



## **Annual Statement for 2019-20**

### **Commonwealth Modern Slavery Act 2018**

## Introduction

Hearing Australia is 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.

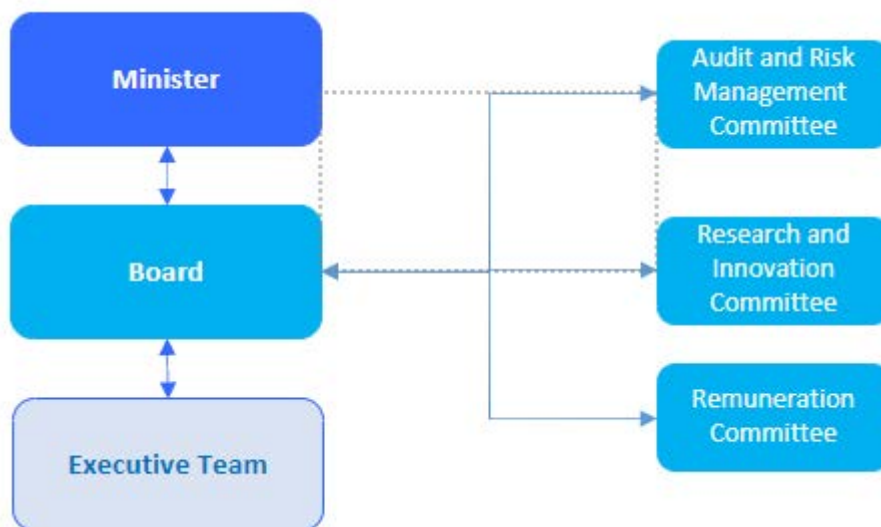
This statement sets out the steps Hearing Australia took to address modern slavery risks in our organisation and supply chain for the financial year ending 30 June 2020, pursuant to the *Modern Slavery Act 2018* (Cth).

## 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.

## 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 some 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 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 test 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 IT 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 is assessed as low.

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 whistle-blower 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.

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.

According to the Global Slavery Index the top imported products into Australia at risk of modern slavery include electronics (laptops, computers & mobile phones) predominately from China and Malaysia.

These are manufactured by major international suppliers who 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.

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

### **Actions to Assess and Address Risks**

Hearing Australia has reviewed and analysed its supply chain in order to identify potential risks and concentrate on mitigating them.

During the 2019-20 financial year Hearing Australia reviewed the policies of its major suppliers to confirm their commitment to ethical behaviour in relation to their supply chain, and a commitment to the principles of eliminating modern slavery practices.

Hearing Australia's also ensured that its supplier contracts/terms of conditions include modern slavery clauses, stating all suppliers must meet their obligations under the Modern Slavery Act.

### **Assessment of Effectiveness of Actions**

Hearing Australia assesses the actions taken during the reporting period were successful in mitigating the risks of Hearing Australia causing or contributing to modern slavery. Hearing Australia is also unaware of any information that would indicate that its suppliers were involved in or supported modern slavery within their manufacturing lines.

### **Future actions**

While the risk of Hearing Australia contributing to modern slavery is low, the organisation will continue to be vigilant and review and improve our practices to minimise this risk. This includes:

- reviewing the risk profile of key suppliers
- introducing a risk assessment when on boarding new suppliers
- updating our Procurement Policies and Procedures to include specific reference to our obligations under the Modern Slavery Act
- improving communication with our suppliers over their responsibilities to report any modern slavery concerns in their own operations, and
- increasing internal communications to ensure staff are aware of our modern slavery obligations.

This statement was approved by the Board of Hearing Australia.



Kim Terrell

Managing Director