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Annual Statement for 2021-22

Commonwealth Modern Slavery Act 2018

Introduction

This statement sets out the steps Hearing Australia took to address modern slavery risks in our organisation and supply chain for the financial year ending 30 June 2022, pursuant to the Modern Slavery Act 2018 (Cth).

This statement submitted by Hearing Australia in response to the Act and builds upon the initiatives contained in prior statements. Hearing Australia remains committed to operating with the highest levels of compliance, ethics, and governance. This includes a commitment to human rights and the elimination of modern slavery across our supply chain. Hearing Australia has no tolerance for any forms of modern slavery within business practices and supply chains.

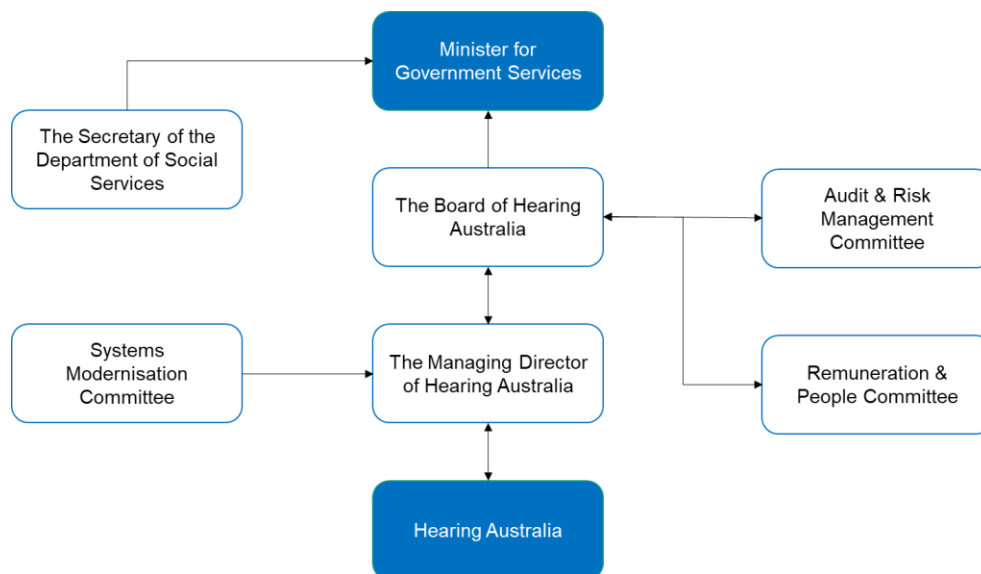
Structure and Operations

Hearing Australia is a statutory authority established under the *Australian Hearing Services Act 1991*.

It is accountable to the Minister for Government Services through a Board of Directors, and, under the *Public Governance Performance and Accountability Act 2013*, is defined as a corporate Commonwealth entity.

Hearing Australia's structure and operations remain unchanged from 2020-21.

An overview of our governance arrangements



Hearing Australia provides hearing services to more than 270,000 Australians annually. Total revenue is approximately \$270 million per annum.

These hearing services, which include assessment of hearing, supply and fitting of hearing aids, hearing rehabilitation and hearing loss prevention, are delivered via Hearing Centres and visiting sites across Australia, in aged care homes, in home visits and in outreach locations.

Hearing Australia, through its research division the National Acoustics Laboratories (NAL), also conducts research into hearing loss.

The hearing services are delivered by 1,350 employees located in hearing centres in every state and territory and at the organisation's national office in Sydney.

Supply Chains

Hearing Australia operates in accordance with the Commonwealth's Procurement Rules. All purchasing of goods and services is subject to these provisions. In conjunction with a robust internal and external audit program, this ensures we have strong governance of our procurement practices.

Hearing Australia's supply chain is a stable one and whilst there are supplier additions throughout the year, most are local, small suppliers with a few larger service providers. The complexion of the overall supply chain remains little changed. It includes the manufacture and transportation of products it supplies to its clients, including hearing aids, moulds, listening device as well as the spare parts and consumables which support these products. A range of clinical equipment to assess client hearing and aid performance is also part of the product supply chain.

These products are sourced from suppliers with manufacturing bases and head offices in Europe, including Switzerland, Denmark, Germany, and Austria. The primary hearing aid supplier is headquartered in Singapore and manufactures primarily in Singapore. There is also some manufacturing of hearing aid products, components and consumables in South East Asia including China, the Philippines and Indonesia.

These supplies are underpinned by formal contracts with terms ranging from 3-5 years.

Hearing Australia also purchases information technology equipment from local suppliers; including laptops, monitors, tablets, and mobile phones. These are leading brand items manufactured predominately in Asia.

The remaining parts of Hearing Australia's supply chain reflect the products and services necessary to support the organisation. They include telecommunications, property leasing, sales and marketing support, building fit out and maintenance, travel and transport services, agency staffing, office stationery and printing and marketing material, including promotional items and branded clothing.

Modern Slavery Risks

The risk that Hearing Australia will cause or contribute to modern slavery was assessed as low in our previous statements and continues to be assessed as low for this statement.

Hearing Australia's operations are confined entirely within Australia, with services to clients provided in a well-regulated allied health environment, including oversight from the Commonwealth Government.

Hearing Australia also provides a safe work environment that complies with all applicable laws and regulations. We have a robust set of policies covering WHS, business ethics, EEO and whistleblower protections.

The risks which do exist largely relate to potential supply activity, specifically how equipment, devices or goods are manufactured.

These risks are, however, low as Hearing Australia sources audiological aids and equipment from reputable global suppliers which have technologies registered with the Therapeutic Goods Administration.

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Further, all our major device suppliers have published modern slavery statements in response to either Australian, UK or European legislation and are implementing practices and procedures to minimise risks within their manufacturing lines.

As indicated in prior statements, and in reference to the Global Slavery Index, the top imported products into Australia at risk of modern slavery include electronics (laptops, computers and mobile phones) predominantly from China and Malaysia.

These are manufactured by major international suppliers which are subject to modern slavery type regulations in many jurisdictions. Given the relatively small volume that Hearing Australia purchases comparatively, it has been determined that we can reasonably rely on statements made by these suppliers in relation to modern slavery risk in their supply chains. Further, we use an on line compliance tool to spot check existing suppliers to identify if there are new adverse media reports or sanctions.

In addition, garment manufacturing including apparel and clothing accessories imported from South East Asia represent another possible risk given Hearing Australia's provision of company clothing and promotional material.

Unfortunately, the number of people in modern slavery continues to grow and estimates from the latest Global Estimates of Modern Slavery Report (2021) indicate twenty-eight million people were in forced labour. There is evidence that the COVID-19 pandemic increased the incidence of forced labour due to the lack of income. In Australia, forced labour exploitation predominantly occurs in industries considered at risk including construction, cleaning, hospitality, and food services. Hearing Australia has some exposure to these industries; however, all suppliers are properly assessed and subject to our contracted terms and conditions, particularly in relation to construction and cleaning. Hospitality and food services are more ad hoc and less subject to formal contracts, though the risk is assessed as low.

Actions to Assess and Address Risks

Hearing Australia has reviewed and analysed its supply chain to identify potential risks and mitigating measures. This process is ongoing and remains a constant in our approach to combating modern slavery risks.

During 2021-22, Hearing Australia:

- Screened all new suppliers (approximately four hundred) using an online reporting tool which conducts a global search against thousands of agencies, publications, and company records. Any adverse findings or sanctions relating to illegal activity including forced labour and related modern slavery infractions would be reported.
- As part of our public tender for the supply of hearing devices, tenderers were required to include a detailed response in their submission covering their actions to meet the requirements of the Modern Slavery Act.
- Reviewed the published modern slavery statements and supplier annual reports of its other major suppliers to confirm their approach and commitment to the elimination of modern slavery.
- Conducted spot checks, using online global search tool, on existing suppliers in industries considered at 'higher risk.'
- Committed to the continuing education of the Procurement team on modern slavery risks including online toolkits, education, literature review, and webinars.

Assessment of Effectiveness of Actions

Hearing Australia assesses that the actions taken during the reporting period were successful in mitigating the risks of Hearing Australia causing or contributing to modern slavery.

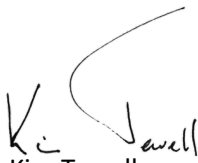
The online reporting tool continues to be a highly effective and efficient mechanism for assessing modern slavery risks. By using specific company searches as well as keyword searches, the tool identifies any organisations or individuals subject to a range of regulatory infractions, including modern slavery. Confirmation of the efforts of our major hearing device providers through the RFT process in early 2022 provided reassurances of their commitment to minimise the risks in their respective supply chains. No modern slavery breaches were identified, confirming Hearing Australia's assessment in previous statements that it is unaware of any information that would indicate that its suppliers engaged in, or supported, modern slavery within their manufacturing lines and wider supply chains.

Future actions

The risk of Hearing Australia contributing to modern slavery continues to be low. Despite this minimal risk, the organisation continues to seek to improve its efforts in mitigating risk and will continue to be vigilant and seek to improve practices and processes to minimise that risk. These actions include:

- Embedding modern slavery awareness training in updated training modules for key staff, to be implemented in 2022-23.
- Continuing using and refining the risk assessment online reporting tool to screen all new suppliers, existing major suppliers and smaller suppliers in industries identified as 'at risk.'
- Identifying at risk suppliers and compiling and distributing modern slavery questionnaires.
- Continuing engage with, and encourage, our suppliers regarding their responsibilities to report any modern slavery concerns within their operations.

The Board of Hearing Australia has approved this statement.



Kim Terrell

Managing Director