



**From:** Davidson, Bill  
**Sent:** Wednesday, 14 May 2014 10:02 AM  
**To:** All Staff (NATIONAL) list  
**Subject:** IMPORTANT: Budget Announcement  
**Importance:** High

Hi Team

The Government has decided to conduct a "scoping study" to determine whether or not to privatise Australian Hearing/NAL.

The studies will assess the likely sale environment for each business operation and seek to ascertain the optimal method and timing of sale.

As mentioned in previous communication, our clients may have questions about this. Please reassure them that for us, it is 'business as usual' in supporting their needs.

Media may still be interested in this story and if you receive any media enquiries regarding this please forward them ASAP to Annette Zalaikalns [annette.zalaikalns@hearing.com.au](mailto:annette.zalaikalns@hearing.com.au)

If you have any questions about this matter please contact one of our Directors: Gina Mavrias, Peter Gasparovic, Stephen Patterson or myself.

Thanks!

A handwritten signature in blue ink, appearing to read "Bill", with a horizontal line underneath.

**Bill Davidson**  
**Managing Director**

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**From:** Davidson, Bill  
**Sent:** Friday, 16 May 2014 4:13 PM  
**To:** All Staff (NATIONAL) list  
**Subject:** Government Scoping Exercise  
**Importance:** High

Hi everyone

A wee message to all our staff, their families, all our clients, their families, our business partners, and all our competitors.

Please let us consider the facts. Australian Hearing/National Acoustic Laboratories (AH/NAL) has been around for 67 years. We are the leading hearing support and services organisation in Australia. We are a growing business, earning good returns, with a powerful balance sheet, servicing in excess of 240,000 clients every year. And we intend to be around for another 67 years, improving the delivery of services to our clients, and building on the legacy of our past.

So why this message? On Tuesday 13 May 2014 the Government, as part of the Budget package, announced that it intended conducting a 'scoping study' into possible future scenarios for AH/NAL. This study will take some months, will then be considered by Government in the context of the 2015-16 Budget, and then decisions on our future will be announced. Until we have certainty on our future, and the timing of any possible changes, then it is 'business as usual' for us, our clients and the market. Indeed I remain hopeful that any future changes will increase our opportunity to grow our business and support even more clients. In particular those potential clients in the private market currently denied to us by legislation. So until such time as we have certainty and clarity let's get on with life as we know it. Some staff may be concerned by possible changes to their jobs, some clients may be concerned that Australian Hearing will cease to support them, and some competitors may well try attempt to use this time to unsettle or steal our clients. To our staff and our clients I say "do not be distracted and let's keep our relationship with AH/NAL strong". To our competitors I say "hands off our great clients on the basis of misinformation or innuendo!!"

I believe that we can, and should, only ACT ON FACT, and until we have the FACTS in front of us, simply keep on doing what we do best, service our clients, support each other, and grow our great organisation.

As always, please contact me with any concerns and responses.

Kind regards

Bill

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**Managing Director**

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# FEDERAL BUDGET ANNOUNCEMENT

## LET'S GET SOME MYTHS OUT OF THE WAY FIRST...

### THE GOVERNMENT WANTS TO SELL US BECAUSE OUR BUSINESS IS PERFORMING POORLY

This could not be further from the truth. Our business is robust, strong and performing very well. Some key performance snapshots are:

- Our profit this financial year is well ahead of budget.
- We are budgeting for our profit to continue to increase, year on year.
- We are growing. We have opened 8 new permanent sites this year and are planning to open 6 new hearing centres next financial year. No planned closures.

### THE PLAN IS TO NOW STOP INVESTING IN OUR BUSINESS TO FATTEN US UP FOR A SALE

This is simply incorrect. Our budgets for next financial year have already been finalised and reflect where we want to invest in our business in the year ahead. We will not be changing our budgets as a result of the Federal Budget and the Government has not asked us to do this.

### GIVEN THE SIZE OF THE BUDGET DEFICIT, THIS COULD BE A SPEEDY SALE AND WE COULD HAVE NEW OWNERS WITHIN A COUPLE OF MONTHS

The Federal Government will follow a proper process in deciding whether to proceed in privatising Australian Hearing:

- The first part of this process will be a scoping exercise to decide whether privatisation is feasible.
- Depending on the outcome of this review, the second part will be a structured sale process that ensures that the interests of all stakeholders (e.g. customers, employees and the Government) are looked after.
- These matters will take a significant time, over very many months.

### MANAGERS AND EXECUTIVES WILL PUT MAJOR DECISIONS ON HOLD UNTIL THE OUTCOME OF THE REVIEW

Australian Hearing's Executive team is committed to maintaining the growth of our business and setting a vision for the future. We will not be postponing or avoiding any business decisions.

Most importantly, it is every employee's choice as to how they respond to the Federal Government's announcement. The review will not impact on how our business is run. Every day, each of us will continue to have the opportunity to make a positive impact on our customers and each other and demonstrate just how much we care. We would like every employee within Australian Hearing to continue to make the right choice.

# FREQUENTLY ASKED QUESTIONS

## GENERAL

### WHAT IS A PRIVATISATION?

Currently, Australian Hearing is a Federal Government owned agency. Privatisation refers to Australian Hearing becoming a privately owned business. A number of businesses and agencies have been privatised in the past such as Qantas, the Commonwealth Bank and Telstra.

### IS AUSTRALIAN HEARING DEFINITELY BEING PRIVATISED?

The privatisation (or sale) of Australian Hearing was a recommendation coming out of the National Commission of Audit and the Government wants to conduct a review of this recommendation. There are a number of important matters the Government will need to consider before proceeding with privatisation including:

- Who will fulfil the CSO obligations going forward?
- How do we ensure no customers are disadvantaged?
- Whether Australian Hearing will be granted access to the private market?
- What structure is in the best interest of Government?

These factors will only be some of the many considered.

### WHAT IS A SCOPING EXERCISE?

The scoping exercise is the review the Government will be undertaking to assess whether it is feasible to proceed with the sale or privatisation of Australian Hearing. That is, the Government wants to identify the risks and benefits of doing so as well as the possible method and timing for the sale, should it proceed.

### THE OPPOSITION ARE TALKING ABOUT THE GOVERNMENT BREAKING PROMISES. WHAT IS OUR RESPONSE?

As a government agency, it is important that we recognise that it is the Federal Government's responsibility to make decisions about our ownership and structure going forward. What our senior management team will be doing is speaking with the Government to ensure they are aware of all of the important issues as part of their scoping. This will assist the Government to implement a robust review and reach the right decision, whether that is privatising Australian Hearing or deciding to maintain the current structure.

### I HAVE REALLY STRONG VIEWS ABOUT HOW OUR BUSINESS SHOULD BE RUN GOING FORWARD. AM I ALLOWED TO CONTACT THE GOVERNMENT?

Of course! The fact that you are an Australian Hearing employee does not prevent you from contacting your local Member of Parliament or the offices of relevant Ministers to share your thoughts. However, if you do this, we ask that you make it clear that you are doing this in your private capacity and not as a representative of Australian Hearing.

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## WHAT IS OUR COMMUNICATIONS PLAN TO ENSURE STAFF AND CLIENTS ARE KEPT UP TO DATE?

We are committed to ensuring that we are transparent with staff throughout this process and will continue to provide you with as much detail as we can. Bill Davidson and your manager will continue to provide you with updates throughout the coming months. We are in the process of developing a Q&A page on our intranet, and will post ongoing developments to this.

## THE MEDIA, REFERRAL NETWORKS & CUSTOMERS

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### AM I ALLOWED TO SPEAK WITH THE MEDIA?

We anticipate that there may be an increased media interest in Australian Hearing in the coming months, and journalists may contact local hearing centres for comment on the scoping process. A journalist may not identify themselves on a call so please be mindful of any caller or visitor who asks probing questions about the future of the business.

We want to prevent the situation where the media contacts individual employees and suggests that individual employee's perspectives represent the views of Australian Hearing as a whole. For this reason, please pass on any requests by the media ASAP to Annette Zalauskalns ([annette.zalauskalns@hearing.com.au](mailto:annette.zalauskalns@hearing.com.au)).

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### THE MEDIA HAVE CONTACTED ME. WHAT DETAILS DO I NEED TO COLLECT?

Please ask the journalist to provide you with the following details so you can forward them to Annette:

- The journalist's name.
- The organisation they work for.
- Their contact details.
- The type of information they would like us to provide.

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### AM I ALLOWED TO CONTINUE WITH LOCAL AREA MARKETING? SHOULD I STILL CONTACT THE MEDIA REGARDING LOCAL STORIES?

Yes, of course. We need to continue to focus on growing our business and would like you to continue with all of the marketing initiatives that you have already planned or would like to implement. This includes continuing to build and strengthen relationships with GPs, pharmacies etc. If you would like to engage your local media to cover a local event or campaign please contact your Marketing Business Partner for advice.

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### WHAT DO I SAY IF A LOCAL GP OR OTHER STAKEHOLDER ASKS ME ABOUT THE CHANGES?

The message for all local stakeholders is it is business as usual. There is no change to the service we offer our clients, and we want to continue to partner with local stakeholders to deliver hearing health care to your local community.

**CLIENTS ARE CONCERNED THEY SHOULD GET NEW AIDS NOW AS WE ARE BEING SOLD.  
HOW DO I RESPOND TO THIS?**

Clients do not need to be concerned. The Government is committed to ensuring hearing services continue to be available to clients and we will shortly be writing to each of our customers to confirm this.

**COMPETITORS ARE TELLING MY CLIENTS TO STOP GOING TO AUSTRALIAN HEARING.  
HOW DO I MANAGE THIS?**

It is unfortunate that some of our competitors may unfairly seek to take advantage of the Federal Government's announcement. We have a proactive communication plan in place that will reassure our customers that we will continue to provide them with the same excellent service we currently do. As part of this, we will be sending a letter to each of our clients to reassure them that we are here for the long run and will also have updates on our website and social media.

Ultimately, our most important resource in defending and growing our business is YOU!! If you and your teams continue to provide our customers with the excellent service you currently do, then none of our customers will want to leave for a competitor.

**PARENTS AND YOUNG ADULTS ARE CONCERNED ABOUT WHAT WILL HAPPEN TO THEM  
IF WE CLOSE. HOW CAN I REASSURE THEM?**

The best way to reassure them is that we will continue to provide services to them, we are not shutting down. The Federal Government will also determine how CSO obligations will be fulfilled going forward as part of their scoping review. Our current contract with Government extends until June 2015.

**CLIENTS WANT TO LOBBY ON OUR BEHALF. WHAT SHOULD I SAY TO THEM?**

As set out above, as an organisation, we should not seek to influence people's thoughts and perspectives on the Government's announcement. However, if people do want to share their positive or negative thoughts, they should contact their local Federal Member of Parliament.

## **MY PEOPLE**

**WHAT IS THE BEST WAY TO COMMUNICATE THESE CHANGES TO MY STAFF?**

You should first discuss the Government's announcement in a team meeting and these FAQs are intended to provide you with the answers to questions your team are likely to ask. After your team meeting, you should check in with your team members 'one on one' to see if they have any questions they did not want to raise in front of the rest of the team.

Most importantly, if a team member asks a question and you do not know the answer, that is OK. Your team does not expect you to know all of the answers and you should just explain that you will speak with your General Manager to obtain some clarity.

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I AM NERVOUS THAT MY STAFF MAY WANT TO LEAVE - HOW DO I REASSURE THEM THAT IT'S BUSINESS AS USUAL?

Our business is performing well and we are optimistic about our future. Our focus needs to remain on providing a good service to all our clients and growing the business. If staff understand this, they will feel reassured.

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THE MEDIA HAS SAID THAT 16,500 GOVERNMENT JOBS ARE BEING CUT. IS MY JOB AT RISK?

No. The Government announcements are related to public service jobs. The cuts do not apply to Australian Hearing because we are not part of the public service (even though we are government owned).

Most importantly, our budgets for next financial year have been finalised and they provide for a business that is entering a strong growth phase. We are budgeting to open six new hearing centres during the 2014 – 2015 financial year.

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MY TEAM OR I AM FINDING THIS STRESSFUL. WHAT RESOURCES ARE AVAILABLE TO SUPPORT ME?

It is OK to find an announcement of this nature to be unsettling or stressful. You are not alone in feeling the way you do. If you would like some further information in relation to the process or would like to share your concerns or feelings with someone, you can speak with your manager or General Manager. You can also contact our Employee Assistance Provider on 1800 337 068.