

PART SIX:

Finance

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Independent Audit Report

FOR THE YEAR ENDED 30 JUNE 2009



To the Minister for Human Services

Scope

I have audited the accompanying financial statements of Australian Hearing for the year ended 30 June 2009, which comprise: a Statement by the Directors and Chief Executive; Income Statement; Balance Sheet; Statement of Changes in Equity; Cash Flow Statement; Schedule of Commitments; Schedule of Contingencies; and Notes to and forming part of the Financial Statements, including a Summary of Significant Accounting Policies.

THE BOARD OF DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with Finance Minister's Orders made under the *Commonwealth Authorities and Companies Act 1997*, including Australian Accounting Standards which include Australian Accounting Interpretations. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITOR'S RESPONSIBILITY

My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with Australian National Audit Office Auditing Standards, which incorporate Australian Auditing Standards. These auditing standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to Australian Hearing's preparation and fair presentation of the

financial statements to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Australian Hearing's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

In conducting the audit, I have followed the independence requirements of the Australian National Audit Office, which incorporate the requirements of the Australian accounting profession.

AUDITOR'S OPINION

In my opinion, the financial statements of Australian Hearing:

- (a) have been prepared in accordance with Finance Minister's Orders made under the *Commonwealth Authorities and Companies Act 1997*, including Australian Accounting Standards; and
- (b) give a true and fair view of the matters required by the Finance Minister's Orders including Australian Hearing's financial position as at 30 June 2009 and its financial performance and cash flows for the year then ended.

Australian National Audit Office

A handwritten signature in blue ink, appearing to read 'P Hinchey'.

P Hinchey

Senior Director
Delegate of the Auditor-General

Sydney
2 September 2009

Statement by the Directors

FOR THE YEAR ENDED 30 JUNE 2009

In our opinion, the attached financial statements for the year ended 30 June 2009 are based on properly maintained financial records and give a true and fair view of the matters required by the Finance Minister's Orders made under the *Commonwealth Authorities and Companies Act 1997*.

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



Kathryn Greiner
Chairman



Steven Grundy
Managing Director

28 August 2009

Income Statement

FOR THE YEAR ENDED 30 JUNE 2009

	NOTES	2009 \$'000	2008 \$'000
INCOME			
REVENUE			
Sale of goods and rendering of services	2A	174,026	169,179
Interest	2B	1,839	2,667
Rental income		126	765
TOTAL INCOME		175,991	172,611
EXPENSES			
Employee benefits	3A	74,326	68,560
Suppliers	3B	81,519	80,786
Depreciation and amortisation	3C	8,365	8,011
Finance costs	3D	320	226
Losses from asset sales	3E	4	166
TOTAL EXPENSES		164,534	157,749
Profit before income tax		11,457	14,862
Income tax equivalent expense	4	3,261	4,526
NET PROFIT		8,196	10,336

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

Balance Sheet

AS AT 30 JUNE 2009

	NOTES	2009 \$'000	2008 \$'000
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6A	33,312	32,027
Trade and other receivables	6B	6,759	8,264
Inventories	6C	2,503	2,640
Work in progress	6D	3,659	4,129
Accrued revenues	6E	502	102
Other current assets	6E	1,673	903
Total current assets		48,408	48,065
NON-CURRENT ASSETS			
Land and buildings	7A	8,414	5,750
Plant and equipment	7B	14,334	12,095
Intangibles	8	3,614	3,694
Deferred tax assets	9	7,240	6,608
Total non-current assets		33,602	28,147
Total assets		82,010	76,212
LIABILITIES			
CURRENT LIABILITIES			
Payables	10A	13,014	14,881
Provisions	11	6,699	5,961
Deferred revenues	10B	15,046	14,250
Tax liabilities	10C	2,210	1,127
Dividend payable	10D	2,562	2,232
Total current liabilities		39,531	38,451
NON-CURRENT LIABILITIES			
Provisions	11	15,477	14,037
Total non-current liabilities		15,477	14,037
Total liabilities		55,008	52,488
NET ASSETS		27,002	23,724
EQUITY			
Retained earnings		27,002	23,724
TOTAL EQUITY		27,002	23,724

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

Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2009

	NOTES	2009 \$'000	2008 \$'000
Opening balance		23,724	19,590
Income and expenses			
Profit for the period		8,196	10,336
Transactions with owners			
Dividends	(a)	(4,918)	(6,202)
Closing balance		27,002	23,724
Notes			
(a) Dividends			
Interim		2,356	3,970
Final		2,562	2,232
		4,918	6,202

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

Cash Flow Statement

FOR THE YEAR ENDED 30 JUNE 2009

	NOTES	2009 \$'000	2008 \$'000
OPERATING ACTIVITIES			
CASH RECEIVED			
Goods and services		176,446	169,623
Interest		2,298	2,488
Rents		18	48
Total cash received		178,762	172,159
CASH USED			
Employees		(73,403)	(68,317)
Suppliers		(83,697)	(80,439)
Income tax equivalent		(2,810)	(5,403)
Total cash used		(159,910)	(154,159)
Net cash flows from operating activities	12B	18,852	18,000
INVESTING ACTIVITIES			
CASH RECEIVED			
Proceeds from sales of property, plant and equipment		1	5
Total cash received		1	5
CASH USED			
Purchase of property, plant and equipment		(12,980)	(10,272)
Total cash used		(12,980)	(10,272)
Net cash used by investing activities		(12,979)	(10,267)
FINANCING ACTIVITIES			
CASH USED			
Dividend		(4,588)	(6,972)
Total cash used		(4,588)	(6,972)
Net cash used by financing activities		(4,588)	(6,972)
Net increase in cash held		1,285	761
Cash at the beginning of the reporting period		32,027	31,266
Cash at the end of the reporting period	12A	33,312	32,027

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

Schedule of Commitments

AS AT 30 JUNE 2009

	NOTES	2009 \$'000	2008 \$'000
BY TYPE			
COMMITMENTS RECEIVABLE		(2,355)	(2,076)
CAPITAL COMMITMENTS			
Equipment and software	(a)	329	156
OTHER COMMITMENTS			
Operating leases	(b)	25,569	22,674
Net commitments by type		23,543	20,754
BY MATURITY			
CAPITAL COMMITMENTS			
One year or less		299	142
From one to five years		-	-
Over five years		-	-
Total capital commitments		299	142
OPERATING LEASE COMMITMENTS			
One year or less		8,241	6,576
From one to five years		14,992	14,000
Over five years		11	36
Total operating lease commitments		23,244	20,612
Net commitment by maturity		23,543	20,754

Commitments are GST inclusive where relevant.

Notes

- (a) Outstanding contractual payments for clinical equipment, computer hardware and software under development.
- (b) Operating leases included are effectively non-cancellable and comprise:

NATURE OF LEASE	GENERAL DESCRIPTION OF LEASING ARRANGEMENT
Leases for office accommodation	Most lease payments are subject to annual increases based on either movements in the consumer price index, an agreed amount or prevailing market rentals at the time of review. The initial periods of some accommodation leases are still current and in some cases the lease may be renewed for periods of up to five years at Australian Hearing's option following a review to current market rentals.
Agreements for the provision of motor vehicles	No contingent rentals exist and there are no renewal or purchase options available to Australian Hearing for these leases.

Schedule of Contingencies

AS AT 30 JUNE 2009

Australian Hearing has no contingent assets or liabilities.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2009

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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements and notes are required by clause 1(b) of Schedule 1 to the *Commonwealth Authorities and Companies Act 1997* and are a general purpose financial report.

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

The statements have been prepared in accordance with:

- Finance Minister's Orders (FMO) for reporting periods ending on or after 1 July 2008; and
- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

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

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

The introduction of new accounting standards and the requirements of the FMO have resulted in an increased level of disclosure. Where appropriate, comparative amounts for the prior financial year have been reclassified to provide a direct comparison with the current disclosures.

Unless an alternative treatment is specifically required by an accounting standard or the FMO, assets and liabilities are recognised in the balance sheet when and only when it is probable that future economic benefits will flow to Australian Hearing and the amounts of the assets or liabilities can be reliably measured.

However, assets and liabilities arising under agreements equally proportionately unperformed are not recognised unless required by an accounting standard.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2009

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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

1.2 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

No accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next accounting period.

1.3 NEW ACCOUNTING STANDARDS

ADOPTION OF NEW AUSTRALIAN ACCOUNTING STANDARD REQUIREMENTS

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

No new accounting standards, amendments to standards and interpretations issued by the Australian Accounting Standards Board that are applicable to the current period have had a material financial effect on Australian Hearing.

FUTURE AUSTRALIAN ACCOUNTING STANDARD REQUIREMENTS

New standards, amendments to standards and interpretations that are applicable to future periods have been issued by the Australian Accounting Standards Board. It is estimated that adopting these pronouncements, when effective, will have no material financial impact on future reporting periods.

1.4 REVENUE

Revenue from the sale of goods is recognised when:

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

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

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

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

Receivables for goods and services are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at balance date. Provisions are made when collectability of the debt is no longer probable.

Interest revenue is recognised using the effective interest method as set out in AASB 139 *Financial Instruments: Recognition and Measurement*.

RESOURCES RECEIVED FREE OF CHARGE

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

REVENUES FROM GOVERNMENT

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

- Federal budget funding via the Department of Health and Ageing, Office of Hearing Services branch (OHS), for its community service and research work; and
- revenue received through a competitive voucher scheme administered by the OHS.

Funding from the OHS is recognised when received except for special purpose funding, which is recognised when the service or goods are provided. Funding that is carried forward to be recognised as revenue in future years is specifically authorised by the OHS.

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

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2009

GRANTS AND RESEARCH FUNDING

Australian Hearing is a member of the Co-operative Research Centre for Cochlear Implant, Speech & Hearing (Hearing CRC Ltd) which is an Australian public company limited by guarantee. Australian Hearing provides staff and facilities to the venture to conduct research into hearing technology and receives funds to reimburse expenditures in its NAL research division. In the current year, research activity within the Hearing CRC is now providing a small revenue flow to NAL. The bank of intellectual property devised over the previous years of NAL's involvement in the Hearing CRC should ensure this revenue flow will increase over time.

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

1.5 GAINS

SALE OF ASSETS

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

1.6 EMPLOYEE BENEFITS

Liabilities for services rendered by employees are recognised at the reporting date to the extent that they have not been settled.

Liabilities for short-term employee benefits (as defined in AASB 119) and termination benefits due within 12 months of balance date are measured at their nominal amounts.

The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

All other employee benefit liabilities are measured at the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date.

LEAVE

The liability for employee benefits includes provision for annual leave and long service leave. No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees of Australian Hearing is estimated to be less than the annual entitlement for sick leave.

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

The liability for long service leave is recognised and measured at the present value of the estimated future cash outflows to be made in respect of all employees for services provided as at 30 June 2009. The government's 'short-hand' method, which is based on a standard profile of probabilities developed by the Australian Government Actuary, is used in estimating the liability.

SEPARATION AND REDUNDANCY

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

SUPERANNUATION

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

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

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported by the Department of Finance and Deregulation as an administered item.

Australian Hearing makes employer contributions to the Commonwealth employee superannuation schemes at rates determined by an actuary to be sufficient to meet the cost to the government of the superannuation entitlements of Australian Hearing's employees. Australian Hearing accounts for the contributions as if they were contributions to defined contribution plans.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2009

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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

1.7 LEASES

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

Australian Hearing has no finance leases.

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

1.8 CASH

Cash and cash equivalents includes notes and coins held and any deposits in bank accounts with a short maturity that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value. Cash is recognised at its nominal amount.

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

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

1.9 FINANCIAL ASSETS

LOANS AND RECEIVABLES

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Australian Hearing has no loans and trade and other receivables are all included in current assets. Trade and other receivables are measured at their nominal amounts.

IMPAIRMENT OF FINANCIAL ASSETS

Financial assets are assessed for impairment at each balance date.

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

1.10 FINANCIAL LIABILITIES

SUPPLIER AND OTHER PAYABLES

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

1.11 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Contingent liabilities and assets are not recognised in the balance sheet but are reported in the relevant schedules and notes. They may arise from uncertainty as to the existence of a liability or asset, or represent an existing liability or asset in respect of which settlement is not probable or the amount cannot be reliably measured. Contingent assets are reported when settlement is probable, and contingent liabilities are recognised when settlement is greater than remote.

1.12 SERVICE WARRANTIES

Provision is made for the estimated liability on all products still under warranty at balance date.

1.13 ACQUISITION OF ASSETS

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

1.14 PROPERTY, PLANT AND EQUIPMENT

ASSET RECOGNITION THRESHOLD

Purchases of property, plant and equipment are recognised at cost in the balance sheet except for purchases costing less than \$2,000, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2009

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 make good provisions in property leases taken up by Australian Hearing where an obligation to restore the property to its original condition exists. These costs are included in the value of Australian Hearing's leasehold improvements and a corresponding provision for the make good is recognised.

DEPRECIATION

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

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

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

	2009	2008
Buildings on freehold land	40 years	40 years
Leasehold improvements	Lease term	Lease term
Plant and equipment	3-20 years	3-20 years

IMPAIRMENT

All assets were assessed for impairment at 30 June 2009. Where indications of impairment exist, an impairment adjustment is made if the asset's recoverable amount is less than its carrying amount.

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

1.15 INTANGIBLES

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

Software is amortised on a straight-line basis over its anticipated useful life. The useful lives of Australian Hearing's software are three to seven years (2007/08: 3 to 7 years).

All software assets were assessed for indications of impairment as at 30 June 2009.

1.16 INVENTORIES

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

Costs are assigned to inventory using the average cost method.

1.17 TAXATION

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

Revenues, expenses and assets are recognised net of GST:

- except where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- except for receivables and payables.

COMPETITIVE NEUTRALITY

Australian Hearing provides services on a for-profit basis. Under competitive neutrality arrangements Australian Hearing is required to make payroll tax and income tax equivalent payments to the government in addition to payments for FBT and GST.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2009

NOTE 2: INCOME

	2009 \$'000	2008 \$'000
2A: SALE OF GOODS AND RENDERING OF SERVICES		
Provision of goods – related entities	74,024	71,367
Provision of goods – external parties	20,056	20,420
Rendering of services – related entities	72,322	69,449
Rendering of services – external parties	7,624	7,943
Total sale of goods and rendering of services	174,026	169,179
2B: INTEREST		
Interest on deposits	1,839	2,667

NOTE 3: EXPENSES

3A: EMPLOYEE BENEFITS		
Wages and salaries	55,803	51,222
Superannuation	8,610	7,424
Leave and other entitlements	6,339	6,189
Separation and redundancies	307	646
Payroll tax	3,267	3,079
Total employee expenses	74,326	68,560
3B: SUPPLIERS		
Provision of goods – external parties	46,197	45,708
Rendering of services – external parties	26,916	27,235
Operating lease rentals – minimum lease payments	7,948	7,513
Workers' compensation premiums	458	330
Total supplier expenses	81,519	80,786
3C: DEPRECIATION AND AMORTISATION		
DEPRECIATION		
Buildings on freehold land	5	6
Leasehold improvements	2,525	2,380
Plant and equipment	4,393	4,044
Total depreciation	6,923	6,430
Amortisation of intangibles – computer software	1,442	1,581
Total depreciation and amortisation	8,365	8,011
3D: FINANCE COSTS		
Unwinding of discount	320	226
3E: NET LOSSES FROM ASSETS SALES		
Book value of assets disposed	5	171
Proceeds on disposal	(1)	(5)
Net loss on disposal of assets	4	166

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2009

NOTE 4: INCOME TAX EQUIVALENT

	2009 \$'000	2008 \$'000
RECONCILIATION OF INCOME TAX EQUIVALENT EXPENSE TO PRIMA FACIE TAX PAYABLE		
Net profit from ordinary activities	11,457	14,862
Income tax calculated at 30%	3,437	4,459
Tax effect of permanent differences:		
– non-allowable expenses	61	67
– investment allowance	(237)	-
Income tax equivalent expense	3,261	4,526
This is comprised of:		
Current tax expense	3,893	4,850
Deferred tax expense	(632)	(324)
Income tax equivalent expense	3,261	4,526

NOTE 5: COMPETITIVE NEUTRALITY

State tax equivalent	3,267	3,079
Commonwealth tax equivalent	3,261	4,526
Total competitive neutrality expense	6,528	7,605

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.

NOTE 6: CURRENT ASSETS

6A: CASH AND CASH EQUIVALENTS		
Cash on hand	25	23
Cash at bank	1,287	1,054
Deposits on call	4,000	2,450
Fixed term deposits	28,000	28,500
Total cash and cash equivalents	33,312	32,027

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2009

NOTE 6: CURRENT ASSETS (continued)

	2009 \$'000	2008 \$'000
6B: TRADE AND OTHER RECEIVABLES		
Goods and services	6,442	6,812
Interest receivable	151	610
GST receivable	427	1,112
Total trade and other receivables (gross)	7,020	8,534
Allowance for doubtful debts – goods and services	(261)	(270)
Total trade and other receivables (net)	6,759	8,264
RECEIVABLES ARE AGED AS FOLLOWS:		
Not overdue	6,721	7,492
Overdue by:		
Less than 30 days	41	771
30 to 60 days	10	9
61 to 90 days	5	12
More than 90 days	243	250
Total trade and other receivables (gross)	7,020	8,534
RECONCILIATION OF THE ALLOWANCE FOR DOUBTFUL DEBTS		
Opening balance	(270)	(314)
Decrease recognised in net profit	9	44
Closing balance	(261)	(270)
6C: INVENTORIES		
Inventories held for sale	2,542	2,716
Inventories held for distribution	533	496
Provision for obsolescence	(572)	(572)
Total inventories	2,503	2,640
6D: WORK IN PROGRESS		
Services in progress	3,880	4,340
Provision for non-recoverable	(221)	(211)
Total work in progress	3,659	4,129
6E: OTHER CURRENT ASSETS		
Other revenue receivable	502	102
Prepayments	1,673	903
Total other current assets	2,175	1,005

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2009

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

	2009 \$'000	2008 \$'000
7A: LAND AND BUILDINGS		
Freehold land	950	950
Buildings on freehold land	180	180
Accumulated depreciation	(26)	(21)
	154	159
Leasehold improvements at cost	18,299	13,318
Accumulated depreciation	(10,989)	(8,677)
	7,310	4,641
Total land and buildings	8,414	5,750

No indicators of impairment were found for land and buildings.

7B: PLANT AND EQUIPMENT		
Plant and equipment at cost	26,895	21,785
Accumulated depreciation	(12,561)	(9,690)
Total plant and equipment	14,334	12,095

No indicators of impairment were found for plant and equipment.

7C: RECONCILIATION OF THE OPENING AND CLOSING BALANCES OF PROPERTY, PLANT AND EQUIPMENT

	LAND \$'000	BUILDINGS ON FREEHOLD LAND \$'000	BUILDINGS – LEASEHOLD IMPROVEMENTS \$'000	TOTAL LAND AND BUILDINGS \$'000	PLANT AND EQUIPMENT \$'000
2008/09					
AS AT 1 JULY 2008					
Gross book value	950	180	13,318	14,448	21,785
Accumulated depreciation	-	(21)	(8,677)	(8,698)	(9,690)
Net book value	950	159	4,641	5,750	12,095
Opening net book value	950	159	4,641	5,750	12,095
Additions	-	-	5,194	5,194	6,637
Depreciation expense		(5)	(2,525)	(2,530)	(4,393)
Written down value of disposals			-	-	(5)
Closing net book value	950	154	7,310	8,414	14,334
AS AT 30 JUNE 2009					
Gross book value	950	180	18,299	19,429	26,895
Accumulated depreciation	-	(26)	(10,989)	(11,015)	(12,561)
Net book value	950	154	7,310	8,414	14,334

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2009

NOTE 7: PROPERTY, PLANT AND EQUIPMENT (continued)

2007/08	LAND \$'000	BUILDINGS ON FREEHOLD LAND \$'000	BUILDINGS – LEASEHOLD IMPROVEMENTS \$'000	TOTAL LAND AND BUILDINGS \$'000	PLANT AND EQUIPMENT \$'000
AS AT 1 JULY 2007					
Gross book value	950	175	11,420	12,545	15,852
Accumulated depreciation	-	(15)	(6,900)	(6,915)	(5,739)
Net book value	950	160	4,520	5,630	10,113
Opening net book value	950	160	4,520	5,630	10,113
Additions	-	5	2,549	2,554	6,149
Depreciation expense		(6)	(2,380)	(2,386)	(4,044)
Written down value of disposals			(48)	(48)	(123)
Closing net book value	950	159	4,641	5,750	12,095
AS AT 30 JUNE 2008					
Gross book value	950	180	13,318	14,448	21,785
Accumulated depreciation	-	(21)	(8,677)	(8,698)	(9,690)
Net book value	950	159	4,641	5,750	12,095

NOTE 8: INTANGIBLES

	2009 \$'000	2008 \$'000
8A: INTANGIBLES		
Computer software at cost	15,291	13,992
Accumulated amortisation	(11,677)	(10,298)
Total intangibles	3,614	3,694

8B: RECONCILIATION OF THE OPENING AND CLOSING BALANCES OF INTANGIBLES

2008/09	COMPUTER SOFTWARE INTERNALLY DEVELOPED \$'000	COMPUTER SOFTWARE PURCHASED \$'000
AS AT 1 JULY 2008		
Gross book value	12,134	1,858
Accumulated amortisation	(9,106)	(1,192)
Net book value	3,028	666
Opening net book value	3,028	666
Additions	362	1,000
Amortisation expense	(1,077)	(365)
Closing net book value	2,313	1,301

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2009

2008/09	COMPUTER SOFTWARE INTERNALLY DEVELOPED \$'000	COMPUTER SOFTWARE PURCHASED \$'000
2008/09		
AS AT 30 JUNE 2009		
Gross book value	12,496	2,795
Accumulated amortisation	(10,183)	(1,494)
Net book value	2,313	1,301
2007/08		
AS AT 1 JULY 2007		
Gross book value	10,580	1,672
Accumulated amortisation	(7,785)	(932)
Net book value	2,795	740
Opening net book value	2,795	740
Additions	1,554	186
Amortisation expense	(1,321)	(260)
Closing net book value	3,028	666
AS AT 30 JUNE 2008		
Gross book value	12,134	1,858
Accumulated amortisation	(9,106)	(1,192)
Net book value	3,028	666

NOTE 9: TAX ASSETS

	2009 \$'000	2008 \$'000
Deferred tax assets	7,240	6,608

NOTE 10: PAYABLES

10A: PAYABLES		
Trade creditors and accrued expenses	10,229	11,252
Salaries and wages	2,785	3,334
Separations and redundancies	-	295
Total payables	13,014	14,881
10B: DEFERRED REVENUES		
Maintenance and hearing services card	14,639	13,892
Research revenue	407	250
Rent supplement	-	108
Total deferred revenues	15,046	14,250

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2009

NOTE 10: PAYABLES (continued)

	2009 \$'000	2008 \$'000
10C: INCOME TAX EQUIVALENT PAYABLE	2,210	1,127
10D: DIVIDEND PAYABLE TO OWNERS	2,562	2,232

NOTE 11: PROVISIONS

11A: EMPLOYEE PROVISIONS		
Current provision for leave	5,524	4,075
Non-current provision for leave	10,821	10,503
Total employee provisions	16,345	14,578
11B: PROVISION FOR MAKE GOOD		
Current provision for make good	1,175	1,886
Non-current provision for make good	4,656	3,534
Total provision for make good	5,831	5,420
Reconciliation of opening and closing balances:		
Carrying amount at 1 July 2008	5,420	5,239
Additional provisions made	645	286
Amounts utilised	(432)	(115)
Amounts reversed	(122)	(216)
Unwinding of discount	320	226
Carrying amount at 30 June 2009	5,831	5,420

Australian Hearing currently has 96 agreements for the leasing of premises which have provisions requiring Australian Hearing to restore the premises to their original condition at the conclusion of the lease. A provision has been made to reflect the present value of this obligation.

11C: TOTAL PROVISIONS		
Current provision for leave	5,524	4,075
Current provision for make good	1,175	1,886
Total current provisions	6,699	5,961
Non-current provision for leave	10,821	10,503
Non-current provision for make good	4,656	3,534
Total non-current provisions	15,477	14,037

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2009

NOTE 12: CASH FLOW RECONCILIATION

	2009 \$'000	2008 \$'000
12A: RECONCILIATION OF CASH AND CASH EQUIVALENTS PER BALANCE SHEET TO CASH FLOW STATEMENT		
Reported cash and cash equivalents as per:		
Cash Flow Statement	33,312	32,027
Balance Sheet	33,312	32,027
Difference	-	-
12B: RECONCILIATION OF OPERATING RESULT TO NET CASH FROM OPERATING ACTIVITIES		
Operating result	8,196	10,336
Depreciation and amortisation	8,365	8,011
Finance costs	320	226
Loss on disposal of assets	4	166
Release of make good provision	(122)	(216)
Changes in assets and liabilities:		
(Increase) decrease in current receivables	1,505	(550)
(Increase) decrease in current inventories	137	(620)
(Increase) decrease in other current assets	(700)	317
(Increase) decrease in deferred tax assets	(632)	(324)
Increase (decrease) in tax payable	1,083	(553)
Increase (decrease) in liabilities to suppliers	(119)	1,681
Increase (decrease) in other current provisions	497	(7)
Increase (decrease) in other non-current provisions	318	(467)
Net cash from operating activities	18,852	18,000

NOTE 13: DIRECTORS' REMUNERATION

The number of Directors of Australian Hearing included in these figures is shown below in the relevant remuneration bands:

	NUMBER	NUMBER
\$0 – \$14,999	-	1
\$15,000 – \$29,999	3	3
\$30,000 – \$44,999	1	1
\$60,000 – \$74,999	1	1
\$165,000 – \$184,999	1	-
\$210,000 – \$224,999	1	-
\$375,000 – \$389,999	-	1
Total number of Directors	7	7

Remuneration of Board members and Managing Director is determined by the Remuneration Tribunal.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2009

NOTE 13: DIRECTORS' REMUNERATION (continued)

	2009 \$	2008 \$
Total remuneration received or due and receivable by		
Executive Directors	390,026	382,312
Non-executive Directors	189,384	172,300
Total	579,410	554,612

NOTE 14: EXECUTIVE REMUNERATION

The number of senior executives who received or were due to receive total remuneration of \$130,000 or more is shown below in the relevant remuneration bands:

	NUMBER	NUMBER
\$145,000 – \$159,999	-	1
\$160,000 – \$174,999	1	-
\$175,000 – \$189,999	1	2
\$190,000 – \$204,999	2	1
\$220,000 – \$234,999	1	1
\$235,000 – \$249,999	-	2
\$265,000 – \$279,999	1	1
\$280,000 – \$294,999	1	-
Total number of executives	7	8

	\$	\$
The aggregate amount of total remuneration of executives shown above (excluding Remuneration of the Managing Director which is shown under Note 13)	1,529,575	1,691,424

Executive remuneration is benchmarked against the general market using the Mercer salary index. It includes accrued leave entitlements and the cost of fringe benefits provided to employees.

NOTE 15: REMUNERATION OF AUDITORS

Financial statement audit services are provided to Australian Hearing by the Australian National Audit Office.

Fees for the audit of the financial statements	110,000	90,000
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In addition to the audit of the financial statements, the Australian National Audit Office provides special purpose reports to support Australian Hearing's reimbursement claims on the Hearing CRC for Cochlear implant, speech and hearing research.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2009

NOTE 16: FINANCIAL INSTRUMENTS

	2009 \$'000	2008 \$'000
16A: CATEGORIES OF FINANCIAL INSTRUMENTS		
FINANCIAL ASSETS		
Loans and receivables		
Cash on hand	25	23
Cash at bank	1,287	1,054
Deposits at call	4,000	2,450
Fixed term deposit	28,000	28,500
Trade and other receivables	6,759	8,264
Carrying amount of financial assets	40,071	40,291
FINANCIAL LIABILITIES		
Other financial liabilities		
Trade creditors	13,014	14,881
Carrying amount of financial liabilities	13,014	14,881

16B: FAIR VALUE OF FINANCIAL INSTRUMENTS

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

16C: CREDIT RISK

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

The majority of goods and services provided by Australian Hearing are delivered on behalf of other government entities and there is therefore minimal exposure to credit risk. Australian Hearing's senior management has implemented policies and procedures for debt management (including the provision of credit terms) to reduce the incidence of credit risk. Australian Hearing manages its credit risk, inter alia, by undertaking background and credit checks prior to allowing a debtor relationship.

The carrying value of financial assets, net of impairment losses, reported in the balance sheet represents Australian Hearing's maximum exposure to credit risk.

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

16D: LIQUIDITY RISK

Australian Hearing's financial liabilities comprise trade creditors who are all payable within one year. The exposure to liquidity risk is based on the notion that Australian Hearing will encounter difficulty in meeting its obligations associated with its financial liabilities. This is considered unlikely as Australian Hearing maintains sufficient reserves of cash to meet its obligations as they fall due and prepares detailed business plans annually to ensure it has adequate funds to meet future payments as they fall due. In addition, Australian Hearing has policies in place to ensure timely payments are made when due and has no past experience of defaults.

16E: MARKET RISK

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

Appendices

FOR THE YEAR ENDED 30 JUNE 2009

Appendix 1a: Health and safety outcomes

Australian Hearing's regulatory contribution rate for workers' compensation continues to be lower than the average for Australian Public Service (APS) agencies. These figures are projected estimates; the final percentages are not available until the end of each financial year.

PREMIUM RATES	2005/06	2006/07	2007/08	2008/09	2009/10
Australian Hearing	0.66%	0.79%	0.60%	0.74%	0.57%
APS Agencies average	1.77%	1.77%	1.55%	1.36%	1.25%

Appendix 1b: OH&S hazards and prevention measures

Section 74 of the *Commonwealth OH&S Act 1991* requires Australian Hearing to report on initiatives taken during the year to ensure the health, safety and welfare at work of employees and contractors of the entity.

HEALTH AND SAFETY MANAGEMENT ARRANGEMENTS

This year we conducted a major review of health and safety management arrangements. Following an extensive review of existing arrangements and consultation with all staff and levels of the organisation, senior management approved and endorsed a new arrangement.

SECTION 68 NOTIFIABLE INCIDENTS AND DANGEROUS OCCURRENCES

Australian Hearing has a statutory obligation to notify Comcare of injuries, illnesses and diseases that meet criteria provided by the OH&S Act and OH&S (Safety Arrangements) Regulations. Notification under the OH&S Act is separate and distinct to lodgement of a compensation claim.

Fatalities	0
Serious Personal Injury	0
Incapacity	1
Dangerous Occurrences	0

'Serious Personal Injury' means an injury to or disease in a person caused in the course of work and for which the person needs:

- emergency treatment by a registered medical practitioner; or
- treatment in a hospital as a casualty without being admitted; or
- admission to hospital.

'Incapacity' means an incident that causes an employee to be incapacitated from performing their work for 30 or more successive working days or shifts. The employee could be an Australian Hearing employee, or an employee of another organisation or contractor visiting Australian Hearing premises when the incident occurred.

COMCARE INVESTIGATIONS AND NOTICES

There have been no notices given to Australian Hearing under section 29, 46 or 47 of the OH&S Act. There have been no investigations undertaken at Australian Hearing by Comcare investigators this year.

Appendix 2: Eligibility criteria

To be eligible to receive services under the Australian Government Hearing Services Program as a Voucher client a person must be an Australian citizen or a permanent resident 21 years of age or older and a:

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

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

- under 21 years of age;
- an adult client who meets the Voucher program eligibility criteria and has a profound hearing loss or hearing loss and severe communication impairment;

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FOR THE YEAR ENDED 30 JUNE 2009

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

Appendix 3: NAL scientific publications accepted and published in 2008/09

This year, NAL had the following research papers accepted for publication and presented the following papers at conferences in Australia and overseas.

(A) PEER REVIEWED

PUBLISHED 2008/09 (ACCEPTED PREVIOUSLY)

Cameron S, Brown D, Keith R, Martin J, Watson C and Dillon H (2009). Development of the North American Listening in Spatialized Noise – Sentences Test (NA LISN-S): Sentence equivalence, normative data and test-retest reliability studies. *Journal of the American Academy of Audiology*, 20:128-146.

Cameron S and Dillon H (2008). The Listening in Spatialized Noise – Sentences Test: Comparison to prototype LISN test and results from children with either a suspected (central) auditory processing disorder of a confirmed language disorder. *Journal of the American Academy of Audiology*, 19(5):377-391.

Ching TYC, Dillon H, Day J and Crowe K (2009). Language development of early and later-identified children at 6 months after hearing aid fitting. *Les Cahiers de l'Audition*, 22:22-31.

Ching TYC, Dillon H, Day J, Crowe K, Close L, Chisholm K and Hopkins T (2009). Early language outcomes of children with cochlear implants: Interim findings of the NAL study on longitudinal outcomes of children with

hearing impairment. *Cochlear Implants International*, 10 (Suppl 1):28-32.

Ching TYC, Hill M and Dillon H (2008). Effect of variations in hearing-aid frequency response on real-life functional performance of children with severe or profound hearing loss. *International Journal of Audiology*, 47(8):461-475.

Ching TYC, Massie R, van Wanrooy E, Rushbrooke E and Psarros C (2009). Bimodal fitting or bilateral implantation? *Cochlear Implants International*, 10 (Suppl 1):23-27.

Keidser G, Convery E and Dillon H (2008). The effect of the baseline response on self-adjustments of hearing aid gain. *Journal of the Acoustical Society of America*, 124(3):1668-1681.

Keidser G, Hartley D and Carter L (2008). Long-term usage of modern signal processing by listeners with severe or profound hearing loss: A retrospective survey. *American Journal of Audiology*, 17(2):136-146.

Keidser G, O'Brien A, Carter L, McLelland M and Yeend I (2008). Variation in preferred gain with experience for hearing aid users. *International Journal of Audiology*, 47(10):621-635.

Mejia J, Dillon H and Fisher M (2008). Active cancellation of occlusion: an electronic vent for hearing aids and hearing protectors. *Journal of the Acoustical Society of America*, 124(1): 235-240.

Thorne PR, Ameratunga SN, Stewart J, Reid N, Williams W, Purdy SC, Dodd G and Wallaart J (2008). Epidemiology of noise-induced hearing loss in New Zealand. *New Zealand Medical Journal*, 121(1280):33-44.

ACCEPTED 2008/09

Ching TYC and Britton L (2008). Repeatability of real-ear-to-coupler differences measured by an acoustic method for determining probe tube insertion depth. *Australian and New Zealand Journal of Audiology*, 30(2):91-98.

Ching TYC, O'Brien A, Dillon H, Chalupper J, Hartley L, Hartley D, Raicevich G and Hain J (in press). Directional effects on infants and young children in real life: implications for amplification. *Journal of Speech, Language and Hearing Research*.

Ching TYC, Scollie S, Dillon H and Seewald R (in press). A cross-over, double-blind comparison of the NAL-NL1 and DSL v4.1 prescriptions for children with mild to moderately severe hearing loss. *International Journal of Audiology*.

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Ching, TYC, Scollie S, Dillon H, Seewald R, Britton L and Steinberg J (in press). Prescribed real-ear and achieved real-life differences in children's hearing aids adjusted according to the NAL-NL1 and the DSL v.4.1 prescriptions. *International Journal of Audiology*.

Ching TYC, Scollie S, Dillon H, Seewald R, Britton L and Steinberg J, Gilliver M and King K (in press). Evaluation of the NAL-NL1 and DSL v.4.1 prescriptions for children: paired-comparison judgments and functional performance ratings. *International Journal of Audiology*.

Gilliver M and Byrne B (2009). What's in a name? Preschoolers' noun learning performance in relation to their risk for reading disability. *Reading and Writing*, 22(6):637. Also available online.

Gilliver M and Williams W (2009). Noise exposure and the construction industry. *Journal of Occupational Health and Safety – Australia and New Zealand*, 25(3):187-196.

Golding M, Dillon H, Seymour J and Carter L (in press). The detection of adult Cortical Auditory Evoked Potentials (CAEPs) using an automated statistic and visual detection. *International Journal of Audiology*.

Keidser G, Bentler R and Kiessling J (in press). A multi-site evaluation of a proposed test for verifying hearing aid maximum output. *International Journal of Audiology*.

Keidser G, O'Brien A, Hain Jens-Uwe, McLelland M and Yeend I (in press). The effect of frequency-dependent microphone directionality on horizontal localization performance in hearing aid users. *International Journal of Audiology*.

Purdy SC and Gardner-Berry K (2009). Auditory evoked potentials and cochlear implants: research findings and clinical applications in children. *Perspectives on Hearing and Hearing Disorders in Childhood*, 19(1):14-21.

Raicevich G, Burwood E and Dillon H (2008). Taking the pressure off bone conduction hearing aid users. *Australian and New Zealand Journal of Audiology*, 30(2):113-117.

Scollie SD, Ching TYC, Seewald R and Dillon H (in press). Evaluation of the NAL-NL1 and the DSL v.4.1 prescriptions for children: preference in real-world use. *International Journal of Audiology*.

Scollie S, Ching TYC, Seewald R, Dillon H, Britton L, Steinberg J and King K (in press). Children's speech perception and loudness ratings when fitted with hearing aids using the DSL v.4.1 and the NAL-NL1 prescriptions. *International Journal of Audiology*.

Williams W (2009). Is it reasonable to expect individuals to wear hearing protectors for extended periods? *International Journal of Occupational Safety and Ergonomics (JOSE)*, 15(2):175-181.

Williams W (in press). Trends in listening to personal stereos. *International Journal of Audiology*.

Williams W and Burgess M (2009). The combination of workplace and leisure noise exposure. *Acoustics Bulletin*, 34(2): [adapted from Acoustics Australia, 2007, 35(3)].

Williams W, Kyaw-Mynt SM, Crea J and Hogan A (2008). Occupational Noise Management – What's happening in industry? *Journal of Occupational Health and Safety – Australia and New Zealand*, 24(4): 299-307.

(B) NON-PEER REVIEWED

PUBLISHED 2008/09 (ACCEPTED PREVIOUSLY)

Cameron S and Dillon H (2008). Spatial hearing deficits as a major cause of auditory processing disorders: Diagnosis with the LiSN-S and management options. In: Seewald R & Bamford J (eds), *A Sound Foundation Through Early Amplification 2007*. Proceedings of the Fourth International Conference. Switzerland: Phonak AG, pp 235-241.

Ching TYC, Dillon H, Day J and Crowe K (2008). The NAL study on longitudinal outcomes of hearing-impaired children: interim findings on language of early and later-identified children at 6 months after hearing aid fitting. In: Seewald R & Bamford J (eds). *A Sound Foundation Through Early Amplification 2007*. Proceedings of the Fourth International Conference: Switzerland: Phonak AG, pp 185-199.

ACCEPTED 2008/09

Flax MR and Holmes WH (2008). Introducing the compression wave cochlear amplifier. *Proceedings of Interspeech 2008 conference*, Brisbane.

Flax MR and Holmes WH (2008). Goldman-Hodgkin-Katz cochlear hair cell models – a foundation for nonlinear cochlear mechanics. *Proceedings of Interspeech 2008 conference*, Brisbane.

Golding M, Dillon H, Seymour J and Carter L (2008). The application of cortical auditory evoked potential (CAEP) recordings in infant hearing aid fitting. Proceedings of the 53rd EUHA *International Congress of Hearing Aid Acousticians*, 15-17 October 2008, Leipzig.

Keidser G (2009). Many factors are involved in optimizing environmentally adaptive hearing aids. *The Hearing Journal*, 62(1): 26-32.

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Keidser G, Convery E, Kiessling J and Bentler R (in press). Is the hearing instrument to blame when the environment gets really noisy? *Hearing Review*.

Keidser G, Dillon H, Katsch R and Ching T (2008). The NAL-NL2 prescription procedure. *Proceedings of the 53rd EUHA International Congress of Hearing Aid Acousticians*, 15-17 October 2008, Leipzig.

Kiessling J, Keidser G, Bentler R and Mueller M (2009). The output verification test: towards a tool to clinically verify the output of hearing instruments. *Hearing Review*, 16(4):12-19.

McNeill C, Noble W and O'Brien A (in press). Signs of binaural processing with bilateral cochlear implants in the case of someone with more than 50 years of unilateral deafness. In Columbus F (Ed), *Auditory System: Anatomy, Cognition, Cells and Circuits*. New York: Nova.

Mejia J (presented by Dirk Junius) (2008). Electronic venting for hearing aids. In: *Proceedings of the 53rd EUHA International Congress of Hearing Aid Acousticians*, 15-17 October 2008, Leipzig.

Pearce W and Martin RL (2009). On auditory neuropathy, aka auditory neuropathy spectrum. *Hearing Journal*, 62(2):38-40.

Williams W (2008). Life-time leisure noise exposure – Is it time to look at the bigger picture? *Acoustic Opinion, Acoustics Australia*, 36(2):64–65.

Williams W (2009). Ambient noise levels: calculating maximum permissible background sound pressure levels for reliable hearing threshold measurements. *Professional Issues, Audiology Now*, 36 (Autumn): 51-53.

Williams W (2009). Using ISO 8253 to calculate the maximum permissible background sound pressure levels for audiometric testing. Technical Note, *Acoustics Australia*, 37(1):26-27.

(C) CONFERENCE PRESENTATIONS

Ching TYC. Improving outcomes of children with hearing aids and cochlear implants. Clinico Seminar, July 2008, Taiwan.

Ching TYC. New technology options for paediatric amplification. 4th NUH-NUS Otolaryngology Head & Neck Surgery Conference, October 2008, Singapore.

Ching TYC. Comparing NAL with DSL for children. 4th NUH-NUS Otolaryngology Head & Neck Surgery Conference, October 2008, Singapore.

Ching TYC. Functional assessments for infants and children. 4th NUH-NUS Otolaryngology Head & Neck Surgery Conference, October 2008, Singapore.

Ching TYC. Electrophysiological evaluations of hearing aids in infants. 4th NUH-NUS Otolaryngology Head & Neck Surgery Conference, October 2008, Singapore.

Ching TYC. Fitting and evaluating a hearing aid with a cochlear implant for children. 4th NUH-NUS Otolaryngology Head & Neck Surgery Conference, October 2008, Singapore.

Ching TYC. Research on developmental outcomes of children with hearing loss. 4th NUH-NUS Otolaryngology Head & Neck Surgery Conference, October 2008, Singapore.

Ching TYC. Outcomes of children with hearing impairment: an update of the LOCHI study. Itinerant Teachers of the Deaf Conference, October 2008, RIDBC, Sydney.

Ching TYC. Improving outcomes of hearing prostheses: children and adults. WA Audiological Society of Australia State Conference, November 2008, Perth.

Ching TYC. Assessing hearing and prescribing amplification for young children. Symposium for Educators of the Deaf. February 2009, Shanghai.

Ching TYC. Comparing NAL and DSL prescriptions for children. Symposium for Educators of the Deaf. February 2009, Shanghai.

Ching TYC. Evaluation of amplification for young children; electrophysiological and functional methods. Symposium for Educators of the Deaf. February 2009, Shanghai.

Ching TYC. Binaural hearing and bimodal fitting. Symposium for Educators of the Deaf. February 2009, Shanghai.

Ching TYC. Monitoring outcomes of hearing impaired children. Symposium for Educators of the Deaf. February 2009, Shanghai.

Ching TYC. Cochlear implant candidacy for children. Symposium for Educators of the Deaf. February 2009, Shanghai.

Ching TYC. Outcomes of children with hearing impairment: a population based prospective study comparing early and later-identified children. NHS Newborn Hearing Screening Annual Conference 2009: Achieving Better Outcomes. March 2009, London.

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Ching TYC. Factors affecting speech intelligibility of hearing impaired listeners: implications for amplification. Phonak Virtual Conference, May 2009.

Ching TYC, Crowe K, Day J, Mahler-Thompson N, Cornick S. Children's outcomes at 3 years and parental reflections on early intervention. 5th Australasian Newborn Hearing Screening Conference, May 2009, Adelaide.

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Crowe K, Ching T, Martin V, Day J, and Mahler N. The language acquisition of children with hearing loss: Interim results from the LOCHI study. Paper presented at the Speech Pathology Australia Conference, SPA, Adelaide, May 2009.

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Appendices

FOR THE YEAR ENDED 30 JUNE 2009

Appendix 4. Hearing devices fitted

	2006	2007	2008	2009
Total devices fitted	115,508	116,878	134,240	137,107

Appendix 5. Freedom of Information

During 2009, there were no requests received that required access to documents under provisions of the *Freedom of Information Act 1982* (FOI Act).

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

Jim Brown

Australian Hearing

126 Greville Street
Chatswood NSW 2067

Tel: (02) 9412 6800

Fax: (02) 9413 1571

TTY: (02) 9412 6802

Requests to access documents are subject to a \$30 application fee. This should be forwarded with the written application.

If an applicant is dissatisfied with a decision made under the FOI Act, he or she may apply to the Managing Director, seeking an internal review.

A request to review a decision is subject to a \$40 application fee.

If access is approved, copies of the documents will be provided on receipt of any charges that apply.

Alternatively, applicants may arrange to inspect documents at a state or territory office, if the documents lend themselves to this form of access.

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

Appendix 6. Program performance reporting

Australian Hearing activities for 2009 were reported to Government within performance reporting for the Health and Ageing Portfolio, Outcome 7 – Hearing Services and the Department of Human Services.

Appendix 7. Commonwealth disability strategy

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

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

Glossary

AHSPIA	Australian Hearing Specialist Program for Indigenous Australians.
ANCAP	Australasian New Car Assessment Program.
APS	Australian Public Service.
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.
Business Assistant	A staff member who is responsible for ensuring best practice business intelligence and analysis across all businesses within a region.
CALD	Culturally and Linguistically Diverse.
CDEP	Community Development Employment Project.
CIC	Completely-in-canal.
Client	A person receiving care from Australian Hearing.
Clinical Leader	Australian Hearing senior clinician responsible for staff development, advice, reviewing clinical standards and monitoring the quality of service delivery and quality of clinical standards within the region to achieve best practice in clinical service delivery.
Clinician	An audiologist or audiometrist.
Corporate Plan	A document detailing Australian Hearing's strategic direction that the agency is required to prepare for the Minister for Human Services.
CRC	Cooperative Research Centre.
CRS Australia	Commonwealth Rehabilitation Service – a Department of Human Services agency.
CSO	Community Service Obligation.
Deafness Forum of Australia	The peak body for deafness in Australia, representing all interests and viewpoints of deaf and hearing impaired communities of Australia.
Department of Health and Ageing	The Australian Government Department responsible for managing Australia's health and ageing. See also 'Office of Hearing Services' below.
DHS	Department of Human Services.
EBITDA	Earnings before interest, tax, depreciation and amortisation.
FM	Frequency Modulation (system).
FTE	Full-time equivalent.
General Manager	Australian Hearing employee responsible for managing the centres in a particular region.
Greenfleet	A 'not for profit' organisation which encourages other organisations and individuals to avoid and reduce greenhouse gas emissions and 'offset' any remaining emissions by planting native forests.
HAUQ	Hearing Aid Users Questionnaire.

Hearing centres	Australian Hearing's service outlets and point of contact for clients.
Hearing CRC	The Hearing CRC is a collaboration between institutions with an interest in rehabilitating and preventing hearing impairment which is funded by the Australian Government.
IE	Indigenous Eligibility.
Indigenous Recruitment Strategy	Australian Hearing's plan for increasing the number of Indigenous employees.
Mobile services	Transportable hearing services primarily for remote and frail elderly clients.
NAL	National Acoustic Laboratories.
Network	Australian Hearing centres across Australia.
Office of Hearing Services	A unit within the Department of Health and Ageing that administers and regulates the Australian Government's Hearing Services Program.
OHS	Office of Hearing Services.
OH&S	Occupational Health and Safety.
Operating Profit %	Operating Profit as a percentage of operating revenue.
Otoscopy	The process whereby an Otoscope (magnified light) is used to look in and around the ear canal.
Permanent site	A permanently staffed hearing centre offering services between 9.30am and 4.30pm Monday to Friday, with a qualified practitioner present at least 40 per cent of time averaged over any fortnightly period.
Quality Framework	A foundation for implementing quality management standards in order to improve products, services and processes and meet client requirements.
Remote site	A hearing centre with appropriate facilities for assessment, device fitting and rehabilitation, situated in a locality determined by OHS as being disadvantaged by restricted accessibility of goods and services. Services may be provided less than one half of any day per month.
Sound-attenuating booth	A specially constructed room or booth used for hearing tests so that outside noises do not interfere with the testing and results.
Technician	A staff member who provides repairs and maintenance services to hearing devices, provides advice to clients on general management of devices and technical queries and maintains technical statistics.
Visiting site	A hearing centre with appropriate facilities for assessment, device fitting and rehabilitation. Site must be attended by a qualified practitioner on a regular basis of at least one half day per month.
Voucher	Certificate issued to eligible clients from OHS entitling clients to hearing assessment and rehabilitation services.
Voucher Clinical Assistant	A customer service staff member who has undertaken further studies and practice to support a clinician directly with their clinical work.

Compliance index

The index below shows compliance with information requirements contained in the Commonwealth Authorities and Companies Report of Operations Orders 2008.

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List of Australian Hearing centres

ACT & NEW SOUTH WALES
CAMBERRA
 Belconnen
 Tuggeranong
 Woden
ALBURY
 Alstonville
 Armidale
 Auburn
 Ballina
 Banora Point
 Batemans Bay
 Bathurst
 Bega
 Belmont
BLACKTOWN
 Bondi Junction
 Bunnells Bay
 Bourke
 Bowral
 Broken Hill
 Casino
 Castle Hill Mowll Village
 Cessnock
CHATSWOOD
CHATSWOOD PAEDIATRIC
 Chester Hill
 Cobar
COFFS HARBOUR
 Condobolin
 Cooma
 Coonabarabran
 Corowa
 Corrimal
 Cowra
 Cronulla
 Crows Nest
 Culburra Beach
 Dapto
DEE WHY
 Deniliquin
DUBBO
 Earlwood
 Eastgardens
 Eastwood
 Edgecliff
 Engadine
 Erina
 Fairfield
 Forbes
 Frenchs Forest
 Goonellebah
GOSFORD
 Goulburn
 Grafton
 Griffith
HORNSBY
HURSTVILLE
 Kanwal
 Katoomba
KEMPSEY
 Kendall
 Kiama
 Kingscliff
 Kincaid
 Kingsgrove
 Kyogle
 Lightning Ridge
LISMORE
 Lithgow
LIVERPOOL
MAITLAND
 Marayong
 Maroubra Junction
 Merrylands
 Milton
MIRANDA
 Mona Vale
 Mt Druitt
 Mudgee
 Murwillumbah
 Muswellbrook
 Nambucca Heads
 Narellan
 Narooma
 Narrabeen
 Narrabri
 Narrandera

NEWCASTLE
NOWRA
 Ocean Shores
ORANGE
 Parkes
PARRAMATTA
 Pennant Hills
PENRITH
PORT MACQUARIE
 Queanbeyan
 Raymond Terrace
 Revesby
 Riverwood
 Rooty Hill
 Roselands
SALAMANDER BAY
 Sans Souci
 Shellharbour
 Singleton
SPRINGWOOD
 St Georges Basin
 Strathfield
 Sutherland
SYDNEY
 Tahmoor
TAMWORTH
 Toormina
 Tumut
 Tenterfield
 The Entrance
 Toongabbie
TOUKLEY
 Tuncurry
TWEED HEADS
 Tweed Heads South
 Ulladulla
WAGGA WAGGA
 Walgett
 WallSEND
 Wauchope
 Wellington
 West Ryde
 Windsor
WOLLONGONG
 Woy Woy
NORTHERN TERRITORY
ALICE SPRINGS
DARWIN
 Katherine
 Palmerston
 Tennant Creek
QUEENSLAND
 Annerley
 Ashgrove
ASPLEY
ATHERTON
 Ayr
 Bargara
 Boonah
 Biggiera Waters
 Burpengary
 Bowen
 Brisbane
 Brisbane Plains
 Buderim
BUNDABERG
 Caboolture
CAIRNS
 Caloundra
 Caloundra City
SOUTHPORT
 Carina
 Stanthorpe
 Childers
 Coolool Beach
 Charleville
 Charters Towers
 Milton
 Chinchilla
CLEVELAND
 Collinsville
 Cooktown
 Mooloolah
 Cunnamulla
WYNNUM
 Dalby
 Edmonton
 Emerald
 Esk
 Forest Lake
 Geebung
 Gin Gin

Gayndah
GLADSTONE
 Goodna
 Greenslopes
 Gympie
HERVEY BAY
 Inala
 Indooroopilly
 Ingham
 Innisfail
IPSWICH
 Jimboomba
 Kenmore
 Kingaroy
 Laidley
LOGAN
 Loganholme
 Longreach
MACKAY
 Mareeba
MAROOCHYDORE
MARYBOROUGH
 Mitchelton
SYDNEY
 Morningside

Elizabeth
 Greenacres
 Henley Beach
 Leabrook
 Loxton
MARION
MODBURY
 Mt Barker
 Mt Gambier
 Murray Bridge
 Port Augusta
 Port Lincoln
 Port Pirie
 Prospect
 Renmark
 Rostrevor
 Salisbury
 Victor Harbour
WOODVILLE
 Whyalla

BROADMEADOWS
 Bundoora
 Castlemaine
CAULFIELD
 Chelsea
CHELTENHAM
 Clayton
 Coburg
COLAC
 Corio
 Cowes

Mornington
MORWELL
 Mt Martha
 Narre Warren
 Oakleigh
PAKENHAM
 Portland
 Prahran
 Preston

Kalamunda
 Kalgoorlie
KARRINYUP

Galambila Aboriginal Health Service
 Griffith
 Aboriginal Medical Centre
 Illawarra AMS
 Kempsey CDEP Program
 La Perouse
 Marrin
 Weejali
 Aboriginal Corporation
 Moree AMS

Bickerton Island
 Binjari
 Borrooloola
 Bulla
 Bulman
 Community Health
 Clyde Fenton
 School
 Congress
 Croker
 Island

Kalkarindji
 Kalbaruru
 Kintore
 Lajamanu
 Laramba
 Maningrida
 Mataranka
 Milikapiti
 Milingimbi
 Minyerri Community
 Mt Liebig
 Mutitjulu
 Nairu Community
 Nguiu
 Ngukurr
 Nhulunbuy
 Community Health
 Nyirripi
 Oenpelli
 Papunya

AICHS West End
 Aurukun
 Balacava State
 Primary School
 Bamaga
 Cairns
 Cairns West
 State School
 Carbal
 Cherbourg
 Coen
 Cooktown MPHS
 Dalby
 Dhugamin - Scrub Hill
 Djarragun College
 Doomadgee
 Community Health
 Douglas Shire
 Multi Purpose
 Health Services
 Eidsvold Community
 Health
 Gordonvale
 State Primary
 Hopevale
 Kalwun AMS
 Kambu
 Kowanyama
 Kuranda
 Lake Nash
 Lockhart River
 Mamu Health Service
 Mareeba PS
 Maroochydore
 Midin Clinic
 Atherton

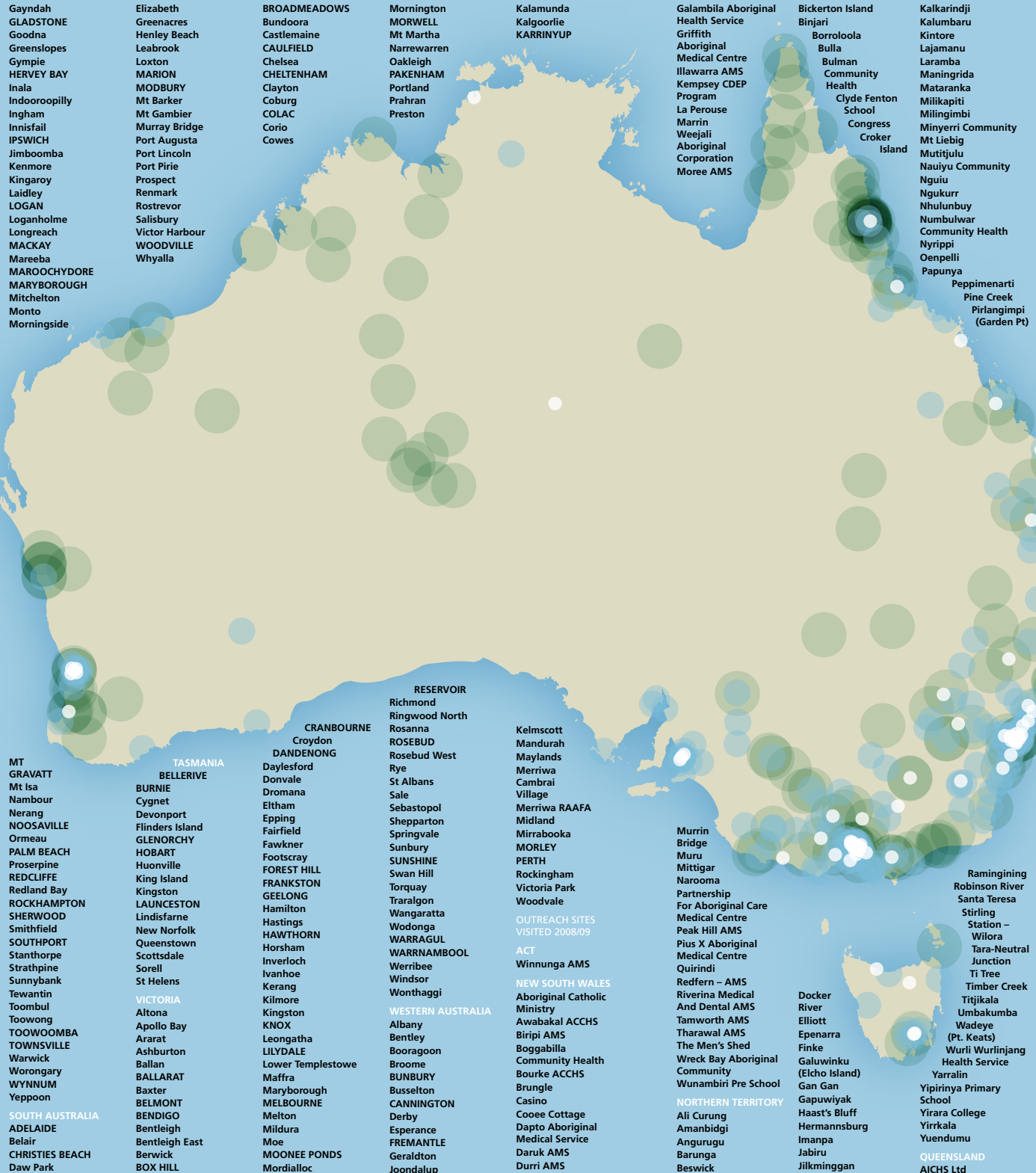
Parramatta State
 Primary School
 Rampersaaw
 Ravenshoe
 Roma CWAATSICH
 Shalom Elders Village
 Thursday Island
 Townsville Aboriginal
 And Island
 Tully
 Woorabinda
 Wujal Wujal
 Yarrabah
 Yulu-Burri-Ba

Robinvale ACCHS
 Rumbalara
 South Western Health
 Swan Hill Co-Op
 The Gathering Place
 Victorian Aboriginal
 Health Service
 Wathaurong
 Winda Mara
 Yarra Valley ACCHS

WESTERN AUSTRALIA
 Aboriginal Corporation
 (Narrogin)
 Bayulu Remote
 Community
 Blackstone
 Broome Health Services
 Broome Regional
 AHMS
 Cotton Creek
 Derbal Yerrigan
 Health Service
 Derbarl Yerrigan
 Derby
 Derby Aboriginal
 Health Service
 Fitzroy Crossing
 Halls Creek
 Jamieson
 Jigalong
 Kalgoorlie (Bega
 Gambirringu)
 Kanawarriji
 Katanning
 Aboriginal Health
 Kununurra
 Manjimup
 Marble Bar
 Meekatharra
 Mt Magnet
 Newman Puntukurnu
 Aboriginal
 Medical Service
 Nookanbah
 Northam Hospital
 Nullagine
 Punmu
 Roebourne
 South Hedland
 Southwest Aboriginal
 Medical Centre
 Strelley/Warralong
 Community
 SWAMS
 Tjukurla
 Wanarn
 Wangkatjungka
 Warakurna
 Warburton
 Warmun (Turkey Creek)
 Wingellina
 Wyndham
 Yakanarra
 Yalgoo

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KEY

AMS	Aboriginal Medical Service
ACCHS	Aboriginal Community Controlled Health Service
CDEP	Community Development Employment Program
AICHS	Aboriginal and Islander Community Health Service
MPHS	Multi Purpose Health Service
PS	Public School
SETAC	South East Tasmania Aboriginal Corporation
CWAATSICH	Charleville and Western Areas Aboriginal and Torres Strait Islander Corporation for Health
ACES	Aboriginal Community Elders Services
Co-Op	Cooperative
SWAMS	South West Aboriginal Medical Services

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 To view this report online, go to www.hearing.com.au/annual-reports

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