results will be improved as the operating expense is replaced by interest expense and depreciation in profit or loss under AASB 16. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. Australian Hearing will adopt this standard from 1 July 2019 but the impact of its adoption is yet to be assessed by the company.

Other amending accounting standards

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

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases

its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Provision for impairment of inventories

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

Estimation of useful lives of assets

Australian Hearing determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Employee benefits provision

The liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account, based on actuarial assessments. The last actuarial valuation was in June 2016.

Restoration obligations

A provision has been made for the present value of anticipated costs for future restoration of leased premises. The provision includes future cost estimates associated with closure of the premises. The calculation of this provision requires assumptions such as application of closure dates and cost estimates. The provision recognised is periodically reviewed and updated based on the facts and circumstances available at the time.

Note 4. Sale of goods and rendering of services

	2017 \$'000	2016 \$'000
Sale of goods - related entities	94,102	89,564
Sale of goods - external entities	43,966	42,166
Rendering of services - related entities	103,463	98,078
Rendering of services - external entities	11,018	10,996
Sale of goods and rendering of services	252,549	240,804

Accounting policy for revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to Australian Hearing and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Sale of goods

Sale of goods revenue is recognised at the point of sale, which is where the customer has taken delivery of the goods, the risks and rewards are transferred to the customer and there is a valid sales transaction. Amounts disclosed as revenue are net of sales returns and discounts.

Rendering of services

Rendering of services revenue is recognised by reference to the stage of completion of the contracts at the reporting date.

The stage of completion of contracts at the reporting date is determined by reference to the proportion that time spent to date bears to the estimated total time of completing the contract.

Changes to the estimated future costs are recognised in the statement of financial position by adjusting the asset and the provision.

Reductions in the provision that exceed the carrying amount of the asset will be recognised in profit or loss. The provision recognised is periodically reviewed and updated based on the average cost to restore.

Interest

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

Revenues from Government

Australian Hearing receives 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 – Office of Hearing Services branch (OHS), for the provision of goods and services to the community as well as compensation for research work conducted; and revenue received through a competitive voucher scheme administered by the OHS.

Funding from the OHS is recognised when the service or goods have been provided. Funding that is carried forward to be recognised as revenue in future years is specifically authorised by the OHS.

Revenue for services provided under the competitive voucher scheme is recognised when the services are provided. Fees for annual maintenance services are received in advance such revenue is recognised proportionately over the following 12 months that services are provided.

Research funding – Grants and royalties

Australian Hearing is a member of the HEARing Cooperative Research Centre (CRC). Through the CRC, the Australian Government provides funding for a variety of projects that advance the field of hearing and hearing healthcare. Royalty income is recognised by Australian Hearing when the funds are received.

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

NAL also receives grants from a variety of other organisations to conduct research into hearing, hearing habilitation, rehabilitation and the effects of noise on people. Grant revenue is only recognised to the extent that the services required have been performed. Where grant monies are received in advance, a liability is recognised.

Note 5. Employee benefits expense

	2017 \$'000	2016 \$'000
Wages and salaries	83,603	80,280
Superannuation	14,550	13,849
Leave and other entitlements	10,372	10,320
Separation and redundancies	780	1,010
Payroll tax	5,277	5,148
Employee benefits expense	114,582	110,607

Note 6. Goods and services supplied

	2017 \$'000	2016 \$'000
Aids and appliances	55,336	51,494
Consultants	1,276	1,048
Contractors	582	358
Information and communication technology	7,238	8,008
Marketing	4,352	3,596
Property	3,816	3,549
Travel	5,048	5,058
Others	7,648	7,622
Goods and services supplied	85,296	80,733

Note 7. Other expenses

	2017 \$'000	2016 \$'000
Surplus before income tax includes the following specific expenses:		
Depreciation		
Leasehold improvements	3,077	2,285
Plant and equipment	4,203	4,476
Total depreciation	7,280	6,761
Amortisation		
Computer software internally developed	952	1,185
Computer software purchased	866	1,099
Total amortisation	1,818	2,284
Total depreciation and amortisation	9,098	9,045
Finance costs		
Unwinding of discount on restoration provision liability	117	148
Rental expense relating to operating leases		
Minimum lease payments	12,754	11,753

Accounting policy for finance costs

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

Accounting policy for leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

Australian Hearing does not have finance leases.

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

Note 8. Income tax equivalent expense

	2017 \$'000	2016 \$'000
Income tax equivalent expense		
Current tax	9,887	9,157
Deferred tax - origination and reversal of temporary differences	(268)	(268)
Aggregate income tax equivalent expense	9,619	8,889
Deferred tax included in income tax equivalent expense comprises:		
Increase in deferred tax assets (note 17)	(268)	(268)
Numerical reconciliation of income tax equivalent expense and tax at the statutory rate		
Surplus before income tax equivalent expense	31,999	29,706
Tax at the statutory tax rate of 30%	9,600	8,912
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Non-allowable expenses	71	28
National Acoustic Laboratories exempt from income tax equivalent	(52)	(51)
Income tax equivalent expense	9,619	8,889

Australian Hearing provides services on a for-profit basis and is subject to the Australian Government's competitive neutrality policy. The above amounts have been calculated as being payable to the Australian Government in the form of company income tax under the Income Tax Assessment Acts had they applied. These amounts have been paid or are payable to the Official Public Account.

Accounting policy for taxation

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

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

Note 9. Competitive neutrality

	2017 \$'000	2016 \$'000
State tax equivalent expense	5,277	5,148
Commonwealth tax equivalent expense	9,619	8,889
Dividend declared	15,526	12,387
Total taxes and dividend declared	30,422	26,424

Accounting policy for competitive neutrality

Australian Hearing provides services on a for-profit basis. Under competitive neutrality arrangements Australian Hearing is required

to make payroll tax and income tax equivalent payments to the Commonwealth Government in addition to payments for FBT and GST.

Note 10. Current assets - trade and other receivables

	2017 \$'000	2016 \$'000
Trade receivables - related entities	3,369	3,552
Trade receivables - external entities	376	93
Less: Provision for impairment of receivables	(129)	(46)
	3,616	3,599
Interest receivable	582	705
GST receivable	474	390
	4,672	4,694

Impairment of receivables

Australian Hearing has recognised a loss of \$83,000 (2016: a loss of \$10,000) in respect of impairment of receivables for the year ended 30 June 2017.

Movements in the provision for impairment of receivables are as follows:

	2017 \$'000	2016 \$'000
Opening balance	46	36
Additional provisions recognised	83	10
Closing balance	129	46

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

Collectability of trade receivables is reviewed at the end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

Other receivables are recognised at amortised cost, less any provision for impairment.

Note 11. Current assets - inventories

	2017 \$'000	2016 \$'000
Inventories held for sale - at cost	2,719	2,666
Inventories held for distribution - at cost	1,433	1,237
Less: Provision for impairment	(783)	(652)
	3,369	3,251

Inventory held for sale that was recognised as an expense in profit or loss amounted to

\$55,336,000 (2016: \$51,494,000) for the year ended 30 June 2017.

Accounting policy for inventories

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

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

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

Note 12. Current assets – work in progress

	2017 \$'000	2016 \$'000
Services in progress	4,388	4,603
Provision for impairment	(235)	(206)
	4,153	4,397

Accounting policy for work in progress

Under the current claims process with the OHS, Australian Hearing is remunerated on completion of a fitting which occurs when a customer returns for their follow up

appointment. Work in progress represents revenue activities that are partially completed, usually when a customer has been fitted with a hearing device and has yet to return for the follow up appointment.

Note 13. Current assets – other current assets

	2017 \$'000	2016 \$'000
Other revenue receivable	17	83
Prepayments	2,409	2,792
	2,426	2,875

Note 14. Current assets – investments under section 59 of the PGPA Act

	2017 \$'000	2016 \$'000
Held-to-maturity fixed term cash deposits	79,202	77,796

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, except for financial assets at fair value through profit or loss. They are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on the purpose of the acquisition and subsequent reclassification to other categories is restricted.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and Australian Hearing has transferred substantially all the risks and rewards of ownership.

Held-to-maturity investments

Held-to-maturity investments includes non-derivative financial assets with fixed or determinate payments and fixed maturities where Australian Hearing has the positive intention and ability to hold the financial asset

to maturity. This category excludes financial assets that are held for an undefined period. Held-to-maturity investments are carried at amortised cost using the effective interest rate method adjusted for any principal repayments. Gains and losses are recognised in profit or loss when the asset is derecognised or impaired. In accordance with section 59 of the PGPA Act, the funds are invested on deposit with a bank, including a deposit evidenced by a certificate of deposit, all maturing within 12 months.

Impairment of financial assets

Australian Hearing assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes significant financial difficulty

of the issuer or obligor; a breach of contract such as default or delinquency in payments; the disappearance of an active market for the financial asset; or observable data indicating that there is a measurable decrease in estimated future cash flows.

The amount of the impairment allowance for receivables and held to maturity investments carried at amortised cost is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The loss is recognised in profit or loss. If there is a reversal of impairment, the reversal cannot exceed the amortised cost that would have been recognised had the impairment not been made and is reversed to profit or loss.

Note 15. Non-current assets – property, plant and equipment

	2017 \$'000	2016 \$'000
Leasehold improvements - at cost	39,185	35,246
Less: Accumulated depreciation	(26,167)	(23,526)
	13,018	11,720
Plant and equipment - at cost	38,639	33,844
Less: Accumulated depreciation	(26,684)	(24,609)
	11,955	9,235
	24,973	20,955

Reconciliations

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

	Leasehold improvements \$'000	Plant and equipment \$'000	Total \$'000
Balance at 1 July 2015	10,481	8,846	19,327
Additions	3,426	5,161	8,587
Disposals	(27)	(171)	(198)
Transfers in/(out)	125	(125)	-
Depreciation expense	(2,285)	(4,476)	(6,761)
Balance at 30 June 2016	11,720	9,235	20,955
Additions	4,371	6,966	11,337
Disposals	-	(39)	(39)
Transfers in/(out)	4	(4)	-
Depreciation expense	(3,077)	(4,203)	(7,280)
Balance at 30 June 2017	13,018	11,955	24,973

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

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 in the financial year of acquisition. Historical cost includes expenditure that is directly attributable to the acquisition of the items. The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located. This is particularly relevant to restoration obligations in property leases taken up by Australian Hearing where an obligation to restore the property to its original condition exists. Plant and equipment acquired at no cost, or for nominal consideration are initially recognised as assets and income at their fair value at the date of acquisition.

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

Leasehold improvements over the lease term **Plant and equipment 3 – 20 years**

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

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

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

Note 16. Non-current assets – intangibles

	2017 \$'000	2016 \$'000
Computer software internally developed - at cost	8,684	8,441
Less: Accumulated amortisation	(5,251)	(4,278)
	3,433	4,163
Computer software purchased - at cost	7,407	5,282
Less: Accumulated amortisation	(5,232)	(4,387)
	2,175	895
	5,608	5,058

Reconciliations

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

	Computer software internally developed \$'000	Computer software purchased \$'000	Total \$'000
Balance at 1 July 2015	4,588	1,155	5,743
Additions	826	839	1,665
Disposals	(66)	-	(66)
Amortisation expense	(1,185)	(1,099)	(2,284)
Balance at 30 June 2016	4,163	895	5,058
Additions	1,028	1,340	2,368
Transfers in/(out)	(806)	806	-
Amortisation expense	(952)	(866)	(1,818)
Balance at 30 June 2017	3,433	2,175	5,608

No indicators of impairment were found for intangibles.

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 derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset.

The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Computer software purchase and internally developed

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

Note 17. Non-current assets – deferred tax

	2017 \$'000	2016 \$'000
Deferred tax asset comprises temporary differences attributable to:		
<i>Amounts recognised in profit or loss:</i>		
Balance carried forward	13,564	13,296
Impairment of receivables	37	16
Fixed assets	80	273
Employee benefits	202	329
Provision for lease make good	(38)	(10)
Accrued expenses	(10)	18
Revenue received in advance	27	80
Provision for inventory obsolescence	39	(4)
Lease renewal	(133)	(206)
Unearned revenue	64	(228)
Deferred tax asset	13,832	13,564
<i>Movements:</i>		
Opening balance	13,564	13,296
Credited to profit or loss (note 8)	268	268
Closing balance	13,832	13,564

Note 18. Current liabilities – trade and other payables

	2017 \$'000	2016 \$'000
Trade creditors	3,609	3,788
Accrued expenses	7,885	8,103
Salaries and wages	4,316	4,069
	15,810	15,960

Refer to note 23 for further information on financial instruments.

Accounting policy for trade and other payables

These amounts represent liabilities for goods and services provided to Australian Hearing prior to the end of the financial year and which

are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Note 19. Current liabilities – provisions

	2017 \$'000	2016 \$'000
Employee benefits	9,566	9,023
Restoration obligations	2,017	1,765
	11,583	10,788

Restoration obligations

Refer to note 21 for details on the restoration obligations.

Accounting policy for provisions

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

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

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 Australian Hearing is estimated to be less than the annual entitlement for sick leave.

Superannuation benefits

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

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

The liability for defined benefits is recognised in the statement of financial position and is settled by the Australian Government in due course. This liability is reported in the Department of Finance administered schedules and notes.

Australian Hearing makes employer contributions to the Commonwealth employee superannuation schemes at rates determined by an actuary to be sufficient to meet the current cost to the Government, and accounts for the contributions as if they were contributions to defined contribution plans. The liability for superannuation recognised as at the reporting date represents outstanding contributions for the final fortnight of the financial year.

Note 20. Current liabilities – deferred revenue

	2017 \$'000	2016 \$'000
Maintenance and Hearing Services Card	16,578	16,393
Research revenue	1,633	466
	18,211	16,859

Note 21. Current liabilities – provisions

	2017 \$'000	2016 \$'000
Employee benefits	12,200	11,897
Restoration obligations	4,962	5,058
	17,162	16,955

Restoration obligations

The provision represents the present value of the estimated costs to make good the premises leased by Australian Hearing at the end of the respective lease terms. Australian Hearing currently has 156 (2016: 145) agreements for the leasing of premises which have provisions requiring Australian Hearing to restore the

premises to their original condition at the conclusion of the lease.

Movements in provisions

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

2017	Restoration obligation \$'000
Carrying amount at the start of the year	6,823
Additional provisions recognised	236
Amounts used	(197)
Unwinding of discount	117
Carrying amount at the end of the year	6,979

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 using the

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

Note 22. Equity – dividends

Dividends paid and payable during the financial year were as follows:

	2017 \$'000	2016 \$'000
Interim dividend declared and paid to the Australian Government	7,020	5,645
Special dividend paid in accordance with a directive received from the Minister for Human Services	2,200	-
Final dividend to the Australian Government payable at year end	6,306	6,742
	15,526	12,387

Accounting policy for dividends

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

Note 23. Financial instruments

Financial risk management objectives

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

Market risk

Foreign currency risk

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

Price risk

Australian Hearing is not exposed to any significant price risk.

Interest rate risk

Australian Hearing's main interest rate risk arises from its term deposits which are at variable and fixed rates. A change in the interest rate by 1% (2016: 1%) will have an effect of \$792,000 (2016: \$778,000) to comprehensive income.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to Australian Hearing.

Australian Hearing's trade receivables are largely with Government agencies. Cash at bank and term deposits are with leading banks. As such credit risk is minimal.

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

Liquidity risk

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

Remaining contractual maturities

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

2017	1 year or less \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	Over 5 years \$'000	Remaining contractual maturities \$'000
Non-derivatives					
Non-interest bearing					
Trade payables	3,609	-	-	-	3,609
Total non-derivatives	3,609	-	-	-	3,609

2016	1 year or less \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	Over 5 years \$'000	Remaining contractual maturities \$'000
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Non-derivatives

Non-interest bearing

Trade payables	3,788	-	-	-	3,788
Total non-derivatives	3,788	-	-	-	3,788

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

Fair value of financial instruments

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

Note 24. Fair value measurement

Accounting policy for fair value measurement

Australian Hearing operates on a for-profit basis. As per approved exemption 17.7 under the FRR, Australian Hearing is exempted from the requirement of fair value measurement for valuation of non-financial assets and the related level of disclosure hierarchy.

Note 25. Key management personnel disclosures

Key management personnel

Australian Hearing has determined that Key Management Personnel ('KMP') is comprised of all members of the Board and its Committees and the Executive Team as they have the authority and responsibility for planning, directing and controlling the activities of the entity.

Compensation

The aggregate compensation made to directors and other members of key management personnel ('KMP') is set out below:

	2017 \$	2016 \$
Short-term employee benefits	1,686,292	1,907,096
Post-employment benefits	205,675	234,401
Long-term benefits	127,883	148,689
Termination benefits	-	400,603
	2,019,850	2,690,789
Short-term employee benefits		
Salary	1,385,340	1,555,738
Performance bonuses	213,235	239,339
Motor vehicle and other allowances	87,717	112,109
Total short-term employee benefits	1,686,292	1,907,096
Post-employment benefits		
Superannuation	205,675	234,401
Long-term employee benefits		
Annual leave accrued	88,195	101,718
Long service leave	39,688	46,971
Total long-term employee benefits	127,883	148,689
Termination benefits		
Voluntary redundancy payments	-	400,603

In 2017 management have applied an updated definition to identify those persons considered to have authority and responsibility for planning, directing and controlling the activities of Australian Hearing, which has resulted in a lower number of personnel being considered as KMP when compared to the prior year. The comparative numbers for 2016 have been restated to meet the updated definition. The total number of key management personnel that are included in the above table is 11 (2016: 10).

Had management kept the same definition that was in place in 2016 then the total number of KMP in 2017 would be 31 (2016: 32).

The aggregate compensation that would have been disclosed for 2017 would be \$6,615,727 (2016: \$7,269,248).

There were no material related party transactions with key management personnel.

The above information excludes benefits of the Portfolio Minister.

Note 26. Remuneration of auditors

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

	2017 \$'000	2016 \$'000
Audit services		
Audit of the financial statements	128,500	126,000

Note 27. Contingent liabilities

Australian Hearing had no contingent liabilities or assets at 30 June 2017.

Accounting policy for contingent liabilities and contingent assets

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

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

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

Note 28. Commitments

	2017 \$'000	2016 \$'000
Lease commitments - operating		
Committed at the reporting date and recognised as liabilities, payable:		
Within one year	13,341	12,628
One to five years	30,894	29,391
More than five years	13,960	16,752
	58,195	58,771
Supply contracts		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	8,827	7,730
One to five years	6,150	6,774
	14,977	14,504
Capital commitments		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	1,782	1,199

General description of leasing arrangements:

Leases for office accommodation

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

Agreements for the provision of motor vehicles

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

Commitments are GST inclusive.

Note 29. Reconciliation of surplus after income tax to net cash from operating activities

	2017 \$'000	2016 \$'000
Surplus after income tax equivalent expense for the year	22,380	20,817
Adjustments for:		
Depreciation and amortisation	9,098	9,045
Net loss on disposal of property, plant and equipment	-	13
Finance costs	117	148
Make good costs	(353)	(391)
Change in operating assets and liabilities:		
Decrease in trade and other receivables	22	135
Increase in inventories	(118)	(111)
Increase in deferred tax assets	(268)	(268)
Decrease/(increase) in other operating assets	693	(787)
Increase/(decrease) in trade and other payables	(780)	535
Increase/(decrease) in provision for income tax	(1,469)	434
Increase/(decrease) in other provisions	1,355	(1,594)
Increase in deferred revenues	1,461	70
Net cash from operating activities	32,138	28,046

Note 30. Events after the reporting period

No matter or circumstance has arisen since 30 June 2017 and at the date of this report that has significantly affected, or may significantly

affect Australian Hearing's operations, the results of those operations, or its state of affairs in future financial years.

Appendices

FOR THE YEAR ENDED 30 JUNE 2017

APPENDIX 1: MINISTERIAL DIRECTIONS AND OTHER STATUTORY REQUIREMENTS

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

- *Australian Hearing Services Act 1991*
- *Public Governance, Performance and Accountability Act 2013*
- *Work Health and Safety Act 2011*
- *Freedom of Information Act 1982*
- *The Environment Protection and Biodiversity Conservation Act 1999*

In 2015/16 Australian Hearing received a Ministerial direction. Pursuant to section 63A of the AHS Act the Minister for Human Services directed Australian Hearing to pay \$2.2 million to the Commonwealth in the 2016/17 financial year. Australian Hearing complied with this Ministerial direction by paying \$2.2 million to the Commonwealth on 27 June 2017. No Government Policy Orders were applied to Australian Hearing.

APPENDIX 2: FREEDOM OF INFORMATION

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

This general right is limited by exception to protect essential public interests, including the privacy of individuals and the business affairs of those who give information to the agency.

Australian Hearing is required to publish information to the public as part of the Information Publication Scheme (IPS). The IPS is designed to promote open and transparent communications of government information. Australian Hearing's plan showing what information it publishes in accordance with the IPS is located at www.humanservices.gov.au/corporate/freedom-of-information/

As part of the IPS, Australian Hearing is required to publish on its website information about its structure, functions and statutory appointments. Australian Hearing must also publish its annual reports and other types of information including information that guides decisions or recommendations affecting members of the public as well as information about how the public can comment on policy proposals. This information is available at www.hearing.com.au/category/about-us (this URL will be redirected to a new site later in 2017).

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

The FOI Officer
Australian Hearing
Level 5, 16 University Avenue
Macquarie University NSW 2109
Telephone: (02) 9412 6800
TTY: (02) 9412 6802
Email: FOI@hearing.com.au

In the reporting year to 30 June 2017, Australian Hearing was not the subject of any report given by the Office of the Australian Information Commissioner.

APPENDIX 3: NATIONAL DISABILITY INSURANCE AGENCY

National Disability Insurance Agency (NDIA) is an independent statutory agency responsible for implementing the National Disability Insurance Scheme (NDIS). NDIA's role is to provide individualised support to eligible people with disabilities, their families and carers.

The NDIS started in 2013 and due to the complexities required to change then existing disability support systems, it is being introduced in stages to ensure a smooth transition for people with disabilities and support providers. Current advice is that the NDIS will be rolled out nationally by 2019/20. Australian Hearing is an approved provider under the NDIS and is committed to continue providing the same level of service as the rollout proceeds and some of our clients register with NDIS.

Ecologically Sustainable Development (ESD)

Activities related to the ESD goal – “development that improves the total quality of life, both now and in the future, in a way that maintains the ecological processes on which life depends”:

Activity	Relationship to ESD principles	Enhancement of ESD principles
Move to mercury free batteries	To take effect from the next battery contract renewal in October 2017. Relative to several ESD principles most notably as a responsible economic, environmental and social decision.	This decision commits Australian Hearing to phase out mercury containing batteries well ahead of the national phase-down proposed for batteries (2020).

APPENDIX 4: ENVIRONMENT

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

Australian Hearing's activities include assessing hearing, fitting/supply of hearing and assistive listening devices and providing counselling and rehabilitative programs to enable eligible clients to manage their hearing impairment. In this regard, we support and adhere to the sustainable procurement strategies set by the Australian Government for procurement processes, which are intended to drive performance, resource efficiency and innovation in supply chains and across industry.

Environmental Performance

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

Activity	Measures taken to reduce effect	Enhancement of ESD principles
Energy efficiency	<p>Landlord and tenant obligations under a Green Lease Schedule improved energy efficiency in the premises and building at the Australian Hearing Hub by implementing an Energy Management Plan which supports the requirements and objectives of the Australian Government Operations Energy Efficiency Policy.</p> <p>Our motor vehicle fleet is largely 4 cylinder fuel-efficient, value for money, environmentally friendly vehicles for fleet use and high Green Vehicle Guide rating.</p> <p>We also promoted the use of energy efficient fuels such as diesel (for our twelve hearing buses) and the use of ethanol blended fuels (E10) where reasonably available.</p> <p>We promote and support the use of video and phone conferencing instead of staff using air travel.</p> <p>Most personal computers are manually shutdown and all monitors are put into sleep mode after 10 minutes of inactivity.</p> <p>Following introduction of a Solid State storage unit, we have virtualised around 97.5% of Wintel Server workload and 95% of Unix Server workload.</p> <p>Personal computer and monitors are all eco and power saving compliant.</p>	<p>All new centre builds incorporate energy efficient lighting. Air conditioning units are replaced with ones with the most appropriate refrigerant and all toilets are converted to or installed with dual flush systems.</p> <p>All our fleet and hearing bus vehicles are regularly serviced/ maintained to ensure optimum fuel efficiency.</p> <p>Australian Hearing is in the process of migration to a largely paper free environment. An e-Form framework has been established and four forms are currently in place. In future all forms will be encompassed within the e-Form framework.</p>

Activity	Measures taken to reduce effect	Enhancement of ESD principles
Waste	<p>50% recycled copier paper is used in printers, photocopiers and multifunction devices. The copy paper is certified chlorine free.</p> <p>Our cleaning contractors provide environmentally friendly tissue paper (toilet paper and towels) and cleaning products.</p>	Paper reduction technology was introduced to our printers to further reduce consumption of paper.
Water	Australia Hearing is not a major water user and generally is not separately metered in our leased premises.	

ENVIRONMENT – Our Commitments

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

Glossary

AHS Act	<i>Australia Hearing Services Act 1991.</i>
AHSPIA	Australian Hearing Specialist Program for Aboriginal and Torres Strait Islanders.
ANAO	Australian National Audit Office.
Annual Report	The yearly report prepared by the accountable authority of a Commonwealth entity in accordance with section 46 of the PGPA Act or the Directors of a Commonwealth company in accordance with section 97 of the PGPA Act. The annual report must be presented to Parliament by the responsible Minister. It provides a broad statement of an entity or company's capability and performance, including results against targets published previously for the corresponding year in the portfolio budget statements. It allows accountable authorities and Directors to report to their Minister on the efficiency and effectiveness of the public administration for which the minister is ultimately responsible.
ARMC	Audit and Risk Management Committee of the Board of Australian Hearing.
Audiologist	A university qualified professional who treats clients for hearing disorders.
Audiometrist	A clinician who has completed a certificate course in hearing assessment, hearing aid fitting and management.
Big Aussie Hearing Check	An Australian Hearing initiative where over one week, hundreds of events will be held nationally to promote hearing checks.
Clinician	An Audiologist or Audiometrist.
Cerebral Palsy Alliance	Non for profit organisation that provides family-centred therapies, life skills programs, equipment and support for people living with cerebral palsy and their families.
Corporate Plan	A document detailing Australian Hearing's strategic direction that the agency is required to be prepared for the Minister for Human Services and the Minister for Finance.
CSO	Community Service Obligation.
DHS	Department of Human Services.
ESD	Ecologically Sustainable Development aims to meet the needs of today, while conserving our ecosystems for the benefit of future generations.

EBITDA	Earnings before interest, tax, depreciation and amortisation.
Financial Year (FY)	Period of a year being reported upon (commencing on 1 July and ending on 30 June).
Hearing Awareness Week	Occurs each year in the last full week in August.
Hearing Bus	Purpose built vehicles intended primarily to advertise Australian Hearing Services and provide free hearing screening nationally (except at this time in the NT).
Hearing Centres	Australian Hearing's service outlets and point of contact for clients.
Hearing Help	Australian Hearing advisory service where clients can get advice via a website, online chat and phone call with a clinician.
ISC	Innovation Strategy Committee of the Board of Australian Hearing.
NAL	National Acoustic Laboratories.
NDIS	National Disability Insurance Scheme.
Network	Australian Hearing centres across Australia.
OHS	Office of Hearing Services. A unit within the Department of Health that administers and regulates the Australian Government's Hearing Services Program.
Permanent site	A permanently staffed hearing centre.
PGPA Act	<i>Public Governance, Performance and Accountability Act 2013.</i>
Remote Site	A location providing for assessment, device fitting and rehabilitation, situated in a locality determined by OHS as being disadvantaged by restricted accessibility of goods and services.
Responsible Minister	Minister with portfolio responsibility for the Commonwealth entity.
Tele-audiology	Provision of audiological services remotely from the patient.
Tele-health	Use of telecommunication techniques for the purpose of providing telemedicine, medical education, and health education over a distance.
Visiting Site	A site that is visited on regular basis by a clinician to deliver hearing services; there are no Australian Hearing staff permanently based at this site.
White Ribbon	A "not for profit" movement of men and boys working to end men's violence against women and girls, promote gender equality, healthy relationships and a new vision of masculinity.
Voucher	Certificate issued by OHS to eligible adults that entitles clients to government funded hearing services.
WHS	Work health and safety.

Compliance Index

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

	Requirements	Page
Clause 17BB	Approval of annual report	3
Clause 17BC	Parliamentary Standards of Presentations	YES
Clauses 17BD	Plain English and clear design	YES
Contents of annual report:		
Clause 17BE(a)	Details of the legislation enabling the body	36
Clause 17BE(b) (i), (ii)	A summary of the objects and functions of the entity as set out in the legislation; and The purposes of Australian Hearing as included in the Corporate Plan for the period	29 6
Clause 17BE(c)	The names of the persons holding the position of responsible Minister or responsible Minister(s) during the period, and the titles of those responsible Ministers	26
Clause 17BE(d)	Any directions given to the entity by a Minister under an Act or instrument during the period	70
Clause 17BE(e)	Any government policy orders that applied in relation to the entity during the period under section 22 of the Act	0
Clause 17BE(f)	If, during the period, the entity has not complied with a direction or order referred to in paragraph (d) or (e) particulars of the non-compliance	NIL
Clause 17BE(g)	The annual performance statements for the entity for the period in accordance with paragraph 39(1)(b) of the Act and section 16F of this rule	6-8
Clause 17BE(h)	A statement of any significant issue reported to the responsible Minister under paragraph 19(1)(e) of the Act that relates to non-compliance with the finance law in relation to the entity	NIL
Clause 17BE(i)	If a statement is included under paragraph (h) of this section – an outline of the action that has been taken to remedy the non-compliance	NIL
Clause 17BE(j)	Information on the accountable authority, or each member of the accountable authority, of the entity during the period, including: (i) The name of the accountable authority or member; and (ii) The qualifications of the accountable authority or member; and (iii) The experience of the accountable authority or member; and (iv) For a member – the number of meetings of the accountable authority attended by the member during the period; and (v) For a member – whether the member is an executive member or non-executive member	38-40

Clause 17BE(k)	An outline of the organisational structure of the entity	24
Clause 17BE(l)	An outline of the location (whether or not in Australia) of major activities or facilities of the entity	78-79
Clause 17BE(m)	Information in relation to the main corporate governance practices used by the entity during the period	26-37
Clause 17BE(n)	the decision-making process undertaken by the accountable authority for making a decision if: <ul style="list-style-type: none"> (i) the decision is to approve the entity paying for a good or service from another Commonwealth entity or a company, or providing a grant to another Commonwealth entity or a company; and (ii) the entity, and the other Commonwealth entity or the company, are related entities; and (iii) the value of the transaction, or if there is more than one transaction, the aggregate value of those transactions, is more than \$10 000 (inclusive of GST); 	NIL
Clause 17BE(o)	if the annual report includes information under paragraph (n): <ul style="list-style-type: none"> (i) if there is only one transaction—the value of the transaction; and (ii) if there is more than one transaction—the number of transactions and the aggregate of value of the transactions 	NIL
Clause 17BE(p)	any significant activities and changes that affected the operations or structure of the entity during the period	NIL
Clause 17BE(q)	particulars of judicial decisions or decisions of administrative tribunals made during the period that have had, or may have, a significant effect on the operations of the entity	NIL
Clause 17BE(r)	particulars of any report on the entity given during the period by: <ul style="list-style-type: none"> (i) the Auditor General, other than a report under Section 43 of the Act (which deals with the Auditor General's audit of the annual financial statements for Commonwealth entities), or (ii) a Committee of either House, or of both Houses, of the Parliament; or (iii) the Commonwealth Ombudsman; or (iv) the Office of the Australian Information Commissioner 	NIL
Clause 17BE(s)	if the accountable authority has been unable to obtain information from a subsidiary of the entity that is required to be included in the annual report—an explanation of the information that was not obtained and the effect of not having the information on the annual report	NIL
Clause 17BE(t)	Details of any indemnity that applied during the period to the accountable authority, any member of the accountable authority or officer of the entity against a liability (including premiums paid, or agreed to be paid, for insurance against the authority, member or officer's liability for legal costs)	28
Clause 17BE(u)	An index identifying where the requirements of this section and section 17BF (if applicable) are to be found	76-77

Australian Hearing Centres

As at 30 June 2017, Australian Hearing operated in 156 permanent hearing centres, 443 visiting centres, 12 hearing buses and 238 Aboriginal and Torres Strait Islander outreach sites.

PERMANENT HEARING CENTRES

AUSTRALIAN

CAPITAL TERRITORY

Canberra
Tuggeranong

NEW SOUTH WALES

Albury
Ballina
Bankstown
Batemans Bay
Belmont
Blacktown
Bowral
Broken Hill
Campbelltown
Campsie
Cessnock
Chatswood
Coffs Harbour
Corrimal
Cowra
Dee Why
Dubbo
East Maitland
Erina
Forster

Gosford
Grafton
Hornsby
Hurstville
Lake Haven
Laurieton
Lismore
Liverpool
Macquarie University
Maitland
Maroubra Junction
Miranda
Mount Druitt
Newcastle
Nowra
Orange
Parramatta
Penrith
Port Macquarie
Salamander Bay
Shellharbour
Springwood
Sydney
Tamworth
Taree
Toronto
Toukley

Tweed Heads
Wagga Wagga
Wallsend
Wollongong
Woy Woy

NORTHERN TERRITORY

Alice Springs
Darwin

QUEENSLAND

Aspley
Atherton
Bargara
Beenleigh
Brisbane
Bundaberg
Caboolture
Cairns
Caloundra
Cleveland
Gladstone
Hervey Bay
Ipswich
Kirwan
Logan

Mackay
Maroochydore
Maryborough
Mitchelton
Mt Gravatt
Noosaville
Palm Beach
Redcliffe
Robina
Rockhampton
Sherwood
Southport
Toowoomba
Townsville
Wynnum
Yeppoon

SOUTH AUSTRALIA

Adelaide
Elizabeth
Marion
Modbury
Mount Gambier
Noarlunga
Victor Harbor
Woodville



TASMANIA

Bellerive
Burnie
Devonport
Glenorchy
Hobart
Kingston
Launceston

VICTORIA

Ballarat
Bell Post Hill
Belmont
Bendigo
Box Hill
Broadmeadows
Castlemaine
Caulfield
Cheltenham
Colac
Cranbourne
Croydon
Dandenong

Drysdale
Epping
Forest Hill
Frankston
Geelong
Greensborough
Hamilton
Hastings
Horsham
Knox
Lilydale
Melbourne
Melton
Mildura
Moonee Ponds
Morwell
Northcote
Ocean Grove
Pakenham
Portland
Reservoir
Rosebud
Sale

Shepparton
Sunbury
Sunshine
Wangaratta
Warragul
Warrnambool
Werribee
Wonthaggi

WESTERN AUSTRALIA

Albany
Bunbury
Cannington
Fremantle
Geraldton
Karrinyup
Mandurah
Morley
Perth
Rockingham

For further details of Australian Hearing Centres, visiting sites and remote sites go to: Hearing.com



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

www.hearing.com.au

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