



## **Annual Statement for 2020-21**

### **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 2021, pursuant to the Modern Slavery Act 2018 (Cth).

It is the second statement submitted by Hearing Australia in response to the Act and builds upon the initiatives contained in that initial statement. 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.

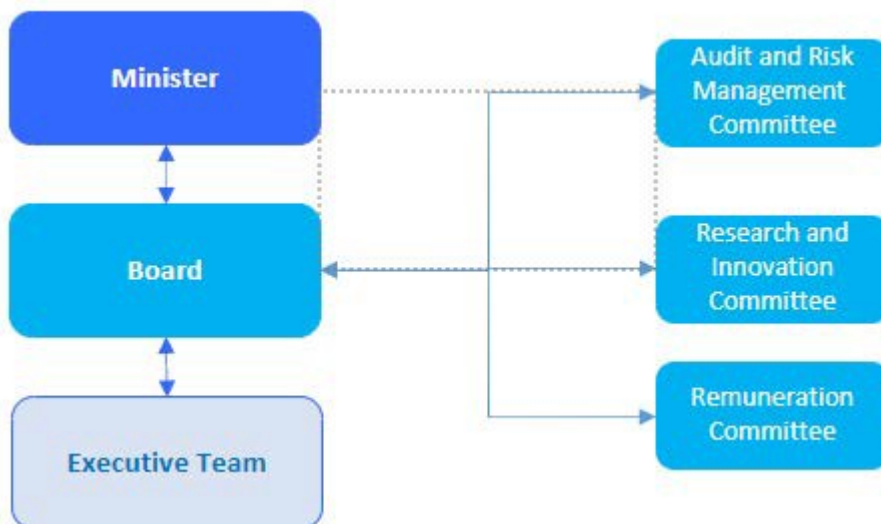
## Structure and Operations

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 2019-20.

## 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 is a stable one and varies little from year to year. 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 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 was assessed as low in our first statement and continues to be assessed as low for this second statement.

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.

Locally, 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 concentrate on mitigating them. This process is ongoing and remains a constant in our approach to combating modern slavery risks.

During 2020-21, Australian Hearing;

- Reviewed the published modern slavery statements of its major suppliers to confirm their approach and commitment to the elimination of modern slavery.
- Reviewed supplier annual reports to further confirm ethics statements and commitment to socially responsible policies including mitigating slavery risks
- Committed to the continuing education of the Procurement team on modern slavery risks including online toolkits, education, literature review, and webinars.
- Implemented an online reporting tool to identify adverse findings and sanctions against organisations and individuals. The solution accesses up to date information from over 1,300 enforcement agencies, 30,000 publications, court filings, company records and all global sanctions lists. The tool is used to screen all new suppliers and has also been used retroactively to check the status of existing suppliers.

### **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.

The online reporting tool is a very effective and relatively time efficient mechanism for assessing modern slavery risks. By utilising 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. No modern slavery breaches were identified thus confirming Hearing Australia's contention in our previous statement, that is unaware of any information that would indicate that its suppliers were involved 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 low risk, the organisation has improved its practices in relation to identifying and mitigating risk during this second reporting period and will continue to be vigilant and seek to improve practices and processes to minimise that risk.

- using the Risk Assessment online reporting tool to screen all new suppliers, existing major suppliers and smaller suppliers in industries identified as 'at risk'
- improving contract coverage amongst our supplier database to ensure a greater number of those suppliers are aware and bound by our modern slavery obligations
- improving communication with our suppliers over their responsibilities to report any modern slavery concerns in their own operations
- targeted questionnaires to key suppliers regarding their modern slavery 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